

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT
Morisem Palm Oil Mill Sdn Bhd
- Leepang POM & Estates Grouping
Lahad Datu, Sabah, Malaysia



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Assessment Report

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INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9308/16-4 IOI Corporation Berhad
Leepang POM & Estates Grouping: ASA-01 (2019)

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**ANNUAL SURVEILLANCE ASSESSMENT REPORT
ON RSPO CERTIFICATION**

PUBLIC SUMMARY REPORT

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Certificate No:

Original Start date:

New Start date:

Expiry date:

RSPO 930888

16 Dec 2013

16 Dec 2018

15 Dec 2023

Assessment Type

Re-Certification

Annual Surveillance Assessment (ASA-01)

Annual Surveillance Assessment (ASA-03)

Annual Surveillance Assessment (ASA-03)

Annual Surveillance Assessment (ASA-04)

Re-Certification

Assessment Dates

29 Oct - 2 Nov 2018

4 Oct 2019 (HQ), 7- 10 Oct 2019 (Sites)

Intertek Certification International Sdn Bhd

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1.0 SCOPE OF ASSESSMENT

1.1 Introduction

This Surveillance Assessment was conducted on **Morisem Palm Oil Mill Sdn Bhd (Leepang POM & Estates Grouping)** of IOI Corporation Berhad (hereafter abbreviated as IOI), from **7 – 10 Oct 2019**, to assess the organization's operation of the mill and its supply base for compliance against the RSPO Principles and Criteria (Apr 2013), Malaysian National Interpretation (MYNI 2014) and the RSPO Supply Chain Certification Standard (Jun 2017) for the Palm Oil Mill.

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

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

The Leepang Grouping consists of one (1) palm oil mill, namely Leepang Palm Oil Mill and seven (7) estates as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estates. The 7 estates are all IOI owned estates. The location maps are provided in **Appendix C**.

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

Name	Address	GPS Reference	
		Latitude	Longitude
Leepang POM (Capacity: 40 MT/hour)	Morisem Pam Oil Mill Sdn Bhd, (Leepang Palm Oil Mill), MDLD 5123, KM 3 Jalan Segama, Locked Bag No. 15, 91109 Lahad Datu, Sabah, Malaysia.	N 5°32.864'	E 118°26.216'
1 Morisem 5 Estate	MDLD 5123, KM 3 Jalan Segama, Locked Bag No. 15, 91109 Lahad Datu, Sabah, Malaysia.	N 5°30.525'	E 118°26.142'
2 Leepang 1 Estate	MDLD 5123, KM 3, Jalan Segama, Locked bag No. 15, 91109 Lahad Datu, Sabah.	N 5°33.954'	E 118°26.629'
3 Leepang 5 Estate	MDLD 5123, KM 3, Jalan Segama, Locked bag No. 15, 91109 Lahad Datu, Sabah.	N 5°32.778'	E 118°26.113'
4 Permodalan 1 Estate	MDLD 5123, KM 3, Jalan Segama, Locked bag No. 15, 91109 Lahad Datu, Sabah.	N 5°30.419'	E 118°27.909'
5 Permodalan 2 Estate	MDLD 5123, KM 3, Jalan Segama, Locked bag No. 15, 91109 Lahad Datu, Sabah.	N 5°30.467'	E 118°29.023'
6 Permodalan 3 Estate	MDLD 5123, KM 3, Jalan Segama, Locked bag No. 15, 91109 Lahad Datu, Sabah.	N 5°28.099'	E 118°28.847'
7 Permodalan 4 Estate	MDLD 5123, KM 3, Jalan Segama, Locked bag No. 15, 91109 Lahad Datu, Sabah.	N 5°26.943'	E 118°28.121'

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1.3 Description of supply base (fruit sources)

The supply base i.e. FFB sources to the POM at Leepang Grouping PMU are from the abovementioned 7 estates owned by IOI. Verification done on site during the assessment confirmed that there were no outgrowers / independent suppliers / smallholders involved in the supply of FFB to the said PMU.

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

Table 2: Estate Area Summary

Estate	Area Summary (ha) – Previous (Year 2018)		Area Summary (ha) – Current (Year 2019)	
	Certified Area	Planted Area	Certified Area	Planted Area
Morisem 5 Estate	1,889.00	1,535.00	1,889.00	1,535.00
Leepang 1 Estate	2,364.04	2,083.00	2,364.04	2,062.00
Leepang 5 Estate	1,690.67	1,461.00	1,690.67	1,459.00
Permodalan 1 Estate	2,253.82	2,108.00	2,253.82	2,108.00
Permodalan 2 Estate	2,141.52	1,974.00	2,141.52	1,974.00
Permodalan 3 Estate	2,150.31	2,043.00	2,150.31	2,043.00
Permodalan 4 Estate	2,063.75	1,945.00	2,063.75	1,939.00
Total:	14,553.11 (100%)	13,149 (90.44%)	14,553.11 (100%)	13,120(90.15%)

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. Potential risks and impacts to social, environmental and biodiversity issues such as proximity to neighbouring communities, forest reserves, hill sides, riparian zones and high conservation value areas were assessed during current audit.
2. There was a reduction of 29 ha (in the total Planted area) due to land re-survey done after replanting at the Estates.
3. Verified that there has been no New Planting conducted at the Estates.

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1.4 Summary of plantings and cycle

The 7 estates had been developed beginning from 1990 and replanting (2nd cycle) had started in 2006 onwards at the various estates. The age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm (Year 2019)

	Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total (ha) - Planted
1	Morisem 5 Estate	1993	1 st	297		1,535
		2013-2014	2 nd	786	452	
		2019				
			S-total	1,083	452	
2	Leepang 1 Estate	1995-2002	1 st	1,718		2,062
		2019	2 nd		344	
			S-total	1,718	344	
3	Leepang 5 Estate	1996	1 st	1,317		1,459
		2008	2 nd	142		
			S-total	1,459		
4	Permodalan 1 Estate	1995-1997	1 st	1,523		2,108
		2016	2 nd	331		
		2018	2 nd		254	
			S-total	1,854	254	
5	Permodalan 2 Estate	1996 - 1997	1 st	1,435		1,974
		2019	2 nd		539	
			S-total	1,435	539	
6	Permodalaan 3 Estate	1996-1997	1 st	1,555		2,043
		2006-2008	2 nd	488		
			S-total	2,043		
7	Permodalan 4 Estate	1996-1997	1 st	1,939		1939
			S-total			
			G-Total	11,531	1,589	13,120

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

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1.5 Summary of Land Use, Conservation and HCV Areas

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

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	Hectarage – Ha (Current year: 2018/2019)
1	Oil Palm - Planted Area (ha)	13,120
	OP Mature (Production)	11,531
	OP Immature (Non-Production)	1,589
	*OP Planted on Peat	104.98
	Other crop such as Rubber etc.	-
2	Conservation Area (ha)	
	Conservation (forested)	
	Conservation (non-forested)	96.21
	Note: Conservation areas such as unplanted steep / hilly and swampy areas, buffer zones, riparian areas etc.	
3	HCV Area (ha)	388.84
	Areas as defined under HCVF Toolkit for HCV 1- 6	

Note

- OP Planted at Peat areas were identified to be located at Leepang 5 and Morisem 5 Estate only.

1.6 Other certifications held and Use of RSPO Trademarks

Currently, the other certification held by IOI Leepang Grouping PMU is the ISCC certification which is valid.

The RSPO's trademarks and logo are not used by the PMU audited. Instructions for use were provided and acknowledged by the PMU through a signed Memorandum of commitment agreeing to adhere to the latest "RSPO Rules on Communications & Claims" during the assessment.

1.7 Organizational information / Contact Person

At Head Office:

Mr. NB Sudhakaran
Plantation Director
IOI Plantation Services Sdn Bhd
Level 27, IOI City Tower 2, Lebuhr IRC,
IOI Resort City, 62502 Putrajaya, Malaysia.
Tel: +603-8947 8888 (Ext: 8707)
Fax: +603-8947 8822
Email: sudha.nb@ioigroup.com

At Leepang Grouping - PMU:

Mr. Abdul Raup Bin Syamsuddin,
Plantation Controller, Leepang & Permodalan Group
IOI Plantation Services Sdn Bhd
MDLD 5123, KM 3 Jalan Segama,
Locked Bag No. 15,
91109 Lahad Datu, Sabah, Malaysia.

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Tel: 089 861861
Fax: 089 861862/863
Email: gmlpom1@gmail.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 at Leepang Grouping based on the actual tonnages is as in Table 5 below:

Table 5: Tonnages Verified
(Actual: Oct 18 – Sept 19)

#	Estate /Supplier	FFB Processed (MT)		Main Receiving Mill	Certified By
		Oct 18 – Dec 18	Jan 19 – Sept 19		
1.	Morisem 5 Estate	7,125.50	20,858.15	Leepang POM	Intertek
2.	Leepang 1 Estate	11,606.28	32,575.04	Leepang POM	Intertek
3.	Leepang 5 Estate	10,953.84	23,271.72	Leepang POM	Intertek
4.	Permodalan 1 Estate	9,597.59	26,700.91	Leepang POM	Intertek
5.	Permodalan 2 Estate	8,929.10	27,585.51	Leepang POM	Intertek
6.	Permodalan 3 Estate	15,250.86	33,064.63	Leepang POM	Intertek
7.	Permodalan 4 Estate	9,476.10	29,170.13	Leepang POM	Intertek
	Sub-total for PMU estates	72,939.27	193,226.09		
8.	Other IOI PMUs Estates:	0	0	-	-
9.	Outside Crop Producers (OCP):	0	0	-	-
	Grand total	72,939.27	193,226.09		

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

Table 6: Annual Tonnages of FFB

Estate / Supplier	Estimated FFB Processed (Jan 19 – Dec 19)		Actual FFB Processed				Projected FFB for processing (Jan 20 – Dec 20)	
			Oct 18 – Dec 18		Jan 19 – Sept 19			
	MT	%	MT	%	MT	%	MT	%
A. Grouping estates: (under certification)	282,050	100%	72,939.27	100%	193,226.09	100%	250,952	100%
External Suppliers - Non-certified	0	0	0	0	0	0	0	0
Total	282,050	100.0%	72,939.27	100%	193,226.09	100.0%	250,952	100.0%
SCCS Model for POM	IP		IP		IP		IP	

Note: The projected volumes for the next license period is expected to slight increase as the young palms progressively mature over the next 12 months.

Current - Palm Trace license period: 16 Dec 2018 – 15 Dec 2019

Next - Palm Trace license: 16 Dec 2019 – 15 Dec 2020

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1.8.3 The annual certified tonnages of CPO and PK production by the POM from the supply base / suppliers as verified during this current assessment are detailed as shown in Table 7 below:

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

POM	Estimated (Jan 19 – Dec 19)		Actual				Projected (Jan 20 – Dec 20)	
			Oct 18 – Dec 18		Jan 19 – Sept 19			
Total Certified FFB Processed (MT)	282,050	-	72,939.27	-	193,226.09	-	250,952.00	
Total Certified CPO Production (MT)	56,410	OER: 20.00%	14,000.75	OER: 19.20%	38,205.40	OER: 19.77%	58,289.00	OER: 23.22%
Total Certified PK Production (MT)	14,949	KER: 5.30%	4,047.42	KER: 5.55%	10,266.45	KER: 5.31%	14,927.00	KER: 5.95%

Note: New Palm Trace license: 16 Dec 2019 – 15 Dec 2020

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

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1.9 Time Bound Plan and Multiple Management Units

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

To date IOI Group manages a total of 19 Management Units which comprise 15 palm oil mills and over 90 oil palm estates throughout Malaysia and Indonesia. Currently, 14 of its MMUs have been certified with another 5 managed units still 'un-certified' which are noted to be undergoing various stages of preparations for certification.

IOI Group had reviewed their Time Bound Plan (TBP) from time to time with progressive declarations on new acquisitions of land for oil palm plantations since 2009. Complaints and operational issues at units located at Sarawak, Malaysia and Kalimantan, Indonesia were being addressed and updated in the Group's Time Bound Plan.

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

On overall, IOI Group had progressively implemented their TBP and its commitment to complete RSPO certifications on all its 'non-certified' units, presently targeted by year 2023.

Verification of requirements for Uncertified Management Units:

RSPO CS (2017) Clause 4.5.4		
(a) No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. Any new plantings since January 1st, 2010 shall comply with the RSPO New Planting Procedure (NPP) . For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;		
Requirements	Findings and Objective Evidence	Compliance
(a) • Is there any replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3	Updates on the RSPO CP Complaints case tracking was referred to on issues related to this on IOI's uncertified units prior to and during the audit. Verified that incidences of HCV clearance that were reported at the IOI's 3 uncertified units at Kalimantan, Indonesia namely PT BSS, PT SKS and PT BNS since year 2010 is being resolved as per the RSPO NPP and RSPO CP Complaints processes. Another 1 unit namely PT KPAM at Kalimantan, had undergone the NPP public consultation and HCSA was approved in April 2018. Currently, the plantation is under development and pending issuance of Local Government HGU. Reports on the NPP progress made to resolve the issues at the said units were checked and monitored till latest update made available on: Refer to Weblink: https://askrspo.force.com/Complaint/s/case/50090000028Erz8AAC/detail Monitoring details and updates are verified. Refer to: Appendix D . As at this current assessment, there has been no other incidences of any replacement of primary forest at any other area under the IOI group.	Complied
• Is there any new plantings since January 1st 2010 and did the new plantings comply with the	The new plantings since 1 Jan 2010 at were reported as per the IOI submitted TBP (updated in Mar 2019). Refer to: Appendix D .	Complied

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<p>RSPO New Planting Procedure (NPP)</p>	<p>Based on sources of publicly available at RSPO and IOI websites, and feedback from stakeholder consultations, it is verified that the 4 uncertified units identified (where new plantings occurred) have been making progress to comply with the RSPO NPP (2015).</p> <p>Verified that progress on actions taken include the following:</p> <p>In July 2018, IOI had introduced new Peatland Protection and Management Policy which detailed their effort towards protection, conservation and management of peatlands.</p> <p>In August 2018, IOI and NGO-Aidenvironment, had finalised the design of the South Ketapang Landscape Initiative. The initiative addresses the most common and critical challenges facing the South Ketapang landscape such as peatland management and rehabilitation, biodiversity conservation, flood and fire prevention, and community livelihood development.</p> <p>Sustainability Progress Update: https://www.ioigroup.com/</p> <p>https://www.ioigroup.com/Content/MEDIA/NewsroomDetails?intNewsID=936</p> <p>https://www.ioigroup.com/Content/S/pdf/QSU%202018%20Q4.pdf</p> <p>As at this current assessment, there has been no recent new or additional new plantings by the IOI group.</p>	
<ul style="list-style-type: none"> Was the new planting development verified by an RSPO accredited CB; 	<p>At the 4 uncertified units at Kalimantan undergoing the NPP process, the status of appointment are as follows: At PT SKS, PT BNS and PT BSS the accredited CB-BSI, Indonesia was appointed by IOI group.</p> <p>The progress of the NPP process for said units were closely monitored by the RSPO Complaints Panel (CP). It is noted that IOI had engaged HCV experts and NGOs such as from Proforest, Aidenvironment and Global Environmental Centre for the field verifications of action plans made.</p> <p>Recommendations by the RSPO CP via letter of 12 July 2018 supports the IOI's Group commitment and efforts to move towards full certification of the said units.</p> <p>As at 26 Sept 2018, further progress on above is transferred from RSPO CP to the RSPO Investigation and Monitoring unit (IMU).</p> <p>The RSPO Complaints Panel (CP) officially closed the complaint case on IOI's plantation subsidiary companies (PT SNA Group) in Ketapang, Indonesia on 12 October 2018.</p> <p>Verified in the 2nd quarterly update (Mar 2019), action plans on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigate and Monitoring Unit in Feb 2019.</p> <p>Updated progress on said issue was accessed via link below;</p>	<p>Complied</p>

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	<p>(a) <u>RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS</u></p> <p>(b) <u>RSPO Case Tracker – PT BSS, PT SKS & PT. BNS Status of Complaints</u></p> <p>As part of the RSPO audit preparation, CB-BSI was engaged to conduct the gap assessment in Sept 2018. A report on the gap assessment was made available in Jan 2019.</p> <p>Refer to: Appendix D.</p>	
<p>(b) Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6;</p>		
<p>(b)</p> <ul style="list-style-type: none"> Are there any existing Land conflicts and is it being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6; 	<p>Updates on the RSPO CP Complaints case tracking was referred to on issues related to this on IOI's uncertified units prior to and during the audit.</p> <p>Verified that incidence the Land conflict reported at the IOI's uncertified unit i.e. IOI Pelita Plantations Sdn Bhd at Miri, Sarawak, East Malaysia (complainant: Long Teran Kanan community) since year 2010 has been progressively undergoing the RSPO Dispute Settlement process.</p> <p>Verified that progress made todate includes: On 12 September 2018, IOI published an update on facilitation and capacity building for the benefit of community leaders which was attended by local NGOs and the Lead Facilitator, Dr. Ramy Bulan.</p> <p>As of 31 Dec 2018, 8 of 9 communities have given their consent for the Resolution process to move forward. The remaining 1 community had requested for more time to seek advice from their leaders prior to their endorsement on the draft Resolution Plan.</p> <p>As at 7 Mar 2019, IOI had received consent from the last community, Long Teran Batu. Subsequently, the company proceeded with the Stage I of the Resolution Plan, Community Capacity Building. Noted that on 19 Mar 2019, a workshop was conducted by CICOM (coalition of local NGOs called CICOM) with the community leaders with visits made to the community longhouses CICOM on 27-31 Mar 2019.</p> <p>Updated progress of above was access through the link below;</p> <p>(a) <u>IOI Pelita Land Dispute</u></p> <p>(b) <u>IOI Pelita Land Dispute Resolution Process</u></p> <p>(c) <u>RSPO Case Tracker – IOI Pelita Status of Complaints</u></p> <p>(d) <u>IOI Pelita Land Dispute Chronology</u></p> <p>Verified that the Stakeholder engagements done with the said communities and NGOs involved are showing positive progress towards a final resolution.</p>	<p>Complied</p>

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(c) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;		
(c)	<ul style="list-style-type: none"> Are there any existing Labour disputes and is it being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3; 	<p>As at this current assessment, under the IOI group, there has been no further known or existing Labour disputes at the uncertified units which are not being resolved in a mutually agreed process in accordance with RSPO P&C criterion 6.3.</p> <p align="right">Complied</p>
(d) Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;		
(d)	<ul style="list-style-type: none"> Are there any Legal non-compliance and is it being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1; 	<p>It is noted that IOI group is aware of the Legal compliances needed at the uncertified units and actions has been active taken in stages to address and fully comply with requirements of the related laws and regulations at the uncertified units at Kalimantan, Indonesia. The progress made on above will be further evaluated in the next audit.</p> <p align="right">Complied</p>
	<ul style="list-style-type: none"> Has the organisation conducted an Internal Audit on the above (a) to (d)? Has the evidence been submitted for verification? 	<p>Internal audit progress report till latest in 2019, had covered the requirements, conducted by the HQ-Sustainable Palm Oil (SPO) Dept. The report was available and submitted for verification.</p> <p>Verified that IOI Sustainability reports were available as further evidence for verification.</p> <p>This was verified via:</p> <ol style="list-style-type: none"> IOI Sustainability Implementation Plan (i2019) and Sustainability Progress report as made available at IOI web site for Apr- Oct 2019: https://www.ioigroup.com/ <p align="right">Complied</p>
	<ul style="list-style-type: none"> Has a positive assurance statement been produced based on the internal audit and other supporting assessments results? 	<p>Overall positive assurance statement is made at the conclusion of the Internal audit and Management reviews held at IOI HQ at Putrajaya and verified during Auditor site visit at the IOI HQ prior on-site audit at PMU.</p> <p>This was also verified via:</p> <ol style="list-style-type: none"> IOI Sustainability Implementation Plans Sustainability Progress reports made available <p>Intertek had also verified via the RSPO RACP Case tracker, updated till Apr- Sept 2019, there are no units under IOI Group with RACP issues.</p> <p align="right">Complied</p>
(e)	Are the evidences provided in 4.5.4 (a)-(d) adequate?	<p>Verified that supporting evidences were adequately provided. Refer to findings on (a) to (d) above.</p> <p align="right">Complied</p>
(f)	Are the evidences provided in support of the Positive Assurance statement adequate?	<p>Verified that evidences were adequately provided in support of the positive assurance statement made by the IOI Group were available at the HQ and as per IOI website – Public announcements.</p> <p align="right">Complied</p>
(g)	Has the targeted stakeholder consultation, including consultation with the relevant NGO's carried out revealed any negative feedback?	<p>Targeted stakeholder consultations done via emails conducted has not revealed any new negative feedback.</p> <p align="right">Complied</p>

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(h) Has desktop study e.g. web check done revealed complaints which were not addressed?	Desktop study conducted did not reveal any new negative feedback. Progress on past complaints validated by RSPO CP is being progressively resolved. Refer to Appendix D.	Complied
(i) Is further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements at the uncertified units, needed to done?	Further stakeholder consultation was done on the uncertified units with IOI HQ and responses to NGOs/Complainants were available and evaluated. The progress of monitoring done and information publicly available on the existing issues on the said units are verified to be adequate. Based on above evaluations made under part (a) to (h), no further stakeholder consultation or field inspection is considered necessary at the said uncertified units at present.	Complied
(j) • Is there any non-compliance against a major indicator in the non-certified management unit identified? • Is the identified major NC being actively addressed? • Can the current assessment proceed to a successful conclusion?	Based on above findings made under part (a) to (j), at the said uncertified units, the existing issues were noted to be actively addressed with progress reports available. Thus, it is verified that the current assessment at this PMU can be proceeded and certification can be successfully concluded after effective closure of findings at the PMU.	Complied
(k) Is there failure to address any outstanding non-compliances within uncertified unit(s) regarding 4.5.4 (a) – (d) which may lead to certificate suspension(s) to the certified unit(s)?	As at the time of the current assessment at this PMU, There is no evidence to suggest such failure at the uncertified units which may affect the certification of this PMU unit. Justification as received and evaluated were as follows: 1) RSPO - Dispute Settlement Facility (DSF) consultation and process for handling dispute has been adhered. 2) Active engagement with Stakeholders has been carried out Progress is monitored and reported 3) NPP and concession land legality issues are being actively resolved as per RSPO NPP process. 4) Under the RSPO RACP Case tracker, updated till Apr-Sept 2019, there are no units under IOI Group with RACP issues.	Complied

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

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

The publicly available updates of announcements on the progress of formal complaints as documented by RSPO and responses made by IOI Group are continually reviewed by Intertek to ensure that all issues as formally lodged and recorded against the IOI Group units has adhered to the RSPO dispute resolution processes. Updates of progress made have been duly considered, evaluated and risk assessed by Intertek, prior to conducting the continued certification assessment IOI units including this current unit.

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1.10 Abbreviations Used

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

2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 15 Aug 2019, Intertek has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on the Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 7 to 10 Oct 2019, the Assessment Team of Intertek conducted the current assessment in which 4 out of the 7 estates of Leepang Grouping, namely Leepang 1, Leepang 5, Permodalan 1, Permodalan 3 Estates as well as the Palm Oil Mill were assessed for compliance against the RSPO requirements.

The number of estates sampled was based on the sampling methodology provided under the RSPO Certifications Systems for Principles & Criteria (Jun 2017) i.e. minimum sample of x estates = $(0.8\sqrt{y}) \times z$, where y is the number of estates and z is the multiplier as defined by the risk assessment. The z multiplier value was determined as High Risk ($z = 1.4$) for this PMU considering the geographical location and distance of the estates, complexity of the labour force, landscape setting and presence of HCV or peat, complexity of supply sheds, number of communities and known conflicts, legality etc. Additionally, the estates selection was made based on their potential risks on environmental sensitive issues such as their proximity to forest reserves, hill sides, riparian zones and HCV areas.

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

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

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

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

Details of the findings and actions taken are provided in **Section 3.2 of this report**.

2.2 Date of next scheduled visit

The next scheduled visit will be the Annual Surveillance Assessment to be carried out within a 12-month period prior to the annual certificate anniversary expiry date.

2.3 Qualifications of the Lead Assessor and Assessment Team

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

2.4 Certification Body

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

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2.5 Process of stakeholder consultation

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

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

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

Among the list of key stakeholders consulted was the following:

Government Agencies (by emails)

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

Statutory Bodies (by emails)

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

NGOs and others (by emails)

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

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

Local community (On-site interviews)

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

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3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

Criterion 1.1		
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
Indicators	Findings and Objective Evidence	Compliance
<p>1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>Minor Compliance</p>	<p>The PMU has established and implemented documented procedures (Stakeholder Request – Corporate Level, Stakeholder Request – POM Level, Stakeholder Request – Estate Level) for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>Refer to section 1.9 on Evaluation on Multiple Management Units and status of progress made on Complaints and related public issues.</p> <p>As at the time of assessment, there were no additional requests for information from stakeholders for this PMU.</p>	Complied
<p>1.1.2 Records of requests for information and responses shall be maintained.</p> <p>Major Compliance</p>	<p>The PMU had established and maintained an updated site-specific list of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, etc.</p> <p>The POM and estates conducted a joint external stakeholders' consultation accordingly.</p> <p>The POM and estates had conducted their respective internal stakeholders' consultations accordingly.</p> <p>Records of participants and feedback given were maintained and appropriate follow up actions were taken.</p>	Complied
Criterion 1.2		
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
Indicators	Findings and Objective Evidence	Compliance
<p>1.2.1 Management documents that are made available to the public shall include, but are not necessarily limited to:</p> <p>Major Compliance</p>	<p>Management documents relating to environmental, social and legal issues were verified to be maintained and available to the public (notices and websites) and updated by IOI, HQ.</p> <p>On 08 Aug 2016, IOI published a revised Group Sustainable Palm Oil Policy (SPOP) alongside a detailed Sustainability Implementation Plan (SIP) in consultation with a wide range of their stakeholders, both customers and civil society. IOI further revised its Sustainable Palm Oil Policy (SPOP) and this was uploaded in the company website on 12 Jun 2017. (http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845).</p> <p>The following types of mandatory documents are available to the public upon request:</p> <ul style="list-style-type: none"> • land titles/user rights, • occupational health and safety plan, • plans and impact assessments relating to environment and social impacts, 	Complied

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	<ul style="list-style-type: none"> • pollution prevention plans, • details of complaints & grievances, • negotiation procedures • continuous improvement plan • Public summary of certification assessment report. • Human Rights Policy. <p>These publicly available documents include key indicators of performance like waste management and disposal plans for the mill and estates.</p> <p>Continual Improvement Action Plans had included approved budgets for social, environmental improvements and crop productivity.</p>	
<ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); 	<p>Copies of all land titles were available and have been maintained at the POM and Estates. HQ kept the original copies.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); 	<p>Safety Policy and HIRARC documented were reviewed for the POM and estates in Jan- Feb 2019.</p> <p>Occupational Safety and Health Plans have been established and documented for the POM and estates.</p> <p>Annual review was conducted by the Group Safety & Environmental Manager (Sabah region) together with the respective Safety Officers for POM and estates.</p> <p>The OSH Programme 2019 include the following:</p> <ul style="list-style-type: none"> • Safety & Health Committee meetings 4x/year, • Annual medical surveillance, • Accident Reporting & Investigation, • Workplace inspection, • CHRA assessment, • Air compressors annual inspection, • Warning signs, • Chemical Register, • SOP for safe work, • PPE usage, • MSDS/CSDS, • JKPP 8 reporting of accidents annually, • Emergency Response Plan (ERP), • Emergency drills, • Inspections (line site, fire extinguisher, first aid box, chemical store, ELCB, PPE checklist, Vehicle daily inspection, gen set maintenance, ramp inspection, bridge and tanks inspection), • Monthly KPI Report on HSE performance, • Monthly Safety inspection & audit by Safety Officer, 	<p>Complied</p>
<ul style="list-style-type: none"> • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); 	<p>Environmental aspect and impact assessment (EIA) conducted for the POM and estates were annually reviewed.</p> <p>The Environmental Compliance Reports (done every 4 months by the PMU EIA Consultant) for Pollution Monitoring and Mitigation for Replanting are available. Management Plan and Continual Improvement Plan documented and implemented.</p> <p>Social Impact Assessment carried out. Positive and negative impacts identified. Action plans were documented and implemented.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • HCV documentation (Criteria 5.2 and 7.3); 	<p>The Internal "HCV and Conservation Areas" Assessments for POM and estates audited were conducted and reviewed in accordingly. Management plans for HCV and Conservation areas were updated. The Management Action Plans were</p>	<p>Complied</p>

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	monitored and progressively implemented at the respective estates.	
• Pollution prevention and reduction plans (Criterion 5.6);	Pollution Prevention Management Plans were reviewed accordingly. Action items include mitigation measures for pollution control (smoke emission, POME / effluent discharge), pesticides reduction, scheduled wastes (chemicals, hydraulic oil, filters, obsolete electrical and electronic equipment) and domestic wastes disposal, reuse and recycling (scrap iron, paper, plastic and glass).	Complied
• Details of complaints and grievances (Criterion 6.3);	The mill and respective estates had maintained the Complaints and Grievances Logbook. Logbook entries were examined and verified to be in order. Employees Consultative Council (ECC), GCC & OSH representatives interviewed had confirmed that there were significant negative issues at the PMU. Refer to Appendix D – Progress and Summary of RSPO Complaints Panel Decisions and RSPO Case Tracking on IOI Group issues.	Complied
• Negotiation procedures (Criterion 6.4);	Presently, there is no new conflict/dispute requiring negotiation on compensation at this PMU. Negotiation procedure and flowchart were available. The status on the ongoing negotiations on land issues against IOI Group plantations in Sarawak and Kalimantan are accessible via website link: http://www.rspo.org/members/status-of-complaints Refer also to details in Section 1.9: Timebound Plan and Appendix D.	Complied
• Continual improvement plans (Criterion 8.1);	Continual Improvements Plans in key operations for the mill and estates have been identified, documented and implemented.	Complied
• Public summary of certification assessment report;	Public summary of certification assessment reports were available from the company upon request.	Complied
• Human Rights Policy (Criterion 6.13).	The Human Rights Policy was documented and incorporated as part of the Sustainability Palm Oil Policy which was revised on 12 Jun 2017. The said policy was further revised in Oct 2017 - refer to: 31 Oct 2017: IOI Group Revised Policies on Human Rights at Workplace. http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=856 Copies of the policy found to be displayed at prominent locations in the POM and estates. Briefing and communication to all levels of the workforce, both administrative and operations departments were provided.	Complied
Criterion 1.3		
Growers and millers commit to ethical conduct in all business operations and transactions.		
Indicators	Findings and Objective Evidence	Compliance
1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	IOI Group has a documented policy “Code of Business Conduct and Ethics” signed by the CEO and Head of Sustainability (Malaysia/Indonesia) on 11 May 2015. The following are included: - Diversity and Respect in the workplace, - Equal Opportunity Employment, - Protecting the Environment, - Safety, Health and Security at Work, - Managing Documents,	Complied

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	<ul style="list-style-type: none"> - Intellectual Property and Information, - Management and Security in our Computing Environment, - Data Privacy - Employee Privacy in the Communication and Computing Environment - Gifts, Benefits or Entertainment, - Bribes and Kickbacks, - Employment of Family Members and Relatives. <p>Copies of the policy found to be displayed at prominent locations in the POM and estates.</p> <p>Refer also to: IOI Group – Sustainability Progress Update Report (Jan-Sept 2019) http://www.ioigroup.com/</p> <p>Briefing and communication to all levels of the workforce, both administrative and operations departments were provided and verified to be recorded and understanding by personnel was confirmed via interviews done at POM & estates during current assessment.</p>	
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Principle 2: Compliance with applicable laws and regulations

Criterion 2.1		
There is compliance with all applicable local, national and ratified international laws and regulations.		
Indicators	Findings and Objective Evidence	Compliance
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available.</p> <p>Major Compliance</p>	<p>Legal register covering the applicable local and international laws and regulations are available at Leepang Palm Oil Mill certification unit.</p> <p>Leepang POM and its supply base has obtained and renewed license and permits as required by the law.</p> <p>Amongst the sampled licenses or permit viewed in the mill and estates were as following:</p> <p><u>Leepang POM</u></p> <ol style="list-style-type: none"> 1. CF for machineries: PMD 10352 (Valid until 24/1/2020), PMT 90014 (valid until 24/1/2020), SB PMT 50 (valid until 5/3/2020) 2. MPOB license 500239004000 dated 01/09/2019 until 31/08/2020 for total of 384000 mt FFB. 3. DOE License/Jadual Pematuhan: 004516 (validity period 01/07/2019 - 30/06/2020) for 40Mt/hr and method of POME discharge 100% through land irrigation (BOD limit <20ppm) 4. Permit for overtime by JTK: 600-1/2/8/320(08/KBN/2018-025) valid until 19/02/2020 (maximum 120 hrs/mth) 5. Permit for night shift (women): 600-1/2/8/320(05/KBN/2018-024) valid until 19/02/2020 6. Permit for salary deduction: 600-1/2/13/320(11/KBN/2018-045) valid until 13/3/2020. 7. Energy commission license serial #2019/00095, for 1400 kW valid until 9/1/2020. 8. Diesel license ref #Q00074(LDT) for 38,000 liter, valid until 14/5/2020. 9. Fire certificate: 309386297472 valid until 16/6/2020 	Complied

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	<p>10. Weighbridge calibration record: B1465115 dated 4/7/2019.</p> <p>Competence persons:</p> <ol style="list-style-type: none"> 1. AGT: NW-NSDK-AGT-0104-M valid until 18/7/2020 2. AESP: NW-NSDK-AE-0511-N valid until 19/12/2019 3. Steam engineer: 010/2008 (1st grade) and 102/2013 (2nd grade) 4. Boilerman: SB/14/EIS/01/11 (grade 1) 5. Boilerman: SB/15/EIS/02/64 (grade 2) and H/ED/02/09 (grade 2) 6. ICE: H/ED/06/09 (grade 2) 7. FFB Grader serial no: MPOB-KKMBS-SA3-48-2018. 8. Electrical charge man: A1, PJ-T-2-B-0776-2013. 9. Electrical charge man: A4, PJ-T-4-B-0234-2014. 10. CePSWaM- certificate of competency CePSWaM/196097 valid until 4/2/2020 11. CePPOME – certificate of competency: CePPOME/16015 valid until 1/6/2017, in progress to submit FTR for renewal of competency. <p><u>Leepang 1 Estate</u></p> <ol style="list-style-type: none"> 1. MPOB license 502977802000 valid until 30/11/2019 for 5479 ha (combine with Leepang 5 Estate) 2. MPOB license for nursery 617778011000 valid until 30/11/2019 2. CF for air receiver #SB PMT 13178, valid until 11/12/2019 3. Permit for diesel #Q00045(LDT) for 18,000 Litre, valid until 24/4/2020 <p><u>Leepang 5 Estate</u></p> <ol style="list-style-type: none"> 1. MPOB license 502977802000 valid until 30/11/2019 for 5479 ha 2. CF for air receiver #SB PMT 12166, valid until 11/12/2019 3. Permit for diesel #Q00060(LDT) for 18,000 Litre, valid until 25/4/2020 <p><u>Permodalan 1 Estate</u></p> <ol style="list-style-type: none"> 1. MPOB license 503004102000 valid until 29/2/2020 for 8125 ha (share with P2E, P3E and P4E) 2. CF for air receiver #SB PMT 10622, valid until 11/12/2019 3. CF for air receiver #SB PMT 80648, valid until 24/06/2020 4. Permit for diesel #Q00086(LDT) for 18,000 Litre, valid until 14/5/2020 5. Energy commission license #2019/01072 valid until 26/4/2020 <p><u>Permodalan 3 Estate</u></p> <ol style="list-style-type: none"> 1. CF for air receiver #SB PMT 80647, valid until 24/6/2020 3. CF for air receiver #SB PMT 13174, valid until 11/12/2019 4. Permit for diesel #Q00083(LDT) for 21,000 Litre, valid until 14/5/2020 5. Energy commission license #2019/01184 valid until 5/6/2020 6. Energy commission license #2019/03424 valid until 11/11/2019 	
2.1.2	The documented system for identifying, determining, reviewing and updating applicable legal and other requirements has been satisfactorily implemented.	Complied

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<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>Minor Compliance</p>	<p>Listing of laws and regulations monitored for changes included the Sabah Labour Ordinance (Chapter 67), regulations and circulars received from bodies such as DOE (Department of Environment) and DOSH (Department of Occupational Safety and Health), DID (Dept. of Irrigation and Drainage), Forestry Dept. and Wildlife Dept. were maintained. Legal Requirements Registers were reviewed on 17/09/2019.</p>	
<p>2.1.3 A mechanism for ensuring compliance shall be implemented.</p> <p>Minor Compliance</p>	<p>The mechanism for ensuring compliance was done through monitoring list of license/permits (updated on 18/3/2019 for LPOM, 17/8/2019 for L5E, 25/9/2019 for L1E, 28/9/2019 for P1E and 1/10/2019 for P3E) and internal audit by Sustainability Team which was done on 8/3/2019 (L5E, 14/3/2019 (LPOM), and 15/4/2019 (P1E, P3E and L1E).</p> <p>The status of findings raised during internal audit were discuss accordingly during Management Review Meeting which were conducted on 16/4/2019. The meeting was chaired by Plantation Controller, Leepang Grouping.</p>	
<p>2.1.4 A system for tracking any changes in the law shall be implemented.</p> <p>Minor Compliance</p>	<p>Tracking of changes in the relevant laws are communicated and received from the IOI Group HQ. The PMU subsequently ensured that the changes were adequately updated. Based on the site observations, interviews and records updated, the system used is appropriate to the operations at the PMU.</p>	Complied
<p>Criterion 2.2 The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available.</p> <p>Major Compliance</p>	<p>Copies of the land titles of all estates were maintained and noted to be legally owned by the IOI Group.</p> <p>The original copies are maintained by the Corporate Head office in Putrajaya. The legal use of the land confirmed to be for cultivation of oil palms and agricultural use.</p> <p>There were no recorded or known disputes over the ownership of the land. No changes to the land ownership or new land acquisition since the last assessment.</p> <p>Sampled land titles as follow:</p> <ol style="list-style-type: none"> 1. The land title for Leepang 5 Estate were sighted which was under Pine Capital Sdn Bhd-subsiary of IOI. Total 193 titles for L5E (including LPOM). eg: CL095322900 (1,508 Ha), NT093061566 (5.23 Ha) 2. The land title for Leepang 1 Estate were sighted which was under Pine Capital Sdn Bhd-subsiary of IOI. Total 123 titles for L1E. eg: NT093033268 (5.49 Ha), CL095324235 (16.25 Ha) 3. The land title for Permodalan 1 Estate were sighted which was under Permodalan Plantations Sdn Bhd-subsiary of IOI. There was 1 land title for Permodalan Plantation Sdn Bhd which shared with P1E, P2E, P3E and P4E. The copy of land title was sighted. eg: CL075374588 (20,000 acres) 4. The land title for Permodalan 3 Estate were sighted which was under Permodalan Plantation Sdn Bhd-subsiary of IOI. Total 88 titles for P3E. eg: CL095334320 (20.13 ha) and NT093128075 (2.215ha) 	Complied

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<p>2.2.2 There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance</p>	<p>It was verified that there has been no change to the stated land titles and designated use for cultivation of oil palm and agricultural use. Locations of several boundary stones and pole markers were visited and verified to be within the boundary perimeter of the POM and estates. On-site verification confirmed that there has been no planting beyond the legal demarcated boundary areas of the mill and estates.</p>	<p>Complied</p>
<p>2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). Minor Compliance</p>	<p>There has been no dispute on the land rights in this PMU. As such, the process of fair compensation and FPIC is currently not required to be applied.</p>	<p>Complied</p>
<p>2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. Major Compliance</p>	<p>There were no land conflicts in this PMU.</p>	<p>Not applicable</p>
<p>2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable). Minor Compliance</p>	<p>No land disputes in this PMU. As such the process of participatory mapping is not applicable for verification of implementation.</p>	<p>Not applicable</p>
<p>2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance</p>	<p>No evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p>	<p>Not applicable</p>
<p>Criterion 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>2.3.1 Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). Major Compliance</p>	<p>Appropriate landscape maps with latitude & longitudes showing the legal boundary and neighbouring / surrounding areas of the POM and Estates were available and maintained. The lands at the PMU are legally owned or leased by IOI and no other users were identified in the land area. The existing estates are not encumbered by any customary land rights and therefore the process of participatory mapping is not required.</p>	<p>Complied</p>
<p>2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and</p>	<p>The lands were acquired in 1980's from private plantation owners. Records are available to show such land acquisition comply with legal requirements and does not infringe on any legal rights that require free, prior and informed consent (FPIC).</p>	<p>Complied</p>

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<p>discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>Minor Compliance</p>		
<p>2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>Minor Compliance</p>	<p>No cases of land claims in this PMU. As such this process is not applicable for verification.</p>	<p>Not applicable</p>
<p>2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>Major Compliance</p>	<p>This process is not applicable during current assessment.</p>	<p>Not applicable</p>

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

<p>Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>Major Compliance</p>	<p>Business Plans for 5 years (FY 2018/2019 to FY 2022/2023) for the PMU have been prepared by the Palm Oil Mill and estates. The said plans were reviewed in June 2019 for FY 2019/2020. Details of the Business Plans include the following:</p> <ol style="list-style-type: none"> 1) Staff and Labour requirements; 2) Crop projection; FFB yield/ha trends; 3) Mill extraction rates; OER trends; 4) Cost of Production; Cost/mt FFB trends; 5) Cost of Production; Cost/MT CPO trends; 6) Financial indicators covering cost of labour, supervision, maintenance, depreciation, etc.); 7) Provisions for sustainability efforts and improvement programmes (environmental, social, Occupational Safety & Health, training, etc.). <p>The Mill and Estate Managers monitor the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.)</p> <p>There is evidence of monitoring of costs against budget to achieve specified targets.</p>	<p>Complied</p>

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	<p>Performances are discussed in the monthly meetings held at the PMU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit.</p> <p>Monthly, quarterly, half-yearly and yearly reports are submitted to the Regional GM of Lahad Datu.</p>																																																
<p>3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. Minor Compliance</p>	<p>Annual replanting program had been prepared up to 2028/2029 for the estates. A replanting cycle of 25 years has been adopted by the Group. The replanting areas (ha) at the estates audited are as follows:</p> <p>Long range replanting program from FY19/20 until 23/24 was established.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Year</th> <th>Ha.</th> </tr> </thead> <tbody> <tr> <td rowspan="5">L5E</td> <td>19/20</td> <td>249 ha</td> </tr> <tr> <td>20/21</td> <td>326 ha</td> </tr> <tr> <td>21/22</td> <td>120 ha</td> </tr> <tr> <td>22/23</td> <td>162 ha</td> </tr> <tr> <td>23/24</td> <td>191 ha</td> </tr> <tr> <td rowspan="5">L1E</td> <td>19/20</td> <td>315 ha</td> </tr> <tr> <td>20/21</td> <td>332 ha</td> </tr> <tr> <td>21/22</td> <td>361 ha</td> </tr> <tr> <td>22/23</td> <td>275 ha</td> </tr> <tr> <td>23/24</td> <td>361 ha</td> </tr> <tr> <td rowspan="5">P1E</td> <td>19/20</td> <td>318 ha</td> </tr> <tr> <td>20/21</td> <td>393 ha</td> </tr> <tr> <td>21/22</td> <td>213 ha</td> </tr> <tr> <td>22/23</td> <td>371 ha</td> </tr> <tr> <td>23/24</td> <td>228 ha</td> </tr> <tr> <td rowspan="5">P3E</td> <td>19/20</td> <td>0 ha</td> </tr> <tr> <td>20/21</td> <td>381 ha</td> </tr> <tr> <td>21/22</td> <td>277 ha</td> </tr> <tr> <td>22/23</td> <td>345 ha</td> </tr> <tr> <td>23/24</td> <td>226 ha</td> </tr> </tbody> </table> <p>The replanting program was annually reviewed by the GM together with the respective Estate Managers. Noted that an updated Replanting Instruction/Directive from SGM dated 21 Aug 2019 was issued for Buffer Area for Drains in Replanting Area for 3 categories of field drains, size and buffer area is stated for adherence by IOI PMU units at Lahad Datu & Sandakan.</p>	Estate	Year	Ha.	L5E	19/20	249 ha	20/21	326 ha	21/22	120 ha	22/23	162 ha	23/24	191 ha	L1E	19/20	315 ha	20/21	332 ha	21/22	361 ha	22/23	275 ha	23/24	361 ha	P1E	19/20	318 ha	20/21	393 ha	21/22	213 ha	22/23	371 ha	23/24	228 ha	P3E	19/20	0 ha	20/21	381 ha	21/22	277 ha	22/23	345 ha	23/24	226 ha	Complied
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Principle 4: Use of appropriate best practices by growers and millers

Criteria 4.1		
Operating procedures are appropriately documented, consistently implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance</p>	<p>Leepang Palm Oil Mill operations are guided by Group Standard Operating Procedures (StOPs) for Palm Oil Mill, which was revised on 01/07/2017 by the Senior General Manager. The Manual contains StOP for 17 Work Stations; 9 of them covering Fresh Fruit Bunches Oil Palm processing from Reception/Ramp to Product Storage and Despatch. Remainder</p>	Complied

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	<p>8 for non-core processes such as utility and support services. The StOPs among others relate to;</p> <ul style="list-style-type: none"> a) Administration <ul style="list-style-type: none"> ➤ Store /Accounts ➤ PPE issuance/Workers records b) Laboratory <ul style="list-style-type: none"> ➤ Analysis methods/Laboratory equipment ➤ Sampling point/frequency ➤ Daily oil /kernel losses summary report c) Maintenance <ul style="list-style-type: none"> ➤ Daily maintenance report/Monthly shutdown plan ➤ Vehicle inspection checklist/ ➤ Monthly maintenance report d) Biogas <ul style="list-style-type: none"> ➤ Biogas process/Daily monitoring log ➤ Daily monitoring checklist e) Mill production <ul style="list-style-type: none"> ➤ All processes from Reception/Ramp to Despatches ➤ Water Treatment Plant/Engine/ ➤ Boiler station data/checklist ➤ Daily supervisor report/Daily sterilising records <p>Standard Operating Procedures (StOPs) for estates and mills are documented and maintained.</p> <p>Set of procedures for mill operation detailed out under Group Standard Operating Procedures (StOPs) for Palm Oil Mill (IOI/StOP/A, Issue: 2, Date: 01/07/17). List of procedures checked:</p> <ol style="list-style-type: none"> 1. FFB Reception 2. FFB Handling 3. Sterilizer 4. Threshing 5. Digestion and Pressing 6. Oil Room 7. Depericarper 8. Nut and Kernel Plant 9. Product Storage and Despatch 10. Laboratory 11. Effluent Treatment Plant 12. Biogas Plant 13. Polishing Plant 14. Water Treatment Plant 15. Boiler 16. Engine Room 17. Workshop and Shovel <p>Additional Operation Manual for biogas plant (Revision No. 0, Date: 01/08/2019), consist of Air Compressor, Dehumidifier, Enclosed Flare, Flame Arrestor, Gas Analyser, Instruments, Pumps, Blowers and Electrical, was established for the operation.</p> <p>For Good Agricultural Practices, two types of procedures, which are Good Agricultural Practice and Group Standard Operating Procedure (StOPs) for Estate Operation, dated 5/12/2007.</p> <p>Among the topics covered are:</p> <ul style="list-style-type: none"> ➤ Planting density ➤ Nursery ➤ Land clearing and preparation ➤ Planting technique ➤ Leguminous cover plant ➤ Manuring ➤ Weeding ➤ Pest and disease ➤ Harvesting ➤ Road maintenance 	
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	<ul style="list-style-type: none"> ➤ Foliar Sampling ➤ Management and monitoring of existing cultivation of oil palm on peat (newly added in July 2017) ➤ Planting of beneficial plants in estate (newly added in July 2017) <p>The Group also established OSH Manual and OSHMS Documents, dated 01/08/2012 by Group Plantation Director, which consist of Policy, Organizing, Planning and Implementation, Evaluation and Action for Improvement. This document is applicable to mill and estates.</p>	
<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance</p>	<p>Mechanism to check consistent implementation of procedures carried out by sustainability and safety team on annual basis. The latest sustainability audit was carried out in the month of March 2019 for the Leepang POM Certification Unit. Total of 3 findings raised during audit and the status are now closed. Audit criteria are based on RSPO P&C MYNI 2014 as well as company policies and procedures.</p> <p>For the estates, various mechanisms of checking were applied, e.g.:</p> <ul style="list-style-type: none"> ➤ Manuring – report from R&D, frequency based on manuring programme: 10 days/month. ➤ Harvesting – Portable Data Recorder (PDR) – a device to record FFB quality ➤ Operation – SPC report ➤ Health, Safety & Environment Inspection Report ➤ HSE Team routine visit report ➤ Agronomist visit report <p>The mill adopted the following practices to ensure consistent implementation of procedures:</p> <ul style="list-style-type: none"> ➤ Daily production report therein containing <ul style="list-style-type: none"> ▪ FFB processed/Ramp balance ▪ Throughput/starting & stopping time ▪ Boiler monitoring sheet ▪ Daily notification report – machinery status ➤ Monthly shutdown ➤ Mill summary expenditure <ul style="list-style-type: none"> ▪ Palm oil statistics ▪ Administration and General Charges ▪ CAPEX expenditure ➤ Daily supervision and walkabouts by Supervisor and Assistant Managers ➤ Annual SPO audit ➤ HSE Annual and 3-monthly Workplace Inspection ➤ Mill Controller visit ➤ Visits by Government Agencies i.e. DOSH, DOE, JTK, others. 	<p align="center">Complied</p>
<p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance</p>	<p>Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estates. Overall, these records verified to be satisfactory.</p> <p>Daily Muster chits were available at estates and actual field activities were verified during on-site field inspection.</p> <p>Verified that spraying, manuring and harvesting activities were carried out as stated in the Muster chits.</p>	<p align="center">Complied</p>
<p>4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance</p>	<p>As at current assessment, the mill did not source for FFB from any third party. The entire crop was supplied by the estates within the IOI Group of PMUs in the region.</p>	<p align="center">Complied</p>
<p>Criteria 4.2</p>		

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Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
Indicators	Findings and Objective Evidence	Compliance
<p>4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance</p>	<p>The soil fertility management at all the estates was guided by the IOI group StOP, Section 8.0: Manuring and Section 15.0: Foliar Sampling.</p> <p>GAP for minimization of soil erosion and maintenance of soil fertility were implemented via the frond stacking and fertilizer application as per the recommendations provided by the Agronomist of IOI Research Centre, Sabah.</p> <p>The practices consistently monitored by estate operation management and estate inspectorate. The recommendations for improvements are given to maintain the sustainable practices.</p> <p>Soil sampling and leaf sampling records provided guide for the fertilizer application and all recommendations had been properly followed at estate levels.</p> <p>Records for fertilizer application verified against the “Fertilizer Recommendations & Requirements for FY2019/2020”.</p>	Complied
<p>4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance</p>	<p>Fertilizer inputs were recorded in Operation Cost Sheet. The book has information about field no., scheduled month, hectare done (actual vs. program), mandays, type of fertiliser, dosage, and cost. Verification of the book showed that the fertiliser application at the field was in line with the recommendation from IOI’s agronomist at Research Centre. Fertilisers used were of straight and mixture types at dosage around 10 kg/palm/year. Based on the verification of agronomist recommendation and store issuance records, it was observed that the fertiliser issued from the store were tally with agronomist’s recommendation.</p>	Complied
<p>4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance</p>	<p>IOI Research Centre, Sabah has conducted leaf sampling and analysis annually and soil sampling and analysis on a 5-year cycle to determine the nutrient levels.</p> <p>Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long-term soil fertility and nutrient efficiency were available.</p> <p>The results of analysis were tabulated as Leaf Nutrient Status. Among the nutrients content analysed were N, P, K, Mg, Ca, B. Leaf nutrient status report by IOI’s agronomist was available at all the visited estates. Soil analysis was last done in 2019 [ref.: Soil analysis results, IOI Research Centre].</p> <p>The fertilizer recommendations for Jul 19 – Jun 2020 by the Agronomist were based on the analysis.</p>	Complied
<p>4.2.4 A nutrient recycling strategy shall be in place and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance</p>	<p>Geotubes used to filter the solid from the POME and the solid were used by the estates for field application as organic fertilizer.</p> <p>All the EFB from the POM are delivered to the estates as evidenced by the “Daily/Monthly Summary Report of EFB” maintained by the POM.</p> <p>Land application of POME was carried out through gravitation flow into the field in Leepang 1 estate, which is nearest to the POM.</p> <p>EFB mulching had been carried out in mature area along the inter-row, and around the circle in the immature palms.</p> <p>EFB Programme Year 2019/2020 and field maps indicate the amounts and locations of EFB application in the estates audited at Leepang 1 Estate, Leepang 5 Estate, Permodalan 1 Estate and Permodalan 3 Estate.</p>	Complied

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	Records of EFB delivery, mulching quantities and field locations were well maintained.	
Criteria 4.3 Practices minimise and control erosion and degradation of soils.		
Indicators	Findings and Objective Evidence	Compliance
4.3.1 Maps of any fragile/marginal soils shall be available. Major Compliance	Estate soil types as indicated in soil maps are as follows: Leepang 5 Estate: Rumidi, Lokan, Lungmanis, Sapi, Klias and Kretam Series Leepang 1 Estate: Rumidi, Lokan, Lungmanis, Sapi, Kinabatangan and Kretam Series Permodalan 1 Estate: Kinabatangan, Lungmanis, Rumidi, Kretam and Lokan Series Permodalan 3 Estate: Kinabatangan, Rumidi, Lungmanis and Kretam Series	Complied
4.3.2 A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	Planting on slopes is guided by StOP or Land Preparation for New Planting and Replanting, dated Sep 2007, clause 5.2, construction of terrace at slopes >10°. Based on site visits, it was observed that planting terraces constructed on land with slope more than 6° as indicated in the Terrace Map. No planting at slope > 25° Best Management Practices were followed to control and minimize soil erosion and degradation during replanting or any activities involving earth disturbance. Replanted areas were verified during field inspections to be satisfactory. Steps taken for erosion control included soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways. There was no soil erosion noted during the field visit. Leguminous cover crops, Pueraria Javanica and Calopogonium Mucunoides were well established.	Complied
4.3.3 A road maintenance programme shall be in place. Minor Compliance	Estate roads were in good condition. Road Maintenance Programme July 2019 – June 2020 had been verified to be progressively done and satisfactorily implemented. Among the activities for the road maintenance are roadside pruning, grading and resurfacing, roadside pit (to divert flow of water) and bridges maintenance. Based on the site visit, generally the estate roads condition was maintained in good, satisfactory and accessible.	Complied
4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance	The management has established documents as reference and procedure for estate to implementing the BMP for peat soil area, i.e: IOI Peatland Protection & Management Policy (July 2018), IOI Peat Management Guideline (Aug 2018), SOP for Water Management in Peat Area (SOP/IOI/PD/003) and Water Management for Peat area documented in Water Management Plan. Estate management established a set of monitoring system, such as: <ul style="list-style-type: none"> ➢ Monitoring of canals block, piezometer (measurement device for water level in estate blocks) and piescale (measurement device for water level in canal or drainage) – once a week, and every time when there is heavy rain ➢ Monitoring of subsidence pole (measurement device to measure the decrease level of peat surface) – every month or when it is required. ➢ Monitoring of the subsistence of the peat soil was implemented and recorded. Water table levels were maintained at the minimum of 50 cm level. It was confirmed during assessment on site that there are peat soils in Leepang 5 estate only (among the assessed estates) and no peat soil in the other estates. At Leepang 5 Estate, peat	

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	soil was present in Fields 96I, 96J, 96K, 96L, 96M. Total about 60 ha. Ground cover consists mainly of <i>Nephrolepis ferns</i> as was the policy of the company to ensure ground cover maintenance.	2019: OBS: SH-01
4.3.5 Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	Leepang 5 Estate delayed the replanting programme as Drainability Assessment that has been conducted by IOI Research Center (Sabah) in the progress of report writing. There was no peat soil on the other estates as confirmed by auditor's on-site assessment.	Complied
4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance	Based on the estates soil maps and visit to the estates, there were no other fragile and problematic soils on the other estates.	Complied
Criteria 4.4 Practices maintain the quality and availability of surface and ground water.		
Indicators	Findings and Objective Evidence	Compliance
4.4.1 An implemented water management plan shall be in place. Minor Compliance	Documented Water Management Plan for the PMU verified to be in place for the palm oil mill and estates and was reviewed in August 2019. The Water Management Plan includes: <ul style="list-style-type: none"> ➢ Water Abstraction of water for FFB process. ➢ Identification for water source in mill and estates. ➢ Water treatment plant. ➢ Water storage and use for FFB and domestic purposes. ➢ Monitoring water discharge management in POM. ➢ Buffer zone on streams and rivers. ➢ Water for domestic use. ➢ Sewage and septic tank. ➢ Oil trap. ➢ Rainfall data monitoring. There are water ponds in the POM and estates. Water samples were collected, and analyses were carried out at least twice a year. The water for domestic use met all the required parameter (colour, turbidity, Al, Ammoniacal Nitrogen, As, Cl, Cr, Cu, cyanide, Fl, FE, Pb, Mn, Hg, nitrates, Na, sulphates, Total Dissolved Solids, Total Hardness, Zn, E. Coli, Coliform count) for Drinking Water Quality Standard. In addition, there was precautionary measure such as signages instructing 'boiling water before consumption' being displayed at the estate offices and housing areas. Rain water is also harvested for washing and cleaning.	2019: OBS: SH-02
4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. Major Compliance	Buffer zones had been maintained on both sides of streams in the estates as verified during on-site field inspection. No evidence of spraying around palms marked as boundary for the buffer zones. Appropriate signages were placed with demarcation of buffer zone area. Workers were aware of the non-usage of chemicals within the buffer zone. No evidence of spraying around palms marked as boundary for the buffer zones. There was no construction of bunds/ weirs/dams across the main rivers or waterways passing through the estates.	Complied
4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6).	Water samples were taken at monthly interval at the final discharge point of the palm oil mill effluent pond and at upstream and downstream of waterways.	Complied

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<p>Minor Compliance</p>	<p>Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet the DOE requirements. BOD levels had been in the range of 19.40 ppm to 13.40 ppm, with average of 17.98 ppm for the period Oct 2018 to Sept 2019. The current allowable upper limit specified by D.O.E. Sabah for Leepang PMU is < 20 ppm. ETP competent person for Leepang POM is Mill Manager.</p>	
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance</p>	<p>Water usage in the mill from Jul 2018 to Jun 2019 ranged from 1.55 to 1.19 m³/tonne FFB with an average of 1.93 m³/tonne FFB which is slightly higher compared to the industrial norm of 1.20 to 1.50 m³/tonne FFB.</p>	<p>Complied</p>
<p>Criteria 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance</p>	<p>Verified that IPM Plans were monitored at the estates audited and that pest infestation was minimal. Programmes for planting of beneficial plants such as <i>Cassia cobanensis</i>, <i>Turmerica subulata</i>, and <i>Antigonon leptopus</i> were established and records on areas planted had been verified together with the respective maps. Ganoderma and Bagworm diseases is not present in the estates Rat baiting would be carried out based on the census of rat attack on FFB. The threshold limit was set at 5% prior to any rat baiting, which was found to have occasionally occurred. Under such incidences, rat baiting was applied, and the records of the rat baiting performed were verified to have been properly maintained.</p>	<p>Complied</p>
<p>4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance</p>	<p>IPM training conducted by for all those involved in IPM implementation. Training records for staff and workers on IPM implementation were available and was verified on-site to be satisfactorily maintained, e.g. Leepang 5 Estate conducted IPM Awareness Training on 16/05/2019, Leepang 1 Estate conducted Beneficial Plant Training on 21/08/2019, Permodalan 1 Estate conducted Pest Management Awareness Training on 17/09/2019 and Permodalan 3 Estate conducted Pest Management Awareness Training on 12/06/2019</p>	<p>Complied</p>
<p>Criteria 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance</p>	<p>Justification of pesticides applied is available in the agriculture policies. Refer to Agricultural Policies, Section 6.0: Weeding - Weed Control and Section 9.0: Pest and Disease. The use of pesticide is specific to the targeted pest, weed and disease. Justification takes consideration to minimize effect on non-target species. The PMU has an Approved List of Pesticides registered under the Pesticide Board of Malaysia. The types of chemicals used are as follows: 1) Glyphosate isopropyl amine (41% a.i.) 2) Metsulfuron methyl (20% a.i.) 3) Triclopyr butoxy ethyl ester (32.1% a.i.) 4) 2,4 Dimethylamine (60% a.i.) 5) Glufosinate ammonium (13.5% a.i.) 6) Sodium Chlorate</p>	<p>Complied</p>
<p>4.6.2 Records of pesticides use (including active ingredients used)</p>	<p>Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of</p>	<p>Complied</p>

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<p>and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance</p>	<p>applications had been maintained and kept for a minimum of 5 years. Verified that records of monitoring were satisfactorily.</p>	
<p>4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance</p>	<p>It had been the policy of the estates to minimize the use of pesticides in accordance with IPM plan. The pesticide reduction program is monitored on usage per hectare basis. Overall, the usage of pesticides was maintained at consistent levels. No prophylactic use of pesticides had been carried out at the estates for the period concerned.</p>	<p>Complied</p>
<p>4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance</p>	<p>IOI Group Sustainable Palm Oil Policy, jointly signed by Group CEO and Group Head of Sustainability, under item 4 Existing Plantation, Subheading Environmental Management states that: No use of paraquat and pesticides that are categorised as World Health Organisation Class 1A or 1B. The use of other Class 1 Chemicals (such as metamidophos and monocrotophos) approved by the Pesticides Board and included in the MPOB list of approved Pesticide for use in oil palm plantations can only be carried out under strict supervision and in absolutely necessary circumstances such as severe outbreak and critical pest infestation, with special method of application specified in the Highly Toxic Pesticides Regulation 1996 of the Pesticides Act 1974, after authorization has been received from relevant authorities. Use of paraquat had been eliminated since 31 Dec 2011 in the IOI Group Estates. Alternatives such as Round up (Glyphosate Isopropylamine) had been used to replace paraquat. IOI only purchase chemicals that are registered under the Malaysian Pesticides Act 1974 (Act 149) and Regulations. First Aid Kits found to be available during pesticides spraying in the fields (4th Schedule). Portable signboard noted to be displayed at areas of spraying activity (5th Schedule).</p>	<p>Complied</p>
<p>4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance</p>	<p>All pesticide operators have attended training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974. Appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls) have been provided and used by the pesticide's operators. All precautions attached to the pesticides (SDS) have been observed, applied and understood by the workers. Programme and training records verified to be satisfactory. The training includes spraying technique, precautions and symptoms of symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems. The emergency shower and eye wash were verified to be available and in proper working order at the pesticide mixing area. The PMU has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE.</p>	<p>Complied</p>
<p>4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be</p>	<p>Storage of pesticides found to be kept under lock and key and its use were in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974. Emergency shower and eye wash were available near the pesticides store in case of accidents.</p>	<p>Complied</p>

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<p>stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance</p>	<p>The estates have a pesticides store and pesticide containers washing & bathing places for the pesticide workers. The pesticides store was found to be a permanent building with good ventilation and a cement floor equipped with a "spillage trap". Emergency shower and eye wash verified to be in good working condition. First aid box, PPE and fire extinguisher were provided at the pesticide warehouse. Safety Data Sheets (SDS) are available in the store. The MSDS are in English and Bahasa Malaysia (understood by the workers). Used pesticide containers were either reused as containers for spraying solution or disposed. For disposal, empty pesticide containers were triple rinsed and pierced at the bottom and disposed of by a contractor approved by the Department of Agriculture.</p>										
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance</p>	<p>Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off. Warning notice displayed in the area being sprayed with pesticides. Programme and training records verified to be satisfactory.</p>	Complied									
<p>4.6.8 Pesticides shall be applied aurally only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance</p>	<p>It is the policy of the company not to carry out aerial application of pesticides. This policy has been followed by the PMU.</p>	Complied									
<p>4.6.9 Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8). Minor Compliance</p>	<p>The Annual Training Programme includes training on pesticides handling. All new pesticides operators were trained before being assigned to work with pesticides. In addition, based upon training needs, the existing pesticide operators attended continual training to enhance their knowledge and skills on pesticides handling. Information and safety precautions on the pesticides displayed on the notice board and next to the pesticides in the store.</p>	Complied									
<p>4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance</p>	<p>Scheduled waste of palm oil mill had been disposed of through a DOE licensed scheduled waste contractor. The scheduled wastes from the estates are sent to the POM for disposal. Empty pesticide containers are triple rinsed and pierced at the bottom and disposed of by a contractor approved by the Department of Agriculture. Records of scheduled waste collection at the mill and collection of pesticide containers were verified to be satisfactory.</p>	Complied									
<p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance</p>	<p>Based on the recommendation of the CHRA, medical surveillance has been conducted centralized for Leepang Grouping on 18/03/2019, by DAB OH Sdn Bhd as follows:</p> <table border="1" data-bbox="592 1809 1062 2056"> <thead> <tr> <th>Estate</th> <th>No of tested workers (Job Description)</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td>Leepang 5</td> <td>7 workers (Sprayers)</td> <td>All fit for work</td> </tr> <tr> <td>Leepang 1</td> <td>14 workers (12 sprayers, 1</td> <td>All fit for work</td> </tr> </tbody> </table>	Estate	No of tested workers (Job Description)	Results	Leepang 5	7 workers (Sprayers)	All fit for work	Leepang 1	14 workers (12 sprayers, 1	All fit for work	Complied
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	<table border="1"> <tr> <td></td> <td>workshop, 1 storekeeper)</td> <td></td> </tr> <tr> <td>Permodalan 1</td> <td>16 workers (1 storekeeper, 1 store attendant, 1 genset operator, 2 WTP Operators, 2 mechanics, 9 sprayers)</td> <td>All fit for work</td> </tr> <tr> <td>Permodalan 3</td> <td>8 workers (4 sprayers, 2 storekeeper, 1 genset operator, 1 mechanic)</td> <td>All fit for work</td> </tr> </table>		workshop, 1 storekeeper)		Permodalan 1	16 workers (1 storekeeper, 1 store attendant, 1 genset operator, 2 WTP Operators, 2 mechanics, 9 sprayers)	All fit for work	Permodalan 3	8 workers (4 sprayers, 2 storekeeper, 1 genset operator, 1 mechanic)	All fit for work	
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<p>4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance</p>	<p>Pregnant and breast-feeding women are strictly not allowed to work with pesticides. Noted, there were a few women working as chemical mixers (prepacking) and sprayers. Verified that the female workers were checked for pregnancy test at three-month interval by the on-site Medical Advisor. All results showed negative findings.</p>	Complied									
<p>Criteria 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p>											
Indicators	Findings and Objective Evidence	Compliance									
<p>The occupational health and safety plan shall cover the following:</p> <p>4.7.1 An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance</p>	<p>Occupational Safety, Health and Hygiene Policy dated 03/3/18 has been established and signed by the Plantation Director. It is available in Bahasa Malaysia and English language. The policy has been communicated to all employees through briefings and hardcopy of policies were seen displayed at the estates notice boards. Among the commitments contain in the policy are:</p> <ul style="list-style-type: none"> ➤ Comply to all national laws and regulations. ➤ Assess all health and safety risks to work activities. ➤ Conduct regular inspection at workers houses. ➤ Investigate and find causes of accidents and take appropriate measures to prevent recurrence. ➤ Prepare emergency procedures for foreseeable major accidents/incidents. <p>Safety Management Plan dated 03/01/2019 was prepared by HSE Manager and concurred by the respective Estate/Mill Manager for implementation and monitoring for its effectiveness. Among others, it included:</p> <ul style="list-style-type: none"> ➤ establish OSH Committee and ensure functioning of the Committee; ➤ establish OSH objectives and reporting of Safety Performance; ➤ risk assessed all operations and control risk as per established SOP; ➤ establish OSH Legal and Other Requirement Register and evaluation of its compliance; ➤ Safety and Health Training Plan; ➤ Chemical Health and Risk Assessment; ➤ Medical surveillance; ➤ Annual Audiometric test; 	Complied									

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	<p>➤ Workplace accident notification, investigation and reporting; Posting of Protective Personal Equipment (PPE), Electrical Danger Signages and simplified SOP at work stations.</p>	
<p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance</p>	<p>Risk assessment carried out on operations where health and safety is an issue which determine the significant hazards at the various activities at the POM and Estates. Significant hazards determined and documented include noise exposure, pesticides/chemicals exposure, accident, fire etc. Procedures and actions were implemented to mitigate the hazards. Risk assessments were reviewed in Jan 2019 at the POM and respective estates. Incidences and accidents that occurred were notified and discussed in the OSH committee meetings. Noted that all workers were regularly reminded to adhere to safe working practices to avoid recurrence of accidents. Precautions as attached to the products via the SDS had been observed to be complied by the workers.</p> <p>Assessment of noise levels in the POM was available as per the Initial Noise Exposure Monitoring Report of 12/08/16 and 22/11/2018 for Biogas Plant. Work areas identified with high noise levels are the boiler station, engine room and sterilization unit where noise level exceeded 85 db.</p> <p>Mill management have taken steps to reduce the noise levels by more frequent lubrication of machinery, reducing the exposure time to high noise and mandatory use of ear plugs and ear mufflers.</p> <p>Annual audiometric test conducted for all mill staff and workers in 22/02/2019. The audiometric reports revealed that 1 worker had mild to moderate hearing impairment and were recommended to wear hearing protector. No worker had severe hearing impairment.</p> <p>The assessment for L5E was done on 2/10/2019 by Klinik Mansor Sdn Bhd (JKKP HIE 127/171-2(298). Baseline audiogram and occupational and medical history records of workers were maintained. Sample of employees exposed to high noise levels were interviewed and they are aware of the danger of hearing loss due to prolonged exposure to high noise. The workers are also aware of the complaints process and mechanism available.</p> <p>Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear mufflers) verified to be provided and being used by the workers. Internal Safety audit was done to ensuring compliance with the minimum standards needed for the types of PPE used.</p> <p>Fire extinguishers and hose reels found to be located at strategic locations and noted in functioning conditions. Location map of fire extinguishers is available at POM.</p> <p>First Aid equipment was available at POM, estates and at worksites and weekly checked. Samples of First Aid boxes checked, and contents found to be complete, clearly labelled and in usable order during field visits. Training for workers in First Aid was carried out in the mill and estates and records maintained.</p> <p>The POM and estates have established their accident reporting KPI and incident monitoring implemented.</p> <p>Yearly reporting of JKKP8 regulations was submitted to JKKP in Jan 2019. Verified that records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities were captured to prevent mishaps as maintained by the Safety Officer is up-to-date.</p>	Complied
<p>4.7.3 All workers involved in the operation shall be adequately trained</p>	<p>Awareness and training programme had been carried out, and training records had been verified.</p>	Complied

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<p>in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance</p>	<p>All workers involved had been adequately trained in safe working practices. Appropriate PPE had been provided at the place of work to cover all potentially hazardous operations, and all workers had been noted to be wearing the appropriate PPE. When sickle was not in use during harvesting, it was noted that it was placed in a sheath. Fire-fighting training and fire drills were carried out with the attendance of workers and other residents including crèche caretakers and HUMANA teachers.</p>																																							
<p>4.7.4 The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance</p>	<p>The respective Mill and Estate Manager appoint an Assistant Manager of theirs as the person in charge for safety and environment. The PIC role covers areas of responsibilities on safety, health and welfare of the staff/workers. The Mill and Estates Managers in turn were appointed as the Chairman for the ESH committee. His duties among others was to preside the ESH meetings, discharge the General Duties of Employers and make decision arising out of issues discussed for improvement of Safety, Health, Welfare and the Environment. The management of each operating unit conduct regular two-way communication with their employees through the 3-monthly ESH meeting. The minutes of meeting were sighted and verified. The dates of meetings held are recorded below.</p> <table border="1" data-bbox="592 1077 1110 1541"> <thead> <tr> <th>POM/Estate</th> <th>Meeting</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Leepang POM</td> <td>1</td> <td>29/03/2019</td> </tr> <tr> <td>2</td> <td>14/06/2019</td> </tr> <tr> <td>3</td> <td>29/09/2019</td> </tr> <tr> <td rowspan="3">Leepang 5 Estate</td> <td>1</td> <td>27/03/2019</td> </tr> <tr> <td>2</td> <td>27/06/2019</td> </tr> <tr> <td>3</td> <td>27/09/2019</td> </tr> <tr> <td rowspan="3">Leepang 1 Estate</td> <td>1</td> <td>21/03/2019</td> </tr> <tr> <td>2</td> <td>25/06/2019</td> </tr> <tr> <td>3</td> <td>19/09/2019</td> </tr> <tr> <td rowspan="3">Permodalan 1 Estate</td> <td>1</td> <td>22/03/2019</td> </tr> <tr> <td>2</td> <td>21/06/2019</td> </tr> <tr> <td>3</td> <td>24/09/2019</td> </tr> <tr> <td rowspan="3">Permodalan 3 Estate</td> <td>1</td> <td>17/04/2019</td> </tr> <tr> <td>2</td> <td>27/06/2019</td> </tr> <tr> <td>3</td> <td>09/08/2019</td> </tr> </tbody> </table>	POM/Estate	Meeting	Date	Leepang POM	1	29/03/2019	2	14/06/2019	3	29/09/2019	Leepang 5 Estate	1	27/03/2019	2	27/06/2019	3	27/09/2019	Leepang 1 Estate	1	21/03/2019	2	25/06/2019	3	19/09/2019	Permodalan 1 Estate	1	22/03/2019	2	21/06/2019	3	24/09/2019	Permodalan 3 Estate	1	17/04/2019	2	27/06/2019	3	09/08/2019	<p>Complied</p>
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<p>4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance</p>	<p>The CU continued to use established procedures contained in their OHS Manual (a) 3.4.2 Accident/Incident Investigation & Reporting and (b) 3.3.4.3 Emergency Prevention, Preparedness and Response. The procedures have been summarised in a flow chart form and displayed at notice boards for mill and estates employee's information. Accident and emergency procedures had been written in English and Bahasa Malaysia and briefed to staff, workers, contractors and visitors. Likewise, the respective Operating Unit ERP organization chart and important telephone contact numbers have been established and displayed too. ERT members receive training and practice in emergency procedures. The trainees for the First Aid were among employees of office support staff, mill work station operators (day and night shift) and estate field staff/mandores. Assigned operatives among others, comprised of operators, clerks, supervisors and</p>	<p>Complied</p>																																						

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	<p>mandores. First aid boxes were noted made available at various points in the mill and estates complex including office, workshop, sprayers washing facilities, with mandore in the field, etc.</p> <p>The respective Safety & Health Committees chaired by the Mill Manager and the Estate Managers reviewed accident cases during the Safety Committee meeting every three months.</p> <p>Records of accident including investigation report, DOSH forms JKPP 6 and JKPP 8 were sighted kept. As per procedure, all cases of accidents more than 4 days were investigated. The S&H committee reviewed the HIRARC and where relevant change the severity and/or likely rating and institute corresponding control measures.</p>	
<p>4.7.6 All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance</p>	<p>Medical care had been provided to all the workers. Local and foreign workers are covered by SOCSO.</p>	Complied
<p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance</p>	<p>Records on Lost Time Accident (LTA) metrics had been maintained and verified. Verified that JKPP8 reports had been sent to DOSH (JKPP) before end Jan of each year.</p>	Complied
<p>Criteria 4.8 All staff, workers, smallholders and contract workers are appropriately trained.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance</p>	<p>All employees and contractors were provided training related to their job skills, RSPO requirements, Occupational Health & Safety and Environmental matters. They training program include productivity and best management practice subjects on estates operating procedures as well as procedural matters caring for Occupational Health & Safety and Environmental, from felling of oil palm trees, nursery, replanting, harvesting and upkeep of fields to evacuation of FFB to mill. Likewise, at the mill it covers from FFB receipt, grading, processing to Crude Palm Oil, storage and dispatch of CPO, nut kernel and the management of by-products, wastes and waste streams.</p> <p>The training program specified the target group of employees to be trained for the identified subjects. In addition to the Good Mill / Agricultural Practice training, that is, Process stations / field SOP related to trade/job skills, the following topics, among others, were included in the 2019/20 annual training program;</p> <ul style="list-style-type: none"> ➤ OSH Act & regulations 1994. ➤ Environmental Quality Act 1974 ➤ Induction Program for new workers. ➤ OSH Committee and function. ➤ First Aid Training ➤ Scheduled waste training ➤ RSPO/MSPO/ISCC Principles ➤ HCV & Biodiversity training. ➤ Mechanical/electrical workshop ➤ Environmental/safety & health policy/ environmental responsibility, ➤ Emergency Response drill ➤ Social program <p>Sampled of training that had been conducted as follow:</p> <ol style="list-style-type: none"> 1. Fire extinguisher training conducted on 11/7/2019 at P1E. 2. First aid training conducted on 26/7/2019 at P1E 3. Training for SOP harvesting and LF collection conducted on 8/8/2019 at P1E 4. Training for SOP manuring and SOP for HCV conducted on 7/9/2019 at P1E 	<p>See OBS below</p> <p>2019: OBS: MAS-01</p>

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	<p>5. Training for SOP spraying and SOP for HCV conducted on 8/9/2019 at P1E. 6. Training for mixing chemical conducted on 4/9/2019 at P1E 7. Training for collecting empty chemical container conducted on 12/9/2019 8. Training for triple rinsing conducted on 14/9/2019 9. Training for chemical handling conducted on 12/4/2019 at P1E 10. First aider training conducted on 9/4/2019 at P3E 11. Training for chemical handling conducted on 9/4/2019 at P3E 12. Fire drill and fire extinguisher training conducted on 7/1/2019 at P3E 13. Training for manuring conducted on 13/3/2019 at P3E 14. Training for spraying activity conducted on 16/2/2019 at P3E 15. Training for HCV awareness conducted on 15/5/2019 at P3E 16. Training for harvesting conducted 4/3/2019 at P3E 17. Fire drill and fire extinguisher training conducted on 3/4/2019 at LPOM 18. First aid training conducted on 5/7/2019 at LPOM. 19. Training for SOP kernel plant conducted on 10/7/2019 at LPOM 20. Training for SOP Press conducted on 9/7/2019 at LPOM 21. Training for SOP Loading Ramp conducted on 14/1/2019 at LPOM 22. Training on SOP Effluent pond conducted on 10/7/2019 at LPOM 23. Training on hand tools & workshop safety conducted on 20/6/2019 at LPOM 24. Training on SOP grading conducted on 31/1/2019 at LPOM 25. Training on SOP sterilizer conducted on 8/3/2019 at LPOM 26. Training for lab operators conducted on 2/3/2019 at LPOM 27. Training on SOP Biogas conducted on 12/7/2019 at LPOM</p> <p>Training Needs Analysis can be further improved to cover significant aspects of the RSPO Principles and Criteria in more detail such as social, environmental and productivity.</p>	
<p>4.8.2 Records of training for each employee shall be maintained. Minor Compliance</p>	<p>Records of training for each employee, including new employees were maintained.</p>	<p>Complied</p>

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

<p>Criterion 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.1.1 An environmental impact assessment (EIA) shall be documented. Major Compliance</p>	<p>The annual review of the approved EIA for the POM and estates was done in 27 Sept 2019. In addition the Environmental Compliance Report (ECR) was also conducted for every six month to comply with the requirement for replanting activities approved by the DOE. Report made available was for period 9/18 to 2/19. Another report supposedly to be issued for August is still pending by the consultant.</p>	<p>Complied</p>

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	The assessment documents had included the identification of aspects from field activities that includes replanting, fertilizing, spraying, transportation of FFB, garbage disposal and also road maintenance. The report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as relevant conservation activities applicable to the PMU.	
5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. Minor Compliance	There were no major changes to the identified impacts since the establishment of the documents above for the estates and POM. Impacts such as smoke emissions, noise levels, POME and EFB management were verified at the POM. A comprehensive action plan has also been developed and implemented to mitigate the negative effect. The POM manager and respective Estate managers and their assistants were identified as the person/persons responsible. The plans had included the action and recommendations to mitigate the negative effects and to promote the positive ones such as reducing dust emissions and BOD levels at for the POM, together with conservation implementation and monitoring activities applicable at the estates.	Complied
5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance	Implementation and monitoring of the documented environmental improvement plans were reviewed on an annual basis. The review has taken into consideration the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone, clearing of overgrown natural vegetation and debris along the streams. The monitoring of the documented environmental improvement plans is ongoing. Data was collected, documented and the results were analysed and monitored. Environmental Compliance Reports (submitted by Kiwiheng EC SB) on monitoring issued on September and February 2019 was available. Verified during on-site visit to fields that appropriate actions were taken on findings stated in the ECR reports.	Complied 2019: Refer to OBS SH-02
Criterion 5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.		
Indicators	Findings and Objective Evidence	Compliance
5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). Major Compliance	The HCV and Conservation assessments conducted by the IOI Sustainability Team (Lahad Datu region) were documented and reviewed for the POM and all the estates between 22 Sept and 27 September 2019. Verified that the review had considered all aspects of environmentally sensitive areas such as riparian areas, buffer zones near Forest reserves, water catchments near hills, natural watercourses such as streams, potential wildlife and the perimeter boundaries of the PMU.	Complied

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	<p>HCV and other environmentally sensitive areas were documented and inspected on site.</p> <p>The estates audited which were confirmed to have boundaries with environmentally sensitive areas were visited and verified. Leepang 1 borders with the Mangrove swamps at the north and northeast, bordering the Kinabatangan Wildlife Sanctuary at the north western border. Leepang 5 estate is surrounded by estates along its perimeter boundary.</p> <p>For Permodalan 1, it is also surrounded by estates along its boundary except at its north eastern part, it bordered the Sg. Gologob Forest Reserve. Permodalan 3 estate borders the Trusan Kinabatangan Forest Reserve at the north eastern border and Sg. Simpang Forest Reserve at the southern part.</p> <p>Perimeter boundaries bordering the estate areas were visited and observed to be properly demarcated with signages and properly maintained.</p> <p>Conservation buffer zones along the stretches of streams which pass through the estates were identified and being monitored.</p> <p>Earlier observation issued to all estates relating to the information on HCV and Conservation areas has been reviewed and compiled.</p> <p>Changes in status and total land area under conservation had been accurately updated. The breakdown on the data on the areas involved for the respective estates are now matched with 'List of external and internal HCV and conservation area' for IOI Leepang grouping.</p>	
<p>5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan.</p> <p>Major Compliance</p>	<p>Regular patrols within the POM and PMU were being carried out and findings recorded by the respective Estate Executives/Auxiliary Police to monitor the conservation and buffer zone areas.</p> <p>Signages that prohibit hunting, fishing and water polluting activities were verified on-site at Leepang 1 and Leepang 5, Permodalan 1 and Permodalan 3 estates and found to have been satisfactorily maintained.</p> <p>Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented and conducted by the respective SPO Supervisors and Environmental Liaison Officers and records maintained in their 'Patrol Books'.</p> <p>Records of wildlife sightings, when encountered during the monitoring had included Orang Utans (at the boundaries of Leepang 1, Permodalan 1 and 3), short tailed and long tailed macaques, snakes, wild boars etc. were recorded.</p> <p>It was evident that the monitoring done was effective and had helped in the protection of wildlife species which continues to exist at the Forest Reserve areas bordering the Leepang PMU.</p> <p>Location: Leepang 1 Estate</p> <p>Site visit made to the above estate has found that the colour for riparian markers at the stream, which located at the upper part of the estate is already faded and not clearly visible.</p>	<p>2019: Refer to OBS SH-01</p>
<p>5.2.3 There shall be a programme to regularly educate the workforce about the status of</p>	<p>IOI Group had sent 29 personnel i.e. Estate managers and assistants (which included personnel from Leepang PMU) for the Honorary Wildlife Warden training held on 15-17 Nov 2016</p>	<p>Complied</p>

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<p>these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>Minor Compliance</p>	<p>and these personnel were qualified and authorised as listed in the Sabah Government Gazette (Warta Kerajaan, Sabah) of 9 Feb 2017.</p> <p>The estate managers were made Honorary Wildlife Wardens to handle RTE issues at their estates.</p> <p>There was evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signage erected around the affected areas which prohibit such activities.</p> <p>Thus action was taken on the programme to regularly educate the workforce on the awareness of RTE species to ensure that field workers are better able to identify some of species of wildlife which are encountered near boundaries with the Forest Reserves and Conservation areas during ongoing monitoring.</p> <p>Refresher training for workers on HCV Awareness was conducted on 10th June 2019 at the estates audited.</p> <p>Records of training programme to regularly educate on RTE species and the monitoring done were maintained.</p>	
<p>5.2.4 Where an action plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan. <p>Minor Compliance</p>	<p>The overall management plan on the status of HCV/RTE of the Leepang PMU as reviewed in Sept 2019 was verified to be collated, reviewed and monitored by the Sustainability team. Refer to evidences detailed under indicator 5.2.2.</p> <p>The monitoring outcomes were reviewed by the Estate managers and it is verified that ongoing monitoring and actions taken were producing results towards the enhancement of wildlife species present at Leepang PMU boundaries.</p>	Complied
<p>5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>Minor Compliance</p>	<p>It was verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the PMU. Thus negotiated agreement of such nature is not applicable.</p>	Not applicable
<p>Criterion 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.3.1 All waste products and sources of pollution shall be identified and documented.</p> <p>Major Compliance</p>	<p>Visits made to the POM and estates audited showed that all waste products and sources of pollution were identified and documented.</p> <p>The documentation and identification of all the waste products such as scheduled waste, domestic waste, clinical waste and recyclable waste such as metal, plastic, mill waste and polluting materials, e.g. EFB, POME, stack emissions and boiler ash were maintained and monitored at the POM.</p> <p>Scheduled Waste identified included the following categories: Spent hydraulic oil (SW 306), spent lubricant oil (SW 305), used chemical containers / drums and contaminated rags/materials/ fertilizer plastic liners (SW 409), used filters (SW 410), Electrical waste (SW 119), clinical waste (SW 404) and used batteries (SW 102) and used welding rods (SW 104).</p> <p>Records on the inventory as per 2nd and 5th Schedules, and disposal were properly recorded and documented.</p>	Complied

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	Segregation of wastes, i.e. general wastes and scheduled wastes was verified to be satisfactory carried out in the POM and estates. Proper storage areas were identified for the storage of the recyclable wastes at the mill and estates including at the workshops.	
5.3.2 All chemicals and their containers shall be disposed of responsibly. Major Compliance	At the mill, the disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned. Stores for scheduled waste were inspected and audited at site i.e. POM and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. The mill has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor (Lagenda Bumimas Sdn Bhd). Latest disposal was carried out on 14 September 2019 as noted in the e-consignment records. Monthly transfer via ambulance to Hospital Kinabatangan or Lahad Datu was done for the Clinical waste disposal. Last consignment note issued by KKM clinical waste contractor (Seda Fiat Sdn Bhd) was noted on Sept 2019. Records on inventory and disposal of the schedule waste and clinical waste were satisfactorily maintained.	Complied
5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. Minor Compliance	The waste management and disposal plan were in place at both the POM and estates. It has been documented and implemented as required and is being carried out responsibly. Segregation of wastes, i.e. general wastes and scheduled wastes was verified to be satisfactory in all the estates visited. Proper storage areas were identified for the storage of the recyclable wastes at the mill and estates. Waste disposal was done by an appointed contractor that is licensed by the Department of Environment. Recycling of crop residues / biomass, i.e. EFB and POME had been implemented. Management EFB application plans and progress reports were verified to be satisfactory recorded. 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. The waste management and disposal plan had adhered to the EQA Reg 24(Control of pollution from solid wastes Transfer Station and Landfill) Reg 2009 and was found to have been satisfactorily implemented at the mill and estates. Records of disposal of recyclable waste such as scrap metals and plastic bottles were available. The recycleable waste was sold on 11 July 2019. The domestic waste disposal plan via the use of landfills was available estates. Location sites for the landfill areas were identified and managed in order to ensure sufficient capacity for use over a minimum 5-year period at the estates audited.	Complied
Criterion 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.		
Indicators	Findings and Objective Evidence	Compliance
5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable	Verified that the POM has maintained records and data on fuel and energy consumption. Monthly data on energy consumption for both renewable and non-renewable sources were available and trends on consumption monitored to ensure improvements	Complied

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<p>energy shall be in place and monitored.</p> <p>Minor Compliance</p>	<p>towards the optimal use of renewable energy sources such as palm fiber and kernel shells for electricity and steam generation for turbine and boiler operations.</p> <p>Verified that the trends on consumption data for CPO production and housing supply was reviewed and plans for more efficient use were documented.</p> <p>The Biogas plant (Lagoon type) construction at Leepang POM was completed and already in operation. From interview with the POM Manager, the biogas plant had contributed to the reduction of fossil fuels and enhance the usage of renewable energy.</p>	
<p>Criterion 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003.</p> <p>Major Compliance</p>	<p>IOI Group had adhered to the policy of 'Zero open burning' for any replanting activities at the estates.</p> <p>At the time of current assessment, there has been no evidence of any open burning at the fields.</p>	<p>Complied</p>
<p>5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003.</p> <p>Minor Compliance</p>	<p>Verified that there was no evidence of any burning of domestic waste at the housing line sites and at the sanitary landfills of the estates during on-site field assessment.</p>	<p>Complied</p>
<p>Criterion 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions; particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>Major Compliance</p>	<p>The POM stack emission levels were monitored via the online Continuous Emissions Monitoring System (CEMS) and supported by the Ringelmann Smoke recorders and charts. Based on the recorded data available, the emission levels were found to be within the permissible limits as set by the DOE.</p> <p>POME treatment, monitoring and land application were monitored with records maintained which were verified to be have complied with the DOE regulations.</p>	<p>Complied</p>
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>Major Compliance</p>	<p>Significant pollutants and greenhouse gas (GHG) emissions were identified e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at both the POM and estates.</p> <p>The POM has achieved the ISCC EU certification for sustainable biofuels production.</p> <p>The GHG emissions calculation has been compiled for FY 2018/2019 using the Palm GHG calculator v3.01. The GHG calculation report has also been submitted to RSPO Secretariat. Data computed for the calculation was confirmed consistent and correct.</p>	<p>Complied</p>

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	<p>The Biogas plant (Lagoon type) started operation in January 2019 and had contribute to the reduction of fossil fuels and enhance the usage of renewable energy</p>	
<p>5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance.</p>	<p>Verified that the monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place.</p> <p>Tools and systems used include online CEMS monitoring for air emissions, scheduled waste disposal and water quality at discharge points (as per DOE regulations).Monitoring tools for stack emissions such via DOE online CEMS is being used.</p> <p>Back up monitoring and recording done via the continuous Smoke Recorder which was printable and attached to record book.</p> <p>The monthly water quality analysis reports at the final discharge points performed by Permulab Sdn Bhd (Sandakan) were available and maintained.</p> <p>Verified that the results had met the permissible limits set by DOE (e.g. BOD levels < 20 ppm).</p> <p>Earlier observation raised during previous audit had been addressed and implemented.</p> <p>At POM, the CEMS has been upgraded and is commissioning. In addition, the Electrostatic precipitator(ESP) is now under construction for the smoke detection as requested by DOE.</p> <p>Site flooring for EFB storage & despatch has been cemented. Competent SW personnel, En. Faizal Salleh , has also been appointed.</p>	<p>Complied</p>

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

Criterion 6.1		
Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
Indicators	Findings and Objective Evidence	Compliance
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented.</p> <p>Major Compliance</p>	<p>Social impacts in IOI Leepang group operations were assessed using various method including consultations, meetings, respond forms and interviews.</p> <p>Social impact assessment (SIA) for each operating unit in IOI Leepang grouping has been reviewed and conducted together with relevant external and internal stakeholders.</p> <p>External stakeholders' consultation was conducted for the whole grouping accordingly and the consultation was properly documented.</p> <p>The stakeholders include:</p> <ul style="list-style-type: none"> • Local communities e.g. neighbouring smallholders and plantations • Suppliers e.g. sundries, office utilities, hardwares, etc. • Contractors e.g. transporters of FFB/EFB and CPO, project contractors such as for building, housing, road and replanting (land preparation – tree felling, terracing and drainage) etc. • Government agencies – government school, HUMANA, CLC, authorities, etc. <p>Internal stakeholders' consultations however conducted separately in each operating unit.</p> <p>Internal stakeholders' consultations in each operating unit were attended by different categories of workers, e.g. different scope of work, gender, nationalities and levels.</p> <p>It is further noted that the foreign workers nationalities were predominantly Indonesian and a minority group of Filipinos.</p> <p>These consultations were noted to be satisfactorily documented.</p> <p>The SIA for each operating unit was audited and evaluated. Verified that the potential impacts considered to be significant were included, e.g. handover of passports and travelling documents to the foreign workers (for their freedom of movement), timely payment of wages, timely renewal of permits and extension of passports, issuance and replacement of proper PPE for workers, upgraded housing, schools and health clinics, safe transport for workers and children etc.</p> <p>The sampled evidence as follow:</p> <ul style="list-style-type: none"> – External stakeholder 20/8/2019 combined 4 groupings, i.e. Leepang, Leepang/Permodalan, Unico Desa, Unico Oil Mill. Participation 55. Location LDRO – LPOM - SIA reviewed 30/9/2019, prepared by SLO Vitus Galip, AM, approved by Kanny @ Paul Sitip. Manager. – LPOM - internal stakeholder 29/8/2019. Participation all workers representatives, HUMANA teachers and shop owners. – L5 - SIA reviewed 20/9/2019, prepared by SLO Fireck Firwin Teo, AM, approved by Manza Alex. Manager. 	<p>Complied</p>

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	<ul style="list-style-type: none"> - L5 - internal stakeholder 26/8/2019. Participation all workers representatives, HUMANA teachers and shop owners. - PP1 - SIA reviewed 30/9/2019, prepared by SLO Emri Ajum, AM, approved by Tamrin Hallo, Estate Manager. <p>L5 - internal stakeholder 26/8/2019. Participation all workers representatives, HUMANA teachers and shop owners.</p>	
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>Major Compliance</p>	<p>Each consultation and meeting conducted was verified to have involved relevant stakeholders affected by the operations of the group. Participants in external and internal stakeholder consultations were already mentioned above (6.1.1). Participants in meeting such as Joint Consultative Committee (JCC) involved workers representatives from different categories of workers such as general workers, sprayers, manuring workers, harvesters, drivers both locals and foreign workers. Participants in Gender Consultative Committee (GCC) mainly are women workers attended by Social Liaison Officer who are mostly male Assistant Manager acting as representatives for male workers.</p> <p>During external and internal stakeholder consultation respond forms were distributed for written inputs, however, verbal inputs were recorded in the meeting minutes. Meeting minutes were also maintained for other meetings mentioned above, i.e. JCC and GCC meetings. Attendance lists and photos for stakeholders' consultations and meetings conducted were also verified.</p>	<p align="center">Complied</p>
<p>6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p> <p>Major Compliance</p>	<p>The feedbacks received during consultations, meetings and interviews conducted by the POM and the estates were noted to have been considered by the Management and noted to be incorporated into the Business Plan of the respective units.</p> <p>A time frame was developed for implementation with Management involvement and respective persons responsible indicated. The status of the implementations was found to be updated on a monthly basis.</p> <p>It noted that from the SIA actions include continuous improvement plans with following activities identified:</p> <ul style="list-style-type: none"> • Admin infrastructure – SAP for integrated Accounting System (installation of VSAT) to ensure more timely reporting by all estate units (even at remote regions, where internet connectivity is limited) – ongoing from mid-2019 to 2020 • Road system and access for all users e.g. for safer travel and transportation of workers, school children, FFB crop evacuation and EFB distribution – ongoing and re-planning during the planned replanting over next 2-5 years • Re-planning of field drainage system during replanting for better flood mitigation issues at low lying and flood prone areas – ongoing and re-planning during the planned replanting over next 2-5 years • Upgrade and refurbishment of housing sites including construction of concrete drainage system for better hygiene – ongoing over next 2-5 years • Upgrade of water treatment systems for supply to the housing sites – ongoing over next 1-3 years (progressively done since 2018) • Better disposal and planning of larger and more suitable landfill locations (progressively done since 2018) 	<p align="center">Complied</p>

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	<ul style="list-style-type: none"> • More regular collection of domestic waste at housing areas. 	
<p>6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices.</p> <p>There shall be evidence that the review includes the participation of affected parties.</p> <p>Minor Compliance</p>	<p>The latest Social Impact Assessment and Plans were reviewed for year 2019/2020. The plans are reviewed annually together with affected parties, especially the workers, who were always consulted during the annual internal stakeholder consultation, the JCC meetings, safety meeting, daily morning muster and individual reports made in the Grievance Books.</p>	Complied
<p>6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>Minor Compliance</p>	<p>Verified that there was no smallholder scheme within IOI Leepang Grouping, thus this criterion is not applicable.</p>	Not applicable
<p>Criterion 6.2</p> <p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.2.1 Consultation and communication procedures shall be documented.</p> <p>Major Compliance</p>	<p>Procedure related to communication and consultation with the parties mentioned is available at IOI group website at https://www.ioigroup.com/Content/S/PDF/30 sept 2016 Grievance Mechanism FINAL.pdf. The group has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. their workers, government agencies, contractors, by personal invitation to attend the internal and external stakeholders' consultation.</p> <p>At IOI Leepang Grouping level, the procedure mentioned made public to all workers. Furthermore, the procedures were also explained carefully to all level of workers and this was verified through individual interviews with sampled workers during the audit. This procedure were also socialised with external stakeholders during the consultation session and personal interviews conducted by the management.</p>	Complied
<p>6.2.2 A management official responsible for these issues shall be nominated.</p> <p>Minor Compliance</p>	<p>In most cases, nominated person responsible as social liaison officers are the Assistant Managers of the operating units. Social liaison officers are responsible in handling relevant social related issued either raised by local communities, workers, government agencies or other interested parties. For example, Mr. Vitus Galip is identified in the SIA as Social Liaison Officer in Leepang POM, Mr. Fireck Firwin in Leepang 5 Estate and Mr. Emri Ajum in Morisem 5 Estate.</p> <p>Names of these nominated officers are made public to the workers through grievance procedures available in the public notice boards as well as through announcements made during meetings and morning musters. Interviewed conducted with workers during the audit verified that the workers especially have easy access to these social liaison officers.</p>	Complied
<p>6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p>	<p>The List of stakeholders at the IOI Leepang grouping was found to be adequately maintained and was noted to be kept current and updated.</p> <p>Noted that there are open and transparent methods for communication and consultation as recorded in the Stakeholder consultation meeting minutes and various workers and worker representative meetings held such as the OSH, ECC/JCC and</p>	Complied

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<p>Minor Compliance</p>	<p>GCC meetings. Communications records was noted to have taken into consideration the languages used particularly for the foreign / migrant workers who were predominantly Indonesian and some Filipino national workers, who could basically understand the Bahasa Malaysia/Indonesian language.</p> <p>The updated Lists of stakeholders at the POM and estates was referenced for selection by the Audit team for sending invitation and contact with external stakeholders for both individual and group external consultation conducted independently by the Audit team. See indicator 6.1.1.</p>	
<p>Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p>Major Compliance</p>	<p>It was verified during the audit that a system to deal with complaints and grievances for all affected parties have been established and found to be satisfactorily implemented in IOI Leepang Grouping.</p> <p>Among others, the affected parties have several options to register their complaints and grievances including via the Annual External and internal stakeholder consultations, morning muster, during ECC, GCC and Safety meetings and use of the Grievance Register/book made available at the offices at site.</p> <p>Procedures on how to register complaints are available in public notice boards. Main person responsible in handling the complaints and grievances received from stakeholders in each operating unit is the Social Liaison Officers who in most cases are the Assistant Managers. Training and explanations given on how to utilise this system recorded which was verified by the Auditor through interviews conducted and records inspected.</p> <p>The system in place is verified to be effective in ensuring that complaints and grievance were addressed or resolved in timely and appropriate manner. Actions taken to address the complaints and grievances received were found to be recorded appropriately.</p> <p>The system also allows the workers to register their complaints against their immediate supervisors, as basically the Social Liaison Officers were of a higher authority than the field supervisors.</p> <p>It was noted that the workers were also allowed to elect their own representatives / leaders (ketua) in the JCC/ECC which were not being dictated by the management.</p> <p>Under the system established and implemented, the complaints and grievances are investigated, addressed and resolved based on their severity. It was further noted that the complaints were mostly minor issues such as repairs and other housing maintenance requests were found to be resolved within 2-3 working days, whilst any major complaints and grievances are considered and resolved based on urgency or budget involved. Requests such as construction of bigger meeting halls, school classrooms, better transport (vans) for the workers school children and weekend outings to nearest town and better recreational facilities were noted to have been considered by the Management and noted to be progressively provided and / or upgraded and also being planned in the annual budget as CSR activities.</p> <p>The procedures have also included maintaining strict privacy and confidentiality of complainants on any issues raised during the Gender Consultative Committee (GCC) meetings or via the</p>	<p>Complied</p>

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	<p>workers GCC representatives. There have been no complaints related to sexual harassment received so far.</p> <p>It is verified during on-site interviews that there were no incidences of dispute or grievance of a serious nature.</p> <p>It was noted that IOI group had adopted a revised Whistleblowing Policy¹ which was approved by Audit and Risk Management Committee since Nov. 2017. Whistleblowing form was available online at IOI group website². The policy has stated that if in case of mutual resolution is not amicably achieved with complainants such as external stakeholders, the unresolved issues will be brought to attention of local authorities and/or RSPO Secretariat.</p> <p>¹https://www.ioigroup.com/Content/G/PDF/Corp_WhistleblowingPolicy.pdf</p> <p>² https://www.ioigroup.com/Content/G/G_Whistleblowing</p>	
<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>Major Compliance</p>	<p>Verified that all complaints and grievances received were documented either in the Grievance Register, meeting minutes for the JCC, GCC, Safety (OSH) meetings and annual stakeholder consultations respond forms and minutes.</p> <p>Decisions and action taken in response to the complaints and grievances received also well documented with sufficient supporting documents as evidences. Noted that all complaints and grievances are accessible to public, whilst the reports of the Gender representatives were handled with adequate care and confidentiality,</p>	Complied
<p>Criterion 6.4</p> <p>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>Major Compliance</p>	<p>The IOI Group procedure and process for identifying legal, customary or user rights, and people entitled to compensation is sighted as maintained at the company's website.</p> <p>At Leepang grouping, it was verified that there were no customary, user rights land or land dispute with the neighbouring estates or villages.</p> <p>Therefore, there has been no records of any negotiation or compensation and no changes in status as at the audit period at the PMU site.</p>	Complied
<p>6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p>Minor Compliance</p>	<p>IOI as a group has a generic procedure for calculating and distributing compensation which was available for verification during the audit. To date, there has been no dispute by any parties reported at the IOI Leepang Grouping.</p>	Complied
<p>6.4.3 The process and outcome of any negotiated agreements and compensation claims shall be</p>	<p>To date, there has been no dispute by any parties reported. Therefore, the process and outcome of compensation could not be observed.</p>	Complied

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<p>documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>Major Compliance</p>		
<p>Criterion 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.5.1 Documentation of pay and conditions shall be available.</p> <p>Major Compliance</p>	<p>In Leepang POM, the workers are paid with daily rate, whilst in IOI Leepang Grouping estates, most of the workers in the estates, as stated in the workers contract, are considered as “general workers” with piece rated pay. The pay conditions and other benefits were found to be clearly stated in the workers contract.</p> <p>Decision on workers’ wages were based on a memorandum dated 7/1/2019 to all IOI groups in Sabah including Leepang grouping. According to this memorandum monthly minimum wages had to be RM1,100/month or RM42.31/day, provided that all qualifying conditions are satisfactory fulfilled. These conditions are clearly stated in the memorandum and in the revised “IOI Plantation Minimum Wages & Leave Pay Policies in Malaysia”¹ which took effect on 1/1/2019 signed by Mr. N.B. Sudhakaran, Plantation Director. Content of this policy is verified to be satisfactorily understood by workers in the grouping and fulfilled common industry standard as it is in accordance with the MAPA-NUPW agreement 2015 and Minimum Wages Order 2018.</p> <p>¹ https://www.ioigroup.com/Content/S/PDF/Minimum Wage Policy.pdf</p>	<p>Complied</p>
<p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>Major Compliance</p>	<p>Pay conditions are clearly detailed in the workers contracts which include pay system used, working hours, overtime, holiday entitlements, etc. Permit from Jabatan Tenaga Kerja (JTK) (Labour Department) for the deduction is sighted.</p> <p>Workers contract is in Bahasa Malaysia which could be understood without difficulty by the foreign workers, who are Indonesian (majority) and Filipinos (minority).</p> <p>Based on interviews with the workers and sampled pay slips in each operating unit audited, it was verified that the pay and conditions as stated in Sabah Labour Ordinance, Minimum Wages Order (Nov 2018) and other relevant regulations are satisfactorily complied with.</p> <p>Monthly analysis was conducted on the wages received by all the workers. JTK Kunak, was consulted directly in earlier audits by the auditor and it was confirmed that the Sabah Labour Ordinance and the minimum pay conditions for the workers was adhered.</p> <p>Currently wages to the foreign workers in IOI Leepang Grouping are paid by issuing cheques. During the audit and interviews conducted, there was no complaint from any of the workers on the mode of payment.</p> <p>To date, the JTK confirmed that there were no complaints from local nor foreign workers with regards to any unjust pay and working conditions. There was also no complaint raised during any meeting and stakeholder consultation nor recorded in any Grievance Book</p> <p>At the time of audit, no embassies, i.e. Indonesian Consulate and the Philippine Embassies, are known to have issued</p>	<p>2019: Refer to OBS JMD-01</p>

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	<p>specific instructions that all employment contracts must be endorsed by the embassies before being used.</p> <p>Leepang 1 & Leepang 5, Permodalan 1 and Permodalan 3 Estates</p> <p>At all estates audited, workers working during rest day were confirmed have performed voluntarily and appropriately paid by the management.</p> <p>Such an arrangement should be specifically indicated with the workers' acknowledgement.</p>	
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>Minor Compliance</p>	<p>Minimum national standard for housing and other basic necessities are described in Akta Standard-Standard Minimum Perumahan Dan Kemudahan Pekerja – Akta 446 (Workers' Minimum Standards of Housing and Amenities – Act 446). However, this act, as informed by JTK, is yet to be enforced in Sabah, thus IOI Leepang Grouping only implements relevant parts of the act.</p> <p><u>Housing, electricity and water supply</u></p> <p>Workers are provided with adequate free accommodation at workers quarters with free electricity and treated water. Water treatment are available for each operating unit audited and testing of water quality by external lab is conducted regularly and the results verified to have met permissible regulatory limits. The workers quarters were clean and rubbish are collected at least twice in a week. All rubbish was properly tied in plastic bags before being transported to the landfill. Chicken coops are located in a safe distance from the houses</p> <p><u>Schools</u></p> <p>The migrant workers' children are given free education in a NGO-managed school, i.e. Humana. Maintenance of the school building, furniture, electric and water supplied are is under the purview of the operating unit management.</p> <p>HUMANA are mainly for children between 6-13 years old and Community Learning Centre (CLC) is for teenagers up to 15 years old. School children, both local and foreign, are transported with no charge from the operating units in suitable vehicles. A number of school buses sighted during the audit were used to transport the school children.</p> <p><u>Sundry shops</u></p> <p>Sundry shops are available outside at each operating unit audited. From interviews with the workers it was found that most household sundries, including frozen foodstuffs were available on sale. The workers also go out to town once a month after pay day to buy sundries.</p> <p><u>Crèche (Rumah Asuhan Kanak-kanak)</u></p> <p>Creche is available in each operating unit and they are well maintained. The crèche caretakers are well trained on procedures of using the first aid kits as well as fire extinguisher. Depending on the operating unit management, some crèche is provided with biscuits or formulated milk powder. During the audit, children were found in good health and the surrounding of the crèche are all well maintained. No overcrowded crèche found and ratio between caretakers with children are well balanced.</p> <p><u>Clinics</u></p> <p>Clinics are located in within the vicinity of the estates and the POM. Together with the staff, the Health Attendance (HA) are</p>	<p>Complied</p>

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	also responsible on monitoring and maintaining acceptable living standard in the workers quarters, e.g. buildings maintenance, rubbish collection, drainage system, children education, etc. inspection by the staff conducted weekly, whilst inspection by HA conducted monthly. VMO make a monthly visit to the audited estates and check upon a few areas, e.g. referred patients and purchase of the medicines at the clinics, workers quarters, crèche. Valid Foreign Workers Compensation Scheme (FWCS) issued by MSIG in all units audited were also verified. The FWCS was replaced with the Social Security Organisation (SOCSSO) contribution for the foreign workers based on Employer's Circular No. 3 Year 2018 issued by The Human Resource Ministry.	
6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. Minor Compliance	IOI Leepang Grouping has ensured that the workers have access to adequate, sufficient and affordable food by providing the workers with local sundry shops within the group compound. It is verified that office staff were provided with transport to go shopping for sundry items in town at the end of each month i.e. after pay day upon specific request.	Complied
Criterion 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.		
Indicators	Findings and Objective Evidence	Compliance
6.6.1 A published statement in local languages recognising freedom of association shall be available. Major Compliance	Published statement recognising freedom of association is mentioned in Sustainability Policy adopted by the IOI group in 2017 (revised March 2018) under the Human Rights and Workplace heading. This policy is available online at IOI website. ¹ ¹ https://www.ioigroup.com/Content/S/S_Policy	Complied
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	As an alternative to workers union, IOI Leepang Grouping formed the JCC in each operating unit. This committee serve as a medium for workers to collectively bargain with the management. Members of JCC are management representatives and workers representatives elected by the workers including both local and foreign. JCC meetings are scheduled quarterly and each meeting is recorded. It was verified that issues raised during the meetings are resolved in appropriate and timely manner. From sampled JCC meeting minutes, there was no major issue raised by the workers. The meeting minutes are accessible to all members in the JCC and other workers as well. In each meeting, the meeting started with approval of previous meeting minutes and evaluate the status of issues raised. Meeting minutes selected for verification was from Leepang POM on 2/10/2019 and at Leepang 5 Estate on 5/8/2019. It was found that the workers are represented through their job sectors in these meetings. Representation through job sector is preferable than other sectors, e.g. housing blocks, religion or faith, because the workers have more and regular personal interactions during work hours. Representations through job sectors was verified did not affect the workers ability to raise issues related to social aspects. Interviews conducted with sampled workers confirmed that the policy was generally understood by workers and satisfactorily implemented in the grouping.	Complied

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Criterion 6.7		
Children are not employed or exploited.		
Indicators	Findings and Objective Evidence	Compliance
6.7.1 There shall be documentary evidence that minimum age requirements are met. Major Compliance	Published statement the group will eliminate all forms of illegal, forced, bonded, and compulsory, including child labor is mentioned in Sustainability Policy adopted by the IOI group in 2017. HUMANA schools and 'crèche' were established to cater to the need for proper education of the foreign workers children. Children at the appropriate age for secondary school attended the Community Learning Centre (CLC) which is also managed by HUMANA but was built with the help of the group. Inspection of the employment records including site visit to the estates and this practice proved that content of this policy satisfactorily understood by workers and satisfactorily implemented in the PMU.	Complied
Criterion 6.8		
Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
Indicators	Findings and Objective Evidence	Compliance
6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	Published statement on equal opportunities is mentioned in Sustainability Policy adopted by the IOI group in 2017. This policy clearly state that IOI Group including IOI Leepang prohibits and will actively prevent any discrimination based on race, nationality, religion, or gender.	Complied
6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	Based on interviews and feedback from the employees, foreign workers, review of JCC meeting minutes and grievance records, it is verified that there has been no issue of discrimination at the PMU. These practices, i.e. regular meetings between workers and the management, effective grievance procedures, etc. proved that content of this policy satisfactorily understood by workers and satisfactorily implemented in the PMU.	Complied
6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	All operating units audited in IOI Leepang Grouping kept and maintained records of their workers, including credentials and medical history. Credentials for foreign workers are mostly referring to the travel documents, whilst credentials for local staff have more details. Records of medical history for both local and foreign workers are considerably comprehensive kept in the medical clinics within the group. Recruitment and promotion are verified based on skills, capabilities, qualities, and medical fitness necessary for the job. Before hiring, each new foreign workers are required to pass FOMEMA medical check-up as required by law and probation period to evaluate level of skills and the workers attitude towards the new surroundings.	Complied
Criterion 6.9		
There is no harassment or abuse in the work place, and reproductive rights are protected.		
Indicators	Findings and Objective Evidence	Compliance
6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.	Published statement on prevention of sexual and all other forms of harassment and violence is covered in Sustainability Policy adopted by the IOI group in 2017. GCC members who were interviewed confirmed that there is a clear and understandable protocol on receiving complaints or	Complied

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<p>Major Compliance</p>	<p>grievances related to sexual harassment. Apart from briefing on the policy mentioned above in muster ground to all workers and during stakeholder consultations, GCC meetings were also conducted in each operating unit audited. Examples are in Leepang POM, latest GCC meeting was on 26/7/2019, PP1 Estate on 27/6/2019 and Leepang 5 Estate on 21/6/2019. Meeting minutes of GCC was reviewed during the audit and concerns related to women was clearly covered including especially on sexual harassment and domestic violence. These practices, i.e. regular meetings between workers and the management, effective grievance procedures, etc. proved that content of this policy satisfactorily understood by workers and satisfactorily implemented in the PMU.</p>	
<p>6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance</p>	<p>As per the IOI policy established, pregnant and breastfeeding women (both local and foreign) were exempted from work associated with potentially hazardous chemicals.</p> <p>Medical checkup was conducted on monthly basis for female workers handling chemicals, Justification given by the Management that this was ensure that any pregnancy will be detected early for work safety reasons, which was noted to be adequately explained to the workers.</p> <p>As per interviews conducted by the Auditor, with sampled local and foreign female workers, it was confirmed the reason for medical checkup was accepted by them and did not pose as infringement of their reproductive rights.</p> <p>Verified that there was provision in the said policy / guidelines on for appropriate actions and options for decisions to be made by the female workers themselves, if found to be pregnant.</p> <p>There were no cases of any pregnant female workers during the audit.</p>	<p>Complied</p>
<p>6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance</p>	<p>The Grievance process flowchart and procedures are displayed in the estate offices. The grievance mechanism established at the PMU has been maintained. There are gender committees specifically to address areas of concern to women. These committees headed by the managers and members are representatives from all areas of work. The minutes of meetings were documented and kept. Reports made to the gender representatives are inaccessible to the public.</p>	<p>Complied</p>
<p>Criterion 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance</p>	<p>FFB prices are publicly displayed at the POM based on current prices as determined by MPOB. These prices are available for public to access at MPOB website.</p>	<p>Complied</p>
<p>6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance</p>	<p>Price mechanism is generally understood by the industry players as the POM is using FFB prices set by the MPOB. Monthly prices are displayed at the POM office and FFB price data are available to the public upon request.</p>	<p>Complied</p>
<p>6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance</p>	<p>Based on employee contracts and meeting minutes (between the PMU managements and employees) it is evidenced that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>Interviews with parties concerned confirmed that business</p>	<p>Complied</p>

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	practices with local businesses are conducted in a fair and transparent manner. Work tenders are open to appropriate parties and reviewed by Tender Committee before approval. The contractors are monitored to follow safety requirements during the work in progress.	
6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance	The PMU has a policy to ensure agreed payments were made in a timely manner as per the contracts of agreement made. Payments are made on time according to common practice of 60-day grace period. This was verified during interview with the stakeholders including the contractors.	Complied
Criterion 6.11 Growers and millers contribute to local sustainable development where appropriate.		
Indicators	Findings and Objective Evidence	Compliance
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	Main contribution of the estates to the local development can be demonstrated in the provision of facilities, services and where feasible, monetary. <ul style="list-style-type: none"> Free transportation to schools for primary, secondary and Humana students. Free housing for HUMANA and CLC teachers. Free ambulance service to nearest government medical clinic. Maintenance of places of worships, e.g. mosque and chapel. All expenses covered for recruitment related fees. This policy covers both new and qualified existing foreign workers. LDRO participation at job fairs, in LD on 29/3/2019 and in Kinabatangan 27/4/2019. LPOM – Four new blocks is included in budget between 2018 and 2022 to replace old workers quarters. LPOM – Sports events. Table tennis tournament 31/8/2019. Futsal tournament 1/9/2019. 	Complied
6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity Minor Compliance	The certification scope covered during the audit does not include the smallholders. Thus, this criteria is not applicable. In addition, the PMU have no dealings with smallholders.	Not applicable
Criterion 6.12 No forms of forced or trafficked labour are used.		
Indicators	Findings and Objective Evidence	Compliance
6.12.1 There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	Estate workers are sourced by the IOI appointed agents and handled via IOI Lahad Datu Regional office (LDRO). All procedures of bringing in foreign workers are with the approval from the Immigration Office. Based on records verified and interviews with some of the workers, it is confirmed that there has been no occurrence of forced nor trafficked workers in IOI estates. IOI through its revised Sustainability Policy have released the passports back to the workers throughout the group. The workers however were reminded they are responsible should any untoward incidents happened while their passports are in	Complied

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	<p>their custody. The management will assist the workers to monitor the expiry dates of their passports and work permits, FOMEMA tests until collection of work permits from the Immigration Office. Contractor workers were also verified to keep their own passports.</p> <p>It was also verified, workers are aware that legalising process of their dependents are their own responsibilities. The PMU provided necessary assistance such as reference address, transportation, supporting documents, advance payment, etc. for the workers who opted to legalise their dependents. It was verified some invoices from recruitment agency did include charges for renewal of dependent passports.</p> <p>IOI through its revised Sustainability Policy have released the passports back to the workers throughout the group. The workers however were reminded they are responsible should any untoward incidents happened while their passports are in their custody. The management will assist the workers to monitor the expiry dates of their passports and work permits, FOMEMA tests until collection of work permits from the Immigration Office. Contractor workers were also verified to keep their own passports. There are cases where workers requested the office management to keep their passports for safety reasons by signing "Borang Persetujuan Penyimpanan Passport" (Passport Keeping Agreement Form). In the form it is clearly indicated that the management will furnish the workers with the passports whenever requested.</p>	
<p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred.</p> <p>Minor Compliance</p>	<p>No issue of contract substitution has been found and this was confirmed through interviews mainly with internal stakeholders.</p>	<p>Complied</p>
<p>6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.</p> <p>Major Compliance</p>	<p>Published statement and procedures on migrant workers is covered in IOI Plantation Foreign Workers Recruitment Guideline & Procedure in Malaysia adopted by the IOI group was revised in July 2019.</p> <p>Implementation of this policy is evident as explained above, for example, all decisions related to hiring of new workers shall be made based on business needs, job requirements and individual qualifications and without regard to race, religion or gender. Also mentioned above that the equal opportunity policy was adopted and implemented by the PMU and verified to have covered all necessary aspects of including migrant workers related issues. Freedom of association as earlier mentioned permitted not only to the local workers but also to the foreign workers.</p> <p>This policy is communicated to all workers during annual refresher training and to all new intakes.</p>	<p>Complied</p>
<p>Criterion 6.13 Growers and millers respect human rights.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).</p> <p>Major Compliance</p>	<p>Published statement on human rights is covered in Sustainability Policy adopted by the IOI group in 2017 (revised March 2018) under the Human Rights and Workplace heading. This policy is verified to be communicated to all workers during annual refresher training and to all new intakes.</p>	<p>Complied</p>
<p>6.13.2 As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies</p>	<p>The mill and estates had contributed towards the setting up of the HUMANA and CLC schools for children of all foreign workers, both for their primary and secondary level educations.</p>	<p>Complied</p>

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<p>should engage in a process to secure these children access to education as a moral obligation.</p> <p>Minor Compliance</p>	<p>It was verified that the school building, premises and basic utilities has been adequately maintained and transport has been provided free for children of the workers.</p> <p>Proper monitoring of the attendance of the school going children was evidenced and regular briefing to the parents was noted to have been given to ensure that they also monitor their children's education progress.</p>	
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Principle 7: Responsible development of new plantings

Today the PMU has not carried any new plantings after Nov 2005 which may be applicable under requirements of the RSPO New Planting Procedure.

The requirements of Principle 7 were verified to be 'Not applicable' to this PMU during this assessment.

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

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

<p>Criterion 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>8.1.1 The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Encourage optimising the yield of the supply base. <p>Major Compliance</p>	<p>The PMU had planned and progressively implemented continual improvement activities in the POM and estates:</p> <p><u>Continual improvements for the POM:</u></p> <ol style="list-style-type: none"> 1. Commissioning of a new washing plant for the reduction of chloride in the CPO. 2. Recycling and reduction of waste (recycle scrap iron, plastic and paper) 3. Installation of 2 units of Jet Pump and 6 units of aeration paddle for improved aeration at the effluent ponds. 4. The commissioning of the biogas plant in January 2019. <p>Evidence of results was available for the above continuous improvement action plans.</p> <p><u>Continual improvements for Estates:</u></p> <ol style="list-style-type: none"> 1. Reduce the consumption of pesticides. 2. Increased planting of beneficial plants as direct bio-control to reduce attacks by caterpillars and bag worms. 3. Additional palm top equipment for monitoring of yields from the estates. 4. Introduction on the use of Barn owls for the reduction in chemical usage. Construction of the barn owls is on going. <p>Evidence of results was available for the above continuous improvement action plans.</p>	<p>Complied</p>

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See Summary of Net GHG Emissions submitted by the POM in the Tables below.

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

SUMMARY OF NET GHG EMISSIONS

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

GHG Table 1: Summary of Net GHG Emissions (12 months: July 18 – June 19)

Emissions per Product	tCO2e/tProduct
CPO	1.66
PK	1.66

Production	t/year
FFB processed	253,724.76
CPO Produced	49,161

Extraction	%
OER	19.38
KER	5.37

GHG Table 2: Summary of Net GHG Emissions

Land use	Ha
OP planted area	13120
OP planted on peat	104.98
Conservation (forested)	388.84
Conservation (non-forested)	96.21
Total	13710.03

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GHG Table 3: Summary of Field Emissions and Sinks

	Own Crop		Group		3rd Party		Total	
	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha
Emissions								
Land Conversion	103076.1	7.86					103076.1	7.86
CO2 Emissions from Fertiliser	22149.07	1.69					22149.07	1.69
N2O Emissions	19807.31	1.51					19807.31	1.51
Fuel Consumption	5332.82	0.41					5332.82	0.41
Peat Oxidation	5731.9	0.44					5731.9	0.44
Sinks								
Crop Sequestration	-105460.39	-8.04					-105460.39	-8.04
Conservation Sequestration	-2182.68	-0.17					-2182.68	-0.17
Total	48454.13	3.69					48454.13	3.69

GHG Table 4a: Summary of Mill Emissions and Credits

	tCO2e	tCo2e/tFFB
Emissions		
POME	55345.08	0.22
Fuel Consumption	1550.38	0.01
Grid Electricity Utilisation	0	0
Credits		
Export of Excess Electricity to Grid and Housing	-1329.47	-0.01
Sales of PKS	0	0
Sales of EFB	0	0
Total	55565.99	0.22

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

Divert to compost	0%
Divert to anaerobic digestion	100%

GHG Table 4c: POME Diverted to Anaerobic Digestion

Divert to anaerobic pond	%
Divert to methane capture (flaring)	70 %
Divert to methane capture (electricity generation)	30 %

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3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

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

Details of findings are as follows:

General Chain of Custody Requirements for the supply chain: 2019

5.1 Applicability of the general chain of custody requirements for the supply chain		
Indicators	Findings and Objective Evidence	Compliance
5.1.1. The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.	IOI Corporation Berhad headquarter has the physically handle the RSPO Certified Sustainable oil palm products. All trading, contract and sales were managed by Marketing Department at HQ and held the Palm Trace registration number for respective mill (Leepang Palm Oil Mill: RSPO_PO1000001094)	Complied
5.1.2. Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor must pass on the certification number of the product manufacturer and the applicable supply chain model.	Leepang POM was not a trader or distributor.	Complied
5.1.3. Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.	IOI Corporation Berhad held RSPO membership number: 2-0002-04-000-00. Company has registered in Palm Trace system as follows: Members ID – Leepang Palm Oil Mill: RSPO_PO1000001094, Licence valid until 15-12-2019	Complied
5.1.4. Processing aids do not need to be included within an organization's scope of certification.	There were no processing aids used at Leepang Palm oil Mill.	Complied
5.2 Supply chain model		
5.2.1 The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	Verified that this facility is a CPO Mill which applies Module D: Identity Preserved (IP)	Complied
5.2.2. The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Verified that this facility is a CPO Mill which applies Module D: Identity Preserved (IP)	Complied
5.3 Documented procedures		

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<p>5.3.1.</p> <p>The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> • Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). • Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard. 	<p>Documented procedure for CPO Mill for Palm Products. SOP updated on 1/08/2019 (RSPOSC/SOP/IP/4) - Module D is verified on site. The 'IP module' implementation is verified to adhere to the RSPO SCCS requirement. Production records are maintained and updated on a daily basis and monthly, 3-monthly and annually reports are compiled and for reporting to the IOI Group, HQ.</p> <p>The responsible person identified is the Mill Manager as per the SOP and Organizational chart. Interview done with the Mill Manager, confirmed that he and his assistants are aware and able to demonstrate the implementation of the RSPO supply chain requirements.</p>	<p align="center">Complied</p>
<p>5.3.2.</p> <p>The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <ol style="list-style-type: none"> i. conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. ii. effectively implements and maintains the standard requirements within its organization. <p>Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct nonconformities shall be subject to management review at least annually. The organization must be able to maintain the internal audit records and reports.</p>	<p>Internal audit SOP: RSPOSC/SOP/IA/1 rev 01 dated 1 Aug 2017 was established and maintained.</p> <p>Documented procedure for CPO Mill for Palm Products. SOP updated on 1/08/2019 (RSPOSC/SOP/IP/4) - Module D is verified on site. covered the implementation of all elements of Supply chain modules, is verified on-site. Stated in para 4.1.10 that its Internal Control System ensure that all users of the RSPO trademark and claims are in accordance with RSPO Rules on Market Communications and Claims requirements. The SOP had covered the Market Communications and Claims requirements including:</p> <ol style="list-style-type: none"> 1) General corporate communications 2) Business to business communications 3) Business to consumer communication 4) Stamp CSPO/IP or CSPK/IP 5) IP general & Module D: IP for CPO Mill 6) Labelling and trademark 7) Messaging <p>Last Internal audit was done on: 13/9/2019 by SPO team using the checklist as per the RSPO SCC Standard 2017 which included the RSPO Market communication and claims requirements. The last internal audit indicated 2 NC raised which were closed out after corrective actions taken. It is found that the internal audit was effectively implemented and maintained at Leepang POM.</p> <p>The Internal audit findings were reviewed during the Management review.</p> <p>Records of Internal audits and minutes of Management review of past 2 years were maintained and available.</p>	<p align="center">Complied</p>

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5.4 Purchasing and goods in		
<p>5.4.1.</p> <p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number • Information must be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). • The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping announcements/ Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. • A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements. • The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements. 	<p>The Daily Production Report showed traceable figures of certified products from certified raw material sources. All incoming certified raw material is recorded by daily, monthly and annual basis. Incoming raw material delivery documents included: Name and address of the product origin, name and address of the receiver; ticket number, delivery order no.; contract no.; date; quantity; transporter; type of product; Supply Chain model used - IP and RSPO certificate number.</p> <p>Note: Current PT license: 16 Dec 2018 – 15 Dec 2019</p> <p>Incoming FFB from supply base are entirely from owned estates only under the grouping.</p> <p>Samples taken at POM (Receiving site) were as follow:</p> <p>1) Leepang 1 Estate:</p> <ul style="list-style-type: none"> • Consignment note no. (66813) • Estate's names (Leepang 1 Estate) • Date & time of delivery (3/8/2019) • Field No. (98C) • Vehicle no. (SD4979F) • Net weight (7940 kg) <p>Permodalan 1 Estate</p> <ul style="list-style-type: none"> • Consignment note no. (02075) • Estate's names (Permodalan 1 Estate) • Date & time of delivery (3/8/2019) • Field No. (PR16A) • Vehicle no. (SSA5960A) • Net weight (9770 kg) <p>Permodalan 3 Estate</p> <ul style="list-style-type: none"> • Consignment note no. (40699) • Estate's names (Permodalan 3 Estate) • Date & time of delivery (14/8/2019) • Field No. (96A) • Vehicle no. (ST3823X) • Net weight (9820 kg) 	<p>Complied</p>

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<p>5.4.2. The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.</p>	<p>As per the SOP for POM: IOI/Stop/ 09 issue 02, 01 July 2019 (Product Storage & Dispatch) available at the POM for the IP based incoming FFB and documentations such as Estates Delivery Notes and Weighbridge tickets at POM, the control mechanism noted to be in order, includes CPO despatch by Barge – as applied at Leepang POM.</p> <p>Mechanism for handling of NC OP products and documentation stated in Section 12 – NC products / documents / certification issues.</p> <p>So far, there was no evidence of any occurrence of non-conforming products or related documents.</p>	<p>Complied</p>
<p>5.5 Outsourcing activities</p>		
<p>5.5.1. In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).</p>	<p>Verified that there are no outsourced processing activities to Independent third parties.</p> <p>Transport of FFB, CPO and PK as arranged by the Estates and POM Management are controlled via contracts with transporters and inspection of the transportation vehicles used prior to and upon completion of loading and off-loading. This are evidenced in the Delivery chits and weighbridge tickets which indicate the Transport vehicle no, weight and driver involved.</p>	<p>Complied</p>
<p>5.5.2. Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ul style="list-style-type: none"> a) The site has legal ownership of all input material to be included in outsourced processes; b) The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged 	<p>No outsourcing of processing activities noted at the POM.</p>	<p>Not applicable</p>

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<p>provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.</p>		
<p>5.5.3. The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p>	<p>Transport contractor for the transportation of the CSPO & CSPK are monitored and valid contracts are available and verified at the POM.</p>	<p>Complied</p>
<p>5.5.4. The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.</p>	<p>No outsourcing of processing activities noted at the POM.</p>	<p>Not applicable</p>
<p>5.6 Sales and goods out</p>		
<p>5.6.1. The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer;</p> <ul style="list-style-type: none"> • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number. • Information must be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). • For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. 	<p>CPO Mill: Morisem Palm Oil Mill Sdn Bhd - Leepang POM, sales and delivery documents information includes:</p> <ul style="list-style-type: none"> - Name and address of production unit. - Name and address of buyer - WB Ticket number - Date of delivery - Transporter ID / - Type of product / Supply chain model - Quantity: - RSPO certificate no.928588 <p>Delivery is lorry tankers for CPO. Off loaded to Barge and then shipped to Refinery (at Sandakan).</p> <p>Sample the weighbridge ticket/dispatch note as below:</p> <p>A) CSPO Despatch Note: 126754 Buyer: XXXXXX Address: Sandakan, Sabah Contract No: R43471/1907 Shipment date: 25/7/2019 Quantity: 27,180 kg Product: CSPO IP Transport: Affinity Future S/B Supply chain cert no: RSPO930888</p> <p>B) CSPK Despatch Note: 44592 Buyer: XXXXXX Address: Sandakan, Sabah Contract No: C16721/1907 Shipment date: 30/8/2019 Quantity: 31,660 kg Product: CSPK IP Transport: Uniharvest Sdn Bhd Supply chain cert no: RSPO930888</p>	<p>Complied</p>
<p>5.7 Registration of transactions</p>		
<p>5.7.1.</p>	<p>The registration of PalmTrace will be carried out by the Marketing Department, HQ. All transaction will be</p>	

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<p>Supply chain actors who:</p> <ul style="list-style-type: none"> • are mills, traders, crushers and refineries; and • take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable. 	<p>registered in the PalmTrace. Company has registered their mill in the PalmTrace:- Members ID – Leepang Palm Oil Mill: RSPO_PO1000001094, Licence valid until 15-12-2019</p>	<p>Complied</p>
<p>5.7.2. The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> • Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. • Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. • Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. • Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	<p>Marketing department will make the necessary transaction of RSPO certified CPO and PK in the RSPO IT Platform. During HQ audit, all the transactions from the mill (CSPO/CSPK) were announced accordingly.</p>	<p>Complied</p>
<p>5.8 Training</p>		
<p>5.8.1. The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff.</p>	<p>Training plan for 2019 were available which training for RSPO Supply Chain has been included. Training need analysis is done prior to development of training plan.</p>	<p>Complied</p>
<p>5.8.2. Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed.</p>	<p>Relevant personnel to supply chain implementation as defined by the CU are the personnel that involve in supply chain implementation such as Assistant Managers, staff, security and weighbridge operators. The latest RSPO supply chain training was carried out on 2/10/2019 attended by operating units representative. The refresher training was given by SPO Team.</p>	<p>Complied</p>
<p>5.9 Record keeping</p>		

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<p>5.9.1. The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.</p>	<p>The company has procedure to maintain and update all documents and records of RSPO supply chain system as required by the RSPO supply chain. The company has maintained, updated report & record which covering all aspects of RSPO SCCS requirements, such as: daily report, monthly report, 3-months mass balance report, delivery note, balancing stock report, complaint record, non-conforming product report, etc.</p>	<p>Complied</p>
<p>5.9.2. Retention times for all records and reports shall be a minimum of two (2) years and must comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.</p>	<p>As per the RSPO SCC SOP, the minimum retention time of record for 2 years was stated. The retention of accounting related records including contracts, invoices etc. had complied with the minimum 7 years as per the Annual Accounting report and Stock Inventory done by the Accounting Dept. Based on sampling done for RSPO transactions, the related records were noted to be retained and available at site.</p>	<p>Complied</p>
<p>5.9.3. The organization must be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.</p>	<p>The PMU has updated the record keeping of the volumes of FFB purchased, processed and claimed as RSPO certified oil palm products. The Monthly, 3-Monthly, and Annual data over past 12 months was available.</p>	<p>Complied</p>
<p>5.10 Conversion factors</p>		
<p>5.10.1 Where applicable a conversion rate must be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which must be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.</p>	<p>Not applicable, as the scope of certification for this unit covers until the CPO Mill only.</p>	<p>Not applicable</p>
<p>5.10.2 Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.</p>	<p>Not applicable, as the scope of certification for this unit covers until the CPO Mill only.</p>	<p>Not applicable</p>
<p>5.11 Claim</p>		
<p>5.11.1. The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.</p>	<p>As at to-date, there has been no evidence of any no incorrect or inappropriate claims made at this unit.</p>	<p>Complied</p>

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RSPO Rules on Market Communications and Claims:		
General Corporate communications		
4.1 Highlights RSPO membership and/or commitment to RSPO Principles	The RSPO membership number is stated under the parent company of IOI Corporation Berhad as indicated in the RSPO website and CH certificate.	Complied
4.2 a) displays RSPO membership number b) displays RSPO web address (www.rspo.org.) c) states support for RSPO work	Noted done via the ACOP submitted on annual basis eg for year 2017 and 2018.	Complied
4.3 No misleading claim on RSPO membership on sale of certified RSPO products	There has been no evidence of any misleading claim as at the time of audit on the sale of the CSPO & CSPK for past 12 months (Jan-Dec 2018)	Complied
4.4 No misleading claim to consumers and stakeholders.	As above.	Complied
4.5 Use of RSPO logo	No evidence of inappropriate use of the RSPO logo.	Complied
Business to Business communications		
5.1 Appropriate communications for B to B	Transactions and communications are presently internal i.e. between the IOI POM (seller) and IOI Edible Oils Sdn Bhd – Refinery (buyer)	Complied
5.2 Communication of claims of SCC Model and Certificates	Verified that claims using the IP model / status as issued in the CH certificate was correctly stated.	Complied
5.3 Distributor or wholesaler License use	Not applicable as the POM is not a distributor / wholesaler.	Not applicable
5.4 Declarations of certified palm oil are as per RSPO rules.	Verified that claims made on CSPO & CSPK are as per RSPO Rules.	Complied
Business to Consumer communications		
6.1 Any business to consumer claims made?	Not applicable as the POM does not make any communications with consumers.	Not applicable
6.2 Are the RSPO Marks and logos appropriately used and communicated.	Not applicable.	Complied
6.3 On-pack label and claim use	Not applicable.	Not applicable
6.4 Any disclosure of supplier membership status	Not applicable.	Not applicable
6.5 Appropriate and accurate claims made on certified products	Verified that transaction and claims on certified CSPO & CSPK are appropriate and accurate over past 12 months.	Complied
6.6 Use of RSPO Marks and logos	Verified that there was no inappropriate use of RSPO Marks & Logos.	Complied
6.7 Retailer or Food Services company use of RSPO Marks and logos	Not applicable.	Not applicable
6.8 Appropriate and accurate claims made on certified products under 6.7	As above	Not applicable
5.12 Complaints		

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<p>5.12.1. The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.</p>	<p>Documented procedure for CPO Mill for Palm Products. SOP Section 11, verified on site, included the collecting and resolving of stakeholder complaints and any quality issues. There has been no complaint received since previous audit.</p>	<p>Complied</p>
<p>5.13 Management review</p>		
<p>5.13.1. The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken</p>	<p>Refer to the Internal Audit Procedure (RSPOSC/SOP/IA/1, Rev:02 dated 20/12/2018, it was mentioned that the management review will be conducted after internal audit done (annually). The management review for Leepang POM was conducted on 14/9/2019, chaired by the mill manager.</p>	<p>Complied</p>
<p>5.13.2. The input to management review shall include information on:</p> <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	<p>The management review for Leepang POM was conducted on 14/9/2019, chaired by the mill manager. All the inputs have been discussed accordingly, For example: Results of internal audits covering RSPO Supply Chain Certification Standard, Customer feedback, Status of preventive and corrective actions, Follow-up actions from management reviews, Changes that could affect the management system, Recommendations for improvement.</p>	<p>Complied</p>
<p>5.13.3. The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	<p>The management review for Leepang POM was conducted on 14/9/2019, chaired by the mill manager. All the outputs have been discussed accordingly, For example: Improvement of the effectiveness of the management system and its processes and resource needs.</p>	<p>Complied</p>

RSPO Supply chain requirements – Module D (IP) for CPO Mill

<p>D.1 Definition</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>The POM only processed FFB from its own supply base (see Section 1.3).</p> <p>It was verified that there were no sources of FFB from any outgrowers or independent suppliers / smallholders.</p> <p>Therefore, the CPO Mill continues to apply the Identity Preserved (IP) module as was in the previous year.</p>	<p>Complied</p>

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D.2 Explanation		
Indicators	Findings and Objective Evidence	Compliance
<p>D.2.1</p> <p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the POM is recorded and submitted by the POM. The data is verified during the current assessment.</p> <p>This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year i.e. estimated for 2018.</p> <p>The actual tonnage produced has been recorded in each annual surveillance report (see Section 1.8.2 Table 6 and Section 1.8.3 Table 7).</p>	Complied
<p>D.2.2</p> <p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The POM meets all registration and reporting requirements for the appropriate supply chain through the RSPO Supply Chain managing organization (RSPO IT platform or book and claim).</p>	Complied
D.3 Documented procedures		
<p>D.3.1</p> <p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p>	<p>Documented procedure for CPO Mill for Palm Products. SOP updated on 1/08/2019 (RSPOSC/SOP/IP/4 is verified on site,</p>	Complied
<p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements</p>	<p>The documented procedure and its implementation confirmed to have complied with all the specified requirements of Identity Preserved (IP) Module D. The implementation includes controlling of FFB receipt, processing, sales, CPO and PK dispatch, and records keeping.</p>	Complied
<p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>Mill Manager has the overall responsibility and authority for implementation and compliance with the documented procedure. He and other relevant staff (e.g. Asst. Mill Manager) under his charge demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard requirements and its implementation. Interviews of the relevant staff confirmed their knowledge of the RSPO Supply Chain Certification Standard requirements for the respective areas of operations.</p> <p>The Palm Oil Mill Organization Chart and job responsibilities of employees (Mill Manager, Assistant Manager, Engineers, Assistant Engineers, Technical Executive, Supervisor, Weighbridge Operators Laboratory Chemist and clerks) have been suitably defined in the IOI Management System Manual.</p>	Complied
<p>D.3.2</p>	<p>For the year 2018 / 2019, the POM only received and processed FFB entirely from the PMU group estates. Verified that there is no evidence of any non-certified FFB from other sources or suppliers.</p>	Complied

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<p>The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>All supplies of FFB were subjected to verification of documents and quality checks by weighbridge personnel. The identification and documentation needed for supply and processing from the other sources or suppliers are adequately addressed under the procedure.</p>	
<p>D.4 Purchasing and goods in</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.4.1 The facility shall verify and document the tonnages and sources of certified and non-certified FFBs received.</p>	<p>The Mill had maintained record of tonnages and supply source of FFB from the respective estates at the weighbridge station, in the dispatch chit and weighbridge ticket and these are reported daily to the Lahad Datu Regional Office and weekly to the Head Office at Putrajaya.</p>	<p>Complied</p>
<p>D.4.2 The facility shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>The Mill monitors FFB reception, CPO and PK production. IOI HQ and POM has an internal monitoring and reporting mechanism for advising the CB of production variations such as projected overproduction situation, when such issue arises. So far, there is no projected overproduction.</p>	<p>Complied</p>
<p>D.5 Record keeping</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p>	<p>The records and reports are available from the computerized system. Also, hard copies of records and reports are properly filed and readily accessible. Inspection of records and reports at the Mill confirmed these were accurate, complete and updated daily. The 3-monthly summary of incoming FFB and outgoing CPO & PK are available and checked to be accurately recorded.</p>	<p>Complied</p>
<p>D.6 Processing</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.</p>	<p>Confirmed from records that the POM only received and processed certified FFB from its own estates. The processing facility has established and implemented a clear procedure and mechanism for the IP module. Review and on-site verification confirmed that the mechanism was implemented and in compliance with the module requirements at the mill, including transport and storage. Transaction documents and bookkeeping of FFB, CPO and PK are done daily, and monthly summary submitted to Head Office. All CPO and PK are sold to IOI Edible Oil Sdn Bhd (Refinery at Sandakan, Sabah).</p>	<p>Complied</p>
<p>D.6.2 The objective is for 100 % segregated material to be reached.</p>	<p>Documents and records provided documented evidence that the FFB receipt and processed, and CPO and PK produced are traceable to 100% certified material. The product type and supply chain module were indicated as CSPO/IP and CSPK/IP on relevant documents.</p>	<p>Complied</p>

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3.1.2 Status on Supply Chain on POM:

Based on the documents and records presented during the on-site verifications made, it is concluded that the POM has been able to comply with the requirements of the RSPO SCCS under the 'IP' module and is thus eligible for 'IP' trading for its palm products for **year 2019/2020**.

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

The Production data and traded volumes of certified products which was verified for current and next year's projection is detailed as per Table 8 below:

Details as per RSPO Certification System Document		
	CPO (MT)	PK (MT)
Last year's (Projected) Certified volume (RSPO Certified)	56,410.00	14,949.00
a) Last year's Actual sold volume (RSPO Certified)	29,998.23	13,330.49
b) Last year's Actual sold volume * (Other Schemes Certified)	10,766.90	-
c) Last Year's Actual sold volume ** Conventional	252.67	-
Total of (a) + (b) + (c)	41,017.80	13,330.49
New (Projected) Certified Volume (RSPO Certified)	58,289.00	14,927.00

Notes:

- Verified that the total Actual sold (for last year) has not exceeded the Projected (for last year)
- * No volumes were sold under 'Other Schemes certified' (noted: POM is also certified under ISCC scheme).
- ** Remaining volumes traded not claimed under 'Certified' were traded as 'Conventional' volume.
- The Actual volume figure in table was from 2 period (Oct 18 – Dec 18 and Jan 19 – Sept 19)
- Actual sold volume (RSPO Certified-CPO) for the period Oct 18 – Dec 18 was 5,426.45 mt while for the period Jan 19 – Sept 19 was 24,571.78 mt
- Actual sold volume (RSPO Certified-PK) for the period Oct 18 – Dec 18 was 3,369.32 mt while for the period Jan 19 – Sept 19 was 9,961.17 mt
- Actual sold volume (Other Scheme) for the period Oct 18 – Dec 18 was 0 mt while for the period Jan 19 – Sept 19 was 10,766.90 mt
- Actual sold volume (Conventional) for the period Oct 18 – Dec 18 was 125.67 mt while for the period Jan 19 – Sept 19 was 127 mt (under credit).

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

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

Assessment Type	Year	Noncompliance (NC)	Observations (OBS)	Follow up status
Re-Certification Assessment	2018	0	5	All the observations raised were closed.
Annual Surveillance-01 (2 nd Certification cycle)	2019	0	3	Observations issued to be followed up in next audit.

3.2.1 Year 2019: ASA-01, 0 NCs

The Audit team has been verified and noted that the CH unit had taken appropriate corrective actions on the previous NCs raised and on overall appropriate measures were found in the implementations of requirements at the CH unit during the audit.

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3.2.2 Year 2019: ASA-01, 3 Observations

Ref No:	RSPO P&C Indicator	Details of Observation	Status		
			Opened date	Closed date	Remark, if any
Obs # MAS-01	4.8.1	<p>Location: Leepang 1 & Leepang 5, Permodalan 1 and Permodalan 3 Estates & Leepang POM</p> <p>Analysis of training needs conducted was not comprehensive as it should cover all aspects of the RSPO P&C, i.e. social, environmental and productivity activities. Noted done only for Safety & Health activities.</p>	10/10/2019		Follow up next audit
Obs # SH-01	5.2.2	<p>Location: Leepang 1 Estate</p> <p>The colour for riparian markers at the stream, which located at the upper part of the estate is faded and not clearly visible.</p>	10/10/2019		Follow up next audit
Obs # JMD-01	6.5.2	<p>Location: Leepang 1 & Leepang 5, Permodalan 1 and Permodalan 3 Estates</p> <p>At all estates audited, workers working during rest day were confirmed have performed voluntarily and appropriately paid by the management. Such an arrangement should be specifically indicated with the workers' acknowledgement.</p>	10/10/2019		Follow up next audit

3.2.3 Year 2018: Re-certification Assessment: (0 NC)

3.2.4 Year 2018: Re-certification Assessment: 1 Observation

Ref No:	RSPO P&C Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS: AKS-01	2.1.1	POM and Estates	<p>At POM and Estates:</p> <p>As per interview done with the management and randomly sampled workers, the feedback given was that a copy of employment agreement was given to the workers. However, the documentation for this activity for all the workers can be further improved.</p>	2/11/18	10/10/19	Addressed and closed
OBS: AL-01	5.2.1	Estates:	<p>At Estates:</p> <p>Information on HCV and Conservation areas was compiled and reviewed. However the changes in status and total land area under conservation need to be more accurately updated i.e. The breakdown on the data on the</p>	2/11/18	10/10/19	Addressed and closed

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			areas involved for the respective estates occasionally did not match with 'List of external and internal HCV and conservation area' for IOI Leepang grouping.			
OBS: AL-02	5.6.3	POM	At POM: Follow up need to be done on issues related to environmental monitoring as per the field citation of March 2018 by DOE such as: Improvement needed on CEMS via internet (to be uninterrupted); construction of site flooring for EFB storage & despatch and appointment of competent SW personnel (on-site). As actions taken are still in progress and these will need follow up in next audit.	2/11/18	10/10/19	Addressed and closed
OBS: MNM-01	6.5.3	Estates	At Estates audited: At the linesites, it was noted that there were external extensions made by the workers. The structural condition of the housing extensions should preferably be also inspected by competent personnel (e.g. carpenter) to ensure the building safety.	2/11/18	10/10/19	Addressed and closed
OBS: JMD-01	6.12.1	POM and Estates	POM & Estates: For better monitoring of the expiry dates and validity of the passports and work permits of the foreign works, photocopies should be retained and made available at the respective Management offices.	2/11/18	10/10/19	Addressed and closed

3.2.5 Identified Positive Elements

- 1) The PMU has contributed towards the education of children of estate migrant workers. On overall, IOI Corporation Berhad has continued to provide educational assistance in terms of school building and associated facilities for more than 2000 estate children of migrant workers both at the primary and secondary level under the Borneo Childcare (Social NGO) based HUMANA educational programme.
- 2) The PMU has contributed towards the local economy in terms of business and job opportunities and had provided proper and improved infrastructure such as ferry & transport services, road access, housing, sports and recreational facilities.

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3.3 Feedback Raised by Stakeholders and Findings

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

3.3.1 Feedback Raised by Stakeholders (Surveillance Assessment ASA-01 – Year 2019)

Communication was done via email on 15 Aug 2019 to various categories of stakeholders (see list under **para 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
Government Agencies: Total in Stakeholder list: 30 (incl. GLCs)			
Non-Governmental Organizations: Total in Stakeholder list: 69 (incl. NGOs, businesses, companies, etc.)			
Local Communities - Stakeholders' Consultation: Total in Stakeholder list: 0 (e.g. villages, residential are, associations, religious houses, etc.) Selected stakeholders representing the various stakeholder categories were invited for the Stakeholders' Consultation on 10/10/2019. A total of 4 stakeholders attended the consultations which includes government schools, supplier, and contractor. In addition 3 Humana teachers were interviewed on 9/10/2019 at Permodalan 1 Estate. They were interviewed by the auditors without the presence of any of the PMU staff.	PMU responded that the said feedbacks given will be reviewed by the management for consideration and appropriate improvement actions to be taken	No response needed.	Next assessments (if any)

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<p>5. Teachers should be given higher priority to ride the ferry more than other ferry users.</p> <p>6. Annual and limited funding for SK Bendera in order for the school not request for funding for each activity the school is organising.</p>			
<p>(1) <u>Local Communities - Interviews:</u> Total in Stakeholder list: 0 (e.g. villagers, community associations, religious houses) Interviews of sampled Internal and External Stakeholders were also conducted by the auditors during field visits from 7-11/10/2019 at the PMU:</p> <ul style="list-style-type: none"> • Previous landowners/ users • Neighbouring estates • Smallholder representatives • Other growers etc 	No response needed.	No response needed.	Nil
<p>(2) <u>Staff / Workers sampling:</u> Total in Employee list: 403 (audited units only)</p> <p>POM: 130 Male: 110 Female: 20</p> <p>Nationalities in list: Malaysian Indonesian</p> <p>Estates: 359 (audited units only) Male: 273 Female: 86</p> <p>Nationalities in list: Malaysian Indonesian Filipino</p> <p>Sampled workers:</p> <p>POM: 6 males 5 females</p> <ul style="list-style-type: none"> • Nationality: Malaysian Indonesian • Employment status : Monthly rated Daily rated • Estate Offices: 7 males 8 females 	No response needed.	No response needed.	Nil

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<ul style="list-style-type: none"> • Nationality: Malaysian Indonesian • Employment status : Monthly rated Daily rated • Field / sites workers visit: 17 males 13 females • Nationality: Malaysian Indonesian Filipino • Employment status : Daily rated Piece rated <p>No negative issues raised by the sampled staff and workers.</p>			
<p>Other Interested parties: No feedback received.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>

3.3.2 Feedback Raised by Stakeholders (Re-Certification Assessment – Year 2018)

Communication done via email on 14 Aug 2018 to various categories of stakeholders (see list under **para 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
<p>Government Agencies: Feedback received from DOE (Sabah) on 15 Sept 2018 on their reminder to PMU to maintain DOE requirements on the 7 EMT (Environmental Mainstream Tools) and guidelines as per the GSR (Guided Self Regulations). No other feedback from other Governmental agencies</p>	<p>Ongoing and annual consultations will be maintained with DOE (Sabah) and other related agencies.</p>	<p>Verified during on-site assessment that consultations were held. To be followed up in next assessment</p>	<p>Nil</p>
<p>Non-Governmental Organizations: No feedback received.</p>	<p>Ongoing consultations will be maintained. No response needed.</p>	<p>Verified during on-site assessment that no response needed.</p>	<p>Nil</p>
<p>Local Communities - Stakeholders' Consultation: Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 2/11/2018. A total of 7 stakeholders including from neighbouring estates, smallholder, schools, contractors and suppliers were present at the consultation. They were interviewed by the auditors without the presence of any of the PMU staff.</p>			

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<p>Concerns and suggestions received during interviews and stakeholder consultations:</p> <ol style="list-style-type: none"> 1. More class rooms for Humana school in Leepang 1. Currently four classes are sharing one room. 2. CLC Leepang 3 playing field should be improved. Protruding rocks are dangerous for students especially during sports activities. 3. Invite PPD to give explanation on opportunities for children to attend government schools to parents without marriage certificate and foreign workers 4. Proper management of stray dogs especially around the SK Ladang Sg. Bendera. 5. Roads are not immediately compacted during the grading process. 6. Extend the time for weighbridge to 6pm between Monday – Wednesday and Friday, to 5 pm for Thursday for lorries from Lekaya Est. 7. IOI inner gates did not accept entry pass when the IOI outer gate allowed the vehicles to pass. IOI inner gate ordered the vehicles to obtain gate pass from the IOI outer gate. The entry pass, i.e. car sticker, is issued by IOI. 	<p>PMU responded that the said feedbacks given will be reviewed by the management for consideration and appropriate improvement actions to be taken.</p>	<p>To be followed up during the next Assessment.</p>	<p>Nil</p>
<p>Workers Interviews: Interviews of sampled staff and workers were also conducted by the auditors during field visits from 29/10/18 - 2/11/2018:</p> <p>Staff/Workers sampling: POM = 9 nos. (5 males, 4 females) Estate Offices = 20 nos (9 males, 11 females) Field/sites visit = 27 nos (12 males, 15 females)</p> <p>No negative issues raised by the sampled staff and workers.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>
<p>Other Interested parties: No feedback received.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>

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4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

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

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

Signed for and on behalf of
Intertek Certification International Sdn Bhd



Mohd Hafiz Bin Mat Hussain
Lead Assessor
Date: 09/01/2020

4.1 Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings

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

Signed for and on behalf of
IOI Plantation Services Sdn Bhd



Mr. Abdul Raup bin Syamsuddin
Plantation Controller, Leepang & Permodalan Group
Date: 15 January 2020

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4.2 INTERTEK- RSPO P&C Certificate details for the PMU

Certificate No:	RSPO 930888
Original Start date:	16 Dec 2013
New Start date (Re-cert):	16 Dec 2018
Expiry date:	15 Dec 2023
New PalmTrace License Start date	16 Dec 2019
Expiry date for PalmTrace	15 Dec 2020
Organization	IOI Corporation Berhad
Address of Head Office:	Level 27, IOI City Tower 2, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Malaysia.
RSPO Membership No:	2-0002-04-000-00
Management Unit:	Morisem Palm Oil Mill Sdn Bhd – Leepang POM & Estates Grouping
Address of POM:	MDLD 5123, KM 3, Jalan Segama, Locked Bag No. 15, 91109 Lahad Datu, Sabah, Malaysia
Standards:	RSPO Principles and Criteria (Apr 2013); Malaysian National Interpretation (MY-NI 2014); RSPO Supply Chain Certification Standards (Jun 2017) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernel
Supply Chain model at POM	Identity Preserved (IP)

Details of the Mill and Supply Base covered by this certificate and the tonnages approved are:

Name	Address	GPS Reference		Certified (Titled) Area - ha	Mature Planted Area - ha
		Latitude	Longitude		
Leepang POM (Capacity: 40 MT/hour)	Morisem Pam Oil Mill Sdn Bhd, (Leepang Palm Oil Mill), MDLD 5123, KM 3 Jalan Segama, Locked Bag No. 15, 91109 Lahad Datu, Sabah, Malaysia.	N 5°32.864'	E 118°26.216'	-	-
1 Morisem 5 Estate	MDLD 5123, KM 3 Jalan Segama, Locked Bag No. 15, 91109 Lahad Datu, Sabah, Malaysia.	N 5°30.525'	E 118°26.142'	1,889.00	1,083.00
2 Leepang 1 Estate	MDLD 5123, KM 2, Jalan Segama, Locked bag No. 15, 91109 Lahad Datu, Sabah.	N 5°33.954'	E 118°26.629'	2,364.04	1,718.00
3 Leepang 5 Estate	MDLD 5123, KM 2, Jalan Segama, Locked bag No. 15, 91109 Lahad Datu, Sabah.	N 5°32.778'	E 118°26.113'	1,690.67	1,459.00
4 Permodalan 1 Estate	MDLD 5123, KM 2, Jalan Segama, Locked bag No. 15, 91109 Lahad Datu, Sabah.	N 5°30.419'	E 118°27.909'	2,253.82	1,854.00
5 Permodalan 2 Estate	MDLD 5123, KM 2, Jalan Segama, Locked bag No. 15, 91109 Lahad Datu, Sabah.	N 5°30.467'	E 118°29.023'	2,141.52	1,435.00

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6	Permodalan 3 Estate	MDLD 5123, KM 2, Jalan Segama, Locked bag No. 15, 91109 Lahad Datu, Sabah.	N 5°28.099'	E 118°28.847'	2,150.31	2,043.00
7	Permodalan 4 Estate	MDLD 5123, KM 2, Jalan Segama, Locked bag No. 15, 91109 Lahad Datu, Sabah.	N 5°26.943'	E 118°28.121'	2,063.75	1,939.00

The certified tonnages available for trade under PalmTrace by the CH unit for Jan 20 – Dec 20 are as follows:

Morisem Palm Oil Mill Sdn Bhd - Leepang Palm Oil Mill	Tonnages (MT)
Certified FFB	250,952
Certified CPO	58,289
Certified PK	14,927
Supply chain module	Identity Preserved (IP)

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Appendix A:**Qualifications of Lead Assessor and Assessment Team****Mr. Mohd Hafiz Mat Hussain (MH) – Lead Assessor / Team Leader/ Technical Expert**

(Palm Oil Mill, Environment, GAP, Integrated Pest Management, Safety and Health, Conservation & HCV Area and Supply Chain)
- Bachelor in Technology and Plantation Management (UiTM)

Mr. Mohd Hafiz has more than 5 years working experience in the oil palm plantation operations, agriculture, safety and health related field. He was attached to a large publicly listed plantation organisation from 2009-2013. His job responsibilities include supervision and monitoring to ensure that all estate operations are complying to the RSPO requirements and regulations, Good Agricultural Practice and other standard operation procedures. He had spent 6 years being previously engaged with international CBs in conducting certification audits of plantation operations for compliance with the RSPO and MSPO requirements. He had completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2014, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2016. He had been involved in ISO9001, ISO14001 and OHSAS 18001 auditing since May 2013 within Malaysia, Brunei, Indonesia and RSPO auditing within Malaysia, Papua New Guinea, Solomon Islands, Gabon and Liberia. 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, OHS issues (e.g. worker welfare issues and social matters such as employment terms, gender issues, worker welfare etc.) and environmental matters (e.g. pollution control, conservation of resources). He is a qualified Lead Auditor for both the RSPO and MSPO certification audits.

Mr. Sazali Hasni (SH) – Assessor / Technical Expert

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

Mr. Sazali Hasni has over 25 years work experience in the forestry sector. He is an IRCA Auditor for ISO 9001 and auditor for the PEFC Chain-of-Custody Certification. He has successfully completed training in the RSPO P&C, MYNI Lead Assessor course. He was a member in the stakeholder consultation and development of the Malaysian Criteria & Indicators (MC&I) for Forest management Certification. He has been involved in the auditing of Forest Management Certification for the Perak State Forestry Department and Pahang State Forestry Department. He has also been involved with a German based company in testing their criteria for carbon tracing in an oil palm plantation in 2011. He had also acted as the regional consultant to International Tropical Timber Organization (ITTO) for the Asia Pacific region in the Evaluation and Monitoring of Projects funded by the organization from 1994 to 1998. Projects funded are mainly forestry related such as reforestation, conservation, community forestry apart from other research-based projects. He is a member of the RSPO CB Assessment team which audited several RSPO certified Plantation Management Units since 2014. He is also an Auditor in the Malaysian Sustainable Palm Oil (MSPO) certification.

Mr. Jumat Majid (JM) – Assessor / Technical Expert

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

Mr. Jumat Majid has over 15 years work experience in the agriculture sector. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001:2008 and RSPO P&C MY-NI Assessor course. He has also successfully completed training programs in Organic Agriculture Development and had performed organic agriculture inspections and assessments for more than 6 years. He has successfully completed training in the RSPO P&C, MYNI Lead Assessor course. He has been involved in NGO work in the areas of social impact assessments within the South East Asia region. He is a member of the RSPO Assessment team which audited several RSPO certified Plantation Management Units since 2010. He is also an Auditor in the Malaysian Sustainable Palm Oil (MSPO) certification.

Mr. Mohamad Amirul Saifullah Mohamad Senan (MAS) – Assessor / Technical Expert

(Good Agriculture Practice, Integrated Pest Management, Safety and Health)
– Bachelor of Agricultural Science (UPM)

Mr. Mohamad Amirul has more than 6 years working experience in the oil palm plantation operations, agriculture, safety and health related field. He was attached to a large publicly listed plantation organisation since 2012. His job responsibilities include supervision and monitoring to ensure that all estate operations are complying to the RSPO, ISCC and MSPO requirements and regulations, Good Agricultural Practice and other standard operation procedures. He was involved in the Internal Audits of plantation operations for compliance with the RSPO, ISCC and MSPO requirements. He has successfully completed RSPO Principles & Criteria Lead Auditor course and the RSPO Supply Chain Certification Lead assessor course in Jan 2019 and the MSPO Lead Auditor course in 2018. 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 is also an Auditor in the Malaysian Sustainable Palm Oil (MSPO) certification.

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Appendix B:

Assessment Plan (Actual)

At HQ site: 4 October 2019

Date	Time (Note 3)	Assessors and Assessment Activity			
		Assessment Team (Lead Assessor: MH , Auditor : MAS)			
4 Oct 2019 Friday	9.00 am – 9.30 am	Opening Meeting and Briefing at HQ Office (to be attended by representatives from the HQ Management)			
	9.30am – 1.00 pm	<ul style="list-style-type: none"> Review of documentation changes (incl. Organization, Policies, SOPs, Laws etc.) Evaluation of the Pre-Verification Data Review of Time Bound Plan (TBP) Verification on compliance with Minimum requirements for Multiple Management Units (MMU) Complaints against FGV Verification of implementation effectiveness for corrective actions on previous NCs Verification of Compliance to legal requirements (social, environmental and safety) 			
	1.00 pm - 2.00 pm	Lunch Break			
	2.00 pm – 4.30 pm	Continue site assessment at HQ			
	4.30 pm – 5.30 pm	Briefing of findings on areas/ issues related to HQ			

At PMU site: 7 – 10 October 2019

Date	Time (Note 3)	Assessors and Assessment Activity							
		Assessment Team							
7 Oct 2019 Monday (Day 1)	6.00 am – 1.00 pm	Travel to Leepang Palm Oil Mill							
	1.00 pm – 2.00 pm	Lunch Break							
	2.00 pm – 2.30 pm	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)							
	2.30 pm – 5.00 pm	Document Review and Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM							
		<table border="1"> <thead> <tr> <th>MHH</th> <th>MAS</th> <th>SH</th> <th>JMD</th> </tr> </thead> <tbody> <tr> <td> Site assessment at Palm Oil Mill <ul style="list-style-type: none"> P1 Transparency P2 Laws & regulations P3 Economic & Financial Viability P8 Continual Improvement SCC for POM </td> <td> Site assessment at Palm Oil Mill <ul style="list-style-type: none"> P2 Laws & regulations P4 Best Practices at Mill P8 Continual Improvement </td> <td> Site assessment at Palm Oil Mill <ul style="list-style-type: none"> P2 Laws & regulations P5 Environmental, Conservation, HCV & GHG P8 Continual Improvement </td> <td> Site assessment at Palm Oil Mill <ul style="list-style-type: none"> P2 Laws & regulations P6 Employees, Individuals & Communities incl. Gender Issues P8 Continual Improvement </td> </tr> </tbody> </table>	MHH	MAS	SH	JMD	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> P1 Transparency P2 Laws & regulations P3 Economic & Financial Viability P8 Continual Improvement SCC for POM 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> P2 Laws & regulations P4 Best Practices at Mill P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> P2 Laws & regulations P5 Environmental, Conservation, HCV & GHG P8 Continual Improvement
MHH	MAS	SH	JMD						
Site assessment at Palm Oil Mill <ul style="list-style-type: none"> P1 Transparency P2 Laws & regulations P3 Economic & Financial Viability P8 Continual Improvement SCC for POM 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> P2 Laws & regulations P4 Best Practices at Mill P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> P2 Laws & regulations P5 Environmental, Conservation, HCV & GHG P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> P2 Laws & regulations P6 Employees, Individuals & Communities incl. Gender Issues P8 Continual Improvement 						

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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			
		MHH	MAS	SH	JMD
8 Oct 2019 Tuesday (Day 2)	8.30 am – 12.30pm	Site assessment at Leepang 5 estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P8 Continual Improvement 	Site assessment at Leepang 5 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Leepang 5 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Leepang 5 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break			
	1.30 pm - 5.30 pm	Site assessment at Leepang 1 estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P8 Continual Improvement 	Site assessment at Leepang 1 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Leepang 1 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Leepang 1 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	5.30 pm – 6.30 pm	Travel to Hotel & Break			
	6.30 pm – 7.30 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity			
		MHH	MAS	SH	JMD
9 Oct 2019 Wed (Day 3)	8.30 am – 12.30pm	Site assessment at Permodalan 1 estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability 	Site assessment at Permodalan 1 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Permodalan 1 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Permodalan 1 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals &

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		<ul style="list-style-type: none"> • P8 Continual Improvement 			Communities incl. Gender Issues <ul style="list-style-type: none"> • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break			
	1.30 pm - 5.30 pm	Site assessment at Permodalan 3 estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P8 Continual Improvement 	Site assessment at Permodalan 3 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Permodalan 3 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Permodalan 3 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	5.30 pm – 6.30 pm	Travel to Hotel & Break			
	6.30 pm – 7.30 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity			
		MHH	MAS	SH	JMD
10 Oct 2019 Thursday (Day 4)	8.30 am – 10.30 am	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P8 Continual Improvement • SCC for POM 	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below): <ul style="list-style-type: none"> • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community Notes 1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders <u>prior</u> to the assessment. 2. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement		
	10.30 am – 12.30 pm	Follow up on potential issues for POM and Estates			
	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 Management Representative			
	4.30 pm - 5.30 pm	Closing Meeting & Briefing at Palm Oil Mill Office			

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Appendix: Assessment Team Competency Matrix

RSPO P&C	Areas	Lead Assessor (LA) / Assessors (A) / Technical Experts (TE)			
		MH (LA/TE)	JMD (A/TE)	SH (A/TE)	MAS (A/TE)
P1	Transparency	√	√	√	√
P2	Laws & Regulations	√	√	√	√
P3	Economic & Financial Viability	√	√	√	√
P4	Best Practices at Estates & Mill	√		√	√
P5	Environmental, Conservation, HCV & GHG	√		√	
P6	Social - Employees, Individuals & Communities incl. Gender issues	√	√		
P7	New Plantings	√			√
P8	Continual Improvement	√	√	√	√
RSPO SCC	Supply Chain Certification (SCC) for Palm Oil Mill	√			√

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Appendix C-1:

**Location Map of IOI Leepang (Sabah) Grouping, Lahad Datu, Sabah
Scale 1: 200 km**



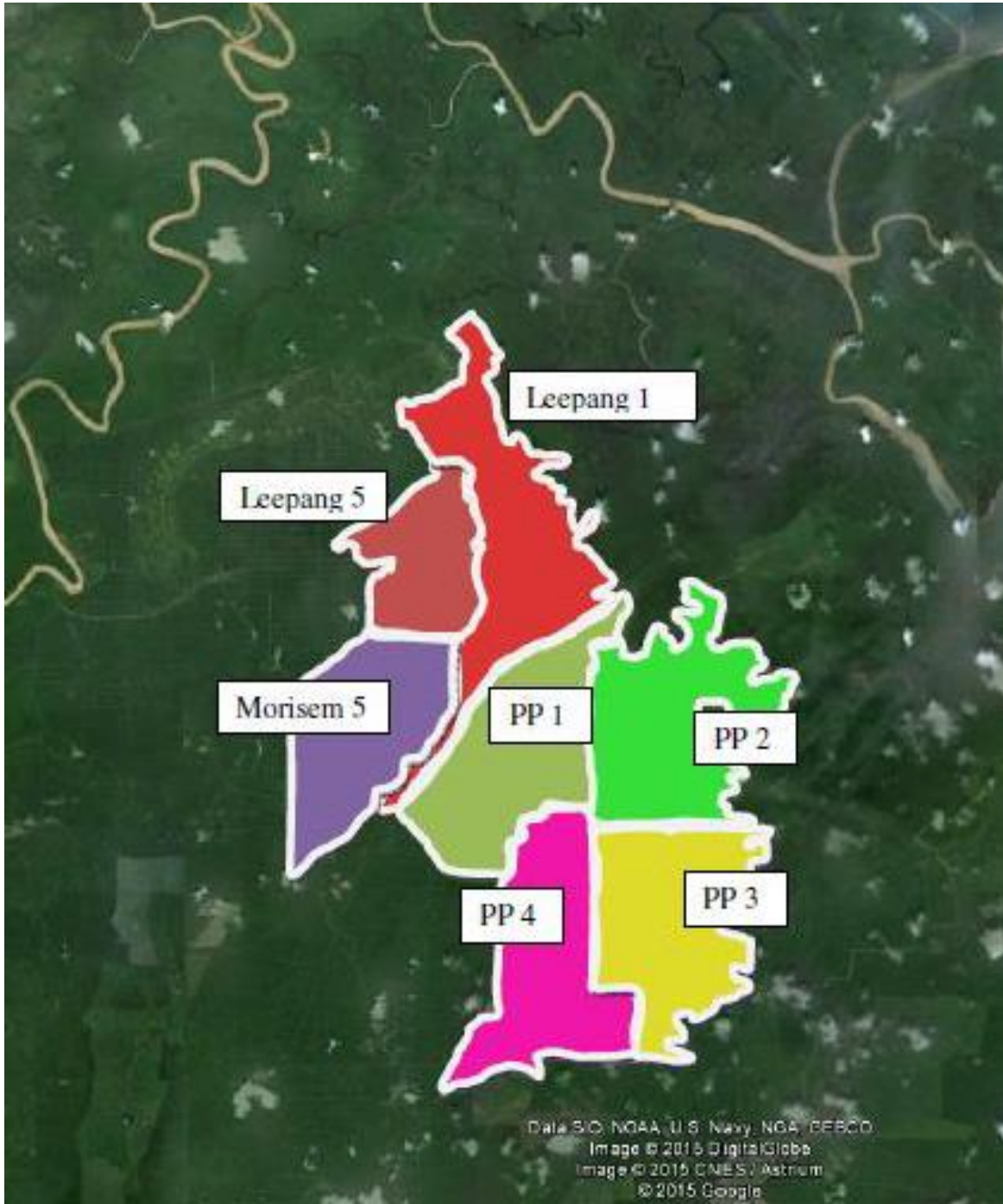
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Appendix C-2:

Location Map of IOI Leepang (Sabah) Grouping (Estates), Lahad Datu, Sabah

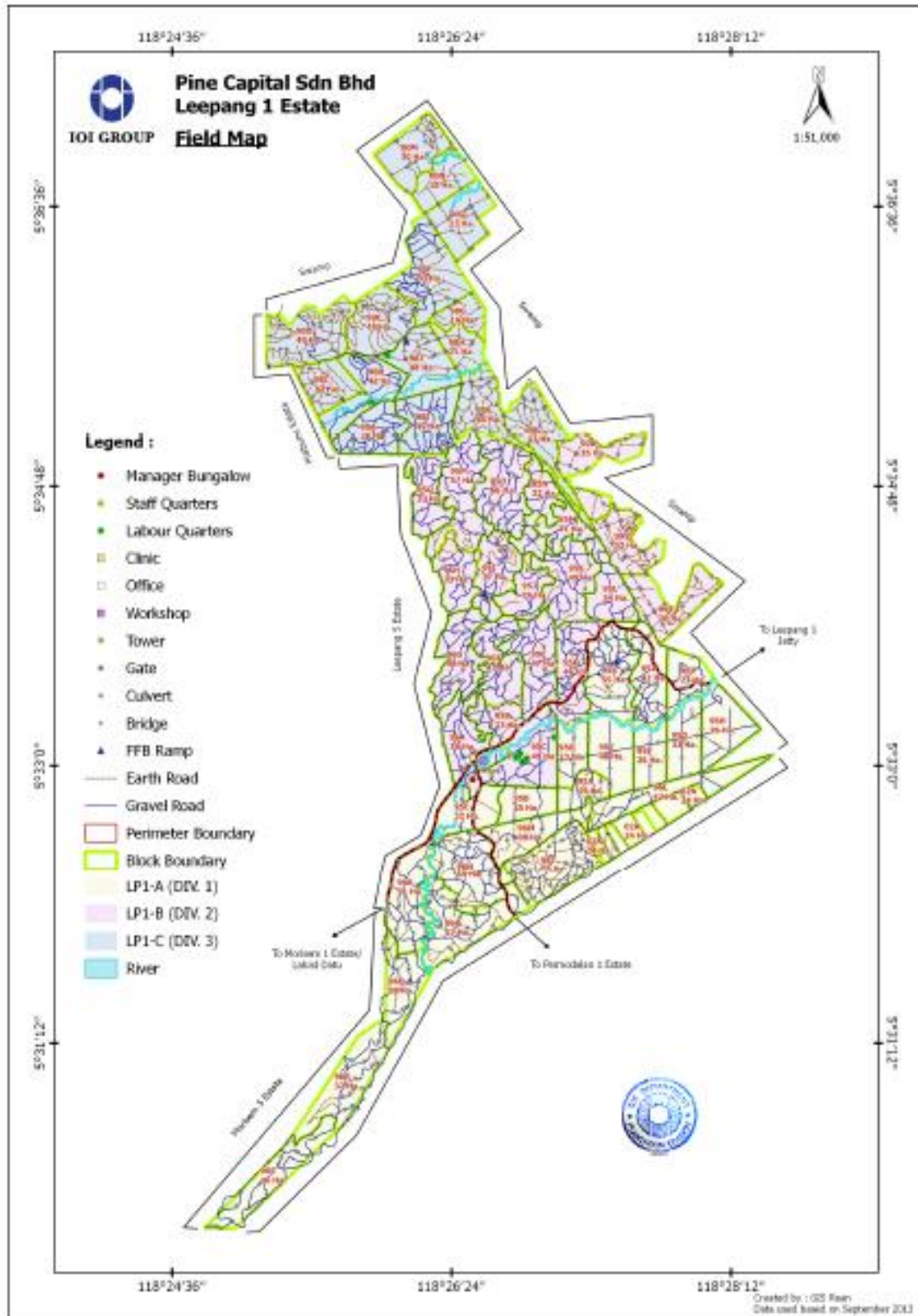


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Appendix C-2-1: Map of Leepang 1 estate

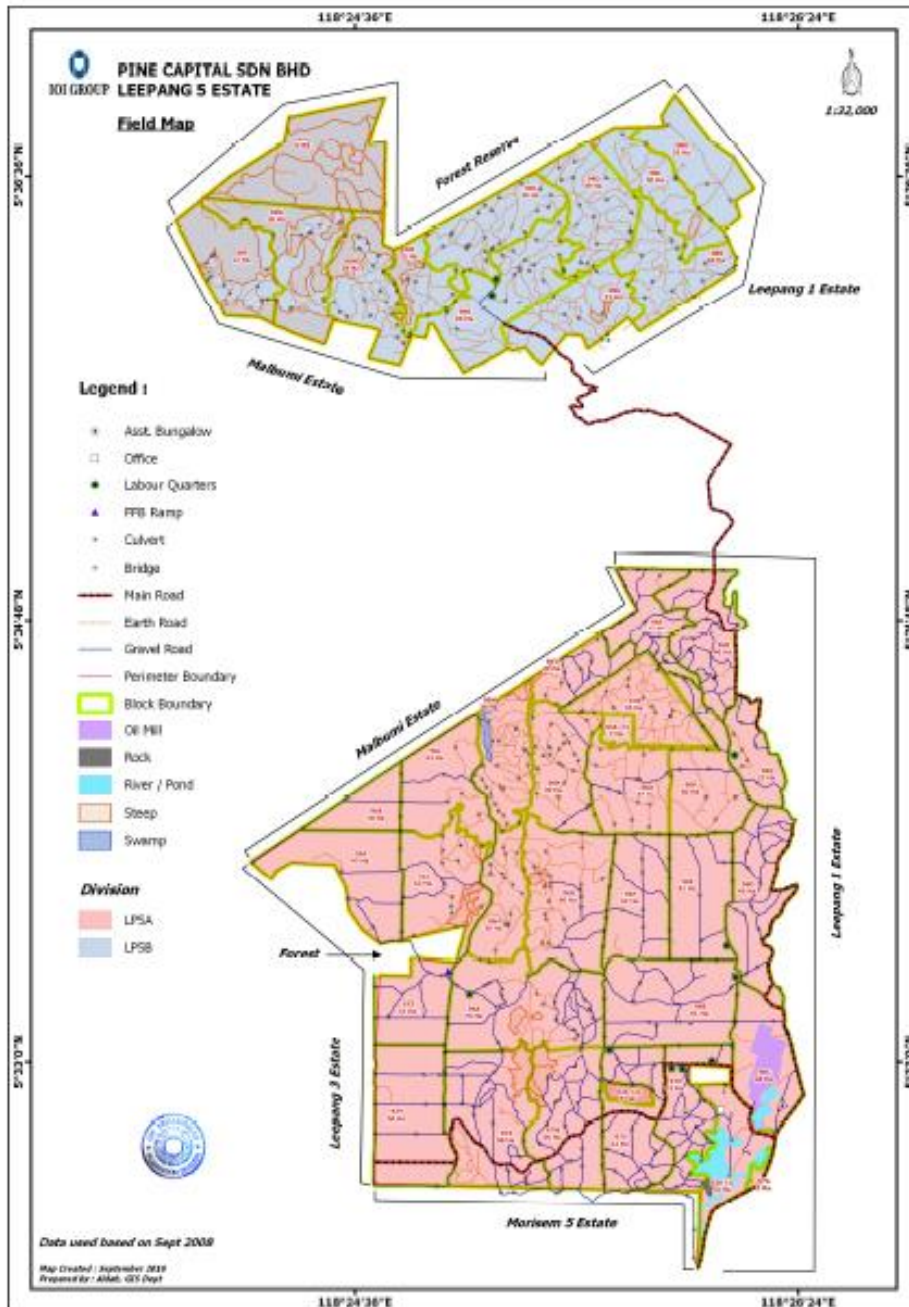


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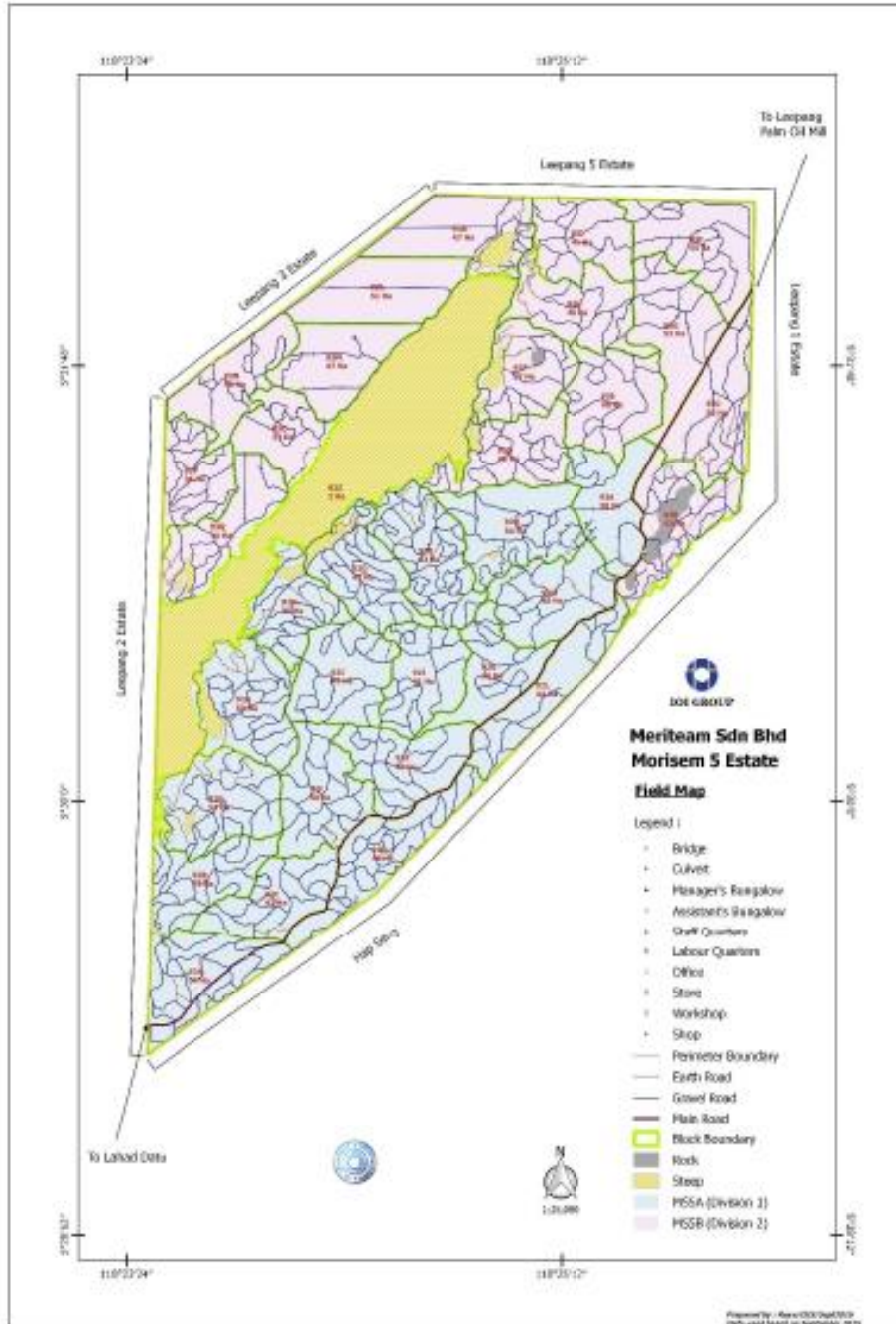
Appendix C-2-2: Map of Leepang 5 estate



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Appendix C-2-3: Map of Morisem 5 estate

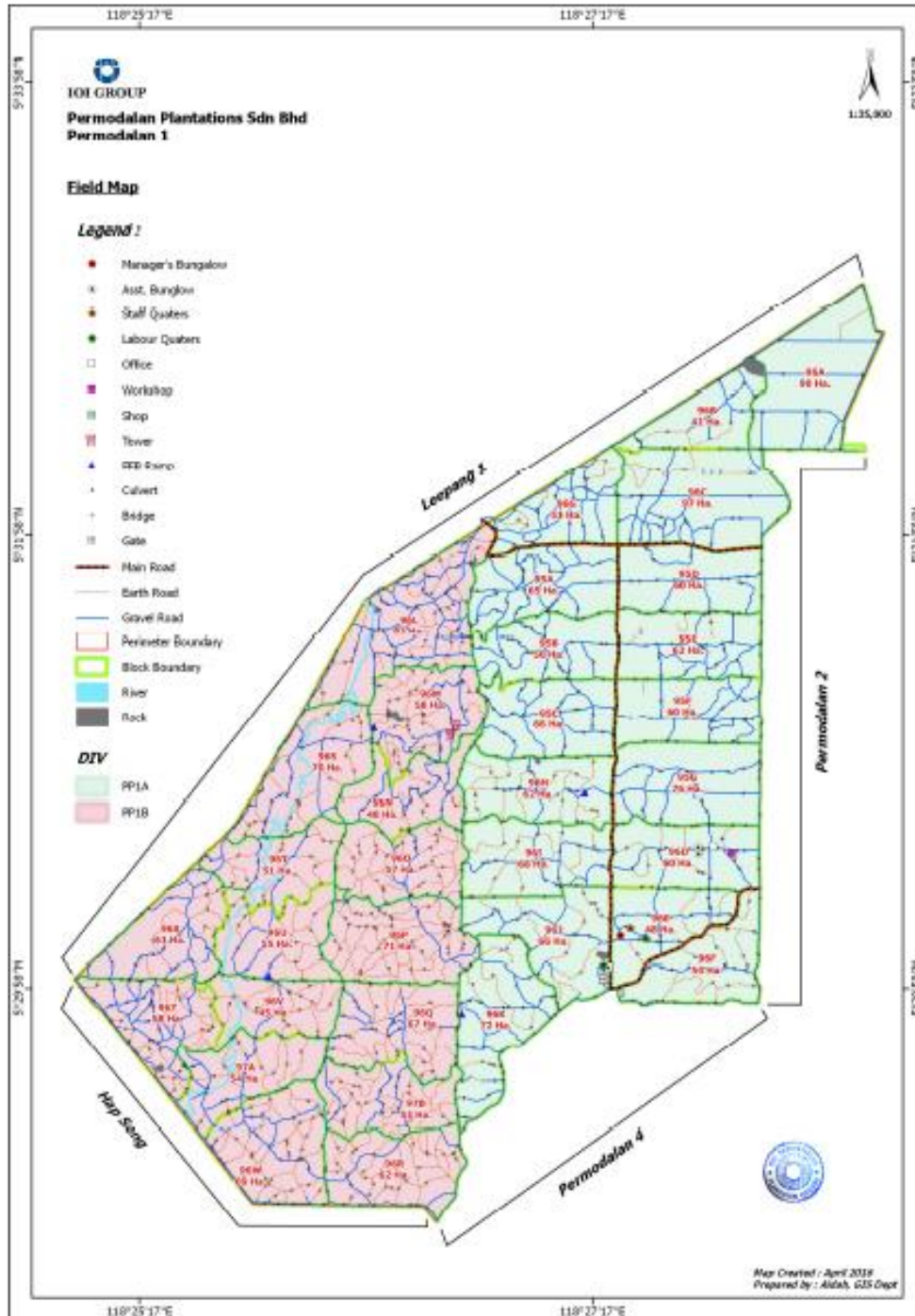


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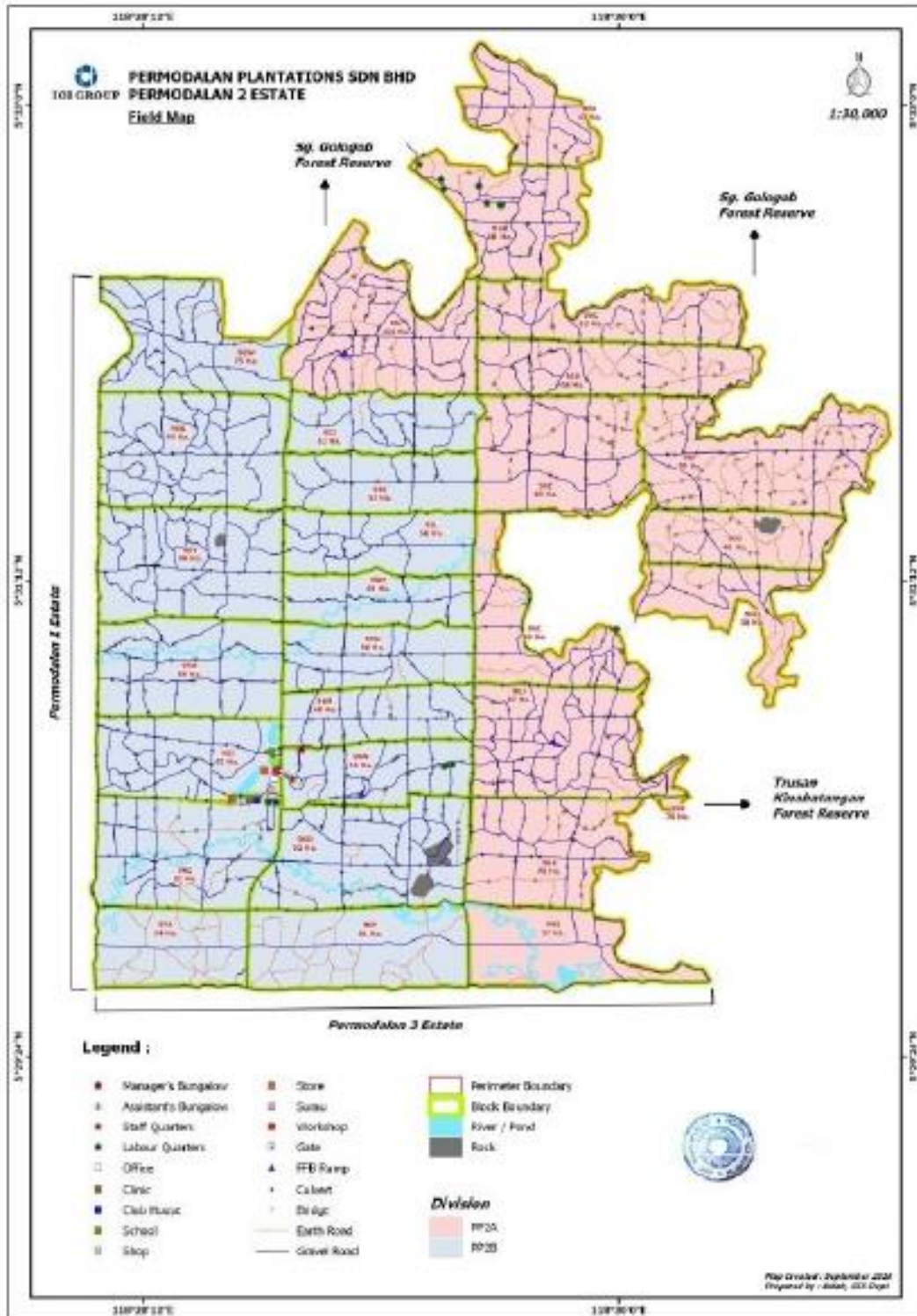
Appendix C-2-4: Map of Permodalan 1 estate



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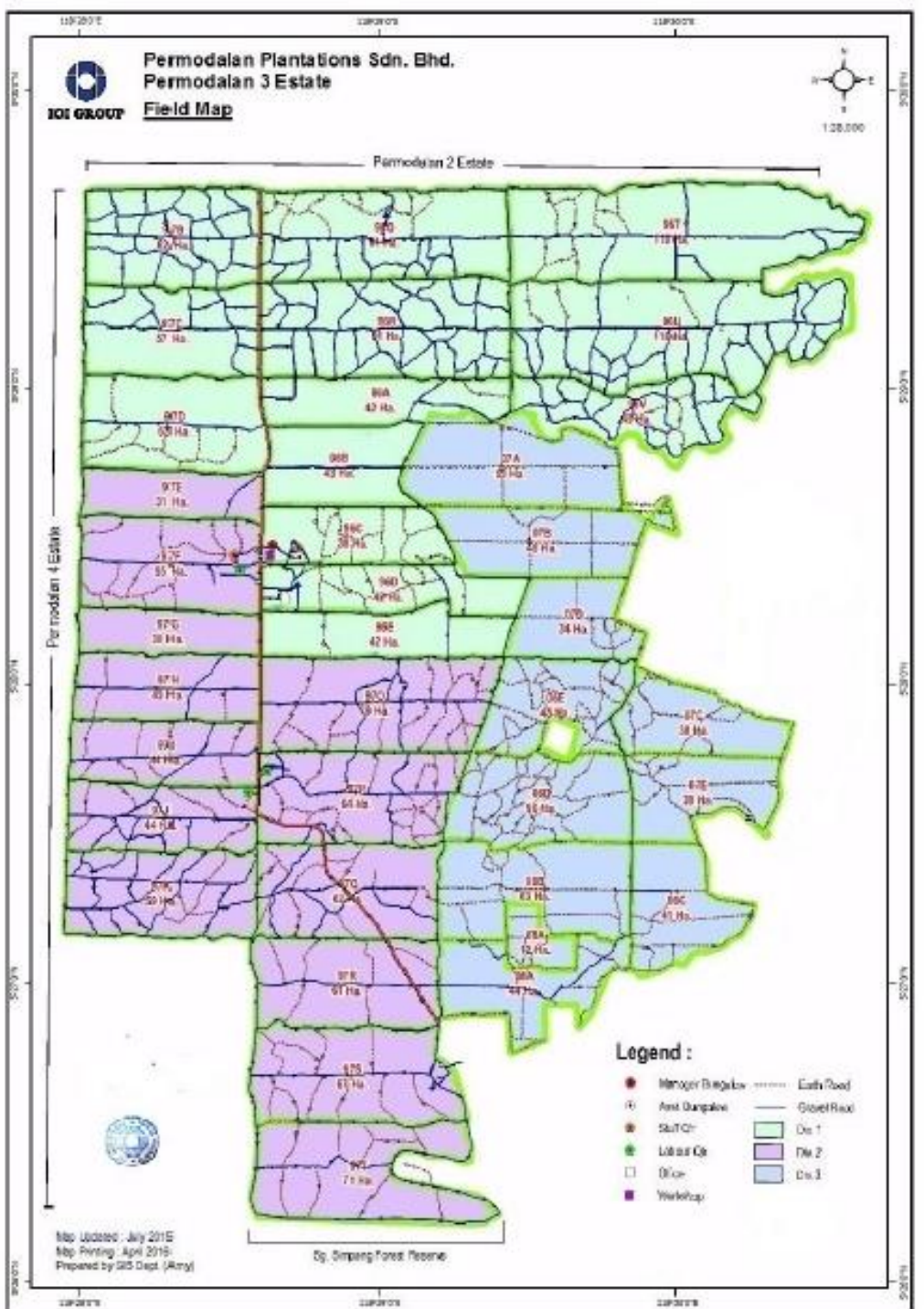
Appendix C-2-5: Map of Permodalan 2 estate



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Appendix C-2-6: Map of Permodalan 3 estate

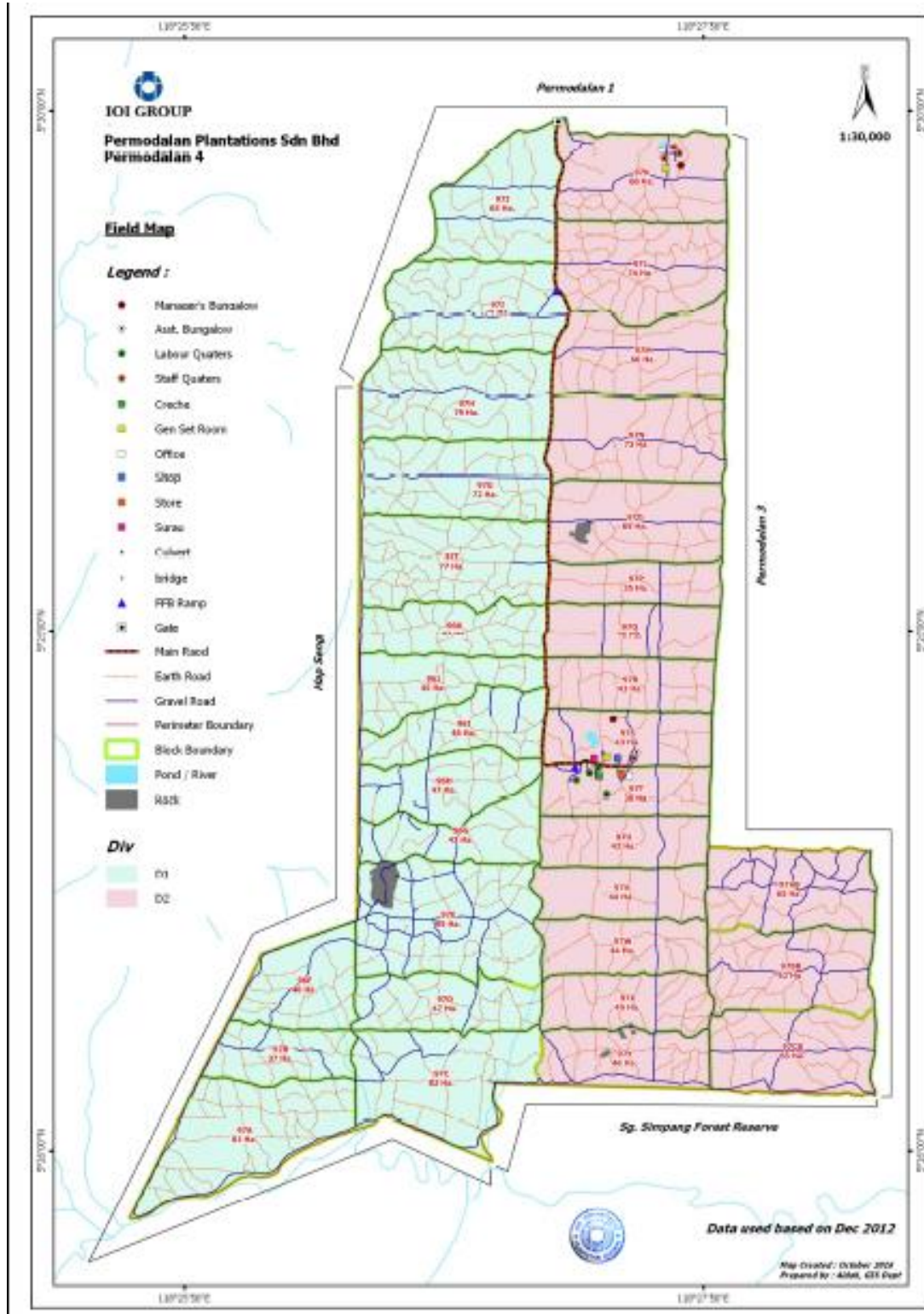


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Appendix C-2-7: Map of Permodalan 4 estate



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Appendix D:

Time Bound Plan

Details of Time Bound Plan as submitted by IOI Plantation Services Sdn Bhd (Aug 2019)

No	PMU	Supply Bases (Estate Name)	Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units, Clause 4.5.1, 4.5.3 & 4.5.4 RSPO Certification Systems for Principles & Criteria
1.	Pamol (Sabah) POM, Sabah	Meliau, Nangoh, Rungus, Tindakon, Ulu, Sugut & Bayok	May 2008	Re-Certified in November 2016	ASA-02 completed in September 2018	No outstanding issues
2.	Sakilan POM	Sakilan, Linbar 1 and Linbar 2	Nov 2008	Re-Certified in Mar 2015	ASA-04 completed in December 2018.	No outstanding issues
3.	Pamol Kluang POM	Pamol Timur, Pamol Barat, Mamor, Unijaya, Kahang and Swee Lam	Mar 2009	Re-Certified in Mar 2015	ASA-04 completed in Dec 2018	No outstanding issues
4.	Gomali POM	Gomali, Paya Lang, Bahau, Bertam, Bukit Dinding, Kuala Jelai, Tambang, Regent, Sagil, Jasin Lalang and Sembilan Tani (Associated Outgrower)	Aug 2009	Re-Certified in Aug 2015	ASA-04 completed in May 2019	In the progress of closing the NCs
5.	Baturong POM	Baturong 1, Baturong 2, Baturong 3 and	Sept 2009	Re-Certified in Oct 2015	ASA-03 completed in July 2019.	In the progress of closing the NCs

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		Cantawan				
6.	Bukit Leelau POM	Bukit Leelau, Detas, Merchong, Mekassar, Leepang A and Laukin A	Apr 2010	Re-Certified in Nov 2015	ASA-03 completed in September 2018	No outstanding issues
7.	Mayvin POM	Mayvin 1, Mayvin 2, Mayvin 5, Mayvin 6 and Tangkulp	Aug 2010	Re-Certified in Dec 2015	ASA-03 completed in October 2018	No outstanding issues
8.	Pukin POM, Pahan g	Pukin, Shahzan 1, Shahzan 2, Segamat and Bukit Serampang	Dec 2010	Re-certified in June 2016	ASA-03 completed in March 2019	No outstanding issues
9.	Leepang (Sabah) POM	Morisem 5, Leepang 1, Leepang 5, Permodalan 1, Permodalan 2, Permodalan 3, Permodalan 4	Aug 2012	Re-certified in November 2018	ASA-01 completed in Oct 2019	No outstanding issues.
10.	Syarimo POM	Syarimo 1, Syarimo 2, Syarimo 3, Syarimo 4, Syarimo 5, Syarimo 6, Syarimo 7, Syarimo 8 and Syarimo 9	Sept 2012	Re-certified in Mar 2018	ASA-01 audit completed in January 2019.	No outstanding issues

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11.	Ladang Sabah POM	Moynod, Luangmanis, Terusan Baru, Sungai Sapi, Laukin, Labuk, Bimbangan 1, Bimbangan 2	Oct 2012	Re-certified in July 2018	ASA-01 audit completed in January 2019.	No outstanding issues
12.	Morisem POM, Sabah	Morisem 1, Morisem 2, Morisem 3, Morisem 4, Leepang 2, Leepang 3, and Leepang 4	Sept 2013	Certified in Dec 2013	ASA-01 audit completed in Sept 2019	No outstanding issues
13.	Unico POM-1, Sabah	Unico 6, Ladang Asas (Tas & Halusah), 31 outgrowers and 1 Collection Centre	Planned - 2018	Certified in July 2018	ASA-01 audit completed in April 2019.	No outstanding issues Outgrowers are not part of the certified area
14.	Unico Desa POM-2, Sabah	Unico 1, Unico 2, Unico 3, Unico 4, Unico 5 and 16 outgrowers	Dec 2017	Certified in May 2018	ASA-01 audit completed in February 2019.	No outstanding issues Outgrowers are not part of the certified area
15.	IOI – Pelita, Sarawak	Sejap and Tegai	Planned – TBC as it is in the resolution process	Uncertified Unit	New certification for IOI – Pelita (Sarawak) is in the resolution process	On 18 January 2019, IOI retained the services of the Community’s Information and Communication Centre (CICOM), a local NGO, to conduct Community Capacity Building program, which is the main component of Stage I of the Resolution Plan. In mid-March 2019, IOI and CICOM launched the Community Capacity Building program, the purpose of which was to do the following: <ul style="list-style-type: none"> • Double check whether the communities have good understanding of a) RSPO Principles & Criteria on conflict resolution, b) Free, Prior

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					<p>and Informed Consent process, and c) Resolution Plan itself;</p> <ul style="list-style-type: none"> • Provide affected communities with any needed advice and technical expertise; • Gather community grievances, on the basis of which the Community Participatory Mapping would be designed. <p>CICOM completed the Capacity Building Program at the end of June 2019.</p> <p>Currently, with input from all stakeholders, including the State of Sarawak Government, IOI is evaluating options in regards to the surveyors to be involved in the Community Participatory Mapping.</p> <p>Further and updated progress of this issue could be access through the link below;</p> <p>(a) IOI Pelita Land Dispute Resolution Plan</p> <p>(b) Current progress on IOI Pelita Land Dispute Resolution Process</p> <p>(c) https://www.ioigroup.com/Content/MEDIA/Media?Category=7</p> <p>(d) RSPO Case Tracker – IOI Pelita Status of Complaints</p>
16.	PT SKS, Indonesia	SKS 1, SKS 2, and SKS 3	Planned - 2019	Uncertified Unit	<p>In progress of RSPO audit preparation. RSPO Stage 1 is planned to be conducted in September 2019</p> <p>RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018. IOI will continue to work with the RSPO Investigate and Monitoring Unit on the implementation of its Action Plans to ensure continuous sustainable development. First and Second quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigate and Monitoring Unit in December 2018 and February 2019 respectively.</p> <p>On 15th April 2019, RSPO's official announced "that the monitoring of the implementation of the Complaints Panel directives for "PT Sukses Karya Sawit (SKS), PT Berkat Nabati Sawit (PT BNS), PT Bumi Sawit Sejahtera (PT BSS) - Subsidiary of PT Sawit Nabati Agro (PT SNA), IOI GROUP (a subsidiary of IOI Corporation Berhad) - Case No: GR-000882 " is now officially closed."</p> <p>IOI received an email from RSPO that "the Investigation & Monitoring Unit (IMU) of the RSPO Secretariat had finalized the internal review of the action plan and progress reports submitted by IOI against the Complaints Panel's directives and the</p>

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						<p>IMU concluded that IOI has successfully met all the requirements set by the Complaints Panel."</p> <p>Further and updated progress of this issue could be access through the link below;</p> <p>(a) <u>RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS</u></p> <p>(b) <u>RSPO Case Tracker – PT BSS, PT SKS & PT. BNS Status of Complaints</u></p> <p>The RSPO P&C audit is expected to be conducted in August 2019.</p> <p>Pending issuance of HGU.</p>
17.	PT BNS, Indonesia	BNS 1, BNS 2, BNS 3 and BNS 4	Planned - 2019	Uncertified Unit	<p>In progress of RSPO audit preparation. RSPO Stage 1 is planned to be conducted in September 2019</p>	<p>RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018. IOI will continue to work with the RSPO Investigate and Monitoring Unit on the implementation of its Action Plans to ensure continuous sustainable development. First and Second quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigate and Monitoring Unit in December 2018 and February 2019 respectively.</p> <p>On 15th April 2019, RSPO's official announced "that the monitoring of the implementation of the Complaints Panel directives for "PT Sukses Karya Sawit (SKS), PT Berkat Nabati Sawit (PT BNS), PT Bumi Sawit Sejahtera (PT BSS) - Subsidiary of PT Sawit Nabati Agro (PT SNA), IOI GROUP (a subsidiary of IOI Corporation Berhad) - Case No: GR-000882 " is now officially closed."</p> <p>IOI received an email from RSPO that "the Investigation & Monitoring Unit (IMU) of the RSPO Secretariat had finalized the internal review of the action plan and progress reports submitted by IOI against the Complaints Panel's directives and the IMU concluded that IOI has successfully met all the requirements set by the Complaints Panel."</p> <p>Further and updated progress of this issue could be access through the link below;</p> <p>(a) <u>RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS</u></p> <p>(b) <u>RSPO Case Tracker – PT BSS, PT SKS & PT. BNS Status of Complaints</u></p> <p>The RSPO P&C pre-audit to be conducted in September 2019.</p> <p>Pending issuance of HGU.</p>
18.	PT BSS, Indonesia	BSS 1, BSS 2, BSS 3 and	Planned - 2019	Uncertified Unit	<p>In progress of RSPO audit</p>	<p>RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018. IOI will continue to work with the RSPO Investigate and Monitoring Unit on the implementation of its Action</p>

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		BSS 4			<p>preparation. RSPO Stage 1 is planned to be conducted in September 2019</p> <p>Plans to ensure continuous sustainable development. First and Second quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigate and Monitoring Unit in December 2018 and February 2019 respectively.</p> <p>On 15th April 2019, RSPO's official announced "that the monitoring of the implementation of the Complaints Panel directives for "PT Sukses Karya Sawit (SKS), PT Berkat Nabati Sawit (PT BNS), PT Bumi Sawit Sejahtera (PT BSS) - Subsidiary of PT Sawit Nabati Agro (PT SNA), IOI GROUP (a subsidiary of IOI Corporation Berhad) - Case No: GR-000882 " is now officially closed."</p> <p>IOI received an email from RSPO that "the Investigation & Monitoring Unit (IMU) of the RSPO Secretariat had finalized the internal review of the action plan and progress reports submitted by IOI against the Complaints Panel's directives and the IMU concluded that IOI has successfully met all the requirements set by the Complaints Panel."</p> <p>Further and updated progress of this issue could be access through the link below;</p> <p>(a) RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS</p> <p>(b) RSPO Case Tracker – PT BSS, PT SKS & PT. BNS Status of Complaints</p> <p>The RSPO P&C pre-audit to be conducted in September 2019.</p> <p>Pending issuance of HGU.</p>
19.	PT KPAM, Indonesia	Under Development	Planned - 2023	Uncertified Unit	<p>NPP and HCSA was approved in April 2018.</p> <p>Currently under development.</p> <p>RSPO has approved PT. KPAM NPP Summary Report and was published in RSPO website for public notification on 13 April 2018. The NPP public notification could be assessed through the link below:</p> <p>https://rspo.org/certification/new-planting-procedures/public-consultations/ioi-group-pt-kalimantan-prima-agro-mandiri</p> <p>HCSA Peer Review Assessment completed on 14 May 2018. The HCSA Peer Review Report and Summary Report could be assessed through the link below:</p> <p>http://highcarbonstock.org/registered-hcs-assessments/</p>

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CB Evaluation and verification:

Based on the evaluation done, the IOI Group was able to demonstrate commitment and provide positive assurance statements on its commitment to continued compliance with the RSPO P&C Certifications Systems (Jun 2017) Clause 4.5 (Minimum requirements for multiple management units) for all its certified and non-certified units. Monitoring done of the Timebound Plan and details of progress provided by IOI Group units were evaluated and actions taken found to be appropriate and satisfactory in complying with the RSPO requirements.

- End of Report -