

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT

Mayvin Grouping

Sandakan, Sabah, Malaysia



Valued Quality. Delivered.

Assessment Report

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**ANNUAL SURVEILLANCE ASSESSMENT (ASA-03)
REPORT ON RSPO CERTIFICATION**

PUBLIC SUMMARY REPORT

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT
Mayvin Grouping
Sandakan, Sabah, Malaysia

Certificate No:

Issued date:

Expiry date:

RSPO 926888

22 December 2010

21 December 2015

Assessment Type

Initial Certification (Main Assessment)

Surveillance 1

Surveillance 2

Annual Surveillance Assessment (ASA-03)

Annual Surveillance Assessment (ASA-04)

Re-Certification

Assessment Dates

23 - 27 August 2010

26 - 30 September 2011

16 - 20 July 2012

20 - 23 August 2013

Intertek Certification International Sdn Bhd

(formerly known as Moody International Certification (Malaysia) Sdn Bhd)

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1.0 SCOPE OF ANNUAL SURVEILLANCE ASSESSMENT

1.1 Introduction

This 3rd Annual Surveillance Assessment (ASA-03) was conducted on the Plantation Management Unit (PMU) Mayvin Grouping of IOI Corporation Berhad (hereafter abbreviated as IOI), from 20-23 August 2013, to assess the organization's operations of the mill and its supply bases, for continued compliance against the RSPO Principles and Criteria (October 2007), Malaysian National Interpretation (MY- NI, November 2010) and RSPO Supply Chain Certification Standard (November 2011) for POM. This assessment also includes a review of the changes made by the PMU to comply with the requirements of the ratified new RSPO Principles and Criteria (effective 25 April 2013). It was found that the PMU is aware of the new RSPO Principles and Criteria and the transition period for compliance but has not yet make the necessary changes required.

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

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

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

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

Name	Address	GPS Reference	
		Latitude	Longitude
Mayvin Palm Oil Mill (Capacity: 60 MT/hr)	Mayvin Palm Oil Mill, Telupid, 16km Off Sandakan/Telupid Road at 110km, WDT No 164, 90009 Sandakan, Sabah	5°34.621' N	117°14.146' E
Mayvin 1 Estate	Mayvin 1 Estate, Telupid, 16 km Off Sandakan/Telupid Road at 110km, WDT No 164, 90009 Sandakan, Sabah	5°34.621' N	117°14.146' E
Mayvin 2/3 Estate	Mayvin 2/3 Estate, WDT No 164, 90009 Sandakan, Sabah	5°32.999' N	117°13.670' E
Mayvin 5 Estate	Mayvin 5 Estate, Telupid, WDT No 164, 90009 Sandakan, Sabah	5°28.577' N	117°20.408' E
Mayvin 6 Estate	Mayvin 6 Estate, Telupid, WDT No 164, 90009 Sandakan, Sabah	5°28.656' N	117°22.581' E
Tangkulap Estate	Tangkulap Estate, Telupid, WDT No 164, 90009 Sandakan, Sabah	5°30.162' N	117°15.154' E

1.3 Description of supply base (fruit sources)

The supply base i.e. FFB sources to the POM at Mayvin Grouping PMU are from the abovementioned 5 estates which are owned by IOI. There were other estates which are also owned by IOI, which supplied FFB to the POM. These other supply bases have also been considered in the overall assessment on Mayvin PMU and have been verified to be part of the Time Bound Plan committed by IOI for certification. **(Refer to para.1.8)**

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

Table 2: Estate Area Summary - FY July 2012 / June 2013

Estate	Area Summary (ha)	
	Certified Area	Planted Area
Mayvin 1 Estate	1,642.56	1,509.00
Mayvin 2/3 Estate	1,812.81	1,652.00
Mayvin 5 Estate	1,765.00	1,619.00
Mayvin 6 Estate	1,837.00	1,702.00
Tangkalap Estate	2,277.45	2,185.00
Total:	9,334.82	8,667.00

Notes:

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

1.4 Summary of plantings and cycle

The 5 estates had been developed beginning from 1989 and the latest being replanting from 2012 in Tangkulap Estate, which is currently in the 2nd cycle of planting for the oil palms. The other estates are still in the 1st cycle of planting. The age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm (Year: FY Jul 2012 / Jun 2013)

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below
Mayvin 1 Estate	1989 - 1993	1 st cycle	1,237	-
	1995 – 1999		272	
Mayvin 2/3 Estate	1989 - 1993	1 st cycle	753	-
	1995 – 1999		899	
Mayvin 5 Estate	1989 - 1993	1 st cycle	-	-
	1995 – 1999		1,619	
Mayvin 6 Estate	1989 - 1993	1 st cycle	-	-
	1995 – 1999		1,702	
Tangkalap Estate	1995 - 1999	1 st cycle	1,549	-
	2012 – 2013	2 nd cycle	-	
		Total	8,031	636



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1.5 Summary of Conservation and HCV Areas

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

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	Previous FY Jul 2012 / Jun 2013 (ASA-02) Hectarage – Ha	Current FY Jul 2013 / Jun 2014 (ASA-03) Hectarage – Ha
1	Planted Area (ha) – Oil Palm		
	- Mature	8,667.00	8,031.00
	- Immature	0	636.00
2	Conservation Area (ha)		
	- comprising buffer zones along small streams, hilly areas, swampy and unplatable areas	86.20	96.66
3	HCV Area (ha)		
	- comprising buffer zones near forest reserves, water catchments, burial & religious sites	8.24	8.24

1.6 Other certifications held and Use of RSPO Trademarks

IOI-Mayvin Grouping has been certified to International Sustainability & Carbon Certification (ISCC) on 2 July 2012. The RSPO's trademarks and logo are not being used by the PMU audited. Instructions for use were provided and acknowledged by the PMU through a signed Memorandum of Agreement during the assessment

1.7 Organizational information / Contact Person

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1.8 Tonnages Verified for Certification

The breakdown of all the suppliers and their tonnages of FFB supplied to the **POM at Mayvin Grouping** based on the reporting period for FY July 2012 / June 2013 are as follows:

#	Estate /Supplier	FFB Processed (MT)	Main Receiving Palm Oil Mill	RSPO P&C Certification By CB (date)
1.	Mayvin 1 Estate	37,196.07	Mayvin POM	ICI (22 Dec 2010)
2.	Mayvin 2/3 Estate	41,782.17	Mayvin POM	ICI (22 Dec 2010)
3.	Mayvin 5 Estate	45,441.00	Mayvin POM	ICI (22 Dec 2010)
4.	Mayvin 6 Estate	46,989.15	Mayvin POM	ICI (22 Dec 2010)
5.	Tangkalap Estate	47,211.08	Mayvin POM	ICI (22 Dec 2010)
6.	Meliau Pamol	2,057.65	Pamol Sabah POM	SGS (3 Feb 2008)
7.	Nangoh Estate	1,811.65	Pamol Sabah POM	SGS (3 Feb 2008)
8.	Rungus Estate	2,154.65	Pamol Sabah POM	SGS (3 Feb 2008)
	Total from Organization estates:	224,643.42		
	Other Suppliers:	0		
	Grand total:	224,643.42		

Note:

- All the estates supplying the FFB to the POM at Mayvin Grouping are IOI owned and are RSPO certified estates. Mayvin 1, 2/3, 5, 6 and Tangkulap Estates are under the Mayvin POM Grouping. FFB also received by Mayvin POM from the Meliau Pamol, Nangoh Estate and Rungus Estates under the Pamol Sabah POM Grouping, which are also RSPO certified FFB from these estates.

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

Estate / Supplier	FFB Processed in FY2011/12 – previous		FFB Processed in FY2012/13 – current		FFB Processed for FY2013/14 – projected	
	MT	%	MT	%	MT	%
Mayvin Group Estates	226,771.99	96.26	218,619.47	97.32	211,450.00	100.0
Certified IOI - PMUs	4,254.15	1.81	6,023.95	2.68	nil	0.0
Uncertified IOI - PMUs	4,551.16	1.93	nil	0.0	nil	0.0
Total	235,577.30	100.00	224,643.42	100.0		100.0
*SCCS Model for POM	MB & SG		SG		SG	



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The annual certifiable tonnages of CPO and PK production by Mayvin Grouping from the supply base/suppliers as assessed and verified during the current Surveillance Assessment and projected for next FY period are detailed as follows:

Mayvin POM	FY2011/12		FY2012/13		FY2013/14 – projected	
Total certified FFB Processed (MT)	231,026.14		224,643.42		211,450.00	
Total CPO Production (MT)	49,532.00	OER: 21.44%	46,838.09	OER: 20.85%	45,334.88	OER: 21.44%
Total PK Production (MT)	12,821.95	KER: 5.55%	12,988.93	KER: 5.78%	12,158.38	KER: 5.75%

*Note: Currently, the POM has established and maintained procedures for the book keeping and monitoring requirements for the CPO at the mill and was verified to be the “**Segregation – SG**” model in accordance with the RSPO Supply Chain Certification Standards (SCCS) requirements. Verified activities and checked items for the **SCCS of the POM are reported in section 3.1.1.**

1.9 Time Bound Plan for Other Plantation Management Units

IOI Group operates 12 palm oil mills and 77 oil palm estates throughout Malaysia and 2 palm oil mills in Indonesia. The organization is a member of RSPO since 2004 and has been taking an active role in the RSPO certification.

Currently, a significant number of its Certification Units have been certified and the remainder is undergoing the certifying process in accordance with its time bound plan to achieve RSPO certification for all its plantation certification units by 2016.

Based on the due diligence conducted on IOI there were no significant land conflicts, no replacement of primary forest or any area containing HCVs since November 2005, no labour disputes that are not being resolved through an agreed process, no evidence of non-compliance with law in any of the non-certified holdings.

Details of the time bound plan as submitted by IOI are as per **Appendix E**. The time bound plan is subject to certain conditions on IOI-Pelita at the Sarawak region as set by the RSPO Secretariat.



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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	SOP	Standard Operating Procedures



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2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

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 Mayvin Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 20-23 August 2013, the Assessment team of Intertek conducted the Surveillance Assessment in which 2 out of the 5 estates of Mayvin Grouping, namely Mayvin 2/3 and Tangkulap Estate as well as the palm oil mill were assessed for compliance against the RSPO requirements. The number of estates sampled was based on a minimum sample of 0.8√y where y is the number of management sub-units and the selection was made based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and high conservation value areas.

During the on-site assessment, relevant documents and records, including Standard Operating Procedures (StOP), 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 using the process approach auditing technique covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment and other requirements. Stakeholders' interviews were conducted during the assessment and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

Mayvin Grouping POM was also assessed against the requirements for the Segregation 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 Segregation 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 Evaluation Panel prior to submission of the Public Summary Report to RSPO Secretariat for approval.

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

The auditors also conducted an on-site verification of the 2 Minor NCR and 2 observations raised during the 2nd Surveillance Assessment (ASA-02). Actions were verified to be effectively taken and implemented on all the findings. 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 Surveillance Assessment which will be carried out within a 12-month period after RSPO acceptance of this report.

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

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, facsimiles and letters of the same were sent to applicable stakeholders including government agencies, NGOs and local communities. Telephone enquiries were made prior to the actual assessment and stakeholder's response and feedback received were followed up accordingly.

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

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

Among the list of key stakeholders consulted was the following:

Government Agencies (by emails)

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

Statutory Bodies (by emails)

- | | |
|---|---|
| 18. Malaysian Palm Oil Board (MPOB) | 23. Malaysian Palm Oil Board (MPOB) - Sarawak Region |
| 19. Malaysian Palm Oil Board (MPOB) - Northern Region | 24. Malaysian Palm Oil Board (MPOB) - Sabah Region |
| 20. Malaysian Palm Oil Board (MPOB) - Central Region | 25. Malaysia Palm Oil Association (MPOA) |
| 21. Malaysian Palm Oil Board (MPOB) - Southern Region | 26. Malaysia Palm Oil Association Kuala Lumpur (MPOA) |
| 22. Malaysian Palm Oil Board (MPOB) - Eastern Region | 27. Malaysia Palm Oil Association Sabah (MPOA) |

NGOs (by emails)

- | | |
|--|---|
| 28. All Women's Action Society (AWAM) | 57. Malaysian Nature Society Terengganu |
| 29. BCSDM - Business Council for Sustainable Development in Malaysia | 58. Malaysian Plant Protection Society (MAPPS) |
| 30. Borneo Child Aid Society (Humana) | 59. Mountaineering and Outdoor Pursuits Association of Negeri Sembilan |
| 31. Borneo Resources Institute Malaysia (BRIMAS) | 60. National Council of Welfare & Social Development Malaysia - NCWSDM |
| 32. Borneo Rhino Alliance (BORA) | 61. National Union of Plantation Workers (NUPW) |
| 33. Center for Orang Asli Concerns COAC | 62. Partners of Community Organisations (PACOS) |
| 34. Centre for Environment, Technology and Development, Malaysia - CETDEM | 63. Penang Institute previously known as Socio-Economic & Environmental Research Institute (SERI) |
| 35. Consumers Association Of Penang - CAP | 64. Proforest - South East Asia Regional Office |
| 36. EcoKnights | 65. R.E.A.C.H. - Regional Environmental Awareness Cameron Highlands |
| 37. Environmental Management and Research Association of Malaysia (ENSEARCH) | 66. Sabah Wetlands Conservation Society (SWCS) |
| 38. Environmental Protection Society Malaysia (EPSM) | 67. SEPA - Sabah Environmental Protection Association |
| 39. Friends of the Earth, Malaysia | 68. SUARAM - Suara Rakyat Malaysia |
| 40. Future in Our Hands Society, Malaysia | 69. SUHAKAM - National Human Rights Society - Persatuan Kebangsaan Hak Asasi Manusia |
| 41. Global Environment Centre | 70. Sustainable Development Network Malaysia (SUSDEN) |
| 42. Institute of Foresters, Malaysia (IRIM) | 71. Tenaganita Sdn Bhd |
| 43. JUST - International Movement for a Just World | 72. The Malaysian Forum of Environmental Journalist (MFEJ) |
| 44. Malaysian Environmental NGOs - MENGO | 73. TRAFFIC - the wildlife trade monitoring network |
| 45. Malaysian National Animal Welfare Foundation - MNAWF | 74. Transparency International - Malaysian Chapter |
| 46. Malaysian Nature Society (MNS) Kuala Lumpur | 75. Treat Every Environment Special Sdn Bhd. (TrEES) |
| 47. Malaysian Nature Society Johor | 76. United Nations Development Programme - UNDP Malaysia |
| 48. Malaysian Nature Society Kedah | 77. Water Watch Penang (WWP) |
| 49. Malaysian Nature Society Kelantan | 78. Wetlands International (Malaysia) |
| 50. Malaysian Nature Society Kuching | 79. Wild Asia Sdn Bhd |
| 51. Malaysian Nature Society Melaka/Negeri Sembilan | 80. World Wide Fund for Nature (WWF) Malaysia |
| 52. Malaysian Nature Society Miri | 81. World Wide Fund of Nature (WWF) Sabah |
| 53. Malaysian Nature Society Pahang | 82. UNION - AMESU |
| 54. Malaysian Nature Society Perak | 83. Malaysian CropLife & Public Health Association (MCPA) |
| 55. Malaysian Nature Society Pulau Pinang | 84. Pesticide Action Network Asia and the Pacific (PAN AP) |
| 56. Malaysian Nature Society Sabah | |



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Local community (On-site interviews)
Gender representatives
Workers & Workers representatives

Suppliers & Contractors representatives

3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

Criterion 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
Indicators	Findings and Objective Evidence	Compliance
1.1.1 There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Major Compliance	Adequate information on environmental, social and legal issues relevant to RSPO Criteria is available to relevant stakeholders for effective participation in decision making.	Complied
1.1.2 Records of requests for information and responses shall be maintained. Major / Minor - TBF	The PMU maintained an updated list of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, etc. The mill and audited estates have maintained their respective 'Correspondence & Stakeholders Meeting file'. Correspondences were updated till latest in July 2013 i.e. with local officials, local community associations and leaders. Requests were attended to, and no negative remarks or complaints/grievances were found. Records maintained were easily retrievable upon request during surveillance assessment.	Complied
Criterion 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
Indicators	Findings and Objective Evidence	Compliance
1.2.1 Publicly available documents shall include, but are not necessarily limited to: Major Compliance • Land titles/user rights (Criterion 2.2);	No changes to the organization's policies since the last assessment. The following types of mandatory documents are available to the public as required: <ul style="list-style-type: none"> - land titles/user rights, - occupational health and safety plan, - plans and impact assessments relating to environment 	Complied



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	<p>and social impacts,</p> <ul style="list-style-type: none"> - pollution prevention plans, - details of complaints & grievances, - negotiation procedures - continuous improvement plan) - Public summary of certification assessment report. <p>Copies of all the land titles were available and have been maintained at the Mill and estates audited.</p>	
<ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); 	Occupational Safety and Health Plan 2013 found to be reviewed on 04/01/2013. Various programs and activities carried out and monitored found to be satisfactory.	Complied
<ul style="list-style-type: none"> • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); 	<p>Environmental Impact Management Action Plans and Social Impacts Assessment found to be reviewed and carried out.</p> <p>Management documents relating to environmental and social issues were verified to be maintained and available to the public (notices and websites) and updated.</p>	Complied
<ul style="list-style-type: none"> • HCV documentation (Criteria 5.2 and 7.3); 	HCV Management Action Plans found to be reviewed and carried out.	Complied
<ul style="list-style-type: none"> • Pollution prevention and reduction plans (Criterion 5.6); 	Pollution Prevention and Reduction Management Plans were reviewed and carried out.	Complied
<ul style="list-style-type: none"> • Details of complaints and grievances (Criterion 6.3); 	<p>The mill and respective estates had maintained the Complaints and Grievances Logbook.</p> <p>Logbook entries (12 nos.) for the period concerned found to be complaints relating to repairs on workers housing/quarters facilities, lighting, waste disposal, sign board, etc. Actions found to be taken to address the complaints and recorded in the Logbook.</p> <p>Employees Consultative Council (ECC) representatives interviewed had confirmed that there were no serious issues.</p>	Complied
<ul style="list-style-type: none"> • Negotiation procedures (Criterion 6.4); 	<p>Negotiation procedure and flowchart was available and maintained since July 2009. Additionally via website link: http://www.ioigroup.com/business/busi_plantoverview.cfm</p> <p>No borders at estates in Mayvin grouping were adjacent to any villages or native land.</p> <p>For the period concerned, there was no conflict/dispute requiring negotiation or compensation pertaining to these criteria.</p> <p>No changes in status noted since the previous surveillance assessment on-site. Hence no negotiation or compensation records pertaining to this criterion needing follow up verification.</p> <p>IOI had also uploaded the status on the land dispute/claim at the IOI Pelita plantation in Sarawak which is publicly available at website link: http://www.ioigroup.com/default.cfm</p>	Complied



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• Continual improvement plans (Criterion 8.1);	Continuous Improvements Plans in key operations for the mill and estates have been developed which were regularly monitored and reviewed. This includes the Integrated Pest Management (IPM) program for pest control and reduction in the consumption of chemical pesticides, the use of direct bio-control methods such as the cultivation of beneficial plants, and environmental and social programs.	Complied
• Public summary of certification assessment report;	Public summary of certification assessment report are made publicly available.	Complied
• Human Rights Policy (Criterion 6.13).	Human Rights Policy not yet documented and communicated to all levels of the workforce and operations. However, some related Social policies were available such as Equal Opportunity & Non-Discrimination. See findings in C6.13	New requirement of RSPO P&C (2013) - Follow up action at next ASA.
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. Major / Minor (TBF)	Policy of Commitment to a Code of Ethical Conduct and Integrity not yet documented and communicated to all levels of the workforce and operations.	New requirement of RSPO P&C (2013) - Follow up action at next ASA.

Principle 2: Compliance with applicable laws and regulations

Criterion 2.1		
There is compliance with all applicable local, national and ratified international laws and regulations.		
Indicators	Findings and Objective Evidence	Compliance
2.1.1 Evidence of compliance with relevant legal requirements shall be available. Major Compliance	A Legal Register covering the applicable local and international laws and regulations is available at the mill and estates. The relevant legislations identified and listed were among others regarding safety and health, environmental management, pollution management, chemical handling, usage & storage, schedule waste management. Levy and other deductions have been taken with the consent of the workers in accordance with the Sabah Labour Ordinance (Chapter 67). FOMEMA (The Foreign Workers Medical Screening Expert) fees, for the health screening of foreign workers which was borne by the company and carried out as per the Ministry of Health guidelines. The PMU had participated in the Federal Government's 5P registration process for migrant workers.	Complied



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	<p>Based on the site observations, interviews and records checking at the field and mill, there was evidence of compliance with the relevant laws, regulations, local and international laws at the POM and estates. There were no cases of any violation or actions imposed by relevant authorities.</p> <p>Licenses and permits (License for Trading, License for Employment of Foreign Workers, Workers Wages Deduction Permit, Domestic and Consumer Permit for Keeping Diesel, Petrol & Fertilizer, MPOB license, DOSH Certificates, DOE Permit, etc.) were renewed and evidenced to be valid.</p>	
<p>2.1.2 A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>Minor Compliance</p>	<p>The documented system for identifying, determining, reviewing and updating applicable legal and other requirements has been maintained.</p>	Complied
<p>2.1.3 A mechanism for ensuring compliance shall be implemented.</p> <p>Minor Compliance</p>	<p>The mechanism for ensuring compliance involved updating (when necessary) and an annual review with the compliance status indicated in the Legal Register (Flowchart on mechanism of tracking).</p> <p>Statutory returns to relevant authorities found to be in compliance.</p>	Complied
<p>2.1.4 A system for tracking any changes in the law shall be implemented.</p> <p>Minor Compliance</p>	<p>Changes in the relevant laws are communicated and received from the IOI Group HQ by the Mill and Estate Managers. The PMU managers subsequently ensure the updating of changes and its implementation.</p>	Complied
<p>Criterion 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure 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 found to be in proper order.</p> <p>The original copies are maintained by the Corporate Head office. The legal use of the land confirmed to be for cultivation of oil palms and agricultural use.</p> <p>The Palm Oil Mill is located at the Mayvin 2 Estate.</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 audit.</p>	Complied
<p>2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained.</p> <p>Major Compliance</p>	<p>It was verified that there has been no change to the stated land titles and designated use for cultivation of oil palms and agricultural use.</p> <p>Legal boundary markers were sighted and maintained along the perimeters of estate lands which were mapped with a 1-meter differential Global Positioning System (GPS).</p>	Complied

	Locations of several boundary stones were visited and found to have pole markers for easier identification and traceability.	
<p>2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>Major / Minor (TBF)</p>	<p>There is no dispute on the land rights in Mayvin PMU. As such, the process of fair compensation and FPIC is currently not required to be applied.</p>	Complied
<p>2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>Major / Minor (TBF)</p>	<p>No land conflicts in Mayvin PMU. Process for conflict resolution verified to be publicly available on company website: http://www.ioigroup.com/business/busi_plantoverview.cfm</p> <p>No new land acquisition since the previous assessment and no land disputes arising.</p>	Complied
<p>2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>Major / Minor (TBF)</p>	<p>No conflict or dispute over the lands in Mayvin PMU. As such the process of participatory mapping is not available for verification of implementation.</p>	New requirement of RSPO P&C (2013) - Follow up action at next ASA.
<p>2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>Major / Minor (TBF)</p>	<p>No conflict or dispute over the lands in Mayvin PMU. As such this process is not available for verification.</p>	New requirement of RSPO P&C (2013) - Follow up action at next ASA.
<p>Criterion 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>2.3.1 Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>Major Compliance</p>	<p>The lands at the PMU are legally owned by IOI and no other users or affected parties in the land areas. The nearest local village (i.e. Tungod) is about 60 km away from the PMU.</p> <p>There is no dispute on the land rights in the PMU.</p> <p>The lands are not encumbered by any customary lands or user rights and therefore the process of participatory mapping is not required.</p>	Complied
<p>2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p>	<p>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>	Complied



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<p>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>Minor Compliance</p>		
<p>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>Major / Minor (TBF)</p>	<p>No conflict or dispute over the lands in Mayvin PMU. As such this process is not available for verification.</p>	<p>Complied</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 / Minor (TBF)</p>	<p>No conflict or dispute over the lands in Mayvin PMU. As such this process is not available for verification.</p>	<p>Complied</p>

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

<p>Criterion 3.1</p>		
<p>There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>Major Compliance</p>	<p>A 5-years Business Management Plan (FY 2012/2013 to FY 2016/2017) for the PMU has been documented.</p> <p>The Annual Budget for each of the 5 years Business Management Plan include the following:</p> <ul style="list-style-type: none"> (i) Planting materials (DXP seedling and cloned seedling); (ii) Crop projection = FFB yield/ha trends; (iii) Mill extraction rates = OER trends; (iv) Cost of Production = Cost/MT FFB trends; (v) Cost of Production = Cost/MT CPO trends; 	<p>Complied</p>

	(vi) Forecast prices; (vii) Financial indicators=Cost of labour, cost of supervision, cost of manufacture, depreciation, etc.).	
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	Annual replanting program had been prepared up to 2020/2021 for the estates. Tangkalap Estate started replanting in FY 2012/2013. Mayvin 1 Estate will start replanting in 2016/17.	Complied

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

Criterion 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	The mill and the estates had a copy each of the Standard Operating Procedures and these had been verified.	Complied
4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Major / Minor (TBF)	Records had been kept by the staff concerned for each operation to monitor the procedure and progress of work, and these records would be checked by the Assistant Manager and the Manager regularly. These records had been verified during the visit.	Complied
4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	The records of monitoring and the actions taken had been maintained for more than 12 months on the mill and estates concerned. These records had been verified.	Complied
4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major / Minor (TBF)	The mill did not source any FFB from third-party. The entire crop was supplied by the estates within the IOI Group of PMUs.	Complied
Criterion 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
Indicators	Findings and Objective Evidence	Compliance
4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	Annual fertilizer inputs had been monitored through fertilizer recommendations made by IOI Research Centre. Recommendations had been viewed and verified.	Complied
4.2.2 Records of fertiliser inputs shall be maintained.	Records of fertilizer application had been verified.	Complied



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Minor Compliance		
4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	Leaf sampling and analysis had been carried out annually and soil sampling and analysis on a 5 year cycle to determine the nutrient levels for fertilizer recommendations that aimed to sustain the long term soil fertility and nutrient efficiency. Records had been verified.	Complied
4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. Minor Compliance	EFB mulching had been carried out in mature area along the inter-row, and around the circle in the immature palms. Records had been verified. POME land irrigation had been carried out in Mayvin 2/3 over 187.9 ha with 31,077 meters of trenches by gravity feed.	Complied
Criterion 4.3 Practices minimise and control erosion and degradation of soils.		
Indicators	Findings and Objective Evidence	Compliance
4.3.1 Maps of any fragile soils shall be available. Minor Compliance	Based on the soil maps, there was no fragile soil on the estates.	Complied
4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). Minor Compliance	Planting terraces had been constructed on land with slope >5°. Records and maps on terraces constructed had been verified on the estates. There was no soil erosion noted during the visit.	Complied
4.3.3 A road maintenance programme shall be in place. Minor Compliance	Estate roads were found to be in good and satisfactory condition. Road maintenance programme had been found to be in order.	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. Minor Compliance	Based on the estate soil maps, there was no peat soil on the estates as confirmed by auditor's on-site assessment	Complied
4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	Based on the estate soil maps, there was no peat soil on the 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. sandy, low organic matter, acid sulphate soils). Minor Compliance	Based on the estate soil maps and visit to the estates, there were no other fragile and problematic soils on these estates.	Complied



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Criterion 4.4 Practices maintain the quality and availability of surface and ground water.		
Indicators	Findings and Objective Evidence	Compliance
<p>4.4.1 An implemented water management plan shall be in place.</p> <p>Major / Minor - TBF</p>	<p>Documented water management plan and relevant records had been verified.</p> <p>The results of water samples sent for lab testing for the POM and estates, have complied with the water quality specification limits allowed. Results over the last 3 months were sampled and found to be compliant. Thus the implementation is found to be effective and NC is closed (Indicator 4.4.7, previous NCR 1 of 2 – Minor, closed).</p>	<p>Complied</p>
<p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.</p> <p>Major Compliance</p>	<p>Buffer zones were implemented and verified during on-site field inspection.</p> <p>It was noted that in Field 95 O, near the estate boundary on Mayvin 2/3 Estate, the palms marked as boundary for the buffer zone along an unnamed stream had been circle sprayed recently.</p> <p>We were given to understand that the estate management had already detected this mistake, and had taken disciplinary action on the worker concerned and immediately conducted a re-training programme for the group of workers.</p> <p>Relevant documents had been verified. In view of this, no non-conformance had been issued to the estate.</p> <p>However, the paint markings on the palms can be enhanced e.g. should be more prominent and consistent to prevent any unintentional spraying of individual palms located near the designated buffer zones – Observation CFK # 01 (see section 3.2)</p> <p>Buffer zones had been maintained on both sides of Ruku Ruku stream on Tangkulap Estate and an unnamed stream in F 94M on Mayvin 2/3 estate.</p> <p>At Tangkulap Estate, in F 13A some palms had been planted less than 5 meters from the streams. This was contrary to the company’s policy on riparian zone management guidelines for Sabah operations. A major non conformance had been issued.</p> <p>(Follow up On-site verification done on 27 August 2013. See details of under section 3.2)</p>	<p>Observation CFK # 01</p> <p>NCR 1 of 2 - Major</p>
<p>4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and</p>	<p>In palm oil mill, water samples had been taken at monthly interval at the discharge point of effluent pond. BOD level had been in the range of 26 to 100 ppm; for the past 12 months. The upper limit specified by D.O.E. Sabah was 50 ppm. The higher levels of BOD observed in certain months</p>	<p>Complied</p>



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5.6).	were due to desludging of ponds with the knowledge of the DOE, Sabah.	
Major / Minor – TBF		
4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.	Water usage in the mill from July '12 to June '13 ranged from 0.83 to 1.20 m3/tonne FFB with an average of 0.99 m3/tonne FFB.	Complied
Minor Compliance	The levels of water usage were within the industry norm.	
Criterion 4.5		
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		
Indicators	Findings and Objective Evidence	Compliance
4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored.	Records on planting of beneficial plants had been verified on the estates. Pest infestation was minimal on the estates. Programme for planting of beneficial plants such as <i>Turnera subulata</i> , <i>Cassia cobanensis</i> , and <i>Antigonon leptopus</i> , and records on areas planted had been verified together with the respective maps. Tangkulap Est. Mayvin 2/3 Est. Turnera subulata 40 ft 20 points Cassia cobanensis 261 ft 150 points Antigonon leptopus 513 frames 40 frames	Complied
Minor Compliance		
4.5.2 Training of those involved in IPM implementation shall be demonstrated.	Training records for personnel on IPM implementation were available and was verified on-site during field assessment.	Complied
Minor Compliance		
Criterion 4.6		
Pesticides are used in ways that do not endanger health or the environment		
Indicators	Findings and Objective Evidence	Compliance
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.	Written justification in Standard Operating Procedures of all agrochemicals use had been reviewed and found acceptable. Basta with a.i. Glufosinate ammonium 13.5% had been used for circle spraying in immature palms due to its selective property.	Complied
Major Compliance		
4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.	Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications had been maintained and kept for a minimum of 5 years. The monitoring of pesticide usage i.e. a.i used/tonne oil at POM has been performed for FY2012/2013 as data is available. Verified that records of monitoring were maintained i.e. on monthly basis. Thus implementation is found to be effective and NC is closed.(Indicator 4.5.4, previous NCR 2 of 2 – Minor, closed)	Complied
Major Compliance		



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<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 national Best Practice guidelines.</p> <p>Major Compliance</p>	<p>It had been the policy of the estates to minimize the use of pesticides in accordance with integrated pest management. No prophylactic use of pesticides had been carried out.</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 national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>Major Compliance</p>	<p>Paraquat had been eliminated since 31st December, 2011 for IOI Group Estates.</p> <p>Alternatives such as Glyphosate Isopropylamine, Metsulfuron Methyl, and Tricopy Butoxyethyl Esther had been used with the elimination of Paraquat.</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).</p> <p>Major Compliance</p>	<p>All pesticide operators had been given training on the handling and application of the pesticides. Appropriate safety and application equipment had been provided and used by the operators.</p> <p>All precautions attached to the products had been observed, applied, and understood by the workers. Programme and training records had been verified.</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).</p> <p>Major Compliance</p>	<p>Pesticides had been stored in accordance to the local Occupational Safety and Health Laws and Regulations and local laws on Pesticides control.</p> <p>Used chemical containers were disposed of by DOE approved / registered Hazardous waste contractor.</p>	<p>Complied</p>
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>Major Compliance</p>	<p>Pesticides had been applied using the proven methods (Best Management Practices) that minimize risk and impacts.</p>	<p>Complied</p>
<p>4.6.8 Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.</p> <p>Major Compliance</p>	<p>It's not the policy of the company to carry out aerial application of pesticides.</p>	<p>Complied</p>
<p>4.6.9 Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated; including provision of</p>	<p>Periodic training on pesticide handling had been carried out. Information on the pesticides was being displayed next to the pesticides in the store and notice board.</p>	<p>Complied</p>



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appropriate information materials (see Criterion 4.8). Major Compliance		
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). Major Compliance	Scheduled waste had been sent to the palm oil mill for disposal through licensed contractor approved by DOE. Records of scheduled waste involved had been verified.	Complied
4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	Tangkulap Estate has sent 62 of its workers for medical surveillance on 14 March 2013. These include 32 sprayers and 25 manurers as specified by CHRA recommendation prepared in 2009. Mayvin POM has sent 11 workers for medical surveillance on 27 July 2013. Another 20 workers were sent for medical surveillance on 23 August 2013. Total workers sent for medical surveillance in 2013 is 31. Mayvin 2 has sent workers for medical surveillance including 12 sprayers on 23 February 2013.	Complied
4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance	No pregnant or breast-feeding woman had been offered work as pesticide operator.	Complied
Criterion 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.		
Indicators	Findings and Objective Evidence	Compliance
The health and safety plan shall cover the following: 4.7.1 A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory Machinery Act had been prepared and documented. A safety and health policy had been verified. Records on training and analysis on understanding of training by the workers had been verified.	Complied
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	All operations had been risk assessed, documented and implemented. All precautions attached to the products had been observed and applied to the workers through MSDS.	Complied
4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to	Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices.	Complied



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cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance	Appropriate PPE had been provided at the place of work to cover all potentially hazardous operations.	
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	The responsible person (usually the Mandore or Headman) had been identified. Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified.	Complied
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. Major Compliance	Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents had been verified. Quarterly review on accident cases had been carried out during quarterly meeting of Environment, Safety, & Health (ESH)	Complied
4.7.6 All workers shall be provided with medical care and covered by accident insurance. Major Compliance	Medical care had been provided to all the workers. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with RHB Insurance Berhad.	Complied
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics Major Compliance	Records on Lost Time Accident (LTA) metrics had been verified.	Complied
Criterion 4.8 All staff, workers, smallholders and contract workers is appropriately trained.		
Indicators	Findings and Objective Evidence	Compliance
4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	Training programme on training for various categories of operators, including all field and office staff, with regards to their duties had been reviewed and found acceptable. Training programme is based on training need assessment including need for RSPO programmes aimed to fulfill their jobs and responsibilities as per the relevant documented procedures	Complied
4.8.2 Records of training for each employee shall be maintained. Major Compliance	Records of training for each employee had been verified.	Complied



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

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.		
Indicators	Findings and Objective Evidence	Compliance
<p>5.1.1 An environmental impact assessment (EIA) shall be documented.</p> <p>Major Compliance</p>	<p>Environmental Impact Assessment and Environmental Improvement plans were documented and verified to have been reviewed on an annual basis.</p> <p>It was verified that annual review of internal EIA report had included the stakeholder consultation with external stakeholders, i.e. the Sabah Forestry Department at the Tangkulap, Dermakot and Tawai forest reserves adjacent to the PMU.</p> <p>The ongoing replanting at Tangkulap estate was carried out with approval from the Environmental Protection Department (EPD), Sabah.</p>	Complied
<p>5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.</p> <p>Major / Minor -TBF</p>	<p>Environmental Aspect and Impact changes for 2012/ 2013 had included the following activities:</p> <ul style="list-style-type: none"> • Building new roads, new housing for workers at mill and estates and sanitation facilities; • Upgrade of mill i.e. fiberation and kernel crushing plant and other infrastructure; • Upgrade of drainage systems, siltation and oil traps POM & estates; • Management of mill effluents; • Monitoring of natural vegetation at designated riparian and buffer zones; • Replanting at the estates; <p>The management plan need to clearly identify the person/persons responsible of each activity of the change – Observation # AL01 is raised.</p>	Observation # AL01
<p>5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>Major / Minor -TBF</p>	<p>Implementation and monitoring of the documented environmental improvement plans were reviewed on an annually basis.</p> <p>For 2012/13, the review was done between May and July 2013 by the Mill Manager and respective Estate Managers. The reviews had considered the mitigation of negative impacts and promotion of positive ones such as the introduction of floating vertiver pods at the effluent ponds (at POM) and monitoring and manual clearing of overgrown natural vegetation and debris along the streams and demarcated buffer zones (at estates) which was verified on-site during assessment.</p>	Complied
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.		



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Indicators	Findings and Objective Evidence	Compliance
<p>5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>Major Compliance</p>	<p>The HCV assessment report(s) for the estates have been reviewed in July 2013, and had incorporated feedbacks provided by the Forestry Department</p> <p>Forest reserves were identified as 'external' HCVs such as the Tangkulap Forest Reserve adjacent to the Tangkulap estate.</p> <p>It was noted that an additional stretches of buffer zone of about 50m into the land of Tangkulap estate had been established adjacent to the Tangkulap Forest reserve with new electric wire fencing being built along the allocated parameters.</p> <p>The actions were taken to further mitigate the incidences of incursions by wild elephants which resulted from the ongoing replanting and presence of new and young palms in which the elephants were drawn to as a food source. The said measure was taken by Tangkulap estate in accordance with the proposal by the Forest Reserve department.</p> <p>Monitoring and control of any illegal hunting, fishing or collecting activities within the Mayvin PMU were implemented via patrolling at the estates as evidenced in the records of the Patrol log books maintained. Signages such as "No Hunting" were verified on-site and found to have been satisfactorily maintained.</p> <p>The annual documentation review of Conservation & HCV areas for the estates including has included maps with GPS latitudes and longitudes indicated. (Indicator 5.2.1, previous OBS 1 of 2 - closed)</p>	<p>Complied</p>
<p>5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>Major Compliance</p>	<p>The HCV report had reviewed the conservation needed for the wildlife identified such as elephants, orangutan, long and short tailed macaque, white beaked hornbills and other wildlife which are protected under the Protection of Wildlife Act 1972 (Act 76) and Sabah Wildlife Conservation Enactment 1997 and IUCN Red List 2008.</p> <p>Updated posters as provided by the Sabah Wildlife Department were noted to have been displayed at the estates offices, new signages and copies pasted in the estate Patrol log books.</p> <p>Regular patrols i.e. on a weekly basis had been carried out and recorded by the Estate executives to monitor the HCV and buffer areas. Occasional sightings of wildlife were also recorded.</p> <p>It is noted that through the stakeholder consultation with the Forestry department personnel, the estate personnel should try to conduct joint patrols and have better sharing of information and identification of the existing and potential wildlife in the bordering Forest reserves.</p> <p>The above enhancement measure should be documented and appropriate implementation to be followed up - Observation # AL02 is raised.</p>	<p>Observation # AL02</p>

<p>5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be 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>Major Compliance</p>	<p>There is evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signages erected which prohibit such activities.</p> <p>It is noted that the programme to regularly educate the plantation workers about the status of RTE species can be enhanced with better interaction with the local Wildlife authorities - Observation # AL03 is raised.</p>	<p align="center">Observation # AL03</p>
<p>5.2.4 Where a management 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 management plan. <p>Major / Minor -TBF</p>	<p>Ongoing monitoring of the management plan on the status of HCV and RTE is documented and evidences of reporting are verified to be available. The feedback outcomes can be further improved.</p> <p>See related Observations: AL#02 and AL#03.</p>	<p align="center">See related Observations: AL#02 and AL#03.</p>
<p>5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>Major / Minor -TBF</p>	<p>It is verified that there are no local communities or villages at the Mayvin PMU. Thus negotiated agreements of such nature are not applicable at this PMU.</p>	<p align="center">Complied</p>
<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>Documented identification of all the waste products such as scheduled waste and sources of pollution such as from POME were maintained and implemented at the PMU.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was evidenced. Proper areas were identified for the storage of the respective wastes.</p> <p>Scheduled Waste such as 'spent hydraulic oil' (SW 305) were properly labeled and stored. Appropriate secondary containment was verified to be maintained at the scheduled waste storage areas.</p> <p>The schedule waste storage area had restricted access to authorized personnel only. MSDS/CSDS instructions were available and adhered to.</p> <p>The PMU has segregated its wastes as general /domestic wastes, POME and scheduled wastes. Proper areas were identified and maintained for the storage and treatment of the respective wastes.</p> <p>It is verified on-site that the documentation has been satisfactorily maintained.</p>	<p align="center">Complied</p>
<p>5.3.2 All chemicals and their containers shall be disposed of responsibly.</p>	<p>General Manager's Memorandum on disposal of scheduled wastes to mill manager and copied to estate(s) managers</p>	<p align="center">Complied</p>

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<p>Major / Minor -TBF</p>	<p>dated 10th October 2011 stating that a standing instruction for all scheduled waste be disposed to/collected by licensed contractors within 180 days has been maintained.</p> <p>Disposal of Scheduled wastes disposal were verified to be in compliance with EQ (Scheduled Waste) Regulation 2005.</p> <p>The last scheduled waste disposal for SW 110 (electrical waste), SW 409 (empty chemical containers), SW 410 (used oil filters) and SW 429 (clinical waste) was done on 15 August 2013, with proper documentation submitted by the approved SW contractors which is filed and available at site.</p>	
<p>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>Major / Minor -TBF</p>	<p>Waste management and disposal plans were available at the POM and estates.</p> <p>The 5-year solid waste management and disposal plan of the sanitary landfills (for 2012 to 2017) were available at Mayvin 2 estate (shared by the POM) and Tangkulap estate.</p> <p>Verified that 5 year landfill location planning and maps were available and were physically verified on site at the estates sampled. (Indicator 5.3.2, previous OBS 2 of 2 - closed).</p> <p>The designated landfill areas at Tangkulap and Mayvin 2 estates were verified to be at least 50m away from any streams / water sources and the landfill drain holes were noted to be disconnected and did not reach any of the streams or water sources. Thus the risk of contamination has been observed to be avoided.</p> <p>Recycling of crop residues / biomass i.e. EFB and POME had been implemented.</p> <p>Recycling bins of three different color codes were available in the POM and estates and were used for solid waste segregation and recycling.</p> <p>The segregation and disposal of 'plastic and paper waste' can be improved and better coordinated at the PMU. It is noted that the practice of physical segregation and disposal at the Mayvin 2 estate can be emulated by the rest of the estates of Mayvin PMU - Observation #AL04 was raised.</p>	<p align="right">Observation #AL04</p>
<p>Criterion 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p>	<p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fiber and PK shells were used as renewable energy/fuel on a 70:30 ratio basis.</p>	<p>Complied</p>

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Minor Compliance	<p>Monthly records of kW usage of non-renewable and renewable fuel per metric tonne of palm product at the POM were available</p> <p>There was about 35% reduction of direct fossil fuel use as result of renewable energy usage as compared to the previous year data.</p> <p>For July 2013 / June 2013, energy generated from renewable energy was about 150 kW / mt CPO. Overall renewable energy generation had increased by about 5% as compared to previous year data.</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>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>Major Compliance</p>	<p>The Mayvin PMU had observed the IOI group policy of 'Zero open burning' for any replanting at the estates.</p> <p>No evidence of open burning was found during on-site inspection at Tangkulap estate in which ongoing replanting activities was being carried out.</p>	Complied
<p>5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>Minor Compliance</p>	<p>Previous crop felled were appropriately disposed back to the soil according to the practices required.</p> <p>The PMU has adhered to the 'zero burning' policy for replanting at the estates.</p> <p>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>	Complied
<p>Criterion 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions; particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>Major Compliance</p>	<p>Annual review of environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land was done in July 2013.</p> <p>Mill emissions as monitored online by DOE, Sandakan using the Continuous Emissions Monitoring System (CEMS) is maintained and verified to be within permissible limits of DOE</p> <p>POME treatment, monitoring and land application is monitored, maintained and adhered to DID regulations (see also findings under C4.4)</p>	Complied
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p>	<p>Significant pollutants and greenhouse gas (GHG) emissions are identified e.g. POME, Diesel / fuel and fertilizer usage has been documented at the Mayvin PMU. This has been verified on-site.</p>	



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<p>Major / Minor -TBF</p>	<p>It is noted that the PMU has achieved the ISCC DE and ISCC EU certifications for sustainable biofuels production since 2011 with annual audit reports and valid certificates available.</p> <p>Currently, the GHG emissions and calculations presented at the Mayvin PMU were verified to be in accordance with the European Union, Renewable Energy Directives i.e. EU-RED and had achieved the 35% reduction of GHG emissions level. (see also findings under the Intertek Supplementary report on RSPO RED initial assessment carried out on 26-27 August 2013 and report submitted to RSPO)</p> <p>The plans to further reduce GHG emissions are being established which will be followed up during the next surveillance – Observation # AL05 was raised.</p>	<p align="center">Observation # AL05</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.</p> <p>Major / Minor -TBF</p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are available.</p> <p>Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements (see also findings under C5.6.1 and C4.4)</p> <p>It is verified that the POME is treated in using aerobic and anaerobic pond (total; 7 nos) and water samples were regularly taken and analyzed to meet DID requirements at final discharge points. The discharged water is 100% used for land application as fertilizer at the Mayvin 2 estate.</p> <p>There has been no change in the land use as an Oil Palm plantation since 1995.</p> <p>Records are maintained and verified on-site to have met the permissible regulatory limits.</p>	<p align="center">Complied</p>

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

<p>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.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented.</p> <p>Major Compliance</p>	<p>At Mayvin PMU, the respective Social Impact Assessment reports and Management plans at all the estates and mill was specific and individually documented by the Sustainability Team of IOI.</p>	<p align="center">Complied</p>

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	<p>Stakeholder consultation meetings with the local communities and employees on the assessment were performed by the Estate managers with their Social Liaison Officers. Employee representation was through the Employees Consultative Council (ECC) which has representation from the different levels of workers who are elected by the workers.</p> <p>Minutes of ECC meetings sighted for example in Tangkulap Estate the latest meeting was conducted on 30 July 2013. All minutes are kept properly.</p> <p>Mayvin PMU also participated in consultation organised by stakeholder. For example Tangkulap Estate representatives were present at a consultation meeting organised by Sabah Forestry Department on 26 September 2012. Minutes of the consultation meeting were prepared by the department and kept properly in stakeholder's file.</p>	
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>Minor Compliance</p>	<p>The PMU has considered issues of social impact to employees and communities affected by their activities. Records of meeting with stakeholders indicated discussions held were generally on matters pertaining to access roads and use rights, working conditions, cultural/festival activities, health facilities and other community concerns.</p> <p>In all meeting minutes of ECC and Gender Committee, list of attendance and photos of the session were kept in file showing evidence of participation of affected parties. Through verification of entries made in the Complaints & Grievance Book in POM and estates and interviews made, it was clear that the workers are well informed of issues related to their rights.</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 / Minor -TBF</p>	<p>A time table of activities identified was sighted with time frame on implementation plans. Site inspection carried out confirmed that the implementations were in progress. Latest Social Plans sighted are for the period of May 2012-June 2013 at both estates and from January-December 2013 for Mayvin POM.</p> <p>The Social Impact Assessment reports and Management plans were reviewed on different dates at all the estates and mill, for example Tangkulap Estate SIA revision was made in May 2013 and Mayvin POM SIA revision were conducted in April 2013. Timetable established was also updated appropriately to reflect current changes. Reviewed process has been done with the participation of stakeholders (including migrant workers) appropriately. Records of meetings were available and indicated that concerns were generally working conditions, cultural/festival activities, health facilities and other community concerns.</p>	<p align="center">Complied</p>
<p>6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices.</p> <p>There shall be evidence that the review includes the participation of affected</p>	<p>The latest Social Plans were available for the period of May 2012-June 2013 in Tangkulap and Mayvin 2 estates and from January-December 2013 for Mayvin POM. Affected parties especially the workers were consulted during the ECC meetings, Daily morning muster and individual responses made to reports in the Grievance Books maintained.</p>	<p align="center">Complied</p>



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parties.		
Major / Minor -TBF		
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).	There are no smallholders at the PMU. Thus this is not applicable	Complied
Major / Minor -TBF		
Criterion 6.2		
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
Indicators	Findings and Objective Evidence	Compliance
6.2.1 Consultation and communication procedures shall be documented.	IOI's Group consultation and communication procedures are available via website link: http://www.ioigroup.com/Corporateresponsibility/environment_plantation.cfm	Complied
Major Compliance	The PMU has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. its workers, government agencies, contractors, neighbouring plantations by personal invitation to attend the internal and external stakeholders' consultation meetings. Main SIA reports for Tangkulap and Mayvin 2 Estates as well as the Mayvin POM are still within valid period, i.e. within 5-year main revision period, thus no external stakeholders' consultation meetings have been organised.	
6.2.2 A management official responsible for these issues shall be nominated.	Nominated respective officers at the operating unit are responsible to represent the PMU Mayvin grouping when any relevant issues raised by local communities and other affected or interested parties.	Complied
Minor Compliance	For example in Tangkulap Estate the nominated Social Liaison Officer being Mr. Alvinus, for Mayvin 2, Mr. Abidin and in the Mayvin POM is Mr. Wilfred.	
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.	The maintenance of the list of stakeholders at the IOI Mayvin grouping is adequate and has ensured that the list is kept current. Noted that there are open and transparent methods for communication and consultation which has taken into consideration the local mechanisms including migrant workers and languages.	Complied
Minor Compliance	The lists of stakeholders are updated on a monthly basis and records of meeting were maintained. List of stakeholders are sighted in "SIA Stakeholders Consultation [Internal & External]" file	
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.		
Indicators	Findings and Objective Evidence	Compliance



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<p>6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p>Major Compliance</p>	<p>All estates in Mayvin grouping have established complaints and grievances procedures and it was well implemented. Complaints and Grievances logbooks were sighted in all estates in the grouping and the logbooks are actively used by workers. For example, latest report received in Tangkulap Estate was on 18 July 2013 and in Mayvin POM latest report received was 17 August 2013. Both reports were attended to within acceptable time period.</p> <p>Timelines for response to complaints and grievances are either through the logbook or ECC representatives are appropriately established and implemented. Generally respond time for minor requests will be within 2-3 days and up to one month for major requests.</p> <p>The estates had maintained the established complaints and grievances procedures. Noted that any Complaints and Grievances Logbook were used in the estates appropriately and records of corrective actions implemented were stated in the logbook. ECC representatives interviewed understood that roles, responsibility and treated them as an important matter.</p> <p>Complaints and Grievances Logbooks are for complaints which are not private and confidential in nature. For reports which are related to private matters such as sexual harassment reports separate logbooks are prepared and always kept under lock and key locations. Complainants are given the option whether the make the report personally or through nominated workers' representatives. It is verified during on-site interviews that there were no incidences of dispute or grievance of a serious nature.</p>	<p style="text-align: center;">Complied</p>
<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>Minor</p>	<p>The PMU have a system for handling compensation claim in an effective, timely and appropriate manner. So far there has not been any dispute raised which was verified during on-site interviews with the workers.</p>	<p style="text-align: center;">Complied</p>
<p>Criterion 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>Major Compliance</p>	<p>There were no borders at estates in Mayvin grouping which were adjacent to any villages or native land.</p> <p>Therefore no has been no records of any negotiation or compensation pertaining to this criteria.</p> <p>No changes in status as of audit day hence no negotiation or compensation pertaining to this criterion</p>	<p style="text-align: center;">Complied</p>
<p>6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and</p>	<p>The IOI Group has a procedure for calculating and distributing compensation which is available. To the date, there has been no dispute by any parties reported at the Mayvin PMU.</p>	<p style="text-align: center;">Complied</p>



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<p>access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p>Minor Compliance</p>		
<p>6.4.3 The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>Minor Compliance</p>	<p>To the date, there has been no dispute by any parties reported. Therefore the process and outcome of compensation could not be observed.</p>	<p>Complied</p>
<p>Criterion 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.5.1 Documentation of pay and conditions shall be available.</p> <p>Major Compliance</p>	<p>Basic daily rate for all employees in Mayvin grouping estates have met the industry minimum standards which included extra pay under the statutory fringe benefits. The estate managements also provide free housing and treated water supply, subsidized electricity, medical benefits, community halls, mosques and welfare amenities constitutes a decent living for the employees</p> <p>There were positive improvements with regards to salary / pay increment since 2011 for the estate workers in Mayvin grouping. Other benefits were maintained such as free housing and treated water supply, subsidized electricity, medical benefits, community halls, mosques and welfare amenities which constitute a decent living for the employees. Pay and conditions for employees on maternity leave were satisfactorily implemented as per employment contract signed.</p> <p>For example a local female worker in Mayvin POM, Failin Bte Amir Hamzah, gave birth to a child in April 2013 and she was given two months maternity leave plus the 2012 annual leave allowance.</p> <p>Monthly pay documents in Mayvin grouping estates and POM have been sighted and verified that all documents are in order. Among others, the pay documents involved data in the PinfoSys – payment system and pay slips.</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>Minor Compliance</p>	<p>In Mayvin grouping since January 2013 offer letter has been revised to reflect the new Minimum Wage Order 2012.</p> <p>Specifically in Tangkulap and Mayvin 2 Estates the employment contracts used are approved by the Sabah Human Resources Department i.e. Jabatan Tenaga Kerja Sabah.</p>	<p>Complied</p>
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities</p>	<p>PMU Mayvin grouping has provided adequate housing, water supplies, medical, educational and welfare amenities in accordance with Local - Workers' Minimum Standard of Housing and Amenities.</p>	<p>Complied</p>

are available or accessible.	Line sites are kept clean with adequate frequency of rubbish collection per week. New housing blocks were being built for Mayvin POM workers.	
Minor Compliance		
6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.	Mayvin PMU 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 and field workers were provided with transport to go shopping for sundry items in town at the end of each month i.e. after pay day.	Complied
Minor Compliance		
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.	The published statements of policy which recognizes the employee's freedom of association, was noted to be available in a few native languages including Bahasa Malaysia, English and some local native languages. Due to the restrictions stated in Immigration Act 1959/63, in which foreign employees are not allowed to form or be affiliated to any society or association, the estate management had formed the ECC as an alternative mechanism to cater to the collective bargaining needs of the workers. Results of ECC meetings were minute and available The policy statements which recognizes the employee's freedom of association These were widely displayed in local languages and English. ECC was functional in Mayvin grouping estates and their meetings were minute, distributed accordingly and available as records.	Complied
Major / Minor -TBF		
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented.	PMU Mayvin grouping has publish a statement (in local languages) recognizing freedom of association at Mayvin Palm Oil Mill office. Minutes of ECC meetings sighted for example in Tangkulap Estate the latest meeting was conducted on 30 July 2013. All minutes are kept properly. In all meeting minutes of ECC, list of attendance and photos of the session were kept in file showing evidence of participation of affected parties.	Complied
Major Compliance		
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.	There was no evidence of any child labor being used at the estates of Mayvin grouping. The Child Labour policy adopted by estate managements had stated that the minimum age of workers is 19 years. Site inspection of the employment records in all estates	Complied
Major Compliance		

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	<p>confirmed that this has been complied.</p> <p>Humana schools and 'crèche' were established to cater to the proper education of the workers children.</p> <p>Children at the appropriate age for secondary school are sent to the Indonesian school organised by Indonesian Consulate in Sabah.</p> <p>Inspections of the employment records including field trips in the estates of Mayvin grouping confirmed that this criterion has been complied.</p>	
<p>Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p>Major Compliance</p>	<p>The policy statements which recognize Equal Job Opportunity were widely available and displayed in local languages and English. Inspections including interviews in the estates of Mayvin grouping of the employment records including migrant workers, pay slips and deductions of wages (according to law) confirmed that this criteria has been maintained.</p>	Complied
<p>6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.</p> <p>Minor Compliance</p>	<p>Based on interviews and feedback from the employees and migrant workers and review of ECC meeting minutes, it is verified that there has been no issue of discrimination at the PMU.</p>	Complied
<p>6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>Major / Minor -TBF</p>	<p>Mayvin PMU demonstrated that staff are hired and promoted based on specific criteria. However, promotion to higher position sometime take a longer period due to the position sought is not yet vacant.</p> <p>For foreign workers, hiring is based on agents' recommendation. However, it was evident that no discrimination on promotion as both men and women, local and foreign workers have equal opportunity to be promoted.</p>	Complied
<p>Criterion 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>The established social policy has covered aspects on sexual harassment, gender and women reproductive rights.</p> <p>There was a documented procedure on the management of sexual harassment.</p> <p>Pregnant and breastfeeding women were exempted from work associated with potentially hazardous chemicals and were given light duties such as work in and around the office and crèche. Example in 2012, 2 women sprayers were transferred to lighter jobs after being their pregnancy were confirmed by the HA in Mayvin 2 Estates.</p> <p>There was a gender committee specifically to address</p>	

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	<p>areas of concern to women. This committee was headed by the manager and, has representatives from all areas of work. The minutes of meetings were documented and kept. For example, in Mayvin 2, latest GCC meeting was conducted on 17 July 2013.</p> <p>The policy statements which recognize sexual harassment, gender and women reproductive rights were widely available and displayed in local languages and English. There were functional gender committee(s) specifically to address areas of concern to women and noted no negative feedback received from the interviews conducted. Their minutes of meetings were documented, kept and could be retrieved during audit.</p> <p>In both Tangkulap and Mayvin 2 Estates it was found that understanding of male workers with regards to sexual harassment is generally low compared to female workers. In Tangkulap Estate no formal training has been conducted for male workers while in Mayvin 2, even Social Liaison Officer for male workers did not aware that there was training conducted for male workers by the Estate Manager. This shows lack of attention given to male workers on this issue. NCR# 2 of 2 was raised.</p> <p>(Follow up On-site verification done on 27 August 2013. See details of under section 3.2)</p>	<p>NCR 2 of 2, Major</p>
<p>6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>The grievance mechanism established at the PMU has been maintained.</p> <p>The Grievance process flowchart and procedures are displayed in the estate offices.</p> <p>Meeting minutes of activities of the committee. Gender Consultative Committees (GCC) has been maintained and verified.</p>	<p>Complied</p>
<p>6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>Major / Minor -TBF</p>	<p>There was a gender committee specifically to address areas of concern to women. This committee was headed by the manager and, has representatives from all areas of work. The minutes of meetings were documented and kept. For example, in Mayvin 2, latest GCC meeting was conducted on 17 July 2013.</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.</p> <p>Major Compliance</p>	<p>All the estates in the Mayvin PMU do not have any dealings with smallholders.</p> <p>There was also no evidence to suggest of any unfair business practices with the local businesses.</p> <p>No changes with regards to dealing with smallholders since last year and no evidence to suggest of any unfair business practices with the local businesses.</p>	<p>Complied</p>
<p>6.10.2 Evidence shall be available that growers/millers have explained FFB</p>	<p>Mayvin PMU maintained records on current and past prices paid for FFB. Monthly prices are displayed at the</p>	<p>Complied</p>

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<p>pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).</p> <p>Major / Minor -TBF</p>	<p>POM office and FFB price data are available to the public upon request.</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.</p> <p>Minor Compliance</p>	<p>Based on employee contracts and meeting minutes (between Mayvin management and employee) 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 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 during work in progress to follow safety requirements.</p>	
<p>6.10.4 Agreed payments shall be made in a timely manner.</p> <p>Minor Compliance</p>	<p>The PMU has a policy to ensure agreed payments were made in a timely manner as per the contracts of agreement made. Payments most of the time are made on according to common practice of 60-day grace period.</p>	<p>Complied</p>
<p>Criterion 6.11 Growers and millers contribute to local sustainable development where appropriate.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.</p> <p>Minor Compliance</p>	<p>Main contribution of the estates to the local development can be demonstrated in the provision of facilities and monetary contributions, where feasible. For example based on consultation with Sabah Forestry Department, Tangkulap Estates construct electrical fencing along the border with state forest reserve.</p>	<p>Complied</p>
<p>6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity</p> <p>Major / Minor -TBF.</p>	<p>Not applicable</p>	<p>NA</p>
<p>Criterion 6.12 No forms of forced or trafficked labour are used.</p>		
<p>6.12.1 There shall be evidence that no forms of forced or trafficked labour are used.</p> <p>Major / Minor -TBF</p>	<p>Estate workers are sourced by the IOI appointed agents and handled via IOI Sandakan Region office.</p> <p>Some foreign workers found are still in the process of applying for their passports after coming in to the country using Visa With Reference (VWR) and the Visitor's Pass (Temporary Employment) issued by Immigration Office.</p> <p>All procedures of bringing in foreign workers are with the approval from the Immigration Office. Based on records verified and interview with some of the workers, it is confirmed that there has been no occurrence of forced nor trafficked workers in IOI estates</p>	<p>Complied</p>
<p>6.12.2 Where applicable, it shall be demonstrated that no contract</p>	<p>No incidents have been found and this is confirmed that</p>	<p>Complied</p>

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substitution has occurred. Major / Minor -TBF	during interviews with external stakeholders this issue has not been raised.	
6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. Major / Minor -TBF	A policy on Equal Opportunity was adopted and implemented by Mayvin PMU seemed to cover all necessary aspects of migrant workers related issues.	Complied
Criterion 6.13 Growers and millers respect human rights.		
Indicators	Findings and Objective Evidence	Compliance
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). Major / Minor -TBF	A policy on 'Equal Opportunity and Non-Discrimination' was adopted and implemented by Mayvin PMU which covered the necessary aspects of human rights related issues. This is confirmed to have understood by the different levels of personnel interviewed during the assessment/. The PMU is in process of reviewing their various social policies for integration into a more defined respect for Human Rights policy.	New requirement of RSPO P&C (2013) - Follow up action at next ASA.

Principle 7: Responsible development of new plantings

Mayvin PMU has documented procedures for this development but to date has not carried any new plantings after November 2005. Therefore, the requirements of Principle 7 are not applicable during this assessment.

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

Criterion 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
Indicators	Findings and Objective Evidence	Compliance
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. Major / Minor -TBF As a minimum, these shall include, but are not necessarily be limited to: <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); 	The Mayvin PMU has progressively implemented the continual improvement action plans which are annually reviewed. The activities taken include: Increased planting of beneficial plants along the stretches of estate roads to reduce attacks by caterpillars and bag worm, thereby further reducing the use of pesticides. Improved POM work facilities e.g. new boiler control room, reduction of noise level in ripple mill (nut cracking machine) using plywood enclosure. Maintenance and monitoring of the growth of natural vegetation at the buffer zones and riparian areas and clearance of debris and any clogging of the water flows.	Complied



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<ul style="list-style-type: none">• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);• Social impacts (Criterion 6.1);• Optimising the yield of the supply base.	<p>Better disposal of recyclable domestic waste such as used plastic and paper products.</p> <p>Development of GHG reduction activities such as the higher use of renewable energy sources and application of fertilizers with lower GHG emissions.</p> <p>In estates such as Mayvin 2/3, new and improved housing units for workers, storage facilities for pesticides, chemical and general storage.</p> <p>There was increase of monthly contribution to all HUMANA schools in IOI managed estates from RM 2,000 to RM 2,500 i.e. some 25% since 2013.</p> <p>HUMANA is in the midst of discussion with IOI to enhance the relationship by going to the next step by providing better facilities for HUMANA schools, such a more suitable school building with separate classrooms, small computer laboratory, music class, etc.</p> <p>The PMU had also conducted training on fire safety not only to their staff and workers at the factory and mill, but also for the family members who are staying in the line sites.</p> <p>Better utilization of the plantable land during replanting and improving the harvesting activities and loose fruit collections.</p>	
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3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

**The Supply Chain model applied at Mayvin Grouping - POM during this Surveillance Assessment is
Module D: Segregation (SG)**

Details of findings are as follows:

D.1 Documented procedures		
Indicators	Findings and Objective Evidence	Compliance
D.1.1 The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements.	Procedure for SG Module was revised and latest edition is: RSPO/SC/SOP/SG/31 issue 03, 15 Sep 2012.	Complied
This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements	The procedure covered the implementation of all elements of SG Module, including all the requirements for controlling the FFB receipt, processing, sale and CPO dispatch, training and claims. The documented procedure and its implementation confirmed to have complied with all the specified requirements of Segregation (SG) Module D.	Complied
b) The name 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 facilities procedures for the implementation of this standard.	Mill manager, Mr. P. Kalaiselvan has the overall responsibility and authority for implementation and compliance with the documented procedure.	Complied
D.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	Ref Procedure: RSPO/SC/SOP/SG/31 issue 03, 15 Sep 2012 - SG Module. For the period FY 2012/2013, the POM received and processed only certified FFB from the 5 estates of Mayvin PMU and also certified FFB from other estates (Meliau, Nangoh, and Rungus Estates) in the RSPO certified IOI Pamol Sabah PMU. The POM did not receive or processed any non-certified FFB from any other sources or suppliers. All supplies of FFB were subjected to verification of documents and quality checks by weighbridge personnel. Mayvin POM has 4 CPO storage tanks that stored the SG quantities.	Complied
D.2 Purchasing and goods in		
Indicators	Findings and Objective Evidence	Compliance



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<p>D.2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>The Mill had maintained record of tonnages and supply source of FFB from the respective estates at the weighbridge station, in the dispatch chit and weighbridge ticket and these are reported daily to the Regional office (at Sandakan) and weekly to the Head Office at KL.</p>	<p>Complied</p>
<p>D.2.2 The facility shall inform the CB immediately if there is a projected overproduction.</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.</p>	<p>Complied</p>
<p>D.3 Record keeping</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.</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.</p> <p>Inspection of records and reports at the Mill confirmed these were accurate, complete and updated daily.</p>	<p>Complied</p>
<p>D.3.2 Retention times for all records and reports shall be at least five (5) years.</p>	<p>As per the SOP, the records and reports are archived and stored in the Mill Office for a minimum period of 5 years.</p>	<p>Complied</p>
<p>D.3.3 The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.</p>	<p>Transaction documents and bookkeeping of FFB, CPO and PK are done daily and monthly summary submitted to Head Office.</p> <p>A volume balance recording system that shows FFB deliveries, CPO and PK production and dispatch is balanced every 3 months.</p>	<p>Complied</p>
<p>D.3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.</p>	<p>Product type and supply chain model indicated as RSPO CSPO/SG on relevant documents.</p>	<p>Complied</p>
<p>D.4 Sales and good out</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:</p>	<p>The company invoices to CPO buyer include the following details:</p> <ul style="list-style-type: none"> (i) name and address of buyer = IOI Edible Oil, Sandakan; (ii) date of issue of invoice; 	<p>Complied</p>



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a) The name and address of the buyer;	(iii) CPO or PK as applicable / SG Module; (iv) Quantity (MT) (v) Reference to Weighbridge Ticket and Delivery Order; (vi) CPO Specification / PK Specification.	
b) The date on which the invoice was issued;		
c) A description of the product, including the applicable supply chain model (Segregated);		
d) The quantity of the products delivered;		
e) Reference to related transport documentation.		

D.5 Processing

Indicators	Findings and Objective Evidence	Compliance
<p>D.5.1 The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that it has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical materials; (up to 5 % contamination is allowed)</p>	<p>Ref Procedure: RSPO/SG/31 issue 03, 15 Sep 2012 - SG Module.</p> <p>Confirmed from records that Mayvin POM only received and processed certified FFB. There is no non-certified FFB. Therefore, demonstrated compliance with non-contamination from uncertified materials.</p>	Complied
<p>D.5.2 The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.</p>	<p>Documents and records provided documented evidence for the FFB receipt and processed, CPO and PK produced to be traceable to certified material.</p>	Complied
<p>D.5.3 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that:</p> <p>a) The crush operator conforms to these requirements for segregation</p>	<p>The PK is sold to IOI Edible Oil and there is no outsourcing of the PK crush to an independent palm kernel crusher.</p>	Complied
<p>b) The crush is covered through a signed and enforceable agreement</p>		

D.6 Training

Indicators	Findings and Objective Evidence	Compliance
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<p>D.6.1 The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.</p>	<p>All relevant personnel have been trained on RSPO Supply Chain System and its implementation - records of training on 13 August 2013 maintained</p>	<p>Complied</p>
D.7 Claims		
Indicators	Findings and Objective Evidence	Compliance
<p>D.7.1 The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Rules for Communication and Claims.</p>	<p>Based on the records verified at site, there are no claims that can constitute a breach of the RSPO Rules for Communications and Claims as to date.</p> <p>Rules & Regulations for RSPO Certification Scheme given to the organization and Memorandum of Agreement signed.</p>	<p>Complied</p>

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 Mayvin POM has been able to comply with the requirements of the RSPO SCCS under the 'SG' module and is thus eligible for 'SG' trading for its palm products for year FY July 2013 / June 2014.

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

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

Assessment Type	Year	Noncompliance (NCR)	Observations (OBS)
Main Assessment	2010	2 – Minor (2.1.3 & 5.2.1)	7
Annual Surveillance - 01	2011	2 – Minor (5.3.2 & 6.5.2)	4
Annual Surveillance - 02	2012	2 – Minor (4.4.7 & 4.5.4)	2
Annual Surveillance - 03	2013	2 – Major (4.4.2 & 6.9.1)	6

Year 2012: ASA-02 (2 NCRs)

NCR #	MYNI Indicator	Details of NCR	
1 of 2 Minor	4.4.7	Date issued: 20 July 2012	Date closed: 23 August 2013
		<p>Nonconformance: The dosing/chlorination process for the water treatment at the estates for domestic drinking water has to be reviewed and more effective measures put in place to reduce the Total Coliform Count and Total E.coli Count (e.g. at Mayvin 6, the counts had exceeded the specifications limit allowed)</p>	
		<p>Root Cause and Corrective Action: (Reply received on 16 August 2012). Chlorine dosing was not tightly monitored in the said estate office. Presently, the dosing of chlorine has been increased and samples of the treated water from the point of use have been sent to an accredited lab for analysis. Further action has been taken to ensure that the results are within the specifications limits allowed.</p>	



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		Verification (for effective closure): During ASA-03 The results of water samples sent for lab testing for the POM and estates, have complied with the water quality specification limits allowed. Results over the last 3 months were sampled and found to be compliant. Thus the implementation is found to be effective and NC is closed (Indicator 4.4.7, previous NCR 1 of 2 – Minor, closed).	
2 of 2 Minor	4.5.4	Date issued: 20 July 2012	Date closed: 23 August 2013
		Nonconformance: Monitoring of pesticide usage units per hectare or per tonne crop had carried out by the supply bases but not being consolidated by the Palm Oil Mill for the PMU i.e. the total quantity of active ingredient (a.i) used /tonne oil was not compiled.	
		Root Cause and Corrective Action: (Reply received on 16 August 2012). Monitoring of pesticide usage has only been done at the estates and was overlooked at the mill. Mill has commenced monitoring of the a.i used/tonne oil. (see attached data sheet)	
		Verification (for effective closure): During ASA-03 The monitoring of pesticide usage i.e. a.i used/tonne oil at POM has been performed for FY2012/2013 as data is available. Verified that records of monitoring were maintained i.e. on monthly basis. Thus implementation is found to be effective and NC is closed.(Indicator 4.5.4, previous NCR 2 of 2 – Minor, closed)	

Year 2012: ASA-02 (2 Observations)

OBS #	MYNI Indicator	Details of Observation	
1 of 2	5.2.1	Date issued: 20 July 2012	Date closed: 23 August 2013 (ASA-03)
		Observation: The annual documentation review of Conservation & HCV areas should be improved i.e. with clearer maps, signages and GPS locations indicated to be consistent at Mayvin 5 & 6 estates.	
		Verification: During ASA-03 The annual documentation review of Conservation & HCV areas for the estates including has included maps with GPS latitudes and longitudes indicated. (Indicator 5.2.1, previous OBS 1 of 2 - closed)	
2 of 2	5.3.2	Date issued: 20 July 2012	Date closed: 23 August 2013 (ASA-03)
		Observation: The landfill locations for domestic wastes should be better planned and marked up in the estate maps e.g. at Mayvin 5 estate.	
		Verification: During ASA-03 Verified that 5 year landfill location planning and maps were available and were physically verified on site at the estates sampled. (Indicator 5..3.2, previous OBS 2 of 2 - closed)	



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Year 2013: ASA-03 (2 NCRs)

NCR #	MYNI Indicator	Details of NCR	
1 of 2 Major	4.4.2	Date issued: 23 August 2013	Date closed: Next surveillance ASA-04
		<p>Nonconformance:</p> <p>Some oil palm seedlings had been planted less than 5 meters from the streams in Field 13A replant at Tangkulap estate. This is contrary to the company's policy in their riparian zone management guidelines for Sabah operations, which states a minimum of 5 meters from the bank of the stream.</p>	
		<p>Root Cause and Corrective Action:</p> <p>Lining of replanting at Tangkulap estate was done by our contractor and there was an oversight due to speeding up of replanting which was delayed in the 2012 replanting program. However we have already rectified the issue and removed all the young palms planted less than 5 meters from the stream. A total of 720 palms had been removed. Buffer /riparian zone also have been marked and complied as per guidelines of company policy.</p>	
		<p>Verification done on-site: 27 August 2013 – AL</p> <p>Verified on-site at Field 13A that the palms had been removed and clear buffer zone of 5m are marked with wooden poles at both sides along the stretch of the said stream. Records maintained and submitted was verified as to the location and number of palms removed. (See also photographs taken attached in report.)</p> <p>Corrective action on NC is implemented and accepted.</p>	
		<p>Verification (for effective closure): During ASA-04</p>	
2 of 2 Major	6.9.1	Date issued: 23 August 2013	Date closed: Next surveillance ASA-04
		<p>Nonconformance:</p> <p>The policy for the prevention of sexual harassment is available. However at the Tangkulap and Mayvin 2 Estates, the implementation was only carried out for female workers by the Gender committee. It is a requirement for the implementation to include all levels of the workforce.</p>	
		<p>Root Cause and Corrective Action:</p> <p>This matter has been overlooked as some briefing were done earlier for workers but not well understood. A more proper briefing has been done for all the estates male workers at Tangkulap and Mayvin estates between 24 and 30 August 2013 will be extended to include external contractors' workers entering the PMU. (See attached).</p>	
		<p>Verification done on-site: 27 August 2013 – AL</p> <p>Records of recent briefing done for all workers at Tangkulap and Mayvin estates was available and interview with some of the male workers noted adequate understanding on the matter. Corrective action taken on NC is implemented and accepted.</p>	
		<p>Verification (for effective closure): During ASA-04</p>	

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Year 2013: ASA-03 (6 Observations)

OBS #	MYNI Indicator	Details of Observation	
1 of 6	5.1.2	Date issued: 23 August 2013	Date closed: Next surveillance, ASA-04
		Observation: The management plan need to clearly identify the person/persons responsible of each activity of the change – Observation # AL01	
		Verification: (Next surveillance, ASA-04)	
2 of 6	5.2.2	Date issued: 23 August 2013	Date closed: Next surveillance, ASA-04
		Observation: The HCV above enhancement measures should be documented and appropriate implementation to be followed up. - Observation # AL02	
		Verification: (Next surveillance, ASA-04)	
3 of 6	5.2.3	Date issued: 23 August 2013	Date closed: Next surveillance, ASA-04
		Observation: It is noted that the programme to regularly educate the plantation workers about the status of RTE species can be enhanced with better interaction with the local Wildlife authorities - Observation # AL03.	
		Verification: (Next surveillance, ASA-04)	
4 of 6	5.3.3	Date issued: 23 August 2013	Date closed: Next surveillance, ASA-04
		Observation: The segregation and disposal of 'plastic and paper waste' can be improved and better coordinated at the PMU. It is noted that the practice of physical segregation and disposal at the Mayvin 2 estate can be emulated by the rest of the estates of Mayvin PMU - Observation # AL04	
		Verification: (Next surveillance, ASA-04)	
5 of 6	5.6.2	Date issued: 23 August 2013	Date closed: Next surveillance, ASA-04
		Observation: The plans to further reduce GHG emissions are being established which will be followed up during the next surveillance – Observation #AL05.	
		Verification: (Next surveillance, ASA-04)	
6 of 6	4.4.2	Date issued: 23 August 2013	Date closed: Next surveillance, ASA-04
		Observation: The paint markings on the palms can be enhanced e.g. should be more prominent and consistent to prevent any unintentional spraying of individual palms located near the designated buffer zones – Observation CFK # 01	
		Verification: (Next surveillance, ASA-04)	

3.2.2 Identified Positive Elements

- 1) IOI Corporation Berhad is one of the biggest partners of HUMANA i.e. Borneo Child Aid. About 63 teachers in Humana are paid by IOI and another 20 teachers are paid by the Government of Indonesia. Humana has provided education assistance for more than 2000 migrant estate children.
- 2) Natural vegetation is seen to be returning at the riparian and buffer zones near watercourses.



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3.3 Feedback Raised by Stakeholders and Findings

Prior to and during the Surveillance Assessment, written and verbal feedback communicated from the stakeholders on the environmental and social performance of Mayvin Grouping 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:

Stakeholders' Feedback	PMU Response	MICM verification / comments
Government Agencies		
<p>Communication done via email on 12 July 2013. See list under para 2.5.</p> <p>Receive feedback on 24 July 2013 from Jabatan Perhutanan Sabah (Sabah Forestry Department) with suggestions as follows:</p> <ul style="list-style-type: none"> • A mechanism or awareness programme on wildlife monitoring be introduced and developed by the Company • Establishment of riparian reserve of 30 metres on both sides (left/right) of the river including planting of suitable tree species and restoration of degraded riparian • Establishment of buffer zones of 50 metres within the estate boundaries adjacent to forest reserves including planting of suitable tree species on degraded buffer zones • Erection of signboards depicting poaching issues to be installed at strategic locations bordering the Forest Reserves • For protection measures, gates are to be manned 24 hours to avoid any possible form of encroachment activities occurring inside or bordering forest reserves • The company to educate thier workers on the Do's and Dont's within Forest Reserves such as No Burning, No Hunting, No Felling Trees, No Littering and No Entering without permission 	<p>Conservation activities has been progressively implemented such as Awareness programmes on wildlife, establishment of riparian reserve, buffer zones adjacent to Forest reserves, signages against encroachment etc.</p> <p>Ongoing consultations with the Sabah Forestry Department will be maintained and improved accordingly.</p>	<p>Verified during on-site assessment that the PMU has been implementing the appropriate measures needed.</p>
<p>Receive feedback on 15 July 2013 from Malaysian Palm Oil Board confirming that there are no issues with the Mayvin PMU since 18 July 2013</p>	<p>Ongoing consultations will be maintained. No response needed.</p>	<p>Verified during on-site assessment that the PMU that that no response needed.</p>
Non-Governmental Organizations		
<p>Communication done via email on 12 July 2013. See list under para 2.5. No feedback received.</p>	<p>Ongoing consultations will be maintained. No response needed.</p>	<p>Verified during on-site assessment that the PMU that that no response needed.</p>
Local Communities		
<p>16 stakeholders has been interviewed during the assessment on 21 August 2013 (including contractors, local community and employees) and it was confirmed that:</p>		



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<p>PMU has basically covered technical, environmental and socio economic issues.</p> <p>Suggestions raised include:</p> <ul style="list-style-type: none">• PMU can improve on road building & maintenance and waste management activities.• Improvement for Humana School e.g. larger & better building, separate areas for library, laboratory and to contribute some computers which the company may no need after a few years of their office use.	<p>Further improvement on road building & maintenance and waste management and Improvement for Humana School at the estate will be progressively made.</p> <p>Ongoing consultations will be maintained.</p>	<p>Verified during on-site assessment that the PMU has a mid and long term management plan for the improvement of infrastructure, social and environmental needs of the local community.</p> <p>See report details under P&C 4, 5, 6 & 8)</p>
<p>Other Interested parties</p>		
<p>Communication done via email on 12 July 2013. See list under para 2.5. No feedback received.</p>	<p>Ongoing consultations will be maintained.</p> <p>No response needed.</p>	<p>Verified during on-site assessment that the PMU that that no response needed.</p>



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4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

Based on the findings above, IOI Mayvin Grouping had been able to demonstrate its compliance with the RSPO Principles and Criteria (October 2007), Malaysian National Interpretation (MY-NI 2010) and the RSPO Supply Chain Certification Standard (November 2011) for Palm Oil Mill.

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

Signed for and on behalf of
Intertek Certification International Sdn Bhd

Augustine Loh
Lead Assessor

Date: 20 September 2013

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 CORPORATION BERHAD

Mr. N.B Sudhakaran
General Manager (Sandakan Region)

Date: 20 September 2013



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4.2 INTERTEK- RSPO P&C Certificate details for Mayvin Grouping (ASA-03)

Certificate No:	RSPO 926888
Issue date:	22 December 2010
Expiry date:	21 December 2015
Organization	IOI Corporation Berhad
Address of Head Office:	Level 8, Two IOI Square, IOI Resort, 62502 Putrajaya, Malaysia
RSPO Membership No:	2-0002-04-000-00
Plantation Management Unit:	Mayvin Grouping
Address of POM:	16km Off Sandakan / Telupid Road at 110km, WDT No. 164., 90009 Sandakan, Sabah, Malaysia
Standards:	RSPO Principles and Criteria (October 2007) Malaysian National Interpretation (MY- NI, November 2010) and RSPO Supply Chain Certification Standards (November 2011) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernels
Supply Chain model for CPO & PK:	Segregation (SG)

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

Name	Address	GPS Reference	
		Latitude	Longitude
Mayvin Palm Oil Mill (Capacity: 60 MT/hr)	Mayvin Palm Oil Mill, Telupid, 16km Off Sandakan/Telupid Road at 110km, WDT No 164, 90009 Sandakan, Sabah	5°34.621' N	117°14.146' E
Mayvin 1 Estate	Mayvin 1 Estate, Telupid, 16 km Off Sandakan/Telupid Road at 110km, WDT No 164, 90009 Sandakan, Sabah	5°34.621' N	117°14.146' E
Mayvin 2/3 Estate	Mayvin 2/3 Estate, WDT No 164, 90009 Sandakan, Sabah	5°32.999' N	117°13.670' E
Mayvin 5 Estate	Mayvin 5 Estate, Telupid, WDT No 164, 90009 Sandakan, Sabah	5°28.577' N	117°20.408' E
Mayvin 6 Estate	Mayvin 6 Estate, Telupid, WDT No 164, 90009 Sandakan, Sabah	5°28.656' N	117°22.581' E
Tangkulap Estate	Tangkulap Estate, Telupid, WDT No 164, 90009 Sandakan, Sabah	5°30.162' N	117°15.154' E



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

Estate / Supplier	FFB Processed in FY2011/12 – previous		FFB Processed in FY2012/13 – current		FFB Processed for FY2013/14 – projected	
	MT	%	MT	%	MT	%
Mayvin Group Estates	226,771.99	96.26	218,619.47	97.32	211,450.00	100.0
Certified IOI - PMUs	4,254.15	1.81	6,023.95	2.68	nil	0.0
Uncertified IOI - PMUs	4,551.16	1.93	nil	0.0	nil	0.0
Total	235,577.30	100.00	224,643.42	100.0		100.0
SCCS Model for POM	MB & SG		SG		SG	

The annual certifiable tonnages of CPO and PK production by Mayvin Grouping from the supply base/suppliers as assessed and verified during the current Surveillance Assessment and projected for next FY period are detailed as follows:

Mayvin POM	FY2011/12		FY2012/13		FY2013/14 – projected	
Total certified FFB Processed (MT)	231,026.14		224,643.42		211,450.00	
Total CPO Production (MT)	49,532.00	OER: 21.44%	46,838.09	OER: 20.85%	45,334.88	OER: 21.44%
Total PK Production (MT)	12,821.95	KER: 5.55%	12,988.93	KER: 5.78%	12,158.38	KER: 5.75%