IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT **Syarimo Sdn Bhd** (Syarimo Palm Oil Mill & Estates Grouping) Kinabatangan, Sabah, Malaysia



Assessment Report

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ANNUAL SURVEILLANCE ASSESSMENT ON RSPO CERTIFICATION

PUBLIC SUMMARY REPORT

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT Syarimo Sdn Bhd (Syarimo Palm Oil Mill and Estates Grouping) Kinabatangan, Sabah, Malaysia

Certificate No:

Original issued date: Expiry date (1st Certification cycle) New expiry date (2nd Certification cycle)

Assessment Type

Re-Certification (2nd Certification cycle) Annual Surveillance Assessment (ASA-01) Annual Surveillance Assessment (ASA-02) Annual Surveillance Assessment (ASA-03) Annual Surveillance Assessment (ASA-04) Re-Certification

RSPO 928388

20 Mar 2013 19 Mar 2018 19 Mar 2023

Assessment Dates

15 -19 Jan 2018 14 -17 Jan 2019



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1.0 SCOPE OF ASSESSMENT

1.1 Introduction

This Annual Surveillance Assessment (2nd Certification cycle) was conducted on the Plantation Management Unit (PMU) Syarimo Grouping of IOI Corporation Berhad (hereafter abbreviated as IOI), from 14 – 17 Jan 2019, to assess the organization's operations of the mill and its supply bases are in compliance against the RSPO Principles and Criteria (Apr 2013), Malaysian National Local Indicators (MYNI 2014) and the RSPO Supply Chain Certification Standard (Jun 2017) for Palm Oil Mill.

Special Note: The Management unit is aware of the transition needed to implement the revised RSPO Principles and Criteria (14 Nov 2018) and is in process to upgrade its implementation before 13 Nov 2019 (MYNI 2019 – pending).

The plantation management unit (PMU) or management unit is equivalent to a certification unit as defined in the RSPO Certification Systems Document.

The PMU consists of a Palm Oil mill and its FFB supply bases which are made up of estates owned by IOI Corporation Berhad (IOI).

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

The Syarimo Grouping consists of one (1) palm oil mill, namely Syarimo Palm Oil Mill and nine (9) estates as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estates. The 9 estates are all IOI owned estates. The location maps are provided in **Appendix C.**

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

	Nama	Address	GPS Re	ference
Name		Address	Latitude	Longitude
Syarimo Sdn Bhd - Syarimo Palm Oil Mill (Capacity: 90 MT/hour)		MDLD 5123, KM 3, Jalan Segama, 91100 Lahad Datu, Sabah, Malaysia	05°20.001'N	117°46.875'E
1.	Syarimo 1 estate	Sg. Pin, Kinabatangan, Sabah	05°19.742'N	117°49.510'E
2.	Syarimo 2 estate	Sg. Pin, Kinabatangan, Sabah	05°19.642'N	117°47.077'E
3.	Syarimo 3 estate	Sg. Pin, Kinabatangan, Sabah	05°19.769'N	117°46.561'E
4.	Syarimo 4 estate	Sg. Pin, Kinabatangan, Sabah	05°23.041'N	117°45.877'E
5.	Syarimo 5 estate	Sg. Pin, Kinabatangan, Sabah	05°21.065'N	117°42.938'E
6.	Syarimo 6 estate	Sg. Pin, Kinabatangan, Sabah	05°18.919'N	117°45.707'E
7.	Syarimo 7 estate	Sg. Latangan, Kinabatangan, Sabah	05°17.792'N	117°42.124'E
8.	Syarimo 8 estate	Sg. Latangan, Kinabatangan, Sabah	05°19.235'N	117°41.489'E
9.	Syarimo 9 estate	Sg. Latangan, Kinabatangan, Sabah	05°15.714'N	117°42.546'E

Note:

The above PMU grouping is verified to be an established Oil Palm plantation whereby the 9 estates were planted with Oil Palms since 1995 (over past 25 years). There has been no new planting or expansion in the entire certified (land titled) plantation land areas.



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Table 1-1: Registered Name of Palm Oil Mill, Estates and MPOB License

Registered Company Mill name	Designated Mill Name	Registered Company Estate name	Estate Division Name	MPOB License No.	MPOB License Validity
Syarimo Sdn Bhd	Syarimo Palm Oil	Sykt. Best Cocoa Sdn Bhd	Syarimo 1	502881002000	01/08/2018 - 31/07/2019
	Mill	Agroplex (Sabah) Sdn Bhd	Syarimo 2	502893302000	01.07.2018 - 30.06.2019
		Very Good Estate Sdn Bhd	Syarimo 3		
		Very Good Estate Sdn Bhd	Syarimo 4	502983202000	01/01/2019 - 31/12/2019
		Very Good Estate Sdn Bhd	Syarimo 5		
		Agroplex (Sabah) Sdn Bhd	Syarimo 6	502893302000	01.07.2018 - 30.06.2019
		Maxgrand Sdn Bhd	Syarimo 7	503646402000	01/03/2018 - 28/02/2019
		Maxgrand Sdn Bhd	Syarimo 8		
		Maxgrand Sdn Bhd	Syarimo 9		

1.3 Description of supply base (fruit sources)

The supply base i.e. FFB sources to the POM at Syarimo Grouping PMU are from the abovementioned 9 estates owned by IOI. Verification done on site during the assessment confirmed that there were no outgrowers / independent suppliers / smallholders involved in the supply of FFB to the said PMU.

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

Table 2: Estate Area Summary

Es	tate	Area Summary (h (Year 20	•	-	mmary (ha) – Current (Year 2018)	
		Certified Area	Planted Area	Certified Area	Planted Area	
1.	Syarimo 1	1914.00	1820	1914	1820	
2.	Syarimo 2	1986.52	1710	1986.52	1710	
3.	Syarimo 3	2442.02	2306	2442.02	2306	
4.	Syarimo 4	2376.95	1877	2376.95	1875	
5.	Syarimo 5	2267.55	2072	2267.55	2072	
6.	Syarimo 6	1740.88	1594	1740.88	1594	
7.	Syarimo 7	2079.86	1963	2079.86	1963	
8.	Syarimo 8	1853.32	1430	1853.32	1430	
9.	Syarimo 9	1756.16	1515	1756.16	1499	
	Total:	18,417.26	16,287	18,417.26	16,269	

Notes:

- 1. The estates sampled for current Assessment have been selected by rotation since previous audit and special focus made 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.
- 2. The certified area and planted area for the grouping were slightly reduced during current assessment as compared to the previous year due to re-survey measurements of the planted areas undertaken in Nov 2017.



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1.4 Summary of plantings and cycle

The entire PMU is an established Oil Palm plantation of over 20 years ago. The 9 estates had been developed since 1995 on legally titled land for agricultural crop production. The age profile of the estates are shown in Table 3 below.

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

	Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) - Above 3 years	Immature OP (ha) - 3 years & below	Total (ha) - Planted
1	Syarimo 1 Estate	1995	1 st	1820	0	1820
2	Syarimo 2 Estate	1995	1 st	1710	0	1710
3	Syarimo 3 Estate	1995	1 st	2306	0	2306
4	Syarimo 4 Estate	1995 - 2004	1 st	1875	0	1875
5	Syarimo 5 Estate	1995, 2000, 2004	1 st	1554	0	2072
	Oyanino o Estate	2016, 2017, 2018	2 nd	0	518	2012
6	Syarimo 6 Estate	1995	1 st	1594	0	1594
7	Syarimo 7 Estate	1997 - 2002	1 st	1978	0	1963
8	Syarimo 8 Estate	2001, 2002, 2003	1 st	1430	0	1430
9	Syarimo 9 Estate	2001, 2002, 2003	1 st	1515	0	1499
			Total	15,751	518	16,269

Notes:

- There has been no New Planting in any of the 9 estates at the certified areas.
- Replanting had started in year 2016 (at Syarimo 5 estate) and is progressively ongoing till 2024/2025.

1.5 Summary of Land Use and HCV Areas

The summary of Land Use and HCV Areas as identified in Syarimo Grouping during this assessment is shown in Table 4 below:

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

#	Statement of Land Use (Ha)	Hectarage – Ha (Current year: 2018)	CB Verification
1	Oil Palm - Planted Area (ha)	16,269	Verified on site
	OP Mature (Production)	15,751	Verified on site
	OP Immature (Non-Production)	518	Verified on site
	OP Planted on Peat	155	Verified at Syarimo 5
	Other crop such as Rubber etc.	Nil	Verified on site
2	Conservation Area (ha)		
	Conservation (non-forested)	967.99	Verified data available.
	Note: Conservation areas such as unplanted steep / hilly and swampy areas		
	110// 4 //		
3	HCV Area (ha)		
	As per HCVA guidelines	68.9	Verified data available.



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1.6 Other certifications held and Use of RSPO Trademarks & Logos

Currently, the other certifications held by IOI-Syarimo Grouping PMU are the ISCC and MSPO certifications which are noted to be valid.

The certification unit had agreed to adhere with the use of the RSPO Trademarks and logos as per the **latest "RSPO Rules on Market Communications & Claims"** which was acknowledged through the signed agreement with CB-Intertek, which is valid for the duration of the 5-year certification cycle.

At the time of the assessment, it is noted that the RSPO's Trademarks and logos were appropriately used at the PMU audited. See section **3.1.1 Supply Chain Certification Standard Findings**

1.7 Organizational information / Contact Person

At Head Office:

Mr. N B Sudhakaran Plantation Director IOI Plantation Services Sdn Bhd Level 28, IOI City Tower 2, Lebuh IRC, IOI Resort City, 62502, Putrajaya, Malaysia Tel: 603-89478888

Email: nbsudha@ioigroup.com

At Syarimo Grouping:

Mr. Kathiravan Subramaniam Senior Manager IOI Plantations Services Sdn Bhd, Lahad Datu Regional Office, MDLD 3132, Km 3 Jalan Segama, 91100 Lahad Datu, Sabah, Malaysia

Tel: 016-8328120

Email: ioisyarimo@gmail.com



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1.8 Tonnages Verified for Certification

1.8.1 The breakdown of all the suppliers and their tonnages of FFB supplied to the POM for processing at the Syarimo Grouping based on the **actual for the past 12 months** is as in Table 5 below:

Table 5: Tonnages Verified for Certification (Jan - Dec 2018)

#	Estate /Supplier	FFB Processed (MT)	Main Receiving Mill	Certified By
1.	Syarimo 1 estate	44304.54	Syarimo POM	Intertek
2.	Syarimo 2 estate	37761.79	Syarimo POM	Intertek
3.	Syarimo 3 estate	49798.49	Syarimo POM	Intertek
4.	Syarimo 4 estate	40444.90	Syarimo POM	Intertek
5.	Syarimo 5 estate	38771.03	Syarimo POM	Intertek
6.	Syarimo 6 estate	36976.63	Syarimo POM	Intertek
7.	Syarimo 7 estate	58144.45	Syarimo POM	Intertek
8.	Syarimo 8 estate	40544.74	Syarimo POM	Intertek
9	Syarimo 9 estate	41443.02	Syarimo POM	Intertek
	Total (under PMU):	388,189.59		
	Other Suppliers:	Nil		
	Grand total	388,189.59		

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

Table 6: Annual Tonnages of FFB (3 years monitoring)

Estate / Supplier	FFB Proce Year 2 - Actu	017	FFB Processed in Year 2018 - Actual		FFB for processing in Year 2019 - Projected	
	MT	%	MT	%	MT	%
A. Grouping estates: (under certification)	401,483.58	100	388,189.59	100	390,400	100
B. External Suppliers: (certified)	0	0	0	0	0	0
C. External Suppliers: (non-certified)	0	0	0	0	0	0
Total	401,483.58	100%	388,189.59	100%	390,400	100%
SCCS Model for POM	IP		IP		IP	



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1.8.3 The annual certified tonnages of CPO and PK production by the PMU Grouping as verified during this current assessment and projected for next **12** months are detailed as follows:

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

РОМ	Year 2017 - Actual		Year 2018 - Actual		Year 2019 - Projected	
Total Certified FFB Processed (MT)	401,483.58		388,189.59		390,400	
Total Certified CPO Production (MT)	80,593.62	OER: 20.07%	77,553.4	OER: 19.98%	78,080	OER: 20.00%
Total Certified PK Production (MT)	19,567.40	KER: 4.87%	19,806.22	KER: 5.10%	20,300	KER: 5.20%
SCCS Model for POM	IP		IP		IP	

Notes:

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



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1.9 Time Bound Plan on Multiple Management Units

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

Todate IOI Group manages a total of 19 Plantation Management Units (PMU) which comprise 15 palm oil mills and over 90 oil palm estates throughout Malaysia and Indonesia. Currently, 14 of its PMUs have been certified with another 5 managed units still 'un-certified'.

IOI Group had reviewed their Time Bound Plan (TBP) from time to time with progressive declarations on new acquisitions of land for oil palm plantations since 2009 and recent years which have encountered operational issues at Sarawak, Malaysia and Kalimantan, Indonesia as stated under the updated Time Bound Plan.

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

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

Verification of requirements for Uncertified Management Units:

RSPO CS (2017) Clause 4.5.4

(a) No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. **Any new plantings since January 1st 2010 shall comply with the RSPO New Planting Procedure (NPP).** For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB:

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



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	verified that the 4 uncertified units identified (where new plantings occurred) have been making progress to comp with the RSPO NPP (2015).	
	Verified that progress on actions taken include the follow	ving:
	In July 2018, IOI had introduced new Peatland Protectio Management Policy which detailed their effort towards protection, conservation and management of peatlands.	
	In August 2018 IOI and NGO-Aidenvironment, had finalithe design of the South Ketapang Landscape Initiative. Initiative addresses the most common and critical challer facing the South Ketapang landscape such as peatland management and rehabilitation, biodiversity conservation flood and fire prevention, and community livelihood development.	The nges
	Sustainability Progress Update (Oct - Dec 2018) https://www.ioigroup.com/Content/MEDIA/NewsroomDentNewsID=936 https://www.ioigroup.com/Content/S/pdf/QSU%202018%4.pdf	
	Summary – extract from above: Phase 1 (Document Review and Consultation) of the ext verification of IOI's implementation of its commitments b Proforest was completed in October 2018. Phase 2 (Fiel Verification) commenced in November 2018 with field vis Gomali, Johor and Pontianak, Indonesia, followed by La Datu, Sabah in December 2018.	y ld sits to
	The RSPO Complaints Panel (CP) officially closed th complaint case on IOI's plantation subsidiary compa (PT SNA Group) in Ketapang, Indonesia on 12 Octob 2018.	anies
	As at this current assessment, there has been no recent or additional new plantings by the IOI group.	new
Was the new planting development verified by an RSPO accredited CB;	At the 4 uncertified units at Kalimantan undergoing the N process, the status of appointment are as follows: At PT SKS, PT BNS and PT BSS the accredited CB-BS Indonesia was appointed by IOI group.	Complied
	The progress of the NPP process for said units were clo monitored by the RSPO Complaints Panel (CP). It is no that IOI had engaged HCV experts and NGOs such as fi Proforest, Aidenvironment and Global Environmental Ce for the field verifications of action plans made.	rom
	Recommendations by the RSPO CP via letter of 12 July supports the IOI's Group commitment and efforts to mov towards full certification of the said units.	
	As at 26 Sept 2018, further progress on above is transfe from RSPO CP to the RSPO Investigation and Monitorin unit (IMU).	
	The RSPO Complaints Panel (CP) officially closed the complaint case on IOI's plantation subsidiary companies SNA Group) in Ketapang, Indonesia on 12 October 2018	

Refer to: Appendix E



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(c) Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6; Updates on the RSPO CP Complaints case tracking was conflicts and is it being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6; Verified that incidence the Land conflict reported at the IOI's uncertified unit is not and during the audit. Verified that incidence the Land conflict reported at the IOI's uncertified unit is not and during the audit. Verified that incidence the Land conflict reported at the IOI's uncertified unit is not 101's uncertified units and 101's uncertified units			
 Are there any existing Land conflicts and is it being reasober defror on issues related to this on IOI's uncertified units prior to and during the audit. Complied Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6; Verified that incidence the Land conflict reported at the IOI's accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6; Verified that progress made todate includes: On 12 September 2018, IOI published an update on facilitation and capacity building for the benefit of community leaders which was attended by local NGOs and the Lead Facilitation, Dr. Ramy Bulan. As of 31 Dec 2018, 8 of 9 communities have given their consent for the Resolution process to move forward. The remaining 1 community had requested for more time to seek advice from their leaders prior to their endorsement on the draft Resolution. Verified that the Stakeholder engagements done with the said communities and NGOs involved are showing positive progress towards resolution. Verified that the Stakeholder engagements done with the said communities and NGOs involved are showing positive progress towards resolution. (c) Labour disputes, if any, are being resolved through a mutually agreed process in accordance with RSPO P&C criterion 6.3; (d) Eagal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1; (d) Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1; (d) Legal non-compliance and is it being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1; (d) Legal non-compliance and is it being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1; (e) Has the organisation conducted an Internal Aud	System or Dispute Settlement Facility		omplaints
Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6; Verified that incidence the Land conflict reported at the IOI's unaccordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6; Verified that progress made todate includes: On 12 September 2018, IOI published an update on facilitation and capacity building for the benefit of community leaders which was attended by local NGOs and the Lead Facilitator, Dr. Ramp Bulan. As of 31 Dec 2018, 8 of 9 communities have given their consent for the Resolution process to move forward. The remaining 1 community had requested for more time to seek advice from their leaders prior to their endorsement on the draft Resolution Plan. Verified that the Stakeholder engagements done with the said communities and NGOs involved are showing positive progress towards resolution. Verified that the Stakeholder engagements done with the said communities and NGOs involved are showing positive progress towards resolution. Verified that the Stakeholder engagements done with the said community had requested for more time to seek advice from their leaders prior to their endorsement on the draft Resolution Plan. Verified that the Stakeholder engagements done with the said community had requested for more time to seek advice from their leaders prior to their endorsement on the draft Resolution Plan. Verified that the Stakeholder engagements done with the said community and the Stakeholder engagements on their endorsement on the draft Resolution Plan. As at this current assessment, under the IOI group, there has been no further known or existing Labour disputes at the seen for the first prior to their endorsement with the requirements of SPO P&C criterion 6.3; (d) Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1; It is noted that IOI group is aware of the Legal compliances needed at the uncertified units at Kalimantan, Indonesia. The progress made on above wil	Are there any existing Land conflicts and is it being resolved through a mutually agreed	referred to on issues related to this on IOI's uncertified units	Complied
On 12 September 2018, IOI published an update on facilitation and capacity building for the benefit of community leaders which was attended by local NGOs and the Lead Facilitator, Dr. Ramy Bulan. As of 31 Dec 2018, 8 of 9 communities have given their consent for the Resolution process to move forward. The remaining 1 community had requested for more time to seek advice from their leaders prior to their endorsement on the draft Resolution Plan. Verified that the Stakeholder engagements done with the said communities and NGOs involved are showing positive progress towards resolution. Verified that the Stakeholder engagements done with the said communities and NGOs involved are showing positive progress towards resolution. Verified that the Stakeholder engagements done with the said communities and NGOs involved are showing positive progress towards resolution. Verified that the Stakeholder engagements done with the said communities and NGOs involved are showing positive progress towards resolution. Verified that the Stakeholder engagements done with the said communities and NGOs involved are showing positive progress towards resolution. As at this current assessment, under the IOI group, there has been no further known or existing Labour disputes at the uncertified units which are not being resolved in a mutually agreed process in accordance with RSPO P&C criterion 6.3. Refer to: Appendix D & E. (d) Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1; (d) • Are there any Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1; (d) • Are there any Legal non-compliance and is the internal Audit on the above (a) to (d)? • Has the organisation conducted an Internal Audit on the above (a) to (d)? • Has the evidence been submitted for verification. The progress made on above will be further evaluated in the next audit. Internal audit progress report as at 31 Dec 2	Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C	uncertified unit i.e. IOI Pelita Plantations Sdn Bhd at Miri, Sarawak, East Malaysia (complainant: Long Teran Kanan community) since year 2010 has been progressively	
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further evidence for verification. This was verified via: 1) IOI Sustainability Implementation Plan (Quarter 4) and 2) Sustainability Progress report as at 31 Dec 2018 made	an Internal Audit on the above(a) to (d)?Has the evidence been	the requirements, conducted by the HQ-Sustainable Palm Oil (SPO) Dept. The report was available and submitted for	Complied
IOI Sustainability Implementation Plan (Quarter 4) and Sustainability Progress report as at 31 Dec 2018 made	submitted for verification?		
2) Sustainability Progress report as at 31 Dec 2018 made			
		2) Sustainability Progress report as at 31 Dec 2018 made	
		2) Sustainability Progress report as at 31 Dec 2018 made	



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	https://www.ioigroup.com/Content/MEDIA/NewsroomDetails?i	
	nttps://www.loigroup.com/Content/MEDIA/NewsroomDetails/1 ntNewsID=936 https://www.ioigroup.com/Content/S/pdf/QSU%202018%20Q 4.pdf	
Has a positive assurance statement been produced based on the internal audit and other supporting assessments results?	Overall positive assurance statement is made at the conclusion of the Internal audit and Management reviews held at IOI HQ at Putrajaya and verified during Auditor site visit at the IOI HQ, on 28 Jan 2019.	Complied
results?	This was also verified via:	
	1) IOI Sustainability Implementation Plan (Quarter 4) and 2) Sustainability Progress report as at 31 Dec 2018 made available at weblink:	
	https://www.ioigroup.com/Content/MEDIA/NewsroomDetails?intNewsID=936 https://www.ioigroup.com/Content/S/pdf/QSU%202018%20Q4.pdf	
(e) Are the evidences provided in 4.5.4 (a)-(d) adequate?	Verified that supporting evidences were adequately provided. Refer to findings on (a) to (d) above.	Complied
(f) Are the evidences provided in support of the Positive Assurance statement adequate?	Verified that evidences were adequately provided in support of the positive assurance statement made by the IOI Group were available at the HQ and as per IOI website – Public announcements.	Complied
(g) Has the targeted stakeholder consultation, including consultation with the relevant NGO's carried out revealed any negative feedback?	Targeted stakeholder consultations done via emails conducted has not revealed any new negative feedback.	Complied
(h) Has desktop study e.g. web check done revealed complaints which were not addressed?	Desktop study conducted did not reveal any new negative feedback. Progress on past complaints validated by RSPO CP is being progressively resolved. Refer to Appendix E & F.	Complied
(i) Is further stakeholder consultation or field inspection, assessing the risk of any noncompliance with the requirements at the uncertified units, needed to done?	Further stakeholder consultation was done on the uncertified units with IOI HQ and responses to NGOs/Complainants were available and evaluated. The progress of monitoring done and information publicly available on the existing issues on the said units are verified to be adequate.	Complied
	Based on above evaluations made under part (a) to (h), no further stakeholder consultation or field inspection is considered necessary at the said uncertified units at present.	
 (j) Is there any non-compliance against a major indicator in the non-certified management unit identified? Is the identified major NC being actively addressed? Can the current assessment proceed to a successful conclusion? 	Based on above findings made under part (a) to (j), at the said uncertified units, the existing issues were noted to be actively addressed with progress reports available. Thus, it is verified that the current assessment at this PMU can be proceeded and certification can be successfully concluded after effective closure of findings at the PMU.	Complied
(k) Is there failure to address any outstanding non-compliances within uncertified unit(s) regarding 4.5.4 (a) – (d) which may lead to	As at the time of the current assessment at this PMU, there is no evidence to suggest such failure at the uncertified units which may affect the certification of this PMU unit. Justification as received and evaluated were as follows:	Complied



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ertificate suspension(s) to the ertified unit(s)?	1) RSPO - Dispute Settlement Facility (DSF) consultation and process for handling dispute has been adhered.	
	2) Active engagement with Stakeholders has been carried out	
	Progress is monitored and reported	
	3) NPP and concession land legality issues are being actively resolved as per RSPO NPP process.	
	4) Under the RSPO RACP Case tracker, updated on Jan 2019, there are no units under IOI Group with RACP issues.	

Conclusion: On overall, the IOI Group has submitted a positive assurance statement which has assured its commitment to continued compliance with the RSPO P&C Certifications Systems (Jun 2017) Clause 4.5 (Minimum requirements for multiple management units) for all its certified and non-certified units.

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

The publicly available updates of announcements on the progress of formal complaints as documented by RSPO and responses made by IOI Group are continually reviewed by Intertek to ensure that all issues as formally lodged and recorded against the IOI Group units are duly considered prior to conducting any new or ongoing certification assessments.



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1.10 Abbreviations Used

		1	
СВ	Certification Body	IUCN	International Union for Conservation of Nature
CHRA	Chemical Health & Risk Assessment	KER	Kernel Extraction Rate
СРО	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
HGU	Hak Guna Usaha	POME	Palm Oil Mill Effluent
Intertek	Intertek Certification International Sdn Bhd	PPE	Personal Protective Equipment
IOI	IOI Corporation Berhad	sccs	Supply Chain Certification Standard
IPM	Integrated Pest Management	StOP	Standard Operating Procedure
ISCC	International Sustainability & Carbon Certification		



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2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 10 Dec 2018, Intertek has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on the Syarimo Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 14 to 17 Jan 2019, the Assessment team of Intertek conducted the Surveillance assessment during which 4 out of the 9 estates of Syarimo Grouping, namely Syarimo 2, 4, 6 and 8 Estates as well as the Palm oil mill were assessed for compliance against the RSPO requirements.

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

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

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

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

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

2.2 Date of next scheduled visit

The next scheduled visit will be the Annual Surveillance Assessment which will be carried out within four months before the annual PalmTrace license / anniversary Certificate expiry date.

2.3 Qualifications of the Lead Assessor and Assessment Team

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

2.4 Certification Body

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



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2.5 Process of stakeholder consultation

Stakeholder consultations began with notification of the upcoming assessment through the websites of RSPO and Intertek. E-mails were sent to applicable stakeholders including government agencies, NGOs, local communities, representatives of indigenous people (Orang Asal) and previous land owners / users.

E-mails and telephone enquiries were made prior to the actual assessment and stakeholder's response and feedback received were followed up accordingly.

During the assessment, stakeholders were interviewed and their feedbacks were recorded.

Among the stakeholders consulted at site, included workers, trade union leaders, women representatives; local community leaders, previous land owners / users, representatives of government departments / agencies, NGOs, goods and services 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)

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

Statutory Bodies (by emails)

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

NGOs and others (by emails)

- 31. All Women's Action Society (AWAM)
- 32. Business Council for Sustainable Development in Malaysia (BCSDM)
- 33. Borneo Child Aid Society (Humana)
- 34. Borneo Resources Institute Malaysia (BRIMAS)
- 35. Borneo Rhino Alliance (BORA)
- 36. Center for Orang Asli / Asal Concerns (COAC)
- 37. Centre for Environment, Technology and Development, Malaysia (CETDEM)
- 38. Eco-Knights Malaysia
- 39. ENO Asia Environment
- 40. Environmental Protection Society Malaysia (EPSM)



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- 41. Friends of the Earth, Malaysia
- 42. Global Environment Centre
- 43. HUTAN Kinabatangan Orang-utan Conservation Programme
- 44. International Movement for a Just World (JUST)
- 45. Land Empowerment and Protection (LEAP)
- 46. Malaysian Crop Life & Public Health Association (MCPA)
- 47. Malaysian Environmental NGOs MENGO
- 48. Malaysian National Animal Welfare Foundation MNAWF
- 49. Malaysian Plant Protection Society (MAPPS)
- 50. National Council of Welfare & Social Development Malaysia NCWSDM
- 51. Partners of Community Organisations (PACOS)
- 52. Pesticide Action Network Asia and the Pacific (PAN AP)
- 53. Proforest South East Asia Regional Office
- 54. Sabah Wetlands Conservation Society (SWCS)
- 55. SEPA Sabah Environmental Protection Association
- 56. SUARAM Suara Rakyat Malaysia
- 57. SUHAKAM Human Rights Commission of Malaysia
- 58. Tenaganita Sdn Bhd
- 59. TRAFFIC The wildlife trade monitoring network
- 60. Transparency International (Malaysian Chapter)
- 61. Treat Every Environment Special Sdn Bhd
- 62. United Nations Development Programme UNDP Malaysia
- 63. Wetlands International (Malaysia)
- 64. Wild Asia Sdn Bhd
- 65. World Wide Fund (WWF) HQ
- 66. World Wide Fund (WWF) Sabah

Local community (On-site interviews)

- 67. Consultative Committee & Gender representatives
- 68. Workers & Workers representatives
- 69. Suppliers & Contractors representatives
- 70. Neigbouring estates representatives
- 71. Smallholders
- 72. Local Village Heads / previous land users / representatives



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2.0 ASSESSMENT FINDINGS

2.1 Summary of findings

Principle 1: Commitment to transparency

	uate information to relevant stakeholders on environmental, social a	
	opriate languages and forms to allow for effective participation in de	1
Indicators	Findings and Objective Evidence	Compliance
1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on	The PMU has established and implemented a documented procedure for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.	Complied
(environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.	IOI Corporation Berhad (as the parent company) has declared its progress made in the achievement of the RSPO certifications since year 2012 via the RSPO Annual Communication of Progress (ACOP).	
Minor Compliance	The latest ACOP made available was submitted for year: 2018	
minor compilation	https://rspo.org/members/acop/search?name=IOI&member_typ e=&acopyear=	
	The tracking of cases and issues made publicly available which were monitored and reviewed by the CH include:	
	1) Complaints Panel – Case Tracking	
	2) NPP – RSPO NPP Consultations Tracking	
	3) RACP - Tracker	
	The evidences verified and followed up during current assessment include the following updates:	
	30 Oct 2018: IOI Sustainability Implementation Plan – Quarter 3. https://www.ioigroup.com/Content/MEDIA/NEWS/PDF/Overall% 20SIP Q3%202018.pdf	
	30 Oct 2018: IOI Sustainability Progress update (July- Sept 2018) https://www.ioigroup.com/Content/MEDIA/NEWS/PDF/QSU%202018%20Q3.pdf	
	Jan 2019: Sustainability Progress Update (October - December 2018) https://www.ioigroup.com/Content/MEDIA/NewsroomDetails?int NewsID=936 https://www.ioigroup.com/Content/S/pdf/QSU%202018%20Q4. pdf	
	Summary – extract on above: Phase 1 (Document Review and Consultation) of the external verification of IOI's implementation of its commitments by Proforest was completed in October 2018. Phase 2 (Field Verification) commenced in November 2018 with field visits to Gomali, Johor and Pontianak, Indonesia, followed by Lahad Datu, Sabah in December 2018.	
	The RSPO Complaints Panel (CP) officially closed the	

complaint case on IOI's plantation subsidiary companies (PT SNA Group) in Ketapang, Indonesia on 12 October 2018.



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Date of public notification of this assessment of the PMU was made on 10 Dec 2018. Feedbacks received both off-site and on-site by CB Auditors is followed up with the stakeholders during current assessment. CB request for information needed for evaluation on this CH unit prior the audit has been submitted in a timely manner. Verified during assessment that the above information were updated to the latest progress made. See report -Appendix F. As at the period of assessment, there were no additional requests for information and responses shall be maintained. Major Compliance The PMU had established and maintained an updated site specific list of internal stakeholders, external stakeholders, ogovernment departments/agencies, consultants, contractors, suppliers, transporters, etc. The POM and estates conducted a joint external stakeholders' consultation in Ord 2018 which involved all IOI PMUs at the Sabah region. Issues raised by the external stakeholders were recorded and included the following: • Kinabatangan District Wildlife Department – installation of electric fences, where possible to avoid the intrusion of wild elephants especially during replanting. • Wildlife Department representatives - Cooperation needed in reporting and relocation of intruding wild elephants to designated sanctuaries, whenever possible. • Reporting on the sightings of Orang utans near the Forest reserves bordering the estates for further action of the Wildlife Department. • Local communities – improving and installing additional road safety signages at sharp corners, directional signages and easier access on roads being maintained by IO estates. • Transportation Contractors – request to review and increase FFB / EFB transport rate. • Humana representatives - progressively improving the facilities of Humana schools and the Learning Centres situated within the IOI estates areas. • Other feedback on common issues include – nuisance caused by uncontrolled number of dogs, mosquitoes near housing, improvement needed for water			
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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 Management documents that are made available to the public shall include, but are not necessarily limited to: Major Compliance	Management documents relating to environmental, social and legal issues were verified to be maintained and available to the public (notices and websites) and updated by IOI, HQ. On 8 Aug 2016, IOI Corporation Berhad published a revised Group Sustainable Palm Oil Policy (SPOP) dated Jul 2016, alongside a detailed Sustainability Implementation Plan (SIP) in	Complied



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consultation with a wide range of their stakeholders, both customers and civil society:

http://www.ioigroup.com/Content/S/PDF/Sustainability%20Palm%20Oil%20Policy.pdf

The following types of mandatory documents are available to the public upon request:

- land titles/user rights,
- occupational health and safety plan,
- plans and impact assessments relating to environment and social impacts,
- · pollution prevention plans,
- · details of complaints & grievances,
- negotiation procedures
- · continuous improvement plan
- Public summary of certification assessment report.
- · Human Rights Policy.

Since then, further changes were implemented accordingly and these include:

Sept 2017: IOI submitted its Sustainablity Report http://www.ioigroup.com/Content/S/S_Policy

IOI uploaded the Social Reponsibility report by BSR http://www.ioigroup.com/Content/S/PDF/BSR%20Summary%20 Report.pdf

31 Oct 2017: IOI Group Revised Policies on Human Rights at Workplace.

http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=856

12 Jan 2018: IOI Group on Pelita Sdn Bhd, Sarawak

http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=869

29 Jan 2018: IOI Group – Sustainability Progress Update (Oct-Dec 2017) Quarterly Report

 $\frac{\text{http://www.ioigroup.com/Content/S/PDF/20180126_Quarterly\%}}{20Sustainability\%20Update_F.pdf}$

30 July 2018: IOI Group – Sustainability Progress Update (Apr- June 2018) Quarterly Report

http://www.ioigroup.com/Content/S/PDF/Quarterly%20Sustainability%20Update_20180730_final.pdf

30 Oct 2018: IOI Sustainability Implementation Plan – Quarter 3.

https://www.ioigroup.com/Content/MEDIA/NEWS/PDF/Overall% 20SIP_Q3%202018.pdf

30 Oct 2018: IOI Sustainability Progress update (July-Sept 2018)

https://www.ioigroup.com/Content/MEDIA/NEWS/PDF/QSU%202018%20Q3.pdf

Jan 2019: Sustainability Progress Update (October - December 2018)



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	https://www.ioigroup.com/Content/MEDIA/NewsroomDetails?int NewsID=936 https://www.ioigroup.com/Content/S/pdf/QSU%202018%20Q4. pdf These publicly available documents included the key issues and Ongoing Improvement & Management plans for the IOI Group of mills and estates including the IOI Syarimo POM & estates grouping. See also Appendix F.	
	See also Appendix F.	
Land titles/user rights (Criterion 2.2);	Copies of all land titles were available and have been maintained at the POM and respective Estates. The original land titles are kept at IOI Group HQ. The lands at the PMU are legally owned by the IOI Plantation Group since 1995 and it is verified that the previous land owners as stated in the State land office in the Country Lease	Complied
	and Native Titles has legally transferred the ownership to the companies, presently under the IOI Plantation group.	
	The unit is an established oil palm plantation and there has been no dispute on the land titles/user rights in the PMU.	
	The lands are not encumbered by any customary lands or user rights issues.	
Occupational health and safety plans (Criterion 4.7);	Policy and HIRAC documented and annually reviewed for the POM (done on 2 Jan 2019) and Estates (done between 6 and 10 Jan 2019).	Complied
	Occupational Safety and Health Plan was reviewed by the PMU Safety Officer and Safety committee. The OSH Programme 2018/2019 have included the following: • Safety & Health Committee meetings 4x/year, • Annual medical surveillance, • Accident Reporting & Investigation, • Workplace inspection, • CHRA assessment, • Air compressors annual inspection, • Warning signs, • Chemical Register, • SOP for safe work, • PPE usage, • MSDS/CSDS, • JKKP 8 reporting of accidents annually, • Emergency Response Plan (ERP), • Emergency drills, • Inspections (line site, fire extinguisher, first aid box, chemical store, ELCB, PPE checklist, Vehicle daily inspection, gen set maintenance, ramp inspection, bridge and tanks inspection), • Monthly KPI Report on HSE performance, • Monthly Safety inspection & audit by Safety Officer, CHRA report issued on 2015 is still valid and recommendations were verified to have been adhered on-site. Next CHRA assessment scheduled for year 2019. Programmes for protecting workers' health and safety were satisfactorily implemented.	
Plans and impact assessments relating to environmental and social impacts	Environmental Impact Assessment for the POM and estates have been conducted and reviewed.	Complied



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(Criteria 5.1, 6.1, 7.1 and 7.8);	Management Plan and Continual Improvement Plan documented and implemented.	
	Social Impact Assessment for the POM and estates were conducted and reviewed in Jan 2018.	
	Positive and negative impacts as identified were reviewed and further action plans were documented and being implemented progressively.	
HCV documentation (Criteria 5.2 and 7.3);	The 'HCV and Conservation Areas' Assessment for all the estates have been conducted and reviewed in Jan 2019.	Complied
	The Management Action Plans and verified to be monitored and implemented at the respective estates.	
	Note: Refer to previous year report in 2018, on C5.2 findings on Orang Utan sighting reported and rescue made in Syarimo PMU in year 2017 by Sabah Wildlife Dept. Public acknowledgement was made by Sabah Wildlife Dept. in Jan 2018 at IOI during Stakeholder consultation.	
Pollution prevention and reduction plans (Criterion 5.6);	Pollution Prevention Management Plans have been reviewed annually in Jan 2019.	Complied
	Action items include mitigation measures for pollution control (smoke emission, POME / effluent discharge), pesticides reduction, scheduled wastes (chemicals, hydraulic oil, filters) and domestic wastes disposal, reuse and recycling (scrap iron, paper, glass & plastic).	
	Programs on the recycling of plastic waste was specially emphasized and noted to have significantly improved.	
Details of complaints and grievances (Criterion 6.3);	The mill and respective estates had maintained the Complaints and Grievances Logbook. Logbook entries were examined and found to be in order. Employees Consultative Council (ECC) representatives interviewed had confirmed that there were no serious issues.	Complied
	Refer also to Appendix F (Summary of RSPO Complaints Panel Decisions and RSPO Case Tracking on IOI Group) concerning the following complaints against IOI and latest updates:	
	1) RSPO Case Tracker on: PT SUKSES KARYA SAWIT (SKS), PT BERKAT NABATI SAWIT (PT BNS), PT BUMI SAWIT SEJAHTERA (PT BSS) SUBSIDIARY OF PT SAWIT NABATI AGRO (PT SNA), IOI Group Weblink: http://www.rspo.org/members/complaints/status-of-complaints/view/80	
	2) RSPO Case Tracker on:	
	IOI Pelita Sdn Bhd Weblink: http://www.rspo.org/members/complaints/status-of-	
	complaints/view/4	
Negotiation procedures (Criterion 6.4);	Presently, there is no new conflict/dispute requiring negotiation on compensation at this PMU. Negotiation procedure and flowchart was available and maintained.	Complied
	The status on the ongoing negotiations on land issues against IOI Group plantations in Sarawak and Kalimantan are accessible via website link: http://www.rspo.org/members/status-of-complaints Refer also to details in Section 1.9: Timebound Plan.	
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Continual improvement plans (Criterion 8.1);	Continual Improvements Plans in key operations for the mill and estates have been identified, documented and implemented. The POM and Estates has clearly documented its action plan for the continual improvements needed in 2018 till current in Jan 2019. Note: Follow up on previous NC 2017 was done in 2018, which was satisfactorily closed. Implementation during current audit was verified to be effectively maintained.	Complied
Public summary of certification assessment report;	Public summary of certification assessment reports are available from the company upon request. IOI weblink: https://www.ioigroup.com/Content/BUSINESS/B Plantation Note: Copies of reports are also available via CB -Intertek's website: http://www.intertek.com/food/rspo-certification-malaysia/	Complied
Human Rights Policy (Criterion 6.13).	The Human Rights Policy was documented and incorporated as part of the Sustainability Palm Oil Policy which was revised in Jul 2016 and signed by the Group CEO. The said policy was further revised by IOI Group CEO in Oct 2017. Refer to: 31 Oct 2017: IOI Group Revised Policies on Human Rights at Workplace. http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=856 Copies of the revised policy was found to be displayed at prominent locations in the POM and estates. Briefing and communication to all levels of the workforce, both administrative and operations departments were provided and verified to be recorded and understanding by personnel was confirmed via interviews done at POM & estates during current assessment.	Complied

Criterion 1.3

Growers and millers commit to ethical conduct in all business operations and transactions.

Indicators	Findings and Objective Evidence	Compliance
1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	IOI Group has a documented policy "Code of Business Conduct and Ethics" signed by the CEO and Head of Sustainability (Malaysia/Indonesia) on 11 May 2015. The topics highlighted included the following: - Diversity and Respect in the workplace, - Equal Opportunity Employment, - Protecting the Environment, - Safety, Health and Security at Work, - Managing Documents, - Intellectual Property and Information, - Management and Security in our Computing Environment, - Data Privacy - Employee Privacy in the Communication and Computing Environment - Gifts, Benefits or Entertainment, - Bribes and Kickbacks,	Complied



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- Employment of Family Members and Relatives.	
Copies of the policy were found to be displayed at prominent locations in the POM and estates.	
Refer also to:	
30 Oct 2018: IOI Sustainability Implementation Plan – Quarter 3. https://www.ioigroup.com/Content/MEDIA/NEWS/PDF/Overall%20SIP_Q3%202018.pdf	
30 Oct 2018: IOI Sustainability Progress update (July- Sept 2018)	
https://www.ioigroup.com/Content/MEDIA/NEWS/PDF/QSU%202018%20Q3.pdf	
Jan 2019: Sustainability Progress Update (October - December 2018)	
https://www.ioigroup.com/Content/MEDIA/NewsroomDetails?int NewsID=936	
https://www.ioigroup.com/Content/S/pdf/QSU%202018%20Q4.pdf	
Briefing and communication to all levels of the workforce, both administrative and operations departments were provided and verified to be recorded and understanding by personnel was confirmed via interviews done at POM & estates during current assessment.	

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	The Legal Register covering the applicable local and international laws and regulations is available at the mill and estates and was verified to be reviewed for any relevant updates on 4 Jan 2019.	Complied
	The relevant legislations identified and listed were among others regarding safety and health, environmental management, pollution management, chemical handling, usage & storage, schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities.	
	Levy and other deductions have been taken with the consent of the workers in accordance with the Sabah Labour Ordinance (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.	
	Licenses and permits (License for Trading, License for Employment of Foreign Workers, Workers Wages Deduction Permit, Domestic and Consumer Permit for Keeping Diesel, Petrol & Fertilizer, MPOB license, DOSH (Department of Occupational Safety and Health) Certificates, DOE (Department of Environment Permit, etc.) were renewed and evidenced to be valid.	
	Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty chemical and	



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	lubricants containers collected at six monthly intervals by DOE licensed contractor.	
	Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated.	
	Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and electricians were noted to be with valid certificates from relevant authorities (DOSH and Energy Commission). The POM has maintained a boiler register that indicate the date of commission, cleaned, inspected, tested or repaired. Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator, steam separator, vacuum oil dryer, etc. issued by DOSH.	
	Valid license for diesel generators issued by Energy Commission ("Suruhanjaya Tenaga").	
	Valid licenses for authorized gas tester (ACT), authorized entrant and standby by person for confined space activities in POM.	
	Occupational Health and Safety Act 1994 – safety and health meetings to be conducted at quarterly intervals. Noise Monitoring Report is available.	
	Copies of Legal documents (Employment contracts. work permits, passports of foreign workers) in the POM an estates. Insurance coverage is valid both for the local and foreign workers in the POM & Estates.	
	Minimum Wages Order (Nov 2018) was updated and implemented effective 1 Jan 2019.	
	Statutory returns to relevant authorities found to be up-to-date and in compliance.	
	Based on the site observations, interviews and records checked, there was evidence of compliance with the relevant laws, regulations, local and international laws at the POM and estates.	
	The files maintained and records were checked. It is verified that there were no recent cases of any violation or actions imposed by relevant authorities.	
2.1.2 A documented system, which includes written information on	The documented system for identifying, determining, reviewing and updating applicable legal and other requirements has been satisfactorily implemented and maintained.	Complied
legal requirements, shall be maintained. Minor Compliance	Listing of laws and regulations monitored for changes included the Sabah Labour Ordinance (Chapter 67), regulations and circulars received from bodies such as DOE (Department of Environment) and DOSH (Department of Occupational Safety and Health), DID (Department of Irrigation and Drainage), Forestry Department, Wildlife Department and Employee Minimum Wage Order (Nov 2018) were updated and maintained.	
2.1.3 A mechanism for ensuring compliance shall be	The mechanism for ensuring compliance involved updating (when necessary) and an annual review with the compliance status indicated in the Legal Register (Flowchart on mechanism of tracking) was implemented.	Complied
implemented. Minor Compliance	The monitoring was done by IOI Group HQ and latest / revised regulations were communicated and updated at the PMU.	
2.1.4 A system for tracking any changes in the law shall be implemented.	The listing of all the relevant laws applicable included the international laws and conventions ratified by the Malaysian government are documented in the Legal register.	Complied
Minor Compliance	Tracking of changes in the relevant laws are communicated and received from the IOI Group HQ. The change in Minimum	



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Wage Order (Nov 2018) that increased the minimum wage had been implemented.	
Monitoring of changes to the applicable laws and regulations carried out through periodical review in accordance with the documented procedure.	
Based on the site observations, interviews and records updated, the system used is appropriate to the operations at the PMU.	

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.

they have legal, customary or user rights.		
Indicators	Findings and Objective Evidence	Compliance
2.2.1 Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual	Copies of the land titles of all estates were maintained and noted to be legally owned by the IOI Group since 1990's. The original copies are maintained by the Corporate Head office in Putrajaya. The legal use of the land confirmed to be for cultivation of agricultural crop of economic value. There were no recorded or known disputes over the ownership	Complied
legal use of the land shall be available. Major Compliance	of the land. No changes to the land ownership or new land acquisition since the last audit. The land has been planted with oil palms since 1995. There has been no recorded dispute over the ownership during the tenure of the land.	
2.2.2 There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance	It was verified that there has been no change to the stated land titles and designated use for cultivation of agricultural crop of economic value. Locations of several boundary stones and markers were revisited and verified to be within the perimeters of the estate land titled boundaries. On-site verification confirmed that there has been no planting beyond the legal demarcated boundary areas of the mill and estates.	Complied
2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). Minor Compliance	There has been no dispute on the land rights in this PMU over the period of certification till current year assessment. As such, the process of fair compensation and FPIC is currently not required to be applied at this PMU.	Complied
2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. Major Compliance	There were no land conflicts in this PMU.	Not applicable
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	No land disputes in this PMU. As such the process of participatory mapping is not applicable for verification of implementation.	Not applicable



affected parties (including

applicable, and relevant

2.3.2 Copies of negotiated

of free, prior and informed

Major Compliance

authorities).

shall include:

Minor Compliance

neighbouring communities where

agreements detailing the process

consent (FPIC) (Criteria 2.2, 7.5

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; 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; 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.

and 7.6) shall be available and

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communities and relevant authorities where applicable). Minor Compliance		
2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	No evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.	Not applicable
Criterion 2.3 Use of the land for oil palm does n prior and informed consent.	ot diminish the legal, customary or user rights of other users withou	ut their free,
Indicators	Findings and Objective Evidence	Compliance
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	Appropriate landscape maps with latitude & longitudes showing the legal boundary and neighbouring / surrounding areas of the POM and Estates were available and maintained. The lands at the PMU are legally owned by IOI Plantation Group and it is verified that there were no other users or affected parties in the IOI land areas.	Complied

individual owners since 1990's.

not required.

There is no dispute on the land rights in the PMU.

titles maintained in the HQ and on-site offices.

that require free, prior and informed consent (FPIC).

The lands are not encumbered by any customary lands or user

rights and therefore the process of participatory mapping was

The lands were acquired from private plantation owners and

Records are available to show such land acquisition comply

Documentation of legal land transfer was evidenced in the land

with legal requirements and does not infringe on any legal rights

Complied



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2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	No cases of land claims in this PMU. As such this process is not applicable for verification.	Not applicable
2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance	This process is not applicable during current assessment.	Not applicable

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

Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.		
Indicators	Findings and Objective Evidence	Compliance
3.1.1 A business or management plan (minimum three years) shall	The 5-year Business Management Plan (FY 2018 / 2019 to FY 2023 / 2024) for the PMU was documented and reviewed.	Complied
be documented that includes, where appropriate, a business	The Annual Budget for each year include the following:	
case for scheme smallholders.	Staff and Labour requirements;	
Major Compliance	2) Crop projection; FFB yield/ha trends;	
	3) Mill extraction rates; OER trends;	
	4) Cost of Production; Cost/mt FFB trends;	
	5) Cost of Production; Cost/MT CPO trends;	
	6) Financial indicators covering cost of labour, supervision, maintenance, depreciation, etc.).	
	7) Budget for Environmental, Social, Safety & Health, Training, Educational & Recreational activities.	
	The Mill and Estate Managers have monitored the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.).	
	Records of monitoring of costs against budget to achieve specified targets were verified to be available.	
	Performances are discussed in the monthly meetings held at the PMU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit.	
	Monthly, quarterly, half-yearly and yearly reports are submitted to the Regional GM.	
3.1.2 An annual replanting programme projected for a minimum of five years (but longer	Annual replanting program had been prepared up to 2026/2027 for the estates. A replanting cycle of 25 years has been adopted by the group.	Complied
where necessary to reflect the	The planned replanting at the estates are as follows:	
management of fragile soils, see Criterion 4.3), with yearly review,	Year 2018 audited:	
shall be available. Minor Compliance	Syarimo 1: Progressively i.e. approx.270 ha (10% of planted area) per year from mid-2019 onwards till 2026.	
	Syarimo 3: Progressively i.e. approx. 230 ha (10% of planted area) per year from 2020 onwards till 2027.	
	Syarimo 7: Progressively i.e. approx. 300 ha (15% of planted area) per year from 2020 onwards till 2027.	



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Syarimo 9: No replanting needed as the palms were matured yielding palms replanted in 2001-2003.
Year 2019 audited:
Syarimo 2: Progressively i.e. approx.200 ha (10% of planted area) per year from mid-2019 onwards till 2026.
Syarimo 4: Progressively i.e. approx.250 ha (10% of planted area) per year from mid-2019 onwards till 2026.
Syarimo 6: Progressively i.e. approx.200 ha (10% of planted area) per year from mid-2019 onwards till 2026.
Syarimo 8: No replanting needed as the palms were matured yielding palms replanted in 2001-2003.
Syarimo 5: Progressively i.e. approx.250 ha (10% of planted area) per year from 2016-2019 onwards till 2021.
Note: Replanting at Syarimo 5 was additionally inspected on site.
Yearly review was performed and actual replanting is still subject to approval from the IOI Group HQ.

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

Criteria 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	IOI Plantations Group - Standard Operating Procedures for the POM and Estate operations were available and verified to be maintained. Most SOPs were established in 2007. Some SOPs were updated for the POM and estates in Jan 2019. Copy of the SOPs are available on-site and based on interview with workers, it was confirmed that they understood the procedures and its needed implementation. Verified samples of SOP for the POM operations which include: FFB Receiving Station, Loading Ramp, Sterilizer, Threshing Station Pressing Station, Depericarperzation Station, Oil Room Station, Boiler Station, Engine Room Station, Laboratory, Water Treatment Plant, Threshing Station, Effluent Treatment Plant and Workshop. Verified samples of SOP for the Estate operations include: Oil Palm DxP Seed Production, Pre-Nursery Seedlings, Pre-Large Polybag Nursery, Land Clearing, Land Preparation for new planting and replanting, Oil Palm Planting Density, Tidal Gates for Water Tables Management, Planting Technique, Foliar sampling, Leguminous cover plant, Manuring, Weeding, Harvesting, Road maintenance, Pest and disease control. Relevant Key Performance Indicators (KPIs) were specified for quality, environment, safety and cost control which were monitored.	Complied
4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	There is a mechanism to check the implementation of the SOPs. Records had been kept by the staff concerned for each operation to monitor the procedure and progress of work and these records would be checked by the Assistant Manager and the Manager regularly. These records had been verified to be updated and indicated satisfactory implementation during this audit. Monitoring and checks conducted by personnel at the mill were verified to be effectively done in ensuring that:	



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	a) FFB contractor's drivers have the necessary driving licenses, b) FFB contractor's lorries have the valid road taxes and are insured, c) FFB contractors were paying their drivers promptly and d) FFB contractors had provided proper PPEs to their drivers & personnel. However, a non-compliance was raised regarding the mechanism to check consistent implementation of procedures as follows: At Syarimo 5, the mechanism to check consistent implementation related to replanting contractor was inadequate such as: (a) Required permits (e.g. storage of fuel) (b) Number of workers (local or foreign) (c) Identification and legal documentations for foreign workers (passports, work permits etc.) (d) Payment of wages (minimum wage, timely payment)	Minor NC: CBK-01
4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estates. Overall, these records verified to be satisfactory.	Complied
4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance Criteria 4.2 Practices maintain soil fertility at, o yield.	Verified that the mill did not source any FFB from third-party. The entire crop was supplied from the Syarimo PMU grouping estates. The entire crop was supplied from the Syarimo PMU grouping estates.	Complied al and sustained
Indicators	Findings and Objective Evidence	Compliance
		Compilation
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	GAP for minimization of soil erosion and maintenance of soil fertility were satisfactorily maintained via proper frond stacking and fertilizer application. Soil sampling and leaf sampling records were based on the Agronomist report (from IOI Research Centre, Sabah) which provided the basis and recommendations for annual fertilizer application. Annual fertilizer inputs based on the Agronomist recommendations were implemented. Application of fertilisers were monitored by the respective Estates Managers and their Assistants	Complied
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.	fertility were satisfactorily maintained via proper frond stacking and fertilizer application. Soil sampling and leaf sampling records were based on the Agronomist report (from IOI Research Centre, Sabah) which provided the basis and recommendations for annual fertilizer application. Annual fertilizer inputs based on the Agronomist recommendations were implemented. Application of fertilisers	-
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.	fertility were satisfactorily maintained via proper frond stacking and fertilizer application. Soil sampling and leaf sampling records were based on the Agronomist report (from IOI Research Centre, Sabah) which provided the basis and recommendations for annual fertilizer application. Annual fertilizer inputs based on the Agronomist recommendations were implemented. Application of fertilisers were monitored by the respective Estates Managers and their Assistants. The records for types and quantities of fertilizers applied were verified to be accurately monitored and updated. Proper herbicide spraying had also been conducted in the records maintained and verified during on-site sampling at the	-



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Minor Compliance	The Agronomist report had made recommendations for rounds of fertilizer applications needed for each identified estate field blocks in order to sustain the long-term soil fertility and nutrient efficiency. Records of the sampling and analysis had been verified to be satisfactorily maintained.	
4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance	The Estates were also utilizing the EFB obtained from the Mill which were applied at various identified field blocks. During field visits, it was observed EFB that was applied at the field had been levelled. There was no application of POME at the estates for the year 2018. The corrective action taken was adequate in addressing the previous NC finding that EFB applied were not levelled (NC: CBK-01). Hence the previous NC was closed.	Complied
Criteria 4.3 Practices minimise and control eros	sion and degradation of soils.	
Indicators	Findings and Objective Evidence	Compliance
4.3.1 Maps of any fragile/marginal soils shall be available. Major Compliance	Based on the soil maps and field visit verification, there was no fragile or marginal soil existence on the estates.	Complied
4.3.2 A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	Planting terraces constructed on land with slope more than 6°. Records and maps on terraces constructed had been verified on the estates. There was no soil erosion noted during the visit. Fields were generally covered with cover crop and soft grasses.	Complied
4.3.3 A road maintenance programme shall be in place. Minor Compliance	Road maintenance programme verified to be established and implemented. Estate roads were maintained and found to be ranging from satisfactory to good condition.	Complied
	Records had showed proper road grading of the estate roads were made.	
4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance	There are no peat soils in the estates that were selected for this audit i.e. in Syarimo 2, 4, 6 and 8 estates. As per the previous year audit, peat areas were noted at Syarimo 1 and 3 estates only. In Syarimo 1 Estate, there was a peat area covering about 155 ha in field Block 95A to 95D. Whilst at Syarimo 3, peat areas were present in Field 95G in Division 1. It is noted that the peat soil areas were relatively small in comparison with the size of the entire plantation areas. At the said peat areas as was verified previously, the water table management and monitoring was implemented i.e. Pegs for measuring the soil subsidence and water level had been put up in the field and in the water collection drain. Sandbags were being used in the water collection drains to maintain the water level between 50 cm. and 70 cm. below ground surface, and records of monitoring had been verified. The water level had been monitored twice a month. Ground cover comprise mainly of Nephrolepis were observed at the peat sites. The records on the rate of subsidence was monitored and no	Complied

significant change was observed in current audit.



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4.3.5 Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	Where there are peat areas e.g. in Syarimo 1 and 3, the management was aware of the requirement to conduct drainability assessment when replanting on these areas will be carried out. However, there was no conclusion yet to conduct the assessment. Noted that the Drainability assessment for prior replanting (to determine the next 25 - 40 year drainability period) is being done at the estates with the peat areas by an external Consultant. The final report has yet to be submitted and expected submission is mid-2019.	Complied
4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance	Based on the estate soil maps and visit to the estates, there were no other fragile and problematic soils on the estates.	Not Applicable
Criteria 4.4		
Indicators	availability of surface and ground water. Findings and Objective Evidence	Compliance
4.4.1 An implemented water management plan shall be in place. Minor Compliance	The documented Water Management Plan (WMP) was last reviewed on 6 Jan 2019 by the WMP Team for the POM and all estates in the Grouping. Plan included details for identification of sources and quality of	Complied
	water, usage at POM and estates and residences, protection of moisture (fronds, EFB, fiber, shell), stability, traps, conservation on land, hills, terraces, peat etc. Appendices such as maps to identify location of ponds, drains, oil trap, effluent treatment, streams. The plan also identified the locations of sampling points for water analysis. Other data included rainfall data for year 2017, WHO standards for drinking water, historical water consumption, drinking water analysis results. Management review and follow up actions needed and taken.	
	Water samples were taken at monthly interval at the final discharge point of the POM effluent pond and at upstream and downstream of waterways. Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet the DOE requirements.	
	Treated water for domestic use supplied to staff and workers' housing areas. Tests were carried out on parameters to meet the Ministry of Health Specification for drinking water quality. The results were verified to comply with the requirements. Rainfall data found to be monitored as part of the water management plan.	
4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. Major Compliance	Buffer zones/areas were identified through markings on the palms and were sighted on both sides of streams passing in the estates. Appropriate signages were placed and workers are aware of the non-usage of chemicals within the buffer zones. During interview with five (5) workers for weedicides application at Field Block 01A in Syarimo 4 Estate, it was verified that they fully understood that there shall be no spraying of weedicides at the marked buffer zones and also on areas near field drains where there was water flow. Verified that there was no construction of bunds or weirs made across any rivers or waterways passing through the estates. In Syarimo 2 and 4 Estates, buffer zones along the rivers were	Complied

clearly marked and maintained.



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	The corrective action taken was adequate in addressing the previous NC finding that buffer markings were faded or not clearly demarcated or maintained. Hence the previous NC (SH-01) was closed.		
4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance	The water at the final discharge point of the POM effluent pond was analyzed at monthly intervals for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet the DOE requirements. BOD levels were above the specified maximum limit of 20 ppm. Records showed there was high rainfall from August to December 2018 (1,230.5mm) and this caused less retention time for removing BOD, poor degradation in anaerobic ponds. Desludging was planned as soon as heavy rainfall season was over. At the same time the higher BOD of 33ppm in December 2018 was due to hike in crop from November to December 2018. Due to this factor, the average BOD level recorded was 23ppm, slightly over the specified limit.	Complied	
1.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance	Water usage in the mill from July 2018 to Dec 2018 ranged from 0.97 to 1.66 m³/tonne FFB with an average of 1.31 m³/tonne FFB which is within industrial norm of 2 m³/tonne FFB.	Complied	
Criteria 4.5 Pests, diseases, weeds and invasion Management techniques.	l ve introduced species are effectively managed using appropriate li	ntegrated Pest	
Indicators	Findings and Objective Evidence	Compliance	
4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	Documented justification of all pesticides used were available which had been reviewed and found to be acceptable. The types of pesticides used with justifications included Glyphosate Isopropylamine, Metsulfuron methyl, 2,4-D Dimethylamine, Triclopyr butoxy ethyl ester, Brodifacuom, cypermethrin, MSMA and Duron. Specific pesticides had been used to deal with the respective target pest, weed, or disease.	Complied	

Indicators	Findings and Objective Evidence	Compliance
4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	Documented justification of all pesticides used were available which had been reviewed and found to be acceptable. The types of pesticides used with justifications included Glyphosate Isopropylamine, Metsulfuron methyl, 2,4-D Dimethylamine, Triclopyr butoxy ethyl ester, Brodifacuom, cypermethrin, MSMA and Duron. Specific pesticides had been used to deal with the respective target pest, weed, or disease.	Complied
4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	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. The records were to be kept for a minimum of 5 years. The types of pesticides used were as follows: 1) Glyphosate isopropyl amine (41% a.i.) 2) Metsulfuron methyl (20% a.i.) 3) Triclopyr butoxy ethyl ester (32.1% a.i.) 4) 2,4 Dimethylamine (60% a.i.) 5) Brodifacuom (0.005% a.i.) Verified that records of monitoring of said pesticides were available and satisfactorily maintained.	Complied

Criteria 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	Documented justification of all pesticides used were available which had been reviewed and found to be acceptable. The types of pesticides used with justifications included Glyphosate Isopropyl Amine, Glufosinate Monoammonium, Metsulfuron Methyl, 2,4-D Dimethylamine, Brodifacuom.	Complied



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species shall be used where available. Major Compliance	Specific pesticides had been used to deal with the respective target pest, weed, or disease.	
4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance	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. The records were to be kept for a minimum of 5 years. The types of pesticides used were as follows: 1) Glyphosate isopropyl amine (41% a.i.) 2) Metsulfuron methyl (20% a.i.) 3) Triclopyr butoxy ethyl ester (32.1% a.i.) 4) 2,4 Dimethylamine (60% a.i.) 5) Glufosinate ammonium (13.5% a.i.) 6) Brodifacuom (0.005% a.i.) Verified that records of monitoring of said pesticides were available and satisfactorily maintained.	Complied
4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance	The policy of the estates was to systematically minimize the use of pesticides in accordance with IPM plan. The pesticide reduction program is monitored on usage per hectare basis. Verified that there was no prophylactic use of pesticides at the estates.	Complied
4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance	Use of paraquat had been eliminated in accordance with IOI Group Policy. First Aid Kits were found to be available during pesticides spraying in the fields (4th Schedule). Portable signboard noted to be displayed at areas of spraying activity (5th Schedule).	Complied
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	All pesticide operators had attended training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974. Appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, aprons, and raincoat-type long trousers) had been provided and used by the pesticides operators. All precautions attached to the pesticides (MSDS) had been observed, applied and understood by the workers. Programmes and training records verified to be satisfactory.	Complied



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observed, applied, and understood by workers (see Criterion 4.7). Major Compliance	The training include spraying technique, precautions and symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems. The PMU has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE.	
4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance	Storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974. Chemicals were mixed in the pre-mixing areas of the store that was under lock and key. There were adequate changing and shower rooms with soap provided. Emergency shower and eye wash were available at the pesticides store in case of accidents. The water pressure was noted to be sufficient for such purpose. Material Safety Data Sheets (MSDS) were available in the stores. The MSDS are in English and Bahasa Malaysia (understood by the workers). Chemical containers were reused as containers for spraying solutions. For disposal as scheduled waste, empty pesticide containers were triple rinsed and pierced at the bottom.	Complied
4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	Pesticides had been applied using the Best Management Practices that minimize risk and impacts. Pesticides mixing was done at the designated Pre-Mixing area near the store with proper PPE such as double nozzle face mask, goggles, aprons and long boots. The pesticide sprayers were interviewed and found to understand the use of the right nozzle, spray drift, spray quality and run-off. It was noted that the PPEs used by the workers at the fields included: a) Raincoat type of long trousers that protected their legs from being exposed to the chemicals. b) Long aprons that covered their boots c) Goggles, masks and gloves The workers were also noted to be wearing long sleeved T-shirts (without any holes or tearing) and head caps. Training was provided to the said workers and training records verified to be satisfactorily maintained.	Complied
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. Major Compliance	The policy of IOI Group was not to carry out any aerial application of pesticides. This policy has been found to be adhered at the PMU.	Complied
4.6.9 Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8). Minor Compliance	The Annual Training Plan includes training on pesticides handling. All new pesticides operators were trained before being assigned to work with pesticides. In addition, based upon training needs, the existing pesticide operators (including the contractor's workers) attended continual training to enhance their knowledge and skills on pesticides handling.	Complied



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	Information and anfatu properties on the constitute access	
	Information and safety precautions on the pesticides were displayed on the notice boards and also next to the types of pesticides kept in the store.	
4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance	Empty agro-chemical containers had been disposed of through a licensed contractor approved by the DOE i.e. New Gates Industries (Borneo) Sdn Bhd. Records of disposals of triple-rinsed pesticide containers were verified to be in order with the latest disposals in December 2018. At Syarimo 6, Disposal of empty agro-chemical containers through New Gates Industries (Borneo) Sdn Bhd. Last disposal dated 18/12/2018 – total of 108 pcs -20L Challenge & 135 pcs Kenly containers. Receipt no. 1535. Noted that New Gates was approved by DOA ref. 9/120/038/014 since 2002.	Complied
4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	Annual medical surveillance for all pesticide operators had been implemented in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2. Records maintained at the POM and estates, showed workers who handled chemicals and weedicides were sent for medical surveillance. Medical surveillance reports of individual sprayers were checked and no abnormalities reported by the Medical Doctor. The medical reports showed that there was no case of low blood cholinesterase levels. Any worker with such health condition would be declared as unfit for work with pesticides. No such cases in the PMU as at the date of assessment. Pesticides operators were interviewed during field visits and feedback received that they did not have any symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems. In addition to the annual medical surveillance, monthly clinical checks (gastro intestinal, urinary system, pregnancy) also carried out by the Medical Health Officer / Assistant on the Pesticides spraying workers and handlers. Medical surveillance records and monthly health checking records (done at the clinics) were available and satisfactorily maintained.	Complied
4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance	Verified from records, on-site field inspections and interviews that no pregnant or breast-feeding woman had been offered work as pesticide handlers or operators.	Complied
Criteria 4.7 An occupational health and safety r	plan is documented, effectively communicated and implemented.	
Indicators	Findings and Objective Evidence	Compliance
The occupational health and safety plan shall cover the following: 4.7.1 An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory Machinery Act was documented and implemented. It was reviewed on 2/1/2018. OSH Policy found to be clearly displayed at POM and in the estate offices. Adequate posters, regulations, newsletters were prominently displayed on notice boards. Interviewed workers demonstrated awareness towards occupational safety and health. The Safety & Health Officer is in charge of safety and health planning, operation & coordination. Mill/Assistant Mill Managers and Estate Managers / Assistant Estate Managers are also directly involved. Records on training for the workers had been verified on the Palm Oil Mill and the Estates.	Complied



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prevent mishaps.



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4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance	Training programme planned and carried out for year 2018 and includes appropriate training on safe working practices for all categories of workers: - workers exposed to machinery and high noise levels, - workers working in confined space, - harvesters - pesticides workers - fertiliser workers The training programme included the various types of training such as fire-fighting and fire drill, exposure to high noise levels and control measures for protection of hearing and audiometric tests, understanding MSDS/CSDS and first aid training. The above trainings were conducted and records were available. Use of PPEs by the harvesters and loose fruits collectors included safety helmets, gloves and safety shoes which was observed.	Complied	
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 Mill Managers and the Estate Managers had overall responsibilities of safety and health issues, with the assistance of the Safety Officer in charge of Syarimo Estate Grouping. Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified to be satisfactorily maintained.	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. Minor Compliance	Accident and emergency procedures had been written in English and Bahasa Malaysia 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 to be maintained satisfactorily. Quarterly review on accident cases had been carried out during quarterly meeting of Environment, Safety, & Health (ESH) and noted done in April, August and Dec 2018 as per the records maintained.	Complied	
4.7.6 All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	The Mill and the estate workers were provided with medical care at several clinics established and available at the PMU. The clinics were operated by qualified Nursing assistants with the Visiting Medical Officer (VMO) attending on a regular schedule at each of the clinics. Records of illnesses and medications provided were satisfactorily maintained. All local workers were covered by workers accident insurance (SOCSO) and IOI Group Medical and Surgical insurance which were checked to be of valid coverage. The Foreign workers are also covered via the Foreign workers Compensation Insurance Policy which is also valid till Sept 2019	Complied	
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Monitoring of Lost Time Accident (LTA) metrics was done and monthly updated in the OSH signboards. The records indicated cases of light injuries from accidents such as falling off	Complied	



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	motorbikes during travelling at estates, cuts and bruises during operational and field work. Noted that there were no cases of serious injuries or fatalities over past 12 months in year 2018.	
	The LTA records were verified to be satisfactorily maintained.	
Criteria 4.8 All staff, workers, smallholders and	contract workers are 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	The formal training plan has been documented for implementation for year 2018/2019 at the mill and estates. The training programmes were based on the training needs identified for various categories of staff and workers and their related work functions / activities.	Complied
	Verified that trainings conducted had including the refresher training on all aspects of the RSPO principles and criteria which also include the checking, documentations for traceability for the certified FFB, CPO & PK. POM Manager & assistants fully understands the difference between IP or MB modules.	
	Records of RSPO P&C and SCC training was sighted e.g. training done on 8 Jan 2018 for 18 personnel (Managers, Assistants & Admin / Clerks of POM & Estates attended). Training was conducted by IOI Sustainability Head & Team.	
	Evaluation of understanding was done and this was confirmed during on-site interviews with the relevant POM and Estates personnel.	
4.8.2 Records of training for each employee shall be maintained.	Records of training for each employee, including new employees were noted to be satisfactorily maintained.	Complied

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

Criteria	F 4	
Criteria	ጎገ	

Minor Compliance

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.

demonstrate continual improvement.		
Indicators	Findings and Objective Evidence	Compliance
5.1.1 An environmental impact assessment (EIA) shall be documented.	The Environmental Aspect and Impacts Assessment (EAIA) documented on 12 December 2017 for the Syarimo POM and estates in grouping was reviewed 11 Jan 2019.	Complied
Major Compliance	The assessment documents had included the identification of aspects from field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal and also on road construction, repair and maintenance.	
	The report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as relevant conservation activities applicable to the PMU.	
	Actions needed prior to and during the Replanting of Oil Palm commencing in 2016 till Dec 2018 was reviewed and verified to be followed up for implementation at the field blocks. The actions included the abandonment of demarcated zones near Forest Reserves and Riparian zones as identified in the EAIA.	
	Records were made available during audit and found to be satisfactory implemented at the Syarimo 5 estate which at present is the only estate undergoing replanting since 2016 till current audit.	



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5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons. Minor Compliance	The POM and estates continued with the implementation and monitoring of management action plans and continuous improvement programmes for year 2018/19. Management plan for mitigation of environmental impacts, timeframe for action and responsible persons were identified. Impacts such as smoke emissions, noise levels, POME and EFB management were verified at the Syarimo POM. Data were collected and it ensured compliance with relevant regulations. Previous NC closure in 2019: 1. The estates ponds as identified in the maps were visited (e.g. at Syarimo 1, Syarimo 7 and Syarimo 9), for purposes of domestic use e.g. drinking water was satisfactorily maintained and adequately demarcated with signages. The management and action plan implemented revised and mitigation of environmental impacts, timeframe for action and responsible persons were documented and followed up by the Estate Management and personnel. 2. At Syarimo 9 estate, the seasonal waterfall was indicated in the map and included in the Environmental Management Plan and reviewed. Measures to manage the area was undertaken. Thus NC#SH-02 (in 2018) was adequately addressed, with effective implementation and closed during current audit.	Complied
5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.	Implementation and monitoring of the documented environmental improvement plans was reviewed on an annual basis in Jan 2019. The review had taken into consideration the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone, clearing of overgrown natural vegetation and debris along the streams for flood mitigation.	Complied

Minor Compliance

Criteria 5.2

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.

Indicators	Findings and Objective Evidence	Compliance
5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). Major Compliance	HCV assessment conducted by the IOI Group HQ and documented in report dated 30 Dec 2017 was reviewed in Jan 2019. Aspects of environmentally sensitive areas such as ponds, streams, wildlife boundaries and was reviewed for further appropriate actions and maintenance.	Complied
	As per previous year's report, it is confirmed that estates Syarimo 1, Syarimo 3 are surrounded by other neighbouring estates along its border. Syarimo 3 and 8 estate also borders the Lamag Forest Reserve at the eastern borders. Syarimo 7 and Syarimo 9 having borders with the Malua Forest Reserve at its western zone. The Sungai Lamag cuts across Syarimo 3 estate and while Sungai Latangan cuts across both Syarimo 7 and Syarimo 9 plantation.	
	HCV and other environmentally sensitive areas were documented and inspected on site at the estates.	



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	Boundaries bordering the forest reserves at Syarimo 7, 8 and 9 were well demarcated with prominent signages displayed as warning against any intrusion into the forest.	
	Trenching was also installed along the forest borders to deter wild animals from coming into the estates.	
	Most of the perimeter boundary were physically separated via estate roads.	
	As per the recommendations of the Sabah Forestry Dept. the 50 m buffer zones were marked on the palm trees and poles as allocated areas bordering the forest for non-spraying or chemical application areas. The FFB crop were still harvested until the scheduled replanting in the coming years. It is understood that the Estate management will not be doing any replanting in the allocated buffer zones.	
	Implementation was verified at the ongoing replanting at Syarimo 5 estate: Maps had identified the buffer zones and replanting areas. At the re-constructed field drainage (i.e. field, collecting and main drains) it was observed that allocated spaces of between 3-5 m on either side of the drains were made as no planting and no chemical application areas.	
	Conservation / environmentally sensitive areas i.e. buffer zones along the stretches of rivers/streams which pass through the estates had also been identified, demarcated and being monitored at current audited Syarimo 2, 4, 6 and 8 estates. Verified that no spraying or chemical application was implemented in the said marked and maintained zones.	
5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an	Regular patrols within the POM and estates were being carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas.	Complied
	Trained and qualified Honorary wildlife wardens (from the estates personnel) were also appointed with the assistance of the Wildlife Department to look into issues relating to wildlife in their areas.	
action plan. Major Compliance	Monitoring and control of any illegal hunting, fishing or collecting activities was also carried out by the patrolling activities conducted.	
major Compilation	Also, signage that prohibit hunting, fishing and water polluting activities were verified on-site at all estates visited i.e. Syarimo 2, Syarimo 4, Syarimo 6 and Syarimo 8 estates and found to have been satisfactorily erected and maintained.	
	Appropriate safety signages were also erected and repairs / maintenance were noted done for the wooden bridges over field drains and watercourses /streams.	
5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found	There was evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signage erected around the affected areas which prohibit such activities.	Complied
	Training programme on RTE has also been organised and attended by personnel across the organisation.	
	The training were conducted as follows:	
	Syarimo 2 on 12 Dec 2018 (11 personnel),	
to capture, harm, collect or kill	Syarimo 4 on 28 Nov 2018 (18 personnel),	
these species.	Syarimo 6 on 16 Nov 2018 (10 personnel)	
Minor Compliance	Syarimo 8 on 18 Nov 2018 (12 personnel).	
	Other trainings which included buffer zones, integrated pest	

management and its importance were also conducted to the

field workers.



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5.2.4 Where an action plan has been created there shall be ongoing monitoring: • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan. Minor Compliance	Management plans were established and ongoing monitoring is conducted by the estate personnel and also Auxiliary Police patrols. Verification were also made during on-site assessment and the outcome of the monitoring activities were satisfactorily recorded. Noted that the sighting of an Orang Utan which wandered into a Syarimo 8 estate in April 2017, was documented and the recapture and re-location of the said Orang Utan by the Sabah Wildlife Dept. was well recorded. Since then, no new sighting of Orang Utans were reported as at todate during current audit. The overall management plan on the status of HCV/RTE of the Syarimo plantation group was collated, reviewed and monitored by the Sustainability team (Sabah region) over the past 12 months in consultation with various stakeholders comprising the	Complied
	Forestry Dept., Wildlife Dept., NGOs and also the local community. Noted that group stakeholder consultations were held on an annual basis and feedbacks were minuted.	
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.	It was verified that todate, there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estates visited i.e. Syarimo 2, 4, 6, and 9 estates. Thus negotiated agreement of such nature is not applicable.	Complied
Minor Compliance		
Criteria 5.3 Waste is reduced, recycled, re-use	ed and disposed of in an environmentally and socially responsible m	nanner.
Indicators	Findings and Objective Evidence	Compliance
5.3.1 All waste products and sources of pollution shall be identified and documented.	Visits made to POM and estates showed that all waste products and sources of pollution were identified and documented. The documentation and identification of all the waste products	Complied
Major Compliance	such as scheduled waste, domestic waste, clinical waste and recyclable waste such as metal, plastic, mill waste and polluting	

materials e g. EFB, POME, Scheduled Waste identified included spent hydraulic oil (SW 306), spent lubricant oil (SW 305), used chemical containers/drums (SW 409), used filters (SW 410), clinical waste (SW 404) and used batteries (SW 102). Records on the usage and disposal over past 12 months (in 2018) till current period were well recorded and documented. Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory carried out in the Syarimo POM and estates audited. Proper storage areas were identified for the storage of the recyclable wastes at the sites. 5.3.2 All chemicals and their At the mill, the disposal of used chemicals and containers were Complied containers shall be disposed of done in accordance with their schedule on waste management responsibly. as planned and in line with the regulation as required. Stores for scheduled waste were inspected and audited at site **Major Compliance** i.e. POM and disposal was done by scheduled waste disposal company - Lagenda Bumimas Sdn Bhd, authorized and licensed by Department of Environment. The mill and estates have proper Scheduled Waste stores for storing scheduled waste until time of disposal by the DOE authorized waste disposal contractor.



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	Latest disposal was recorded on 14 Nov 2018. Inventory on the	
	schedule waste was properly recorded and up to date.	
	At the plantations, record on the disposal and recycle of chemical containers and fertiliser bags was also made available during the audit.	
5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented	The waste management and disposal plan were in place at both the POM and estates. It has been documented and implemented as required.	Complied
and implemented. Minor Compliance	Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory in the respective estates inspected. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.	
	Recycling bins of three different colour codes for specific recycle waste were available in both POM and estates and were used for solid waste segregation and recycling.	
	Disposal of schedule waste was done by an appointed contractor that is licensed by the Department of Environment, Lagenda Bumimas Sdn Bhd.	
	The solid waste management and disposal plan using landfills was available at Syarimo 2, 4, 6 and 8 estates. Landfill management was found to be satisfactory. The location of the landfill is far away from the housing sites and water sources (distances between 1 and 2 km). Household waste/line site waste was collected at a minimum of 2 times a week and disposed to the landfill.	
	Recycling of crop residues / biomass i.e. EFB and dried POME had been implemented. Management on EFB application plans and progress reports were verified to be satisfactory.	
	Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained at the POM and estates.	
Criteria 5.4 Efficiency of fossil fuel use and the	use of renewable energy is optimised.	
Indicators	Findings and Objective Evidence	Complianc
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.	Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Records were satisfactorily documented.	Complied
Minor Compliance	Visit to Syarimo mill showed evidence that the data is compiled and recorded for further action to improve efficiency of using both renewable and non-renewable energy sources.	
	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.	
	It was verified that energy usage are being monitored daily, especially at the POM for cost control improvement and comparison of trends on energy consumption.	

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.

Indicators	Findings and Objective Evidence	Compliance
5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for	IOI Group had observed the policy of 'Zero open burning' for any planned replanting.	Complied



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the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. Major Compliance	Field inspections made at Syarimo 2, 4, 6 and 8 estates showed no evidence of any open burning. Additionally verified at Syarimo 5 estate which has ongoing replanting at the time of audit.	
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. Minor Compliance	The PMUs has adopted the 'Zero Burning policy' for any replanting operations at the estates. There was also no evidence of any open burning carried out on domestic waste at the housing line sites and at the sanitary landfills of the estates during on-site field assessment.	Complied
Criteria 5.6		ad manitared
Indicators	sions, including greenhouse gases, are developed, implemented at Findings and Objective Evidence	Compliance
5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). Major Compliance	Monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS) and supported by the Ringelmann Smoke Charts. Reports showed evident that the emission is within the permissible limits of DOE as verified by documents made available during the on-site visit to the Syarimo mill. POME treatment, monitoring and land application is monitored, maintained and adhered to DOE regulations.	Complied
	Stack emissions and Boiler ashes were maintained and monitored at the POM. Regular reporting of twice yearly was carried out and report made available during the audit. BOD analysis was also conducted on a monthly basis and result confirmed it was below the allowable limits i.e. <20mg/l. as per DOE specifications. Water analysis, both raw and treated water, conducted once every six months, and is reported to the Dept. of Health & Dept. of Environment.	
5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	Identification of significant pollutants and greenhouse gas (GHG) emissions has been done e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at both the POM and PMU. GHG report calculation has also been submitted to RSPO on 5 Jan 2019 using the RSPO Palm GHG Calculator version 3.0.1. The data submitted was also verified on-site. Noted that trial use of Palm GHG calculator version 4.0 will commence by May 2019. Management plans to reduce or minimise diesel consumption was via the construction and planned commission of the Biogas plant scheduled to complete and fully operational by mid-2019.	Complied
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.	Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. 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	Complied



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Minor Compliance	Water samples were regularly taken and tested by mill	
	environment officer in charge and analyzed to ensure compliance to DOE requirements at final discharge points. The water samples were sent for analysis. This was conducted by Dynakey Laboratories Sdn Bhd. Records are maintained and verified on-site to have met the permissible regulatory limits.	
	volumed on one to have mot the permission regulatory imme.	

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

Criterion 6.1

Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

Indicators	Findings and Objective Evidence	Compliance
6.1.1 A social impact assessment (SIA) including records of meetings shall be documented.	Social impacts in IOI Syarimo group operations were assessed using various method including consultations, meetings, respond forms and interviews.	Complied
Major Compliance	Social impact assessment (SIA) for each operating unit in IOI Syarimo grouping has been reviewed in Jan 2019 and conducted together with relevant external and internal stakeholders. External stakeholders' consultation was conducted for the whole grouping on 4/1//2019 in Lahad Datu Regional Office (LDRO) and the consultation was properly documented. More than 50 participants attended the external stakeholder consultation including local communities, suppliers, contractors, government agencies and NGOs.	
	Internal stakeholders' consultations however conducted separately in each operating unit, e.g. in Syarimo 8 Estate it was conducted on 28/12/2018 and in Syarimo 2 Estate it was conducted on 4/1/2019. Internal stakeholders' consultations in each operating unit were attended by different categories of workers, e.g. different scope of work, gender, nationalities and levels. These consultations were also very well documented. In each SIA for each operating unit audited it was verified that all potential impacts were included, e.g. access and use rights to individual passports and travelling documents, sufficient and on time monthly pay, schools and health clinics, etc.	
6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	Each consultation and meeting conducted was verified to have involved relevant stakeholders affected by the operations of the group. Participants in external and internal stakeholder consultations were already mentioned above (6.1.1). Participants in meeting such as Joint Consultative Committee (JCC) involved workers representatives from different categories of workers such as general workers, sprayers, manuring workers, harvesters, drivers both locals and foreign workers. Participants in Gender Consultative Committee (GCC) mainly are women workers attended by Social Liaison Officer who are mostly male Assistant Manager acting as representatives for male workers.	Complied
	During external and internal stakeholder consultation respond forms were distributed for written inputs, however, verbal inputs were recorded in the meeting minutes. Meeting minutes were also maintained for other meetings mentioned above, i.e. JCC and GCC meetings. Attendance lists and photos for stakeholders' consultations and meetings conducted were also verified.	



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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. Major Compliance	For each comments received during meetings or interviews conducted by the POM and the estate, a time table of activities were developed with time frame on implementation plans and persons responsible. Comments received through the meetings, stakeholder logbook, etc., were recorded and also indicated with status either continuous, completed or pending.	Complied
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. There shall be evidence that the review includes the participation of affected parties. Minor Compliance	The latest Social Impact Assessment And Plans were available for the year 2019. The plans are reviewed annually together with affected parties, especially the workers, who were always consulted during the annual internal stakeholder consultation, the JCC meetings, safety meeting, daily morning muster and individual reports made in the Grievance Books.	Complied
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). Minor Compliance	No smallholder scheme within IOI Syarimo Grouping, thus this criteria is not applicable.	Not applicable

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. Major Compliance	The group has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. their workers, government agencies, contractors, by personal invitation to attend the internal and external stakeholders' consultation. Grievance Procedure dated 5/6/2018, related to communication and consultation with interested parties is available at IOI group website ¹ . It was verified during that audit that	Complied
	At IOI Syarimo Grouping level, the procedure mentioned made public to all workers. Furthermore the procedure were also explained carefully to all level of workers and this was verified through individual interviews with sampled workers during the audit. This procedure was also socialised with external stakeholders during the external consultation session and personal interviews conducted by the management. 1 https://www.ioigroup.com/Content/S/PDF/Grievance_mechanis m.pdf	
6.2.2 A management official responsible for these issues shall be nominated. Minor Compliance	In most cases, nominated person responsible as social liaison officers are the Assistant Managers of the operating units. Social liaison officers are responsible in handling relevant social related issued either raised by local communities, workers, government agencies or other interested parties. For example Mr. Zaidan A, AM, is identified in the SIA as Social Liaison Officer in Syarimo 8 Estate, Mr. Larry LY, AM in Syarimo 2 Estate and Mr. Rajan S, AM at Syarimo POM. Names of these nominated officers are made public to the workers through grievance procedures available in the public notice boards as well as through announcements made during meetings and morning musters. Interviewed conducted with workers during the audit verified that the workers especially have easy access to these social liaison officers.	Complied



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6.2.3 A list of stakeholder	s, records
of all communication, incl	uding
confirmation of receipt an	d that effort
are made to ensure unde	
by affected parties, and re	
actions taken in response	to input
from stakeholders, shall b	e .
maintained.	

The maintenance of the list of stakeholders at the IOI Syarimo 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.

Minor Compliance

The lists of stakeholders are and was used to send invitation to external stakeholders during the external consultation mentioned in 6.1.1.

Complied

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
6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. Major Compliance	It was verified during the audit that a system to deal with complaints and grievances for all affected parties have been established and well implemented in IOI Syarimo Grouping. Among others, the affected parties have several options to register their complaints and grievances including Grievance Book, annual stakeholder consultation, morning muster, during ECC, GCC and Safety meetings.	Complied
	Procedures on how to register complaints are available in public notice boards. Main person responsible in handling the complaints and grievances received from stakeholders in each operating unit is the Social Liaison Officers who in most cases are the Assistant Managers. Training and explanation on how to utilise this system were given and verified by the auditor.	
	The system in place is verified to be effective in ensuring that complaints and grievance are addressed or resolved in timely and appropriate manner. Actions taken to address the complaints and grievances received are recorded appropriately.	
	The system also allows the workers to register their complaints against their immediate supervisor as in most cases Social Liaison Officers are normally in higher position than the supervisors. The workers also allowed to elect their own representatives in the JCC as opposed to the representatives being dictated by the management.	
	Complaints and grievances are investigated, addressed and resolved based on their severity. Minor complaints will normally be resolved within 2-3 working days, whilst major complaints and grievances will be resolved based on priority and budget availability. No complaints related to sexual harassment received so far, but the procedures stated such issues will be handled with the utmost privacy and confidentiality by the GCC.	
	It is verified during on-site interviews that there were no incidences of dispute or grievance of a serious nature. Since Nov. 2017 IOI group had adopted a revised Whistleblowing Policy¹ which was approved by Audit and Risk Management Committee. Whistleblowing form also available online at IOI group website². It was also evident that if no mutual resolution found between the complainants, esp. external stakeholder, the issue will be brought to RSPO and the local authorities.	
	 https://www.ioigroup.com/Content/G/PDF/Corp_WhistleblowingPolicy.pdf https://www.ioigroup.com/Content/G/G_Whistleblowing 	
6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	All complaints and grievances received are documented either in the form of log book as in the Grievance Book, meeting minutes for the JCC, GCC, Safety meetings and annual stakeholder consultations or respond forms. Decisions and action as responds to the complaints and grievances received	Complied



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also very well documented with sufficient supporting documer as evidences. Except for reports made to the gender committee representatives, all complaints and grievances are accessible to public	
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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.

Indicators	Findings and Objective Evidence	Compliance
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. Major Compliance	There were no borders at estates in Syarimo grouping which were adjacent to any villages or native land. Therefore there has been no records of any negotiation or compensation pertaining to this criteria. No changes in status as of audit day hence no negotiation or compensation pertaining to this criterion.	Complied
6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance	IOI as a group has a generic procedure for calculating and distributing compensation which was available for verification during the audit. To date, there has been no dispute by any parties reported at the IOI Syarimo grouping.	Complied
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. Major Compliance	To date, there has been no dispute by any parties reported. Therefore the process and outcome of compensation could not be observed.	Complied

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.

Indicators	Findings and Objective Evidence	Compliance
6.5.1 Documentation of pay and conditions shall be available. Major Compliance	In IOI Syarimo Grouping, most of the workers in the estates, as stated in the workers contract, are considered as "general workers" with piece rated pay. In Syarimo POM, the workers are paid with daily rate. These pay conditions and other benefits are sufficiently stated in the workers contract. Decision on workers' wages were based on a memorandum dated 7/1/2019 to all IOI groups in Sabah including Syarimo grouping. According to this memorandum monthly minimum wages had to be RM1,100 /month or RM42.31/day.	Complied
	The conditions for payment are stated in the memorandum and in the revised "IOI Plantation Minimum Wages & Leave Pay Policies in Malaysia" which took effect on 1/1/2019 signed by Mr. N.B. Sudhakaran, Plantation Director.	
	Contents of the said policy was verified to be satisfactorily understood by the workers in the said grouping which fulfilled the industry standard in accordance with the MAPA-NUPW agreement 2015 and Minimum Wages Order 2018.	



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD (188296-W)

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	https://www.ioigroup.com/Content/S/PDF/Minimum Wage Policy.pdf	
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,	Pay conditions are clearly detailed in the workers contracts which include pay system used, working hours, overtime, holiday entitlements, etc. no deductions sighted in the pay slip for foreign workers.	
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. Major Compliance	Workers contract is in Bahasa Malaysia which could be understood without difficulty by the foreign workers, who are Indonesian (majority) and Pilipino (minority).	
	Based on interviews with the workers and sampled pay slips in each operating unit audited, it was verified that the pay and conditions as stated in Sabah Labour Ordinance, Minimum Wages Order (Nov 2018) and other relevant regulations are satisfactorily complied with.	
	Monthly analysis was conducted on the wages received by all the workers. Jabatan Tenaga Kerja (JTK) (Labour Department) Sandakan and JTK Kunak, was consulted directly by the auditor. It was confirmed with the JTK that the Sabah Labour Ordinance and the minimum pay conditions for the workers was adhered.	
	Currently wages to the foreign workers in IOI Syarimo Grouping are paid by issuing cheques. During the audit and interviews conducted, there was no complaint from any of the workers on the mode of payment.	
	To date, the JTK confirmed that there were no complaints from local nor foreign workers with regards to any unjust pay and working conditions. There was also no complaint raised during any meeting and stakeholder consultation nor recorded in any Grievance Book.	
	Absconded workers are now reported to the authorities at least once in three months. Passports and insurance details of workers at the audited operating units were also checked and it was verified that names of workers in the passports appears correctly in the insurance cover. Above actions and evidences had effectively addressed previous NC #JMD-01 raised during previous assessment in 2018.	OBS:
	However, an observation was made at the POM and estates audited as follows:	JMD-01
	 The contract between the estates and the contractors is generally satisfactory and comprehensive, however it has not clearly included the statement to allow CBs visit the contractor's offices for verification purposes. The mill and estates managements are making efforts to monitor contractors' legal compliance, however currently monitoring practice focuses mainly on minimum wages, licensing and legality of workers. Other areas such as safety or environmental compliance has not been included. 	
6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. Minor Compliance	Minimum national standard for housing and other basic necessities are described in Akta Standard-Standard Minimum Perumahan Dan Kemudahan Pekerja – Akta 446 (Workers' Minimum Standards of Housing and Amenities – Act 446). However, this act, as informed by JTK, is yet to be enforced in Sabah, thus IOI Syarimo Grouping only implements relevant parts of the act.	
	Housing, electricity and water supply	
	Workers are provided with adequate free accommodation at workers quarters with free electricity and treated water. Water	



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treatment are available for each operating unit audited and testing of water quality by external lab is conducted regularly and the results verified to have met permissible regulatory limits. The workers quarters ware clean and rubbish are collected at least twice in a week. All rubbish are properly tied in plastic bags before being transported to the landfill. Chicken coops are located in a safe distance from the houses.

Observation:

In Syarimo 4 Estate linesite maintenance and cleaning activities are conducted regularly but non-biodegradable rubbish were still observed to be discarded and found at the drains including old tyres and plastic items such as discarded chairs, slippers and toys.

OBS: JMD-02

Schools

The migrant workers' children are given free education in a NGO-managed school, i.e. Humana. Maintenance of the school building, furniture, electric and water supplied are is under the purview of the operating unit management.

HUMANA are mainly for children between 6-13 years old and Community Learning Centre (CLC) is for teenagers up to 15 years old. School children, both local and foreign, are transported with no charge from the operating units in suitable vehicles. A number of school buses sighted during the audit were used to transport the school children.

Sundry shops

Sundry shops are available outside at each operating unit audited. From interviews with the workers it was found that most household sundries, including frozen foodstuffs were available on sale. The workers also go out to town once a month after pay day to buy sundries.

Crèche (Rumah Asuhan Kanak-kanak)

Crèche is available in each operating unit and they are well maintained. The crèche caretakers are well trained on procedures of using the first aid kits as well as fire extinguisher. Depending on the operating unit management, some crèche are provided with biscuits or formulated milk powder. During the audit, children were found in good health and the surrounding of the crèche are all well maintained. No overcrowded crèche found and ratio between caretakers with children are well balanced.

Clinics

Clinics are located in within the vicinity of the estates and the POM. Together with the staff, the Health Attendance (HA) are also responsible on monitoring and maintaining acceptable living standard in the workers quarters, e.g. buildings maintenance, rubbish collection, drainage system, children education, etc. inspection by the staff conducted weekly, whilst inspection by HA conducted monthly. VMO make a monthly visit to the audited estates and check upon a few areas, e.g. referred patients and purchase of the medicines at the clinics, workers quarters, and crèche.

Valid Foreign Workers Compensation Scheme (FWCS) issued by MSIG in all units audited were also verified. Starting 2019, IOI will replace FWCS with Social Security Organisation (SOCSO) contribution for the foreign workers based on Employer's Circular No. 3 (2018) issued by The Human Resource Ministry.

6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to

IOI Syarimo Grouping has ensured that the workers have access to adequate, sufficient and affordable food by providing

Complied



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adequate, sufficient and affordable food.	the workers with local sundry shops within the group compound.	
Minor Compliance	It is verified that office staff were provided with transport to go shopping for sundry items in town at the end of each month i.e. after pay day upon specific request.	

Criterion 6.6

The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

Indicators	Findings and Objective Evidence	Compliance
6.6.1 A published statement in local languages recognising freedom of association shall be available. Major Compliance	Published statement recognising freedom of association is mentioned in Sustainability Policy adopted by the IOI group in 2017 (revised March 2018) under the Human Rights and Workplace heading. This policy is available online at IOI website. 1 https://www.ioigroup.com/Content/S/S_Policy	Complied
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	As an alternative to workers union, IOI Syarimo Grouping formed the JCC in each operating unit. This committee serve as a medium for workers to collectively bargain with the management. Members of JCC are management representatives and workers representatives elected by the workers including both local and foreign.	Complied
	JCC meetings are scheduled quarterly and each meeting is recorded. It was verified that issues raised during the meetings are resolved in appropriate and timely manner. From sampled JCC meeting minutes, there was no major issue raised by the workers. The meeting minutes are accessible to all members in the JCC and other workers as well. In each meeting, the meeting started with approval of previous meeting minutes and evaluate the status of issues raised. Meeting minutes selected for verification was for Syarimo 8 Estate conducted on 29/12/2018. This practice proved that content of this policy satisfactorily understood by workers and satisfactorily implemented in the grouping.	

Criterion 6.7

Children are not employed or exploited.

Indicators	Findings and Objective Evidence	Compliance
6.7.1 There shall be documentary evidence that minimum age requirements are met. Major Compliance	Published statement the group will eliminate all forms of illegal, forced, bonded, and compulsory, including child labor is mentioned in Sustainability Policy adopted by the IOI group in 2017 (revised March 2018) under the Human Rights and Workplace heading.	Complied
	HUMANA schools and 'crèche' were established to cater to the need for proper education of the foreign workers children. Children at the appropriate age for secondary school attended the Community Learning Centre (CLC) which is also managed by HUMANA but was built with the help of the group. Inspection of the employment records including site visit to the operating units and the practices mentioned above proved that content of this policy satisfactorily understood by workers and satisfactorily implemented in the grouping.	

Criterion 6.8

Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

Indicators	Findings and Objective Evidence	Compliance
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6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	Published statement on equal opportunities is mentioned in Sustainability Policy adopted by the IOI group in 2017 (revised March 2018) under the Human Rights and Workplace heading. A specific policy on "Equal Opportunity Employment & Freedom Of Association Policies" had also been established in Oct. 2017 and also available online at IOI website. This policy clearly state that IOI Group including IOI Syarimo grouping prohibits and will actively prevent any discrimination based on race, nationality, religion or gender. https://www.ioigroup.com/Content/S/PDF/Freedom%20of%20Association.pdf	Complied
6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	Based on interviews and feedback from the employees, foreign workers, review of JCC meeting minutes and grievance records, it is verified that there has been no issue of discrimination at the grouping. These practices, i.e. regular meetings between workers and the management, effective grievance procedures, etc. proved that content of this policy satisfactorily understood by workers and satisfactorily implemented.	Complied
6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	All operating units audited in IOI Syarimo Grouping kept and maintained records of their workers, including credentials and medical history. Credentials for foreign workers are mostly referring to the travel documents, whilst credentials for local staff have more details. Records of medical history for both local and foreign workers are considerably comprehensive kept in the medical clinics within the group. Recruitment and promotion are verified based on skills,	Complied
Oritorias 0.0	capabilities, qualities, and medical fitness necessary for the job. Before hiring, each new foreign workers are required to pass FOMEMA medical check-up required by law and probation period to evaluate level of skills and the workers attitude towards the new surroundings.	
Criterion 6.9		

There is no harassment or abuse in the work place, and reproductive rights are protected.

Indicators	Findings and Objective Evidence	Compliance
6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. Major Compliance	Published statement on prevention of sexual and all other forms of harassment and violence is covered in Sustainability Policy adopted by the IOI group in 2017 (revised March 2018) under the Human Rights and Workplace heading. A specific policy on harassment, i.e. "Policy on Harassment at Workplace" adopted in June 2018 has also been established and available online at IOI website. ¹	Complied
	GCC members who were interviewed confirmed that there is a clear and understandable protocol on receiving complaints or grievances related to harassment and violence. Apart from briefing on the policy mentioned above in muster ground to all workers and during stakeholder consultations, GCC meetings were also conducted in each operating unit audited.	
	Meeting minutes of GCC was reviewed during the audit and concerns related to women was clearly covered including issues of sexual harassment and domestic violence. Based on the said practices, i.e. regular meetings between workers and the management, effective grievance procedures, etc. the policy satisfactorily being understood by workers interviewed, there was adequate evidence of satisfactory implementation at the PMU.	



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	https://www.ioigroup.com/Content/S/PDF/ policy_on_harassment_at_workplace.pdf	
6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance	Pregnant and breastfeeding women were exempted from work associated with potentially hazardous chemicals. Medical checkup is conducted monthly on workers handling chemicals. The justification given was that it was done to ensure that pregnant workers are identified as early as possible in order to prevent any health and safety issues in the work assigned. In past cases, counselling was given by the Health Assistant and Management. This usually led to the pregnant female workers taking voluntary leave from work until they have delivered and their child completely weaned.	
	During current audit, the standard operating procedure (SOP) is still being revised and yet to be finalised on the process of women workers needing the regular medical checkup, with the provision of clearer guidelines / appropriate actions needed, in the cases of women workers, if found to be pregnant.	Previous NC
	Auditors Note: The major non-conformity raised in previous audit 2018 #JMD-02 is partially addressed for implementation. The effective implementation and closure need to be further followed up in the next audit in 2020. During the current audit no female foreign workers found to be pregnant in all operating units audited and thus implementation could not be verified.	(2018): JMD- 02 (see note), partial closure.
6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance	The Grievance process flowchart and procedures are displayed in the estate offices. The grievance mechanism established at the grouping has been maintained. There are gender committees specifically to address areas of concern to women. These committees headed by the managers and members are representatives from all areas of work. The minutes of meetings were documented and kept. Reports made to the gender representatives are inaccessible to the public.	Complied
	In addition, since Nov. 2017 IOI group had adopted a revised Whistleblowing Policy¹ which was approved by Audit and Risk Management Committee. Whistleblowing form also available online at IOI group website. ² https://www.ioigroup.com/Content/G/PDF/Corp_WhistleblowingPolicy.pdf	
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Growers and millers deal fairly and transparently with smallholders and other local businesses.

Indicators	Findings and Objective Evidence	Compliance
6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance	FFB prices are publicly displayed at the POM based on current prices as determined by MPOB. These prices are available for public to access at MPOB website.	Complied
6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance	Price mechanism is generally understood by the industry players as the POM is using FFB prices set by the MPOB. Monthly prices are displayed at the POM office and FFB price data are available to the public upon request.	Complied
6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter	Based on employee contracts and JCC meeting minutes, it is evidence that all parties understand the contractual agreements they entered into and consider the contract as fair, legal and	Complied



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into, and that contracts are fair, legal and transparent. Minor Compliance	transparent. Interviews with parties concerned confirmed that Syarimo grouping practices with local businesses are conducted in a fair and transparent manner. Work tenders are open to appropriate parties and reviewed by Tender Committee before approval. The contractors are monitored to follow safety requirements during the work in progress.	
6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance	The grouping has a policy to ensure agreed payments were made in a timely manner as agreed in the contract. Payments are made on time according to common practice of 60-day grace period. This was verified during interview with the stakeholders including the contractors.	Complied
Criterion 6.11 Growers and millers contribute to l	ocal sustainable development where appropriate.	
Indicators	Findings and Objective Evidence	Compliance
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	Main contribution of the estates to the local development can be demonstrated in the provision of facilities, services and where feasible, monetary. Some of the examples are; Active involvement of the management to ensure the achievement of Humana students and discussion on availability of replacement teachers at Humana schools.	Complied

- Free transportation to schools for primary, secondary and
- Humana students. Free housing for HUMANA and CLC teachers.
- Free ambulance service to nearest government medical
- Maintenance of places of worships, e.g. mosque and
- All expenses covered for recruitment related fees. This policy covers both new and qualified existing foreign workers.
- Road maintenance and clear road signages to ensure safety of the users including neighbouring plantations and villages. For example, signages for the road leading to SK Rangau were specifically requested by the school management.
- Close cooperation of Auxiliary Police with the relevant authorities. Especially with police department in dealing with drug related matters and with the Wildlife Department in dealing with illegal hunting related matters.

Not applicable

6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity

The certification scope covered during the audit does not include the smallholder. Thus this criteria is not applicable. In addition, the PMU have no dealings with smallholders.

Minor Compliance Criterion 6.12

No forms of forced or trafficked labour are used.

Indicators	Findings and Objective Evidence	Compliance
6.12.1 There shall be evidence that no forms of forced or trafficked labour	Estate workers are sourced by the IOI appointed agents and handled via IOI Lahad Datu Regional office (LDRO).	
are used. Major Compliance	All procedures of bringing in foreign workers are with the approval from the Immigration Office. Based on records verified and interviews with some of the workers, it is confirmed	



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	that there has been no occurrence of forced nor trafficked workers in IOI estates.	
	IOI through its revised Sustainability Policy have released the passports back to the workers throughout the group. The workers however were reminded they are responsible should any untoward incidents happened while their passports are in their custody. The management will assist the workers to monitor the passport and work permit expiry dates, FOMEMA tests until collection of work permit from the Immigration Office. Contractor workers were also verified to keep their own passports.	
	It was also verified, workers are aware that legalising process of their dependents are their own responsibilities. The PMU provided necessary assistance such as reference address, transportation, supporting documents, advance payment, etc. for the workers who opted to legalise their dependents. It was verified some invoices from recruitment agency did include charges for renewal of dependent passports.	
	In some of the audited units, for example in Syarimo 8 Estate, it was found some passports had just been returned to the workers after the Immigration Department kept it in their custody of since 2017. During the period of, it was evidence that all necessary fines issued by the Department were promptly paid by the estate managements. It was verified through interviews and review of all relevant records that these workers are treated equally and fairly at their workplaces. No discrimination against these group of workers and their dependents were performed by the estate management.	
	Observation raised: In Syarimo 6 Estate house occupancy census is verified to be conducted once a year. However, more regular checks should be done as the foreign workers have occasionally brought in and out other family members without informing the estate management.	OBS: JMD-03
	Data of census for all the estates should be updated and available.	
6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	No issue of contract substitution has been found and this was confirmed through interviews mainly with internal stakeholders.	Complied
6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	Published statement and procedures on migrant workers is covered in IOI Plantation Foreign Workers Recruitment Guideline & Procedure In Malaysia adopted by the IOI group was revised in July 2018. This guideline is also available at IOI website. Implementation of this policy is evident as explained above, for example, all decisions related to hiring of new workers shall be made based on business needs, job requirements and	Complied
	individual qualifications and without regard to race, religion or gender. Also mentioned above that the equal opportunity policy was adopted and implemented by the grouping and verified to have covered all necessary aspects of including migrant workers related issues. Freedom of association as earlier mentioned permitted not only to the local workers but also to the foreign workers.	
	This policy is communicated to all workers during annual refresher training and to all new intakes. 1 https://www.ioigroup.com/Content/S/PDF/Foreign%20Workers%20Recruitment%20Guideline%20Proce	
	dure.pdf	



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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).	Published statement on human rights is covered in Sustainability Policy adopted by the IOI group in 2017 (revised March 2018) under the Human Rights and Workplace heading. This policy is verified to be communicated to all workers during annual refresher training and to all new intakes.	Complied
Major Compliance	workers during armual refresher training and to an new intakes.	
6.13.2 As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies	The mill and estates had contributed towards the setting up of the HUMANA and CLC schools for children of all foreign workers, both for their primary and secondary level educations.	
should engage in a process to secure these children access to education as a moral obligation.	It was verified that the school building, premises and basic utilities has been adequate maintained and transport has been provided free for children of the workers.	
Minor Compliance	In Syarimo 4 Estate and Syarimo 6 Estate, it was found a number of workers' dependents between the ages of 15 to 17 years old at the estates audited (presently less than 10 nos). No such data compiled for all of the estates. However for these group of teenagers, alternative activities or programmes have not yet been developed to ensure they are not getting into any undesirable activities.	OBS: JMD-04

Principle 7: Responsible development of new plantings

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

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

It was verified during current on-site assessment that the PMU has declared and submitted its Land Use Change details for analysis for its plantings since Nov 2005 as per the calculations specified in the **RSPO PalmGHG v 3.0.1.** The record of submission made to the RSPO Secretariat for the current year was done in Jan 2018 as verified during the assessment.

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

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

As for the status of IOI units under Time Bound Plan and evaluation of Multiple Management Units see **section 1.9 of report**.

SUMMARY OF NET GHG EMISSIONS

All information and data below as submitted by Syarimo POM was verified against the retrieved summary report generated through **PalmGHG Calculator Version 3.0.1.**

GHG Table 1: Summary of Net GHG Emissions (actual 12 months: Year 2018: Jan - Dec)

Emissions per Product	tCO2e/tProduct
СРО	1.56
PK	1.56

Production	t/year
FFB processed	388,189.59
CPO Produced	77,553.4



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Extraction	%
OER	19.98
KER	5.10

GHG Table 2: Land Use for Summary of Net GHG Emissions

Land use	ha
OP planted area	16269
OP planted on peat	155
Conservation (non-forested)	967.99

GHG Table 3: Summary of Field Emissions and Sinks

	Own	Crop	Group		3rd Party		Total	
	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha
Emissions								
Land Conversion	161299.64	9.88	-	-	-	-	161299.64	9.88
CO2 Emissions from Fertiliser	21754.86	1.33	-	-	-	-	21754.86	1.33
N2O Emissions	27123.22	1.66	-	-	-	-	27123.22	1.66
Fuel Consumption	7852.98	0.48	-	-	-	-	7852.98	0.48
Peat Oxidation	8222.76	0.5	-	-	-	-	8222.76	0.5
Sinks								
Crop Sequestration	-152890.67	-9.36	-	-	-	-	-152890.67	-9.36
Conservation Sequestration	-570.05	-0.04	-	-	-	-	-570.05	-0.04
Total	72792.74	4.45	-	-	-	-	72792.74	4.45

GHG Table 4a: Summary of Mill Emissions and Credits

	tCO2e	tCo2e/tFFB
Emissions		
POME	76091.73	0.2
Fuel Consumption	2586.72	0.01
Grid Electricity Utilisation	0.24	0
Credits		
Export of Excess Electricity to Grid and Housing	-0.04	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	78678.65	0.2

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

Divert to compost	0 %
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100 %

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GHG Table 4c: POME Diverted to Anaerobic Digestion

Divert to anaerobic pond	100 %
Divert to methane capture (flaring)	0 %
Divert to methane capture (electricity generation)	0 %

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

Divert to anaerobic digestion

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.	Continual Improvements Action Plans were established for 2018 & 2019 and reviewed at annually. The plans did consider the issues on social and environmental impacts and overall productivity which were monitored. The plans include the following: For the Palm oil mill: Construction of biogas plant / facility is still ongoing which include the proposed new 2 MW turbine. Continued use of Geotubes for de-sludging as additional to	Complied
As a minimum, these shall	use of effluent ponds.	
include, but are not necessarily be limited to:	Use of kernel shells for the boiler to reduce consumption of diesel.	
• Reduction in use of pesticides	Additional 6 units of housing for mill workers completed.	
(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2);	The said continual improvement plans and actions taken to date are adequately documented and monitored.	
• Waste reduction (Criterion 5.3);	For the PMU estates:	
• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	Active involvement of the management to ensure the achievement of Humana students and discussion on availability of replacement teachers at Humana schools.	
 Social impacts (Criterion 6.1); Encourage optimising the yield of the supply base. 	Free transportation to schools for primary, secondary and Humana students.	
Major Compliance	3. Free housing for HUMANA and CLC teachers.	
	Free ambulance service to nearest government medical clinic.	
	Maintenance of places of worships, e.g. mosque and chapel.	
	6. Road maintenance and clear road signages to ensure safety of the users including neighbouring plantations and villages. For example, signages for the road leading to SK Rangau were specifically requested by the school management.	
	7. Close cooperation of Auxiliary Police, Police and Wildlife Dept. on social and environmental related issues such as drug related matters and with the Wildlife Department on monitoring of illegal wildlife hunting.	



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3.1.1 Supply Chain Certification Standard Findings - on CPO Mill

The Supply Chain model applied at the POM during this assessment is Module D - CPO Mills: Identity Preserved (IP).

Details of findings are as follows:

General Chain of Custody Requirements for the supply chain:

5.1 Applicability of the general chain of custody requirements for the supply chain				
Indicators	Findings and Objective Evidence	Compliance		
5.1.1. The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.	The CPO Mill i.e. Syarimo Sdn Bhd (under IOI Group) takes legal ownership and physically handles the certified FFB, CPO and PK. Verified as at todate, no outsourced facility is used in the processing and production of the CPO and PK.	Complied		
5.1.2. Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor must pass on the certification number of the product manufacturer and the applicable supply chain model.	The CPO Mill does not perform direct trading of the certified CPO & PK. All the quantities produced are sold solely to refinery - IOI Edible Oils Sdn Bhd (another IOI subsidiary).	Complied		
5.1.3. Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.	RSPO membership is registered under the parent company: IOI Corporation Berhad (RSPO membership No. 2-0002-04-000-00) and POM – Syarimo Sdn Bhd unit was registered in the RSPO PalmTrace.	Complied		
5.1.4. Processing aids do not need to be included within an organization's scope of certification.	No processing aid used as this facility is a CPO Mill.	Complied		
5.2 Supply chain model				
5.2.1 The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	Verified that this facility is a CPO Mill which applies Module D: Identity Preserved (IP)	Complied		
5.2.2. The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Verified that this facility is a CPO Mill which applies Module D: Identity Preserved (IP)	Complied		
5.3 Documented procedures				



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5.3.1.

The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified.

This shall include at minimum the following:

- Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.
- Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).
- Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard.

Documented SOP for SCC: RSPOSC/SOP/IP/3 updated on 1 Aug 2018 is verified on site.

The 'IP module' implementation is verified to be in compliance with the RSPO SCCS requirement. Production records are maintained and updated on a daily basis and monthly, 3-monthly and annually reports are compiled and for reporting to the IOI Group, HQ.

The responsible person identified is the Mill Manager as per the SOP and Organizational chart. Interview done with the Mill Manager (Mr. Hamuddin Bustamin), confirmed that he and his assistants are aware and able to demonstrate the implementation of the RSPO supply chain requirements.

Complied

5.3.2.

The site shall have a written procedure to conduct annual internal audit to determine whether the organization;

- conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.
- effectively implements and maintains the standard requirements within its organization.

Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct nonconformities shall be subject to management review at least annually. The organization must be able to maintain the internal audit records and reports.

Documented SOP for SCC: RSPOSC/SOP/IP/3 updated on 1 Aug 2018 covered the implementation of all elements of Supply chain modules, is verified on-site.

Stated in para 4.1.10 that its Internal Control System ensure that all users of the RSPO trademark and claims are in accordance with RSPO Rules on Market Communications and Claims requirements.

The SOP had covered the Market Communications and Claims requirements including:

-) General corporate communications
- 2) Business to business communications
- 3) Business to consumer communication
- 4) Stamp CSPO/IP or CSPK/IP
- 5) IP general & Module D: IP for CPO Mill
- 6) Labelling and trademark
- 7) Messaging

Last Internal audit was done on 6 Jan 2019 using the checklist as per the RSPO SCC Standard 2017 which included the RSPO Market communication and claims requirements.

The last internal audit indicated 2 NCs raised which were closed out after corrective actions taken. The Internal audit findings were reviewed during the management review conducted on 9 Jan 2019. The management review minutes was attended by Management representatives from IOI HQ, SPO Regional and key Site personnel from the PMU.

Records of Internal audits and minutes of Management review of past 2 years were maintained and available.

Complied

5.4 Purchasing and goods in

5.4.1.

The receiving site shall ensure that purchases of RSPO certified oil palm

The Daily Production Report showed traceable figures of certified products from certified raw

Complied



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products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form:

- The name and address of the buyer;
- The name and address of the seller;
- The loading or shipment / delivery date:
- The date on which the documents were issued.
- A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);
- The quantity of the products delivered:
- Any related transport documentation;
- Supply Chain certificate number of the
- A unique identification number
- Information must be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).
- The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping announcements/ Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.
- A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.
- announcements/announcements.

material sources. All incoming certified raw material is recorded by daily, monthly and annual basis.

Incoming raw material indicating: name and address of the product origin, name and address of the receiver: ticket number, delivery order no.: contract no.; date; quantity; transporter; type of product: Supply Chain model used - IP and RSPO certificate number.

Incoming FFB from supply base are entirely from owned estates only

Samples taken:

Between 1 Jan - 31 Dec 2018 Delivery Notes: 18042 - 26875 WB ticket no: 915342 - 986563 Dates: Between 1 Jan - 31 Dec 2018

Origin: Syarimo 1 to 9 estates Address: Lahad Datu, Sabah

Country of origin: Lahad Datu, Sabah, Malaysia

Receiver: Syarimo POM Address: Lahad Datu, Sabah Product: FFB - RSPO / IP Certified

Quantity: Between 7550 kg - 15,750 kg (per load)

RSPO Cert no: RSPO 928388

The validity of license for traders and
distributors shall also be checked via the
RSPO website at least annually or
through the RSPO IT platform by
confirmation of shipping

The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.

As per the SOP available at the POM for the IP based incoming FFB and documentations such as Estates Delivery Notes and Weighbridge tickets at POM, the control mechanism noted to be in order.

So far, there was no evidence of any occurrence of non-conforming products or related documents.

Complied



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5.5 Outsourcing activities		
5.5.1.		
In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing. This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).	Verified that there are no outsourced processing activities to Independent third parties. Transport of FFB, CPO and PK as arranged by the Estates and POM Management are controlled via contracts with transporters and inspection of the transportation vehicles used prior to and upon completion of loading and off-loading. This are evidenced in the Delivery chits and weighbridge tickets which indicate the Transport vehicle no, weight and driver involved.	Complied
5.5.2.		
Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following: a) The site has legal ownership of all input material to be included in outsourced	No outsourcing of processing activities noted at the POM.	Not applicable
processes;		
b) The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.		
c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.		
d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.		
5.5.3. The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	Transport contractor for the transportation of the CSPO & CSPK are monitored and valid contracts are available and verified at the POM.	Complied
5.5.4.		
The site shall at its next audit inform its CB of the names and contact details of any new	No outsourcing of processing activities noted at the POM.	Not applicable



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contractor used for the processing or physical handling of RSPO certified oil palm products.		
5.6 Sales and goods out		
 5.6.1. The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer; The name and address of the seller; The loading or shipment / delivery date; The date on which the documents were issued; A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); The quantity of the products delivered; Any related transport documentation; Supply chain certificate number of the seller; A unique identification number. Information must be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. 5.7 Registration of transactions 	CPO Mill: Syarimo POM – Syarimo Sdn Bhd, sales and delivery documents information includes: Name and address of production unit. Name and address of buyer WB Ticket number Date of delivery Transporter ID Type of product / Supply chain model Quantity: RSPO certificate no. Sample - Outgoing product - CSPO: Eg: Origin: Syarimo POM Country of origin: Malaysia Recipient: IOI Edible Oil Sdn Bhd Address: PO. BOX 3423, 90738, Sandakan, Sabah, Malaysia WB Ticket no. 149436 Date: 21 Dec 2018 Transport ID: SS 4532 K Product: CPO / IP Quantity: 35,400 kg RSPO Cert no: RSPO 928388 Outgoing product - CSPK: Eg: Origin: Syarimo POM Country of origin: Malaysia Recipient: IOI Edible Oil Sdn Bhd Address: PO. BOX 3423, 90738, Sandakan, Sabah, Malaysia Recipient: IOI Edible Oil Sdn Bhd Address: PO. BOX 3423, 90738, Sandakan, Sabah, Malaysia WB Ticket no. 151213 Date: 11 Nov 2018 Transport ID: SA 2403 Product: CSPK / IP Quantity: 7,258 kg RSPO Cert no: RSPO 928388	Complied
	Legal ownership and physically handling of the	
 5.7.1. Supply chain actors who: are mills, traders, crushers and refineries; and take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall 	RSPO CSPO & CSPK is confirmed for the past 12 months. Records for the transactions made from the POM as sold to the next owner (IOI Edible Oils Sdn Bhd) are confirmed to be appropriately maintained. The PalmTrace ID: CB49654 is identified during certified products trading.	Complied
register their transaction in the RSPO IT platform and confirm upon receipt where applicable.	The company has registered their transactions as	
5.7.2. The involved supply chain actors mentioned in 5.7.1 shall do the following actions	per the Palm trace. Checked information:	Complied

Transaction ID: stated



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 in the RSPO IT Platform: Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	Seller: Syarimo Sdn Bhd (POM) Buyer: IOI Edible Oil Sdn Bhd (Refinery) Product: CSPO Supply chain model: IP Quantity: stated Transaction type: Shipping Status: Confirmed Period: Jan-Dec 2018 Transaction ID: stated Seller: Syarimo Sdn Bhd (POM) Buyer: IOI Edible Oil Sdn Bhd (Refinery) Product: CSPK Supply chain model: IP Quantity: stated Transaction type: Shipping Status: Confirmed Period: Jan-Dec 2018	
5.8.1. The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff.	The POM has an annual Training 2018 /2019, which includes refresher training on the RSPO SCCS. Training records are updated for personnel which includes attendance list and photograph as evidence are verified and available.	Complied
5.8.2. Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed.	The last training was done on 16 Nov 2018, attended 5 participants which included the Mill Manager, Executives, Assistants, Weighbridge clerks who are involved in implementation of the RSPO SCCS. Understanding by personnel was confirmed during audit at the POM.	Complied
5.9 Record keeping		
5.9.1. The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.	The company has procedure to maintain and update all documents and records of RSPO supply chain system as required by the RSPO supply chain. The company has maintained, updated report & record which covering all aspects of RSPO SCCS requirements, such as: daily report, monthly report, 3-months mass balance report, delivery note, balancing stock report, complaint record, non-conforming product report, etc.	Complied
5.9.2. Retention times for all records and reports shall be a minimum of two (2) years and must comply with legal and regulatory requirements and be able to confirm the	As per the RSPO SCC SOP, the minimum retention time of record for 2 years was stated. The retention of accounting related records including contracts, invoices etc. had complied with the minimum 7 years as per the Annual Accounting report and Stock Inventory done by the Accounting Dept.	Complied



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certified status of raw materials or products held in stock.	ducts Based on sampling done for RSPO transactions, the related records were noted to be retained and available at site.		
5.9.3. The organization must be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	The PMU has updated the record keeping of the volumes of FFB purchased, processed and claimed as RSPO certified oil palm products. The Monthly, 3- Monthly, and Annual data over past 12 months was available.	Complied	
5.10 Conversion factors			
5.10.1 Where applicable a conversion rate must be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which must be	Not applicable, as the scope of certification for this unit covers until the CPO Mill only.	Not applicable	
based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.			
5.10.2 Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	Not applicable, as the scope of certification for this unit covers until the CPO Mill only.	Not applicable	
5.11 Claim			
5.11.1. The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	As at to-date, there has been no evidence of any no incorrect or inappropriate claims made at this unit.	Complied	
RSPO Rules on Market Communications at	nd Claims:		
General Corporate communications			
4.1 Highlights RSPO membership and/or commitment to RSPO Principles	The RSPO membership number is stated under the parent company of IOI Corporation Berhad as indicated in the RSPO website and CH certificate.	Complied	
4.2 a) displays RSPO membership number b) displays RSPO web address (www. rspo.org.) c) states support for RSPO work	Noted done via the ACOP submitted on annual basis eg for year 2017 and 2018.	Complied	
4.3 No misleading claim on RSPO membership on sale of certified RSPO products	There has been no evidence of any misleading claim as at the time of audit on the sale of the CSPO & CSPK for past 12 months (Jan-Dec 2018)		
4.4	As above.	Complied	



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No misleading claim to consumers and stakeholders.		
4.5 Use of RSPO logo	No evidence of inappropriate use of the RSPO logo.	Complied
Business to Business communications		
5.1 Appropriate communications for B to B	Transactions and communications is presently internal i.e. between the IOI POM (seller) and IOI Edible Oils Sdn Bhd – Refinery (buyer)	Complied
5.2 Communication of claims of SCC Model and Certificates	Verified that claims using the IP model / status as issued in the CH certificate was correctly stated.	Complied
5.3 Distributor or wholesaler License use	Not applicable as the POM is not a distributor / wholesaler.	Not applicable
5.4 Declarations of certified palm oil are as per RSPO rules.	Verified that claims made on CSPO & CSPK are as per RSPO Rules.	Complied
Business to Consumer communications		
6.1 Any business to consumer claims made?	Not applicable as the POM does not make any communications with consumers.	Not applicable
6.2 Are the RSPO Marks and logos appropriately used and communicated.	Not applicable.	Complied
6.3 On-pack label and claim use	Not applicable.	Not applicable
6.4 Any disclosure of supplier membership status	Not applicable.	Not applicable
6.5 Appropriate and accurate claims made on certified products	Verified that transaction and claims on certified CSPO & CSPK are appropriate and accurate over past 12 months.	Complied
6.6 Use of RSPO Marks and logos	Verified that there were no inappropriate use of RSPO Marks & Logos.	Complied
6.7 Retailer or Food Services company use of RSPO Marks and logos	Not applicable.	Not applicable
6.8 Appropriate and accurate claims made on certified products under 6.7	As above	Not applicable
5.12 Complaints		
5.12.1. The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Documented procedure for CPO Mill for Palm Products. SOP updated on '1/08/2018 (RSPOSC/SOP/IP/4 is verified on site, included the collecting and resolving of stakeholder complaints and any quality issues. There has been no complaint received since previous audit.	Complied
5.13 Management review		
5.13.1. The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	Management review is planned on an annual basis. The last management review was done on 12 Dec 2018, minutes meeting of management review had covered the review of internal audit findings.	Complied
5.13.2. The input to management review shall include information on:	Minutes meeting of management review has included all the required inputs.	Complied



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 Results of internal audits covering RSPO Supply Chain Certification Standard. Customer feedback. Status of preventive and corrective actions. Follow-up actions from management reviews. Changes that could affect the management system. Recommendations for improvement. 	Review of inputs had covered the both the internal audit results on 3 internal audit findings and the NC findings from external audits (from CB and other parties). Review of corrective and preventive actions and the follow up actions from customer feedbacks, previous management review and changes that could affect the management system were minuted.	
 5.13.3. The output from the management review shall include any decisions and actions related to: Improvement of the effectiveness of the management system and its processes. Resource needs. 	Outputs of management review has included recommendations for improvement such as the progressive planning for changeover to a SAP system and training needed for the personnel over the next 12 months.	Complied

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

D.1 Definition			
Indicators	Findings and Objective Evidence	Compliance	
D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.	The POM only processed FFB from its own supply base (see Section 1.3). It was verified that there was no sources of FFB from any outgrowers or independent suppliers / smallholders. Therefore the CPO Mill continues to apply the Identity Preserved (IP) module as was in the previous year.	Complied	
D.2 Explanation			
Indicators	Findings and Objective Evidence	Compliance	
D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	The estimated tonnage of CPO and PK products that could potentially be produced by the POM is recorded and submitted by the POM. The data is verified during the current assessment. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year i.e. estimated for 2018. The actual tonnage produced has been recorded in each annual surveillance report (see Section 1.8.2 Table 6 and Section 1.8.3 Table 7).	Complied	



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D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	The POM meets all registration and reporting requirements for the appropriate supply chain through the RSPO Supply Chain managing organization (RSPO IT platform or book and claim). The PalmTrace ID: CB49654 is identified during certified products trading.	Complied
D.3 Documented procedures		
D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:	Documented procedure for CPO Mill for Palm Products. SOP updated on '1/08/2018 (RSPOSC/SOP/IP/4 is verified on site. The 'IP module' implementation is verified.	Complied
a) Complete and up to date procedures covering the implementation of all the elements in these requirements	The documented procedure and its implementation confirmed to have complied with all the specified requirements of Identity Preserved (IP) Module D. The implementation includes controlling of FFB receipt, processing, sales, CPO and PK dispatch, and records keeping.	Complied
b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.	The Mill Manager, Mr. Hamuddin Bustamin has the overall responsibility and authority for implementation and compliance with the documented procedure. He and other relevant staff (e.g. Asst. Mill Manager, Mr. Kavee Reddy) under his charge demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard Module D requirements and its implementation. Interviews of the relevant staff confirmed their knowledge of the RSPO Supply Chain Certification requirements for the respective areas of operations. The Palm Oil Mill Organization Chart and job responsibilities of employees (Mill Manager, Assistant Manager, Engineers, Assistant Engineers, Technical Executive, Supervisor, Weighbridge Operators Laboratory Chemist and clerks) have been suitably defined in the IOI Management System Manual.	Complied
D.3.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	For the period Jan – Dec 2018, the POM only received and processed FFB entirely from the PMU group estates. Verified that there is no evidence of any noncertified FFB from other sources or suppliers. All supplies of FFB were subjected to verification of documents and quality checks by weighbridge personnel. The identification and documentation needed for supply and processing from the other sources or suppliers are adequately addressed under the procedure. The POM has 6 CPO storage tanks that stored the IP quantities.	Complied
D.4 Purchasing and goods in		
Indicators	Findings and Objective Evidence	Compliance
D.4.1	The Mill had maintained record of tonnages and supply source of FFB from the respective estates	



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(Z Oyole) ADA UT ASSESSITION		
The facility shall verify and document the tonnages and sources of certified and noncertified FFBs received.	at the weighbridge station, in the dispatch chit and weighbridge ticket and these are reported daily to the Lahad Datu Regional Office and weekly to the Head Office at Putrajaya.	Complied
D.4.2 The facility shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The Mill monitors FFB reception, CPO and PK production. IOI HQ and POM has an internal monitoring and reporting mechanism for advising the CB of production variations such as projected overproduction situation, when such issue arises. So far, there is no projected overproduction.	Complied
D.5 Record keeping		
Indicators	Findings and Objective Evidence	Compliance
D.5.1 The site shall record and balance all eceipts of RSPO certified FFB and leliveries of RSPO certified CPO and PK on a three-monthly basis. The records and reports are available from the computerized system. Also, hard copies of records and reports are properly filed and readily accessible. Inspection of records and reports at the Mill confirmed these were accurate, complete and updated daily. The 3-monthly summary of incoming FFB and outgoing CPO & PK are available and checked to be accurately recorded.		Complied
D.6 Processing		
Indicators	Findings and Objective Evidence	Compliance
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.	Confirmed from records that the POM only received and processed certified FFB from its own estates. The processing facility has established and implemented a clear procedure and mechanism for the IP module. Review and on-site verification confirmed that the mechanism was implemented and in compliance with the module requirements at the mill, including transport and storage. Transaction documents and bookkeeping of FFB, CPO and PK are done daily and monthly summary submitted to Head Office. The POM does not have a Kernel Crushing facility. All CPO and PK are sold to IOI Edible Oil Sdn Bhd (Refinery at Sandakan, Sabah).	Complied
D.6.2 The objective is for 100 % segregated material to be reached.	Documents and records provided documented evidence that the FFB receipt and processed, and CPO and PK produced are traceable to 100% certified material. The product type and supply chain module was indicated as CSPO/IP and CSPK/IP on relevant	Complied

3.1.2 Status on Supply Chain on POM:

Based on the documents and records presented during the on-site verifications made, it is concluded that the POM has been able to comply with the requirements of the RSPO SCCS under the 'IP' module and is **thus eligible for 'IP' trading for its palm products for year 2018 / 2019.**

documents.

3.1.3 CSPO and CSPK volumes traded:

Trading of the CSPO and CSPK was performed via RSPO PalmTrace by the IOI Group HQ e.g. IOI Commodity Trading Sdn Bhd. Based on the records maintained at the POM, the traded volumes relied on internal communications of the trading done by the IOI HQ, on the CSPO and CSPK delivered to IOI Edible Oils Sdn Bhd (Refinery).



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Table 9: Traded Volumes (Certified and Non-Certified) of CPO and PK

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Details required (as per RSPO Certification System document)			
	CPO (mt)	PK (mt)	
Last year's (Projected) – Certified volume (RSPO Certified) - 2018	97,881	22,763	
Last year's Actual sold volume (RSPO Certified)	76,794.04	17,944.09	
2) Last year's Actual sold volume (Other Schemes certified)	0	0	
3) Last Year's Actual sold volume (Conventional)	362.99	0	
Total for Last Year's volume – Actual (1+2+3):	77,157.03	17,944.09	
Note: Actual data verified till 30 Dec 2018 (during audit).			
New (Projected) Certified Volume (RSPO Certified) - 2019	78,080	20,300	

Notes:

- The non-PalmTrace volumes under 'Other Schemes certified' is basically ISCC.
- Data for items 1) to 3) was verified at HQ and checked against data at POM
- No trading was applied via RSPO Credits as verified at IOI, HQ (Marketing Dept.)

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

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

Assessment Type	Year	Noncompliance (NC)	Observations (OBS)	Follow up status
Re-Certification	2018	5 (3- Major, 2- Minor)	1	All NCs is verified to be addressed and closed during ASA-01 except for NC: JMD-02 (partial closure).
ASA-01	2019	1 (Minor)	6	Next Surveillance (including NC:JMD-02 of 2018)

3.2.1 Year 2018: 5 NCs (3 Major, 2 Minor)

NCR	MYNI Indicator	Details of NC
Minor	4.2.4	Date issued: 19 Jan 2018
CBK-01		Nonconformance: At Syarimo 9 Estate, it was noted that Empty Fruit Bunches delivered to field block 2N had not been levelled for a period of time as vegetation were seen growing out of these heaps of EFB. Root Cause and Corrective Action(s):



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Root cause: The EFB is not mulched/ levelled due to the shortage of the workers. To address the issue, management is planning to send backhoe machine to level the heaps of EFB. However, due to multiple breakdowns, unskilled operator (for EFB levelling work) and other work commitment of the vehicle, the levelling of the EFB programme we found being delayed.

Corrective Action:

The identified spot of EFB heaping have been leveled immediately. FFB Checker have been appointed to monitor the placement of the EFB on daily basis. A work programme of the backhoe has been developed to ensure the EFB dumped in the field is leveled. Base on the checkers report and the backhoe's work programme, further action to arrange the necessary work will be carried out by the management to level the identified EFB heaps once detected.

Verification on Corrective Action(s): by Lead Auditor / Auditor

Minor NC:

Off-site Verification on date: 26 Feb 2018 Corrective Actions taken: As stated above Supportive evidences: As received are:

- 1) Training given to all backhoe on application of EFB
- 2) Copy of checker's Employee Identification Cum Input Document with their job class.3) Work programme of backhoe which synchronize with the field block which the EFB is
- Work programme of backhoe which synchronize with the field block which the EFB is applied.
- 4) Map of programme and actual application of EFB

Conclusion:

[x] Yes - Evidences submitted as above for the corrective actions done with attached photographs at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.

NC status verified by auditor: Closed by CBK & AL Date closed: 26 Feb 2018

Verification of effectiveness:

Verified during current assessment that implementation done for the corrective actions taken was effective for closure.

NC status verified by auditor: CBK Date verified: 17 Jan 2019

NCR	MYNI Indicator	Details of NC	
Major	4.4.2	Date issued: 19 Jan 2018	
SH-01		Nonconformance:	
		At Syarimo 3 estate, during field inspection made to Blok 95K, it was observed that the extent of the buffer zone at the small streams were not clearly demarcated or maintained.	
		Some of the buffer markings were found to have faded. Also, there seemed to be two colouring system used to mark the buffer area i.e. Red colour alone and the red/white markings.	
		Root Cause and Corrective Action(s):	



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Root cause: The management are currently in progress of re-marking all the palm in the riparian reserve. As there is only a small number of designated workers to cover such a big area of riparian reserve in the estate, it took some time for the them to complete all the remarking work.

The guideline/SOP for the maintenance of the buffer zone clarifies that the marking of the buffer zone should be in red ring markings at the palm. The estate come out with their own iniative to add the white marking so as to further contrast the red marking color. Though the workers are clearly being aware on purpose of the marking, the management however is unaware of the risk having different clouring system may cause confusion for 3rd parties, or potentially if they have new recruits.

Corrective Action:

The identified riparian reserve area is marked immediately with red marking. For the existing red-white marking on palms, the white paint will be left to be faded over time. Red zone (zon merah) system is implemented to further enforce the purpose of buffer zone.

Verification on Corrective Action(s): by Lead Auditor / Auditor

MAJOR NC:

Off-site Verification on date: 26 Feb 2018

Corrective actions taken: As stated by Auditee in their RC & CA

Supportive evidences:

- 1) Pictorial evidence of marked riparian reserve (Blok 95K).
- 2) Record of programme and work done in re-marking the riparian reserve.
- 3) List of names of workers for the work involved.

Conclusion:

[x] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.

Verification of effectiveness:

Verified during current assessment that implementation done for the corrective actions taken was effective for closure.

NC status verified by auditor: AL Date verified: 17 Jan 2019

NCR	MYNI Indicator	Details of NC			
Minor	5.1.2	Date issued: 19 Jan 2018			
		onconformance:			



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SH-02

1. In most estates visited (e.g. at Syarimo 1, Syarimo 7 and Syarimo 9), there are several ponds identified and their existence is to serve several purposes of domestic use e.g. drinking water.

Some of the ponds was observed to have accumulated some unwanted vegetation etc. This is also happening at the ponds near the guest house.

The management and action plan implemented was found not to be sufficiently comprehensive for the intended purpose of their existence.

The Management plan for mitigation of environmental impacts, timeframe for action and responsible persons were not adequately documented or followed up by the Estate personnel.

At Syarimo 9 estate, there exist a seasonal waterfall. The existence of this waterfall
was however not taken into consideration and reported Environmental Management
Plan and review, although certain measures to manage the area was undertaken. It
was also not indicated in the estate map.

Root Cause and Corrective Action(s):

Root cause: Lack of awareness of the management on maintaining the cleanliness of the water pond.

Due to the seasonal nature of the waterfall, the management had little to none specific management plan for that area. However, the actual implementation on ground had been carried out which is by providing buffer zone to that area.

Corrective Action:

The water ponds will be clean up immediately. A more detail and comprehensive management of the water pond will be included in the Internal High Conservation Value document and Internal Environment Impact Assessment document. A schedule of cleaning is developed for cleaning to ensure that the water pond is clean and free from unwanted vegetation. This issue will be included in the SPO supervisor report as well.

Prohibition signboard will be erected near the waterfall. A documented management plan on it will be included in the internal EIA. The location of the waterfall will be indicated in the field map. Training will be given to the workers on the waterfall once a year while briefing will be conducted once quarterly during muster call. SPO supervisor will patrol to the waterfall as part of monitoring process.

Verification on Corrective Action(s): by Lead Auditor / Auditor

Minor NC:

Off-site Verification on date: 26 Feb 2018 Corrective Actions taken: As stated above Supportive evidences: As received are:

- 1) Pictorial evidence of water pond.
- 2) Revised of EIA document regarding on the management of water ponds.
- 3) Schedule of the cleaning of the ponds
- 4) Addition checklist in the of SPO supervisor report on the cleanliness of the water pond
- 5) Pictorial evidence of the erected signboard at the waterfall.
- 6) Training record and briefing record.
- 7) Letter to GIS Department to indicate in the field map with location of waterfall.
- 8) Record of SPO supervisor patrolling record.
- 9) Review of EIA document with addition of waterfall management

Conclusion:

[x] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.

NC status verified by auditor: Closed by SH & AL Date closed: 26 Feb 2018



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		Verification of effectiveness: Verified during current assessment that implementation done for the corrective actions taken was effective for closure.		
		NC status verified by auditor: AL	Date verified: 17 Jan 2019	

NCR	MYNI Indicator	Details of NCR	
Major	6.5.2	Date issued: 19 Jan 2018	
JMD-01		Nonconformance:	
		In Syarimo 7 estate, there were cases of absconded worthe Police Department in timely manner, i.e. the estate report once a year.	
		In Syarimo 9 estate, one worker was found to have two shown in the insurance cover is not the same as the nare.	
		Root Cause and Corrective Action(s):	
		Root cause:	
		 In Syarimo 7, the reason of long lapses in the estate's powerkers (which was supposed to be at 3 monthly basis) was management personnel in the estate. The current management personnel in the previous one, which has worker cases in one year time. 	was due to a few changes in the gement was only able to lodge
		The management had overlooked to ensure the name lis official name of the worker in the passport are matched.	at in the insurance cover and the
		Corrective Action:	
		Plantation Controller office (PC office) have issued out the controller office (PC office).	ne memo or circular for Svarimo
		Grouping referring to the memo from Human Resources police report for every three months. A specific section a will be provided to indicate the last police report on the a will be not more than 90 days. 2. To provide the confirmation letter from the MSIG regarding workers in the insurance list which match the name in the	Department (HRD) to lodge the t the estate office's notice board bscondment cases to ensure it ng of changes of name of
		Verification on Corrective Action(s): by Lead Auditor / A	uditor
		MAJOR NC:	
		Off-site Verification on date: 26 Feb 2018	
		Corrective actions taken: As stated by Auditee in their RC &	CA
		Supportive evidences:	O/ (
		 Memo/circular from Plantation Controller Office for Syarin dated on 22/01/2018 Confirmation letter from MSIG dated on 19/01/2018 	mo Grouping's operating units
		3) Pictures of the last 'police report for abscondment' section	on at the estate notice board.
		Conclusion:	
		[x] Yes - Evidences submitted as above for the corrective a evidences at the audited sites were verified and considered the issue and acceptable for closure.	
		NC status verified by auditor: Closed by JMD & AL	Date closed: 3 Mar 2018
		Verification of effectiveness:	ı
		Verified during current assessment that implementation done was effective for closure.	e for the corrective actions taken
		NC status verified by auditor: JMD	Date verified: 17 Jan 2019



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MYNI NCR Details of NCR Indicator Major 6.9.2 Date issued: 19 Jan 2018 JMD-02 Nonconformance: In Syarimo 9 estate, one female general worker was found to have hidden her pregnancy from the management for at least 6 months. Absence of clear guidelines on how to handle workers pregnancy caused some workers to choose this option. especially if the worker require extra income in preparation to receive the new member in the family. Root Cause and Corrective Action(s): Root cause: Memo from Dr. Rajah Krishnananthan, Visiting Medical Officer (VMO) dated on 13th March 2015 stated that all pregnancy workers must send back to hometown as soon as pregnancy is discovered. This memo was distributed to all operating units in the region. The estate's clinic had to adhere to this memo without exception. However, at the moment there is no clear guideline for the operating unit on the implementation of the said memo, which had caused some of workers were assuming that they have to resign once the pregnancy is detected. Corrective Action: Documented guideline on the pregnancy checks and pregnant workers are as following: (a) Pregnancy test for general workers (b) Once the workers are detected to be pregnant, they will be stopped from doing heavy work in field including work that exposed to the chemicals. (c) Another alternative work for pregnant workers will be given The guideline will be distributed to all operating unit for IOI Svarimo Grouping for implementation. Training will be provided to the estate management, including the EHA on the new established guideline. The SPO Supervisor in the operating units will monitor the continuos implementation of the guildeline with the guidance from the regional sustainability team. Verification on Corrective Action(s): by Lead Auditor / Auditor MAJOR NC: Off-site Verification on date: 26 Feb 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: 1) Memo from Dr. Rajah dated on 12th March 2015 2) Draft of Guideline for the pregnancy workers from IOI 3) Draft of Procedural Guidance for new and expectant pregnant foreign worker in Plantation from VMO- Dr. Fikri Conclusion: Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. NC status verified by auditor: Closed by JMD & AL Date closed: 3 Mar 2018 Verification of effectiveness: Verified during current assessment that implementation done for the corrective actions taken. However, CB Auditor is given to understand that the guideline and procedure on this issue is still pending further decision making and final approval by the IOI Management. Thus this NC is only partially implemented and will be subject to further follow-up verification for closure during the next Assessment in 2020 (see note on 2019 findings) NC status verified by auditor: JMD Date verified: 17 Jan 2019



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monitoring.

3.2.2 Year 2018: 1 Observation

Ref No: MYNI Indicator				Status		
	Location	Details of Observation	Opened date	Closed date	Remarks (if any)	
OBS: SH-01	5.2.1	Estates audited	At Syarimo 1, 7 and 9 estates, the landfill location was not adequately indicated on the maps for	19 Jan 2018	17 Jan 2019	Addressed and closed

Year 2019: 1 NC (Minor) 3.2.3

NC#	MYNI Indicator	Details of Non-Conformance (NC)			
Minor	4.1.2	Date issued: 17 Jan 2019			
CBK-01		Requirement:			
		4.1.2 A mechanism to check consistent implementation of procedures shall be in place.			
		Statement of Nonconformance:			
		Mechanism to check consistent implementation of procedures was not adequate.			
		Evidence of Nonconformance:			
		At Syarimo 5 estate, it was noted that OP Replanting was in progress and the services of a Replanting contractor was used with contractual agreement sighted.			
		However the mechanism to check consistent implementation of RSPO P&C requirements applicable to the Replanting contractor was found to be inadequate.			
		The present checking done, did not include:			
		 (e) Required permits (e.g. use of fuel in transportable skid tanks) (f) Number of workers employed by the contractor (local and foreign) (g) Identification and legal documentations for foreign workers (passports, work permits etc.) (h) Payment of wages to the workers (minimum wage, timely payment) 			
		Root Cause and Corrective Action(s): by Auditee representative			
		Root cause: The required documentation has been submitted by the contractor to the estate office. However, there were no specific personnel appointed in the operating units to closely monitor the submission and to carry out the monthly compilation of the related document.			
		Corrective Action & Preventive Measure: Appointment of the responsible person in Syarimo 5 to monitor the documentation submission and compilation. The required summary of documentation are to be verified by the Estate Manager every month.			
		Timeline for implementation: Commencing 1 March 2019 onward for all Estates.			
		Verification on Corrective Action(s): by Lead Auditor / Auditor			



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Off-site verification done. RC & CA submitted and s evidences were reviewed. Supporting documents in	11 0				
Appointment of Asst Manager to monitor the repl	anting contractor's document				
Training record with Replanting contractor to explain on sustainability require required document					
3. Monitoring form for contractor that include all requirement.	3. Monitoring form for contractor that include all required details as prescribe in the NC statement.				
Conclusion: NC has been adequately addressed wi documentation for implementation. Accepted for clo					
NC status closed by auditor: AL	Date closed: 25 Mar 2019				
	Verification of effectiveness: Next assessment				
Verification of effectiveness: Next assessment					

3.2.4 Year 2019: 1 Observation

	MYNI	WAII	Status			
Ref No:	Indicator	Details of Observation	Opened date	Closed date	Remark, if any	
OBS: AL-01	5.3.3	At Estates: For waste management, landfill locations on respective estate maps has been identified. However, improvement in landfill planning can be done with study on overall size of landfill needed for use over a 5 year period for each estate and guidelines for re-use of landfill plots to be available for consistency of practice throughout all the estates under Syarimo grouping.		-	Next assessment	
OBS: AL-02	5.2.1	At Estates Grouping: Information on HCV and Conservation areas was compiled and reviewed. However the changes in status and total land area under conservation need to be more accurately updated i.e. The breakdown on the data on the areas involved for the respective estates occasionally did not match with 'List of external and internal HCV and conservation area' for Syarimo grouping.	17 Jan 2019	-	Next assessment	
OBS: JMD-01	6.5.2	Location: All estates and mill The contract between the estates and the contractors is generally satisfactory and comprehensive, however it has not clearly included the statement to allow CBs visit the	17 Jan 2019	-	Next assessment	



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		contractor's offices for verification purposes. 2. The mill and estates managements are making efforts to monitor contractors' legal compliance, however currently monitoring practice focuses mainly on minimum wages, licensing and legality of workers. Other areas such as safety or environmental compliance has not been included.			
OBS: JMD-02	6.5.3	Location: Syarimo 4 Estate Linesite maintenance and cleaning activities are conducted regularly but non-biodegradable rubbish were still observed to be discarded and found at the drains including old tyres and plastic items such as discarded chairs, slippers and toys.	17 Jan 2019	-	Next assessment
OBS: JMD-03	6.12.1	Location: Syarimo 6 House occupancy census is verified to be conducted once a year. However, more regular checks should be done as the foreign workers have occasionally brought in and out other family members without informing the estate management. Data of census for all the estates should be updated and available.	17 Jan 2019	-	Next assessment
OBS: JMD-04	6.13.2	Location: Syarimo 4 and 6 The number of workers dependents between the ages of 15 to 17 years old at the estates audited (are presently less than 10 nos). No such data, for the all of the estates (i.e. including those not audited, was available for verification). However for these group of teenagers, alternative activities or programmes have not yet been developed to ensure they are not getting into any undesirable activities.	17 Jan 2019	-	Next assessment

3.2.5 Identified Positive Elements

- 1) Planned construction and installation of Biogas Plant for the reduction of GHG.
- The PMU has contributed towards the education of children of estate migrant workers. IOI Corporation has
 provided has education assistance for more than 2000 children under the HUMANA programme.
- The PMU has contributed towards the local economy and provided proper infrastructure such as more access roads, better housing, sports and recreational facilities.



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- 4) Employment opportunities for the local community and other youths in the State of Sabah
- 5) Improved rapport with the local authorities such as the Sabah Forestry Dept. and Sabah Wildlife Protection Dept.

3.3 Feedback Raised by Stakeholders and Findings

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

3.3.1 Feedback Raised by Stakeholders (Year 2018)

Communication done via email on 13 Dec 2017 and on-site interviews with the various categories of stakeholders (see list under **para 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
Government Agencies: Feedback received: Sabah Forestry Dept. (SFD). via faxed letter on 20 Jan 2018. Recommendations made on: a) Environmental Protection b) Biodiversity Conservation c) Community development Conclusion: SFD supports the Syarimo PMU to be re-certified under the RSPO Scheme. Malaysian Palm Oil Board (MPOB) via email on 24 Dec 2017. Statement: There are no outstanding enforcement actions to be taken against PMU Syarimo grouping – Unit Pengurusan Ladang Syarimo.	As in previous years, recommendations made are considered for continual improvement. Ongoing consultations with SFD will be maintained. Ongoing consultations with MPOB will be maintained.	Verified during on-site assessment that most of the SFD recommendations were implemented under the findings made under RSPO Principles 1, 2, 3, 4, 5 and 6. Verified that there were no outstanding issues under the MPOB license.	Monitoring done during Surveillance: ASA-01 Issues were verified to have been addressed.
Non-Governmental Organizations: No feedback received for Syarimo PMU.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Local Communities - Stakeholders' Consultation: Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 18 Jan 2018. A total of 12 stakeholders: 3 governmental representatives, 2 transporters, 1 local communities, 2 Humana, 2 contractors and 2 suppliers were present at the			



consultation.

include:

They were interviewed by the auditors without the presence of any of the PMU staff.

Concerns and suggestions received during interviews and stakeholder consultations

Sabah Wildlife Officials would

like to hold more presentations

Elephant re-location programs.

HUMANA school facilities to be

for better understanding of

Orang Utan behaviour and

further improved e.g. better

tables & chairs, toilets and

teacher accommodations.

CLC to be given separate building facility and additional

classrooms rather than just

sharing with HUMANA.

More introductory tour for Teachers and students and

interested stakeholders to

some interesting locations

within IOI Syarimo group, e.g.

irrigation, line sites etc. on the

boundaries, streams, rivers,

conservation efforts made. More gatherings to foster

better rapport between local

communities and the PMU.

Assistance needed during

Local Communities -

Staff/Workers sampling: POM - 18 males, 11 females Estate Offices = 25 males.

Field/sites visit = 34 males,

All complaints & issues has been allowed, properly

Interviews of sampled staff and workers were also conducted by the auditors during field visits from 15 to 19 Jan 2018

Interviews:

at the PMU:

22 females

41 females

access.

flash floods and estate road

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

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The PMU has taken

some actions as

stakeholders as

closing meeting.

auditors during the

briefed by the

earlier suggested.

Page 81 of 100 Followed up done during current assessment: Additional presentations were held by Monitoring done Further consideration the Sabah Wildlife officials for IOI during Surveillance: Group - Lahad Datu region in Nov ASA-01. on the concerns and suggestions from the 2018. Issues were verified to have been addressed. **HUMANA** facilities and teacher accommodations are inspected regularly. Repair works and replacements were done as necessary. Construction of new HUMANA building is planned in Syarimo 5 which will address the issue of insufficient class rooms in Syarimo 1. Introductory tours were still being considered as the Management has to further consider the appropriate measures to be taken to minimise disruptions to operations and issues of safety risks to external parties Current practice continued, i.e. through annual stakeholder consultation. However, direct requests from stakeholders are observed, e.g. SK Sangau for road maintenance. Plans for assistance to be given to local communities during occurrence of flash floods were documented. There was no incidence of flash floods in 2018.



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recorded and attended to by the Mill & Estate management. No further new issues raised by the sampled staff and workers.	Ongoing consultations via ECC, Safety & Heath, Gender committee meetings etc. will be maintained.	Findings were reported during the current audit. No further response needed.	Monitoring done during Surveillance: ASA-01 Issues were verified to have been addressed.
Other Interested parties: No feedback received.	No response needed.	No response needed.	Nil

3.3.2 Feedback Raised by Stakeholders (Year 2019)

Communication done via email on 10 Dec 2018 and on-site interviews with the various categories of stakeholders (see list under **para 2.5**):

PMU Response	CB verification / comments	Follow up
i iiio neoponeo		comments (if any)
Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
PMU responded that	To be followed up during the next	Monitoring to continue during next
reviewed by the management.		surveillance
	consultations will be maintained. No response needed. Ongoing consultations will be maintained. No response needed. PMU responded that this matter will be reviewed by the	Ongoing consultations will be maintained. No response needed. Ongoing consultations will be maintained. No response needed. Verified during on-site assessment that no response needed. Verified during on-site assessment that no response needed. PMU responded that this matter will be reviewed by the



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Humana School to be built in Syarimo 5 Estate to reduce the crowd in Syarimo 1 Humana School.			
Staff / Workers - Interviews: Interviews of sampled staff and workers were also conducted by the auditors during field visits from: 14 to 17 Jan 2019 Staff/Workers sampling:			
POM - 11 males, 7 females Estate Offices = 21 males, 17 females Field/sites visit = 31 males, 35 females			
All complaints & issues has been allowed, properly recorded and attended to by the Mill & Estate management. No further new issues raised by the sampled staff and workers.	Ongoing consultations via ECC, Safety & Heath, Gender committee meetings etc. will be maintained.	To be followed up during the next Assessment.	Monitoring to continue during next surveillance.
Other Interested parties: No feedback received.	No response needed.	No response needed.	Nil



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4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

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

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

Signed for and on behalf of Intertek Certification International Sdn Bhd

Augustine Loh Lead Assessor Date: 05 May 2019

4.1 Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings

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

Signed for and on behalf of IOI Plantation Services Sdn Bhd

Mr. Kathiravan Subramaniam Senior Manager (Syarimo PMU)

Date: 06 May 2019



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

Certificate No:	RSPO 928388
Original Certification start date: (1st cycle)	20 Mar 2013
New Certification expiry date: (2 nd cycle)	19 Mar 2023
New PalmTrace License start date:	20 Mar 2019
New PalmTrace License expiry date:	19 Mar 2020
Organization	IOI Corporation Berhad
Address of Head Office:	Level 28, IOI City Tower 2, Lebuh IRC, IOI Resort City, 62502, Putrajaya, Malaysia
Parent Company RSPO Membership No:	2-0002-04-000-00
Plantation Management Unit:	Syarimo Sdn Bhd (Syarimo POM & Estates in Grouping)
Address of POM:	MDLD 5123, KM 3, Jalan Segama, 91100 Lahad Datu, Sabah, Malaysia
Standards:	RSPO Principles and Criteria (Apr 2013); Malaysian National Interpretation (MY-NI 2014); RSPO Supply Chain Certification Standards (Jun 2017) for Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernel
Supply Chain model for POM	Identity Preserved (IP)

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

		GPS Re	eference	Mature Area	Certified
Name	Address Latitude		Longitude	(ha)	(Titled) Area (ha)
Syarimo Sdn Bhd - Syarimo Palm Oil Mill (Capacity: 90 MT/hour)	MDLD 5123, KM 3, Jalan Segama, 91100 Lahad Datu, Sabah, Malaysia	05°20.001'N	117°46.875'E	-	-
Syarimo 1 estate	Sg. Pin, Kinabatangan, Sabah	05°19.742'N	117°49.510'E	1820	1820
Syarimo 2 estate	Sg. Pin, Kinabatangan, Sabah	05°19.642'N	117°47.077'E	1710	1710
Syarimo 3 estate	Sg. Pin, Kinabatangan, Sabah	05°19.769'N	117°46.561'E	2306	2306
Syarimo 4 estate	Sg. Pin, Kinabatangan, Sabah	05°23.041'N	117°45.877'E	1875	1875
Syarimo 5 estate	Sg. Pin, Kinabatangan, Sabah	05°21.065'N	117°42.938'E	1554	2072
Syarimo 6 estate	Sg. Pin, Kinabatangan, Sabah	05°18.919'N	117°45.707'E	1594	1594
Syarimo 7 estate	Sg. Latangan, Kinabatangan, Sabah	05°17.792'N	117°42.124'E	1978	1963
Syarimo 8 estate	Sg. Latangan, Kinabatangan, Sabah	05°19.235'N	117°41.489'E	1430	1430
Syarimo 9 estate	Sg. Latangan, Kinabatangan, Sabah	05°15.714'N	117°42.546'E	1515	1499

The annual certified tonnages produced at the PMU are detailed as follows:

Syarimo POM	Annual Tonnages (MT)
Certified FFB	390,400
Certified CPO	78,080
Certified PK	20,300
Supply chain module	Identity Preserved (IP)



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Appendix A:

Qualifications of Lead Assessor and Assessment Team

Mr. Augustine Loh (AL) - Lead Assessor / Technical Expert

(Palm Oil Mill, Environment, Social, Conservation & HCV area, GAP, IPM, Land Use and Supply Chain) – Master in Business Administration, US and Diploma in Maritime Studies, Singapore

Mr. Augustine Loh is an IRCA Third Party Assessment Lead Auditor and IRCA Lead Tutor for IRCA ISO 9001 and OHSAS 18001 Lead Auditor Courses as well as Tutor for RSPO Certification Programs and Integrated Management System in Intertek, Malaysia. He is a PORLA Licensed Surveyor / Inspector. He has over 25 years of fieldwork and experience in Palm based product survey, supply chain monitoring, inspection and testing. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001, ISO 14001, OHSAS 18001, ISO 22001, ISO 27001, RSPO Principles and Criteria Lead Assessor Course, RSPO Supply Chain Certification and the International Sustainable Carbon Certification (ISCC) Lead Auditor courses. He has also completed the RSPO training on RSPO P&C, RSPO Palm GHG tool, RSPO RED and RSPO NEXT requirements. He has conducted assessments of organizations in Malaysia, Singapore, Indonesia, Brunei, Thailand, Cambodia and Australia. He is currently the RSPO Regional Program Manager of Intertek Certification International, Malaysia and has performed over 800 auditing days on quality, environmental and safety & health assessments in various sectors including agriculture and oil palm plantations. He was the RSPO CB Assessment Team Leader / Member which audited several RSPO certified Plantation Management Units since 2009. He was the CB Team Leader in the stakeholder consultation and development of the RSPO Cambodian Local Indicators. He is a member of the CB Internal Review Panel for RSPO Assessment reports since 2010. He is also a Lead Auditor in the Malaysian Sustainable Palm Oil (MSPO) certification.

Mr. Jumat Majid (JMD) - Assessor / Technical Expert

(Social Responsibility, Workers Welfare and GAP)

- BSc (Social Science)

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

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

(Good Agriculture Practice, Integrated Pest Management and Social)

- BSc in Food Technology, University of Reading, UK

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



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Appendix B:

Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity					
			Asssessment Team				
14 Jan 2019	7.00 am – 1.00 pm	Travel to Syarimo Desa POM					
(Day 1)	1.00 pm - 2.00 pm		Lunch Break				
	2.00 pm – 2.30 pm		ng Meeting and Briefing at Po d by representatives from the				
	2.30 pm – 5.00 pm	Document Review and Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM					
		AL	AL CBK				
		Site assessment at Mill P1 Transparency P2 Laws & regulations P3 Economic & Financial Viability P5 Environmental, Conservation, HCV & GHG P8 Continual Improvement SCC for POM	Site assessment at Mill P2 Laws & regulations P4 Best Practices at Mill P8 Continual Improvement	Site assessment at Mill P2 Laws & regulations P6 Employees, Individuals & Communities incl. Gender Issues P8 Continual Improvement			
		 Review of documentation changes (incl. Organisation, Policies, SOPs, and La Verification of implementation effectiveness for corrective actions on previous Review of Time Bound Plan (TBP) Verification on compliance with Minimum requirements for Multiple Managem (MMU) 					
	5.00 pm – 6.00 pm		Travel to Hotel & Break				
	6.00 pm – 7.00 pm		Team Meeting and Discussion	on			

Date	Time	Assessors and Assessment Activity						
15 Jan 2019	8.30 am –	AL	СВК	JMD				
(Day 2)	12.30pm	Site assessment at Estate 1 P1 Transparency P2 Laws & regulations P3 Economic & Financial Viability P5 Environmental, Conservation, HCV & GHG P8 Continual Improvement	Site assessment at Estate 1 P2 Laws & regulations P4 Best Practices at Estate P7 New Plantings P8 Continual Improvement	Site assessment at Estate 1 P2 Laws & regulations P6 Employees, Individuals & Communities incl. Gender Issues P8 Continual Improvement				
	12.30 pm – 1.30 pm	Lunch Break						
	1.30 pm - 5.00 pm	Site assessment at Estate 2 P1 Transparency P2 Laws & regulations P3 Economic & Financial Viability P5 Environmental, Conservation, HCV & GHG P8 Continual Improvement	Site assessment at Estate 2 P2 Laws & regulations P4 Best Practices at Estate P7 New Plantings P8 Continual Improvement	Site assessment at Estate 2 P2 Laws & regulations P6 Employees, Individuals & Communities incl. Gender Issues P8 Continual Improvement				
	5.00 pm – 6.00 pm	Travel to Hotel & Break						
	6.00 pm – 7.00 pm		Team Meeting and Discuss	sion				



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Date	Time	Assessors and Assessment Activity					
16 Jan 2019 8.30 am – AL		СВК	JMD				
(Day 3)	(Day 3) Site assessment at Estate 3 P1 Transparency P2 Laws & regulations P3 Economic & Financial Viability P5 Environmental, Conservation, HCV & GHG P8 Continual Improvement		Site assessment at Estate 3 P2 Laws & regulations P4 Best Practices at Mill P7 New Plantings P8 Continual Improvement	Site assessment at Estate 3 P2 Laws & regulations P6 Employees, Individuals & Communities incl. Gender Issues P8 Continual Improvement			
	12.30 pm – 1.30 pm		Lunch Break				
	1.30 pm - 5.00 pm	Site assessment at Estate 4 P1 Transparency P2 Laws & regulations P3 Economic & Financial Viability P5 Environmental, Conservation, HCV & GHG P8 Continual Improvement Site assessment at Estate 4 P2 Laws & regulations P4 Best Practices at Mi P7 New Plantings P8 Continual Improvement		Site assessment at Estate 4 P2 Laws & regulations P6 Employees, Individuals & Communities incl. Gender Issues P8 Continual Improvement			
	5.00 pm – 6.00 pm	Travel to Hotel & Break					
	6.00 pm – 7.00 pm	Team Meeting and Discussion					

Date	Time	A	ssessors and Assessment Ac	ctivity		
17 Jan 2019	8.30 -	AL	СВК	JMD		
(Day 4)	11.30 am	Site assessment at Mill P1 Transparency P2 Laws & regulations P3 Economic & Financial Viability P5 Environmental, Conservation, HCV & GHG SCC for POM	Notes 1 and 2 below): Contractors Suppliers Transporters NGOS Government Department Local Community Previous landowners / Notes It is mandatory for the PMU information (as a minimum the applicable category and contagrior to the assessment. This will facilitate the randometers.	users U to inform Intertek and provide the eno. of stakeholders in each act number) on the stakeholders om and impartial selection of endent and organized smallholders,		
	11.30 – 1.00 pm	Site assessment at POM or estates to follow up on any specific criteria/areas				
	1.00 – 2.00 pm	Lunch Break				
	2.00 – 4.00 pm	Team Meeting and Discussions with POM Management Representative				
	4.00 – 5.00 pm	Closing Meeting & Briefing at Palm Oil Mill Office				
	5.00 pm onwards		Travel back to Hotel			

Date	Time	Assessors and Assessment Activity				
18 Jan 2018	8.30 am –	AL	СВК	JMD		
(Day 5)	onwards		Travel and flight back to Kuala	Lumpur		



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Appendix C-1:

Location Map of IOI Syarimo Grouping, Kinabatangan, Sabah Scale 1: 200 km



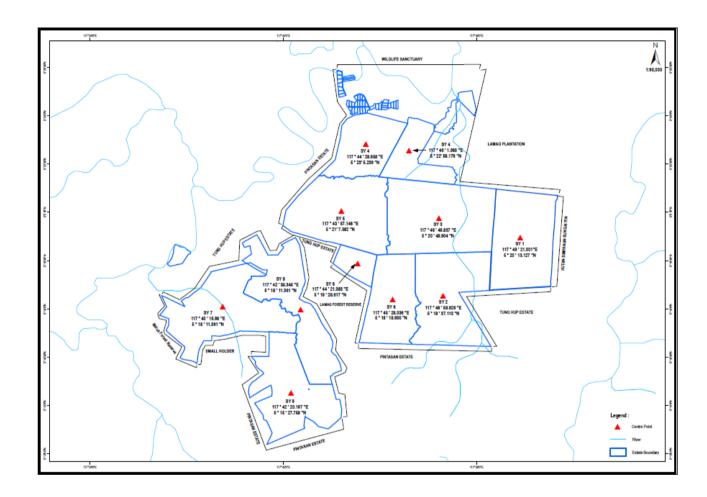


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Appendix C-2:

Location Map of IOI Syarimo Grouping (Estates), Kinabatangan, Sabah

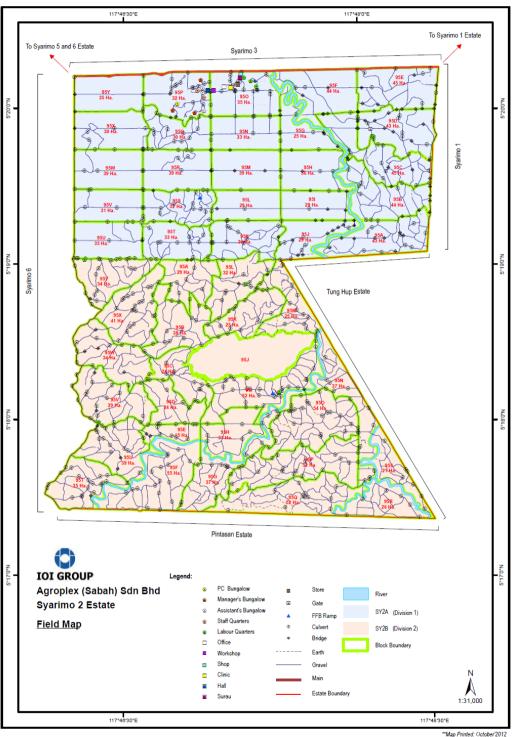




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Appendix C-2-1: Map of Syarimo 2 Estate

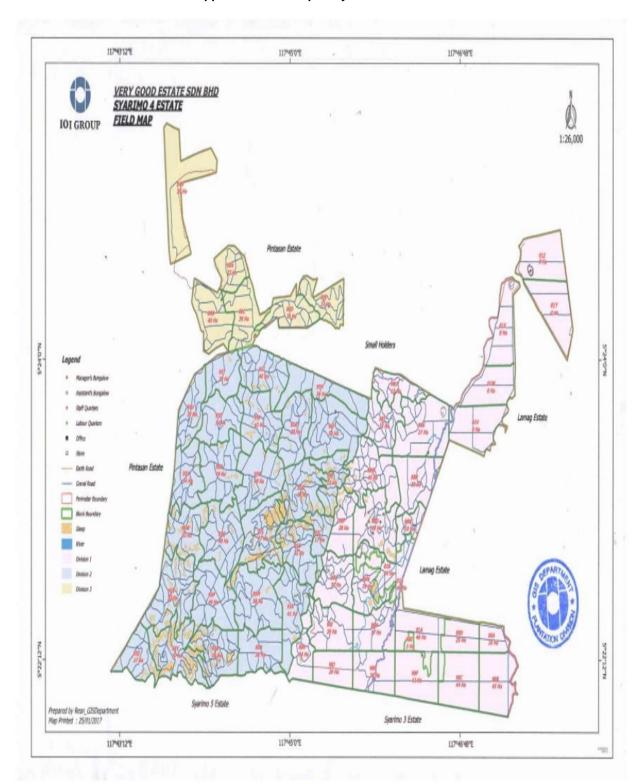




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Appendix C-2-2: Map of Syarimo 4 Estate



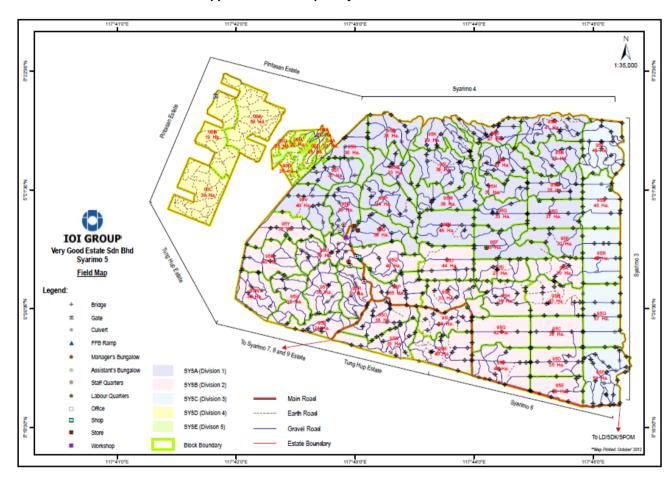


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Appendix C-2-3: Map of Syarimo 5 Estate





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Appendix D

Time Bound Plan

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

No	PMU	Supply Bases (Estate Name)	Initial / Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units, Clause 4.5.1 RSPO Certification Systems for Principles & Criteria
1.	Pamol (Sabah) POM, Sabah	Meliau, Nangoh, Rungus, Tindakon, Ulu, Sugut & Bayok	May 2008	Re-Certified in Nov 2016	ASA-02 completed in Sept 2018	No outstanding issues
2.	Sakilan POM	Sakilan, Linbar 1 and Linbar 2	Nov 2008	Re-Certified in Mar 2015	ASA-04 completed in December 2018.	No outstanding issues
3.	Pamol Kluang POM	Pamol Timur, Pamol Barat, Mamor, Unijaya, Kahang and Swee Lam	Mar 2009	Re-Certified in Mar 2015	ASA-04 completed in Dec 2018	No outstanding issues
4.	Gomali POM	Gomali, Paya Lang, Bahau, Bertam, Bukit Dinding, Kuala Jelai, Tambang, Regent, Sagil, Jasin Lalang and Sembilan Tani (Associated Outgrower)	Aug 2009	Re-Certified in Aug 2015	ASA-03 completed in May 2018	No outstanding issues
5.	Baturong POM	Baturong 1, Baturong 2, Baturong 3 and Cantawan	Sept 2009	Re-Certified in Oct 2015	ASA-03 completed in July 2018.	No outstanding issues
6.	Bukit Leelau POM	Bukit Leelau, Detas, Merchong, Mekassar, Leepang A and Laukin A	Apr 2010	Re-Certified in Nov 2015	ASA-03 completed in September 2018	No outstanding issues
7.	Mayvin POM	Mayvin 1, Mayvin 2, Mayvin 5, Mayvin 6 and Tangkulap	Aug 2010	Re-Certified in Dec 2015	ASA-03 completed in October 2018	No outstanding issues
8.	Pukin POM, Pahang	Pukin, Shahzan 1, Shahzan 2, Segamat and Bukit Serampang	Dec 2010	Re-certified in June 2016	ASA-03 completed in March 2019	In the progress of closing the NCs
9.	Leepang (Sabah) POM	Morisem 5, Leepang 1, Leepang 5, Permodalan 1,	Aug 2012	Re-certified in Dec 2018	Recert audit completed in November 2018	No outstanding issues.



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No	PMU	Supply Bases (Estate Name)	Initial / Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units, Clause 4.5.1 RSPO Certification Systems for Principles & Criteria
		Permodalan 2, Permodalan 3, Permodalan 4				
10.	Syarimo POM	Syarimo 1, Syarimo 2, Syarimo 3, Syarimo 4, Syarimo 5, Syarimo 6, Syarimo 7, Syarimo 8, Syarimo 9	Sept 2012	Re-certified in Mar 2018	ASA-01 audit. Completed in January 2019.	In the progress of closing the NCs.
11.	Ladang Sabah POM	Moynod, Luangmanis, Terusan Baru, Sungai Sapi, Laukin, Labuk, Bimbingan 1, Bimbingan 2	Oct 2012	Re-certified in July 2018	ASA-01 audit. Completed in January 2019.	In the progress of closing the NCs
12.	Morisem POM, Sabah	Morisem 1, Morisem 2, Morisem 3, Morisem 4, Leepang 2, Leepang 3, Leepang 4	Sept 2013	Certified in Dec 2013	Recert audit completed in September 2018	No outstanding issues
13.	Unico POM-1, Sabah	Unico 6, Ladang Asas (Tas & Halusah), and 30 outgrowers	Planned - 2018	Certified in July 2018	RSPO certification was successfully granted.on: 5 July 2018	No outstanding issues Note: Outgrowers are not part of the certified area
14.	Unico Desa POM-2, Sabah	Unico 1, Unico 2, Unico 3, Unico 4, Unico 5 and 16 outgrowers	Dec 2017	Certified in May 2018	ASA-01 audit completed in February 2019.	In the progress of closing the NCs
15.	IOI – Pelita, Sarawak	Sejap and Tegai	Planned - 2020	Uncertified Unit	New certification for IOI – Pelita (Sarawak) is in the resolution process	On 7 March 2019: IOI received a consent from the last community, Long Teran Batu. Therefore, we have now all 9 consents and can safely proceed with the most important task under the Stage I of the Resolution Plan, Community Capacity Building. This task started on March 19 th with a workshop conducted by CICOM (coalition of local NGOs called CICOM) with the community leaders. The workshop was followed by CICOM's visit to the longhouses on March 27-31.
						The purpose of the Community Capacity Building exercise is to make sure the affected communities understand the RSPO P&C on conflict resolution, the FPIC principle, and are well-informed on the



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No	PMU	Supply Bases (Estate Name)	Initial / Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units, Clause 4.5.1 RSPO Certification Systems for
						Clause 4.5.1 RSPO Certification Systems for Principles & Criteria progress and challenges of the on-going dispute resolution process. Finally, together with each community, CICOM will identify all grievances and issues that the communities would like to raise as well as gather the evidence in support of these grievances. The Resolution Plan was updated (mainly timelines) and submitted to the Complaints Panel on March 26. The ground team has actively engage with the communities for CSR initiatives especially on road repair matters. Further and updated progress of this issue could be access through the link below; (a) IOI Pelita Land Dispute (b) IOI Pelita Land Dispute Resolution Process (c) RSPO Case Tracker – IOI Pelita Status of Complaints (d) IOI Pelita Land Dispute Chronology
16.	PT SKS, Indonesia	SKS 1, SKS 2, and SKS 3	Planned - 2019	Uncertified Unit	In progress of RSPO audit preparation. RSPO Stage 1 is planned to be conducted in August 2019	Update on the RSPO Suspension and complaint by Aidenvironment – Final verification by RSPO CP was conducted in end of January 2018. RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018. IOI will continue to work with the RSPO Investigation and Monitoring Unit on the implementation of its Action Plans to ensure continuous sustainable development. Second quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigate and Monitoring Unit in February 2019. Further and updated progress of this issue could be access through the link below; (a) RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS (b) RSPO Case Tracker – PT BSS, PT SKS & PT. BNS Status of Complaints As part of the RSPO audit preparation, CB-BSI was engaged to conduct the gap assessment in September 2019. A report



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(2 nd Cycle) ASA-01 Assessment									
No	PMU	Supply Bases (Estate Name)	Initial / Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units, Clause 4.5.1 RSPO Certification Systems for Principles & Criteria			
						on the gap assessment was received in January 2019.			
						Pending issuance of HGU.			
17.	PT BNS, Indonesia	BNS 1, BNS 2, BNS 3 and BNS 4	Planned - 2019	Uncertified Unit	In progress of RSPO audit preparation.	Update on the RSPO Suspension and complaint by Aidenvironment – Final verification by RSPO CP was conducted in end of January 2018.			
					RSPO Stage 1 is planned to be conducted in August 2019	RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018.			
						IOI will continue to work with the RSPO Investigation and Monitoring Unit on the implementation of its Action Plans to ensure continuous sustainable development. First quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigation and Monitoring Unit (IMU) in December 2018			
						Further and updated progress of this issue could be access through the link below;			
						(a) RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS			
						(b) RSPO Case Tracker – PT BSS, PT SKS & PT. BNS Status of Complaints			
						Pending issuance of HGU.			
18.	PT BSS, Indonesia	BSS 1, BSS 2, BSS 3 and BSS 4	Planned - 2019	Uncertified Unit	In progress of RSPO audit preparation. RSPO Stage 1 is planned to be conducted in August 2019	Update on the RSPO Suspension and complaint by Aidenvironment – Final verification by RSPO CP was conducted in end of January 2018.			
						RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018. IOI will continue to work with the RSPO Investigation and Monitoring Unit on the implementation of its Action Plans to ensure continuous sustainable development. First quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigation and Monitoring Unit (IMU) in December 2018.			
						Further and updated progress of this issue could be access through the link below;			
						(a) RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS			
						(b) RSPO Case Tracker – PT BSS, PT SKS & PT. BNS Status of Complaints			



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No	PMU	Supply Bases (Estate Name)	Initial / Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units, Clause 4.5.1 RSPO Certification Systems for Principles & Criteria
						Pending issuance of HGU.
19.	PT KPAM, Indonesia	Under Development	Planned - 2023	Uncertified Unit	NPP and HCSA was approved in April 2018. Currently under development.	RSPO has approved PT.KPAM NPP Summary Report and was published in RSPO website for public notification on 13 April 2018. The NPP public notification could be assessed through the link below: https://rspo.org/certification/new-planting- procedures/public-consultations/ioi-group- pt-kalimantan-prima-agro-mandiri HCSA Peer Review Assessment completed on 14 May 2018. The HCSA Peer Review Report and Summary Report could be assessed through the link below: http://highcarbonstock.org/registered-hcs- assessments/

CB Evaluation remarks:

The above Time Bound Plan as revised and re-submitted on the progress and status of all certified units and uncertified units is found to be sufficiently challenging barring any unforeseen circumstances which may lead to adjustments by the IOI HQ. In such event, justifications by IOI to be submitted and further evaluated on the impact it may have on the forthcoming assessments at the Certified Units that are under the purview of CB-Intertek.



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Appendix E

Summary of RSPO CP decisions and RSPO Case Tracking on IOI Group (updated till Dec 2018)
- CB Reviews and Evaluation done as part of Risk Assessment

1) Monitoring done by RSPO Complaints Panel (CP)

Weblink: http://www.rspo.org/members/status-of-complaints?keywords=IOI&country=&category=

2) Evaluation on latest updates and progress made noted as follows:

i) RSPO Case Tracker on:

PT Sukses Karya Sawit (PT SKS), PT Berkat Nabati Sawit (PT BNS), PT Bumi Sawit Sejahtera (PT BSS), PT Sawit Nabati Agro (PT SNA) (a subsidiary of IOI Corporation Berhad)

Weblink: http://www.rspo.org/members/complaints/status-of-complaints/view/80
https://www.rspo.org/members/complaints/status-of-complaints/view/80
https://www.rspo.org/members/complaints/status-of-complaints/view/80
https://www.rspo.org/members/complaints/status-of-complaints/view/80
<a href="https://www.rspo.org/members/complaints/status-of-complain

24 Jan - 18 Jun 2018 (CP Meetings):

Verification exercise on 25–29 Jan 2018. Secretariat to follow up with the verification team. Verifications, monitoring and post verifications done on field and reports reviewed/

12 July 2018 (CP Meeting):

CP Final decision letter issued to IOI

26 Sept 2018 (CP Meeting):

CP Decision – case closed and transferred to IMU for monitoring.

ii) RSPO Case Tracker on:

IOI PELITA PLANTATION SDN BHD (a subsidiary of IOI Corporation Berhad)

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

24 January 2018 – 12 Jun 2018 (CP update):

Secretariat meetings with the Company and Grassroots to discuss the revision to the Action Plans.

22 Jun 2018 (CP update):

Grassroots formally withdraws as complainant (Withdrawal letter submitted to RSPO CP)

28 Sept 2018 (CP update):

Company in the process of seeking consent of communities to the Resolution Plan. Company had also requested for the return of its RM50,000 deposited with the Secretariat for prior mediation and capacity building plans which did not take off. The Complaints Panel has no objections to the return and the Secretariat will follow up with the Company.

19 Dec 2018 (CP update):

The Respondent is requesting for the CP's approval to proceed with the 8 communities that have consented to the resolution plan. The CP is to deliberate upon the Respondent's request.

25 Feb 2019 (CP update):

CP issued Directive Letter to IOI-Pelita

3) Evaluation on: Updated IOI Group Newsletters and Corporate Communications

Weblink: http://www.ioigroup.com/Content/NEWS/N_Archive

Sept 2017: IOI submitted its Sustainablity Report



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http://www.ioigroup.com/Content/S/S_Policy

IOI uploaded the Social Reponsibility report by BSR http://www.ioigroup.com/Content/S/PDF/BSR%20Summary%20Report.pdf

31 Oct 2017: IOI Group Revised Policies on Human Rights at Workplace. http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=856

12 Jan 2018: IOI Group on IOI Pelita Plantation Sdn Bhd, Sarawak http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=869

29 Jan 2018: IOI Group – Sustainability Progress Update (Oct-Dec 2017) Quarterly Report http://www.ioigroup.com/Content/S/PDF/20180126 Quarterly%20Sustainability%20Update F.pdf-

30 July 2018: IOI Group – Sustainability Progress Update (Apr- June 2018) Quarterly Report http://www.ioigroup.com/Content/S/PDF/Quarterly%20Sustainability%20Update_20180730_final.pdf

30 Oct 2018: IOI Sustainability Implementation Plan – Quarter 3. https://www.ioigroup.com/Content/MEDIA/NEWS/PDF/Overall%20SIP_Q3%202018.pdf

30 Oct 2018: IOI Sustainability Progress update (July- Sept 2018) https://www.ioigroup.com/Content/MEDIA/NEWS/PDF/QSU%202018%20Q3.pdf

31 Jan 2019: Sustainability Progress Update (October - December 2018) https://www.ioigroup.com/Content/MEDIA/NewsroomDetails?intNewsID=936 https://www.ioigroup.com/Content/S/pdf/QSU%202018%20Q4.pdf

Summary - extract on above:

Phase 1 (Document Review and Consultation) of the external verification of IOI's implementation of its commitments by Proforest was completed in October 2018. Phase 2 (Field Verification) commenced in November 2018 with field visits to Gomali, Johor and Pontianak, Indonesia, followed by Lahad Datu, Sabah in December 2018.

The RSPO Complaints Panel (CP) officially closed the complaint case on IOI's plantation subsidiary companies (PT SNA Group) in Ketapang, Indonesia on 12 October 2018.

- End of Report -