

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT

Mayvin Grouping

Sandakan, Sabah, Malaysia



Valued Quality. Delivered.

Assessment Report

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(188296-W)

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Mayvin Grouping: Re-Certification Assessment

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**RECERTIFICATION ASSESSMENT REPORT
ON RSPO CERTIFICATION**

PUBLIC SUMMARY REPORT

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT
Mayvin Grouping
Sandakan, Sabah, Malaysia

Certificate No:

RSPO 926888

Issued date:

22 Dec 2010

Expiry date:

21 Dec 2015

Assessment Type

Assessment Dates

Initial Certification (Main Assessment)

23 - 27 Aug 2010

Annual Surveillance Assessment (ASA-01)

26 - 30 Sep 2011

Annual Surveillance Assessment (ASA-02)

16 - 20 Jul 2012

Annual Surveillance Assessment (ASA-03)

20 - 23 Aug 2013

Annual Surveillance Assessment (ASA-04)

07 - 10 Oct 2014

Re-Certification Assessment

26 - 30 Oct 2015

Intertek Certification International Sdn Bhd

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

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1.0 SCOPE OF ASSESSMENT

1.1 Introduction

This Re-Certification Assessment (RA-01) was conducted on the Plantation Management Unit (PMU) Mayvin Grouping of IOI Corporation Berhad (hereafter abbreviated as IOI), from 26 - 30 October 2015, to assess the organization's operations of the mill and its supply bases, for continued compliance against the RSPO Principles and Criteria (April 2013), Malaysian National Interpretation (MYNI 2014) and the RSPO Supply Chain Certification Standard (November 2014) for Palm Oil Mill.

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

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

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

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

Name	Address	GPS Reference	
		Latitude	Longitude
Mayvin Palm Oil Mill (Capacity: 60 MT/hr)	Mayvin Palm Oil Mill, Telupid, 16km Off Sandakan/Telupid Road at 110 km, WDT No 164, 90009 Sandakan, Sabah	5°34.621' N	117°14.146' E
Mayvin 1 Estate	Mayvin 1 Estate, Telupid, 16 km Off Sandakan/Telupid Road at 110 km, WDT No 164, 90009 Sandakan, Sabah	5°34.622' N	117°14.145' E
Mayvin 2/3 Estate	Mayvin 2/3 Estate, WDT No 164, 90009 Sandakan, Sabah	5°32.999' N	117°13.670' E
Mayvin 5 Estate	Mayvin 5 Estate, Telupid, WDT No 164, 90009 Sandakan, Sabah	5°28.577' N	117°20.408' E
Mayvin 6 Estate	Mayvin 6 Estate, Telupid, WDT No 164, 90009 Sandakan, Sabah	5°28.656' N	117°22.581' E
Tangkalap Estate	Tangkalap Estate, Telupid, WDT No 164, 90009 Sandakan, Sabah	5°30.162' N	117°15.154' E

1.3 Description of supply base (fruit sources)

The supply base, i.e. FFB sources to the POM at Mayvin Grouping PMU are from the abovementioned 5 estates and from estates under another certified PMU (i.e. Pamol Sabah POM) of IOI Corporation Berhad.

The other supply base has also been considered in the overall assessment on Mayvin PMU and has been verified to be part of the Time Bound Plan committed by IOI for certification. **(Refer to section 1.9)**.

There are no FFB sourced from other External / Outside Crop Producers.

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

Table 2: Estate Area Summary

Estate	Area Summary (ha) – Previous 2014		Area Summary (ha) – Current 2015	
	Certified Area	Planted Area	Certified Area	Planted Area
Mayvin 1 Estate	1,610.00	1,509.00	1,610.00	1,509.00
Mayvin 2/3 Estate	1,812.81	1,652.00	1,812.81	1,652.00
Mayvin 5 Estate	1,765.00	1,619.00	1,765.18	1,619.00
Mayvin 6 Estate	1,836.82	1,702.00	1,836.82	1,702.00
Tangkulap Estate	2,277.45	2,185.00	2,277.45	2,185.00
Total:	9,302.26	8,667.00	9,302.26	8,667.00
Percentage:	100 %	93.17%	100 %	93.17%

Notes:

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

1.4 Summary of plantings and cycle

The 5 estates had been developed beginning from 1994. Ongoing replanting (2nd cycle) has been taking place at Mayvin 1, Mayvin 2/3 and Tangkulap Estates since year 2012 till present. The other estates are still in the 1st cycle of planting. The age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm – 2015

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below
Mayvin 1 Estate	1994-1995	1 st cycle	1,115	-
	2014-2015	2 nd cycle	-	394
Mayvin 2/3 Estate	1994-1995	1 st cycle	1,446	-
	2014-2015	2 nd cycle	-	206
Mayvin 5 Estate	1996-1997	1 st cycle	1,619	-
Mayvin 6 Estate	1996-1998	1 st cycle	1,702	-
Tangkulap Estate	1992-1994	1 st cycle	446	-
	2012-2015	2 nd cycle	-	1,739
		Total	6,328	2,339

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1.5 Summary of Conservation and HCV Areas

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

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	Previous - 2014 Hectarage (ha)	Current - 2015 Hectarage (ha)
1	Planted Area (ha) – Oil Palm		
	- Mature	8,031.00	6,328.00
	- Immature	636.00	2,339.00
2	Conservation Area (ha)		
	- comprising buffer zones along small streams, hilly areas, swampy and unplantable areas	96.66	70.00
3	HCV Area (ha)		
	- comprising buffer zones near forest reserves, water catchments, burial & religious sites	8.24	*130.00

Note: * Boundary buffer areas near designated HCV i.e. Forest Reserves had been additionally allocated and during replanting carried out in 2014-2015 and were verified to be maintained during assessment on-site.

1.6 Other certifications held and Use of RSPO Trademarks

IOI-Mayvin Grouping has been certified to International Sustainability & Carbon Certification (ISCC) since 2012.

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

1.7 Organizational information / Contact Person

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1.8 Tonnages Verified for Certification

The breakdown of all the suppliers and their tonnages of FFB supplied and processed at the POM of Mayvin Grouping for the reporting period in FY July 2014 / June 2015 are verified as follows:

Table 5: Tonnages Verified for Certification

#	Estate /Supplier	FFB Processed (MT)	Main Processing Mill	Certified By
1.	Mayvin 1 estate	34,707.47	Mayvin Palm Oil Mill	Intertek
2.	Mayvin 2/3 estate	39,378.97	Mayvin Palm Oil Mill	Intertek
3.	Mayvin 5 estate	42,389.66	Mayvin Palm Oil Mill	Intertek
4.	Mayvin 6 estate	48,865.15	Mayvin Palm Oil Mill	Intertek
5.	Tangkalap estate	17,312.05	Mayvin Palm Oil Mill	Intertek
	Sub-total for PMU estates	182,653.30		
	Others certified PMU			
6.	Nangoh estate	529.43	Pamol Palm Oil Mill	SGS
7.	Meliau Pamol estate	660.61	Pamol Palm Oil Mill	SGS
	Sub-total for other PMU estates	1,190.04		
	Other suppliers/external FFB			
9.	Outside crop producers (OCP) – dealers, outgrowers etc	0	-	-
	Grand total	183,843.34		

Note:

- FFB was also received from the Nangoh estate and Meliau Pamol estate which are under the Pamol Sabah POM Grouping, which is RSPO certified.

Total annual volumes / tonnages of FFB processed by the POM of Mayvin Grouping during the previous, current and projected period are as follows:

Table 6: Annual FFB Processed

Estate / Supplier	FFB Processed in FY2013/14 - Actual		FFB Processed in FY2014/15- Actual		FFB Processed for FY2015/16- Projected	
	MT	%	MT	%	MT	%
Mayvin PMU Estates	187,916.11	96.67	182,653.30	99.35	160,340.00	100.00
Other Certified IOI PMUs	6,479.34	3.33	1,190.04	0.65	0	0.0
Sub-total Certified FFB	194,395.45	100.0	183,843.34	100.0	160,340.00	100.0
Non-certified FFB from OCP	0	0.0	0	0.0	0	0.0
Sub-total non-certified FFB	0	0.0	0	0.0	0	0.0
Total	194,395.45	100.0	183,843.34	100.0	160,340.00	100.0
SCCS Module of POM	SG		SG/IP		IP	

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The comparison of annual certified tonnages at Mayvin Grouping verified during assessment is detailed as follows:

Table 7: Annual Certified Tonnages

POM	FY 2013/2014 – Actual		FY 2014/2015 – Actual		FY 2015/2016 - Projected	
Total certified FFB Processed (MT)	194,395.45		183,843.34		160,340.00	
Total certified CPO Production (MT)	43,196.23	OER: 22.22%	40,474.80	OER: 22.02%	35,676.00	OER: 22.25%
Total certified PK Production (MT)	11,148.31	KER: 5.73%	10,471.73	KER: 5.70%	9,220.00	KER: 5.75%
SCCS Module of POM	SG		SG / IP		IP	

Note: The changeover of SCCS module from Segregated (SG) to the new module of Identity Preserved (IP) had commenced since 1 May 2015.

The POM has established and maintained procedures for the book keeping and monitoring requirements for the CPO at the mill and was verified to be the “**Identity Preserved – IP**” module in accordance with the RSPO Supply Chain Certification Standards (SCCS) requirements. Verified activities and checked items for the SCCS of the POM are reported in section 3.1.1.

1.9 Time Bound Plan for Other Plantation Management Units and Requirements for Partial Certification

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

To date IOI Group manages a total of 19 Plantation Management Units (PMU) which comprise 15 palm oil mills and 90 oil palm estates throughout Malaysia and Indonesia.

Currently, 12 of its PMU in Malaysia have been certified with another 7 managed units still ‘non-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.

On overall, IOI Group has declared its commitment to complete RSPO certifications on all its ‘non-certified’ units, targeted by 2020.

In addition, IOI Group has also submitted a positive assurance statement to assure its commitment to continued compliance with RSPO requirements 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 under the web links below:

1. Complaint titled: 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
<http://www.rspo.org/members/complaints/status-of-complaints/view/80>

Note: The last update recorded under the above web link was in the month of Oct 2015.

2. Update on IOI’s statement in response to report and complaint to RSPO by Aidenvironment on PT. SKS, PT. BNS and PT. BSS, Indonesia dated 30 March 2015.
<http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=734>

Note: The last update as announced under the above web link was in the month of Oct 2015.

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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.

Based on Intertek's review on the progress made to date, the IOI Group is considered to have positively maintained its commitment under the RSPO requirements for Rules on Partial Certification (Clause 4.2.4) to ensure that there were no significant land conflicts, no replacement of primary forest or any area containing HCVs since Nov 2005, no labour disputes that are not being resolved through an agreed process in any of the certified and non-certified units/holdings.

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

1.10 Abbreviations Used

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

2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 1 Sept 2015, Intertek has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on Mayvin Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 26 - 30 Oct 2015, the Assessment team of Intertek conducted the Re-Certification Assessment in which two out of the five estates under the PMU grouping i.e. Mayvin 1 Estate and Tangkulap Estate as well as the palm oil mill were assessed for compliance against the RSPO requirements. The number of estates sampled was based on a minimum sample of $0.8\sqrt{y}$ where y is the number of management sub-units and the selection was made based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and high conservation value areas.

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

Mayvin Grouping POM was also assessed against the requirements of the RSPO Supply Chain Certification Standard for CPO mill (See section 3.1.1). This part of the assessment covered the verification of implementation of documented procedures and availability of records to demonstrate compliance against all the elements of the appropriate supply chain module applied. These include documented procedure, purchasing and goods in, record keeping, sales and goods out, processing, monitoring and traceability of the CSPO and CSPK quantities, training for staff and claims.

After completion of the on-site field assessment, Intertek also performed the evaluation of conformity against the RSPO Certification System requirements for CB. The assessment report, findings and associated documents were evaluated through an independent review by the Intertek Internal Technical Reviewer/Panel and also submitted to another independent external Peer Reviewer for comments prior to the approval of this report and final decision on the certification by Intertek.

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

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

2.2 Date of next scheduled visit

The next scheduled visit will be the Annual Surveillance Assessment (for the next 5-year certification cycle) which will be carried out within a 12-month period prior to the annual certificate (eTrace license) 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 [formerly known as Moody International Certification (Malaysia) Sdn Bhd] is part of the Intertek Group, which is a worldwide technical services organization dedicated to reducing clients' risks by providing technical inspection services, management system certification in quality, environmental, occupational safety & health and product certification, RSPO SCC, ISCC, Marine Sustainability Chain-of-Custody, MTCS and PEFC Chain-of-Custody certification in applicable industry sectors including the agricultural and forestry sectors. Intertek operates globally providing clients with a wide-ranging technical inspection expertise and access to thousands of skilled specialists worldwide. Intertek Group's certification business is ranked in the top 10 worldwide, and is available globally offering certification across a wide range of industries.

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2.5 Process of stakeholder consultation

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

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

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

Among the list of key stakeholders consulted was the following:

Government Agencies (by emails)

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

Statutory Bodies (by emails)

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

NGOs (by emails)

29. All Women's Action Society (AWAM)
30. BCSDM - Business Council for Sustainable Development in Malaysia
31. Borneo Child Aid Society (Humana)
32. Borneo Resources Institute Malaysia (BRIMAS)
33. Borneo Rhino Alliance (BORA)
34. Center for Orang Asli Concerns COAC
35. Centre for Environment, Technology and Development, Malaysia – CETDEM
36. Consumers Association Of Penang – CAP
37. EcoKnights
38. ENO Asia Environment
39. Environmental Management and Research Association of Malaysia (ENSEARCH)
40. Environmental Protection Society Malaysia (EPSM)
41. Friends of the Earth, Malaysia

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42. Future in Our Hands Society, Malaysia
43. Global Environment Centre
44. HUTAN - Kinabatangan Orang-utan Conservation Programme
45. Institute of Foresters, Malaysia (IRIM)
46. JUST - International Movement for a Just World
47. Malaysian CropLife & Public Health Association (MCPA)
48. Malaysian Environmental NGOs – MENGO
49. Malaysian National Animal Welfare Foundation – MNAWF
50. Malaysian Plant Protection Society (MAPPS)
51. Mountaineering and Outdoor Pursuits Association of Negeri Sembilan
52. National Council of Welfare & Social Development Malaysia – NCWSDM
53. National Union of Plantation Workers (NUPW)
54. Partners of Community Organisations (PACOS)
55. Penang Institute previously known as Socio-Economic & Environmental Research Institute (SERI)
56. Pesticide Action Network Asia and the Pacific (PAN AP)
57. Proforest - South East Asia Regional Office
58. Sabah Wetlands Conservation Society (SWCS)
59. SUARAM - Suara Rakyat Malaysia
60. SUHAKAM - National Human Rights Society - Persatuan Kebangsaan Hak Asasi Manusia
61. Sustainable Development Network Malaysia (SUSDEN)
62. Tenaganita Sdn Bhd
63. The Malaysian Forum of Environmental Journalist (MFEJ)
64. TRAFFIC Southeast Asia - Wildlife trade & trafficking monitoring programme
65. Treat Every Environment Special Sdn Bhd
66. United Nations Development Programme - UNDP Malaysia
67. Wetlands International (Malaysia)
68. Wild Asia Sdn Bhd
69. World Wide Fund for Nature (WWF) Malaysia
70. World Wide Fund of Nature (WWF) Sabah

Local community (On-site interviews)

71. Consultative Committee & Gender representatives
72. Workers & Workers representatives
73. Village Heads & representatives
74. Suppliers & Contractors representatives

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3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

Criterion 1.1		
<p>Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>1.1.1 There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>Major Compliance</p>	<p>The PMU has established and implemented documented procedures (Stakeholder Request – Corporate Level, Stakeholder Request – POM Level, Stakeholder Request – Estate Level) for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>The procedure includes handling responses and requests from stakeholders.</p> <p>Annual PMU Grouping Stakeholders’ Consultations was carried out on 9 Sept 2015 and evidences supported with meeting minutes (attended by 39 local community representatives) and follow up actions made.</p> <p>Note: Public notification for stakeholder consultation prior Re-certification assessment of the PMU was made on 01 Sep 2015. See details of Stakeholder feedback under section 3.3</p>	Complied
<p>1.1.2 Records of requests for information and responses shall be maintained.</p> <p>Major Compliance</p>	<p>The PMU maintained an updated list (annually) of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, etc.</p> <p>Records of requests and responses made were verified to be maintained:</p> <ol style="list-style-type: none"> 1. Request for blood donations from employees of POM and Estates. 2. Request for permission to use road access through the PMU estates to neighbouring plantations such as Tanah Emas plantation. 3. Records of visits, inspections and correspondence with stakeholders such as DOSH (JKKP), DOE (JAS), MPOB and Energy Commission (“Suruhanjaya Tenaga”). Approval by DOSH for extension of inspection for certificate of fitness from Oct 2014 to 15 Jan 2015. 4. Request for statistics on employees and workers by Statistics Dept (Jabatan Perangkaan) and data provided. 	Complied
Criterion 1.2		
<p>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.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>1.2.1 Publicly available documents shall include, but are not necessarily limited to:</p>	<p>The organization’s policies declared that upon request, the following types of mandatory documents are available to the public:</p>	Complied

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<p>Major Compliance</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); 	<ul style="list-style-type: none"> - land titles/user rights, - occupational health and safety plan, - plans and impact assessments relating to environment and social impacts, - pollution prevention plans, - details of complaints & grievances, - negotiation procedures - continuous improvement plan) - Public summary of certification assessment report. <p>Copies of all the land titles were available and have been maintained at the POM and estates. HQ kept the original copies.</p>	
<ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); 	<p>Policy and HIRAC documented for both mill and estates. Occupational Safety and Health Plan documented, reviewed and implemented. OSHA Plan includes the establishment and implementation of CHRA (report dated 13/02/2014 according to USECHH Regulations, 2000), medical surveillance, Emergency Preparedness (ERP), Fire Drill, First Aid and PPE.</p>	<p style="text-align: center;">Complied</p>
<ul style="list-style-type: none"> • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); 	<p>Environmental aspect and impact assessment reviews conducted for the POM and estates in Sept-Oct 2015. Environmental Impact Management Action Plans were found to be reviewed and revised accordingly.</p> <p>Social Impact Assessment was conducted for the POM and estates in Sept 2015 together with group stakeholder consultations (internal and external parties). Positive and negative impacts and action plans required were considered. Social Impact Management Action Plans were noted to be reviewed and revised accordingly.</p> <p>See also findings under Criteria 5.1, 6.1 and 7.1.</p>	<p style="text-align: center;">Complied</p>
<ul style="list-style-type: none"> • HCV documentation (Criteria 5.2 and 7.3); 	<p>HCV Identification Survey was reviewed and conducted on the whole of the PMU estates by the Regional Sustainable Palm Oil (SPO) team.</p> <p>Of the 5 estates, 4 estates i.e. Mayvin 2/3 borders with the Tawai Forest Reserve, Mayvin 5 & Mayvin 6 estates borders with the Dermakot Forest Reserve and Tangkulap estate borders with the Tangkulap Forest Reserve. Extended buffer areas were re-allocated at sections of the boundary of estates found adjacent to forest reserves in accordance with recommendations made by the Sabah Forestry Dept and the Sabah Wildlife Protection Dept.</p> <p>It is verified that that there are no significant HCV areas within the certified/ land titled area of the PMU.</p> <p>HCV / Conservation Areas Management Action Plans were reviewed and revised for appropriate monitoring needed.</p> <p>Patrols conducted on a weekly basis with logbook records of signs and sightings of any wildlife which had included the occasional sightings of elephants, wild boars, jungle fowls etc passing through the estates via the nearby forest reserves.</p> <p>Strategically placed signages on the 'Prohibition of Hunting and Intrusions' were verified to be maintained.</p>	<p style="text-align: center;">Complied</p>
<ul style="list-style-type: none"> • Pollution prevention and reduction plans (Criterion 5.6); 	<p>Pollution Prevention and Reduction Management Plans were reviewed and carried out. Documented pollution prevention and reduction plans include measures for pollution control</p>	<p style="text-align: center;">Complied</p>

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	(smoke emission, POME / effluent discharge), pesticides reduction, scheduled wastes (chemicals, hydraulic oil, filters) and domestic wastes disposal, reuse and recycling (paper, glass, plastic).	
• Details of complaints and grievances (Criterion 6.3);	The mill and respective estates had maintained the Complaints and Grievances Logbook (“Green Book”) for complaints and grievances. For the period concerned, the POM and estates did not receive any complaints from any external stakeholders. At Mayvin 1 and Tangkulap estates audited, there were 6 and 4 entries respectively in the Logbook for the last 12-month period, mostly relating to request for repairs on workers housing/quarters, electricity supply, lighting, fencing, transport to hospital, etc. Appropriate and timely actions were taken on the requests made which were recorded in the Logbook.	Complied
• Negotiation procedures (Criterion 6.4);	Presently, there is no conflict/dispute requiring negotiation or compensation pertaining to this criterion at Mayvin PMU. Negotiation procedure and flowchart was available and maintained. Website links are as follows: http://www.ioigroup.com/Content/BUSINESS/B_Estates http://www.ioigroup.com/Content/S/S_Community Note: The status on the ongoing negotiations on land issues against IOI Group plantations at Sarawak and Kalimantan, Indonesia were accessible via website link: http://www.rspo.org/members/status-of-complaints Refer also to details in Section 1.9: Timebound Plan	Complied
• Continual improvement plans (Criterion 8.1);	Continuous Improvements Plans in key operations for the POM and estates have been identified, documented and progressively implemented on ongoing basis.	Complied
• Public summary of certification assessment report;	Public summary of certification assessment reports are available from the company upon request.	Complied
• Human Rights Policy (Criterion 6.13).	Human Rights & Workplace Policy contained within the Sustainability Policy Statement dated Mar 2014 signed by the CEO. Copies of the policy found to be displayed at prominent locations in the POM and estates.	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	Booklet dated Oct 2012 Code of Business Conduct and Ethics with documented policy signed by the CEO. The following are included: <ul style="list-style-type: none"> - Diversity and Respect in the workplace, - Equal Opportunity Employment, - Protecting the Environment, - Safety, Health and Security at Work, - Appropriate use of Company Assets and Equipment, - Managing Documents, - Intellectual Property and Information, - Management and Security in our Computing 	Complied

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	<p>Environment,</p> <ul style="list-style-type: none"> - Data Privacy - Employee Privacy in the Communication and Computing Environment - Gifts, Benefits or Entertainment, - Bribes and Kickbacks, - Employment of Family Members and Relatives. <p>Records of annual briefing for employees on above and company policies indicated being done between 7 and 15 Oct 2015 at the POM and Estates.</p>	
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Principle 2: Compliance with applicable laws and regulations

Criterion 2.1

There is compliance with all applicable local, national and ratified international laws and regulations.

Indicators	Findings and Objective Evidence	Compliance
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available.</p> <p>Major Compliance</p>	<p>The Legal Register covering the applicable local and international laws and regulations is maintained at the POM and estates.</p> <p>The relevant laws and legislations identified and listed cover safety and health, environment, pollution management, chemical handling, usage & storage, schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities.</p> <p>The PMU carried out a Compliance Check.</p> <p>Based on the site observations, interviews and records checking at the POM and estates, there were evidences of compliance with the relevant laws, regulations, local and international laws. There were no cases of any violation or actions imposed by relevant authorities. Statutory returns to relevant authorities found to be in compliance.</p> <p>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.</p> <p>The PMU had participated in the Federal Government's 5P registration process for migrant workers.</p> <p>Licenses and permits (Trading License – Sabah Ordinance No. 16, 1948, License for Foreign Workers Employment, Workers Wages Deduction Permit, License for Controlled Items – Diesel and Fertilizer, MPOB license, DOSH Certificate, DOE license, BOMBA Fire Certificate, Energy Commission License, etc.) were monitored for their expiry dates and found to be renewed and valid.</p> <p>Steam engineers (one each for Grade 1 and 2), boilermen (one each for Grade 1 and 2) and charginman with valid certificates from relevant authorities. License for diesel generators issued by Energy Commission (“Suruhanjaya Tenaga”).</p> <p>Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes</p>	<p>Complied</p>

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	<p>such as hydraulic and used motor oils, rags, empty chemical and lubricants containers collected at six monthly intervals by DOE licensed contractor (Petrojadi).</p> <p>Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were calibrated.</p> <p>Factory and Machinery Act 1967, Regulations 1970: Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator, steam separator, vacuum oil dryer, etc. issued by DOSH. Valid licenses for authorized gas tester (AGT), authorized entrant and standby by person for confined space activities in POM.</p> <p>Occupational Health and Safety Act 1994 – safety and health meetings to be conducted at quarterly intervals. Noise Monitoring Report is available.</p> <p>Monitoring of legal documents including valid work permits, passports of foreign workers.</p> <p>Renewal of insurance covers for all workers (including foreign workers) in POM and estates under MSIG Insurance.</p>	
<p>2.1.2 A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>Minor Compliance</p>	<p>The PMU has established and implemented a documented procedure for identifying, determining, reviewing and updating applicable legal and other requirements.</p> <p>It included the listing of laws and regulations that were being monitored for changes and reference.</p>	Complied
<p>2.1.3 A mechanism for ensuring compliance shall be implemented.</p> <p>Minor Compliance</p>	<p>The mechanism for ensuring compliance involved updating (when necessary) and an annual review with the compliance status indicated in the Legal Register (Flowchart on mechanism of tracking).</p>	Complied
<p>2.1.4 A system for tracking any changes in the law shall be implemented.</p> <p>Minor Compliance</p>	<p>Changes in the relevant laws are communicated and received from the IOI Group HQ by the Mill Manager and Estate Managers. The PMU managers subsequently ensure the updating of changes and its implementation.</p>	Complied
<p>Criterion 2.2</p> <p>The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.</p> <p>Major Compliance</p>	<p>Copies of the land titles of POM and estates were maintained and found to be in proper order. The Palm Oil Mill with an area of 5.11 ha is located within the Mayvin 2/3 Estate (land title no. 085312563).</p> <p>The original copies are maintained by the Corporate Head office. The legal use of the land confirmed to be for agricultural crops.</p> <p>There were no recorded or known disputes over the ownership of the land. No changes to the land ownership or new land acquisition since previous audit.</p>	Complied
<p>2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained.</p> <p>Major Compliance</p>	<p>It was verified that there has been no change to the stated land titles and designated use for agricultural crops.</p> <p>Legal boundary markers were sighted and maintained along the perimeters of estate lands which were mapped with a 1-meter differential Global Positioning System (GPS). Locations of boundary stones / markers identified and verified to be within the boundary parameters of the estates.</p>	Complied

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<p>2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>Minor Compliance</p>	<p>There has been no dispute on the land rights in the PMU. As such, the process of fair compensation and FPIC is currently not applied.</p>	<p>Complied</p>
<p>2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>Major Compliance</p>	<p>No land conflicts or land expansion at this PMU since 2007. Process for conflict resolution verified to be publicly available on company website: http://www.ioigroup.com/Content/S/S_Community</p>	<p>Complied</p>
<p>2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>Minor Compliance</p>	<p>No land disputes in the PMU. As such the process of participatory mapping is not applicable for verification of implementation.</p>	<p>Not applicable</p>
<p>2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>Major Compliance</p>	<p>No evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p>	<p>Not applicable</p>
<p>Criterion 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>2.3.1 Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>Major Compliance</p>	<p>The lands at the PMU are legally owned by IOI and no other users or affected parties in the land areas. The nearest local village (i.e. Tungod) is about 60 km away from the PMU. There is no dispute on the land rights in the PMU. The lands are not encumbered by any customary lands or user rights and therefore the process of participatory mapping is not required.</p>	<p>Complied</p>
<p>2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information</p>	<p>The lands were acquired in 1980's from private plantation owners. Records are available to show such land acquisition comply with legal requirements and does not infringe on any legal rights that require free, prior and informed consent (FPIC).</p>	<p>Complied</p>

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

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
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>Major Compliance</p>	<p>Palm Oil Mill has documented a 5-year (FY2013/2014 to FY2017/2018) Business Management Plan with details of budget and costs of operation that include the following:</p> <ul style="list-style-type: none"> (1) Mill extraction rates = OER and KER trends; (2) Cost of Production = Cost/MT CPO trends; (3) Forecast prices; (4) Financial indicators = Cost of labour, cost of supervision, cost of manufacture, depreciation, etc.). <p>The budget also includes RSPO costs, environmental costs, social costs, OSHA costs, Training & Promotion Costs and items of improvement.</p> <p>The respective Estates have documented a 5-year (FY2013/2014 to FY2017/2018) Business Management Plan with details of budget and costs of operation that include the following:</p>	<p>Complied</p>

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	<p>(1) Replanting program (planting materials DxP seedling and cloned seedling);</p> <p>(2) Crop projection = FFB yield/ha trends;</p> <p>(3) Cost of Production = Cost/MT FFB trends;</p> <p>(4) Forecast prices;</p> <p>(5) Financial indicators = management costs, labour costs, financial costs, cost of facilities, cost of materials, replanting costs, etc.).</p> <p>Crop and operation budget cover upkeep & cultivation, harvesting, collection, etc.</p> <p>The budget had included provisions for sustainability efforts, improvement (FFB ramp for loading FFB and water treatment plant) and social programme (workers quarters, estate crèche, clinics and prayer places e.g. surau).</p> <p>Mill Manager and Estate Managers monitor the operational performance against Key Performance Indications and Monthly Progress Report submitted to Sandakan Regional Office and Head Office. The report includes hectareage statement, crop, labour statement, % OER, % KER, out-turns, expenditures, accounts summary, manuring application, POME application, loose fruits collection, training, rainfall data and yield statement.</p>	
<p>3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>Minor Compliance</p>	<p>Annual replanting program had been prepared up to FY2020/2021 for the estates. Replanting for Mayvin 5 and Mayvin 6 estates only due in year 2021.</p> <p>Replanting program was documented, reviewed, implemented and monitored at Mayvin 1 and Mayvin 2/3 and Tangkulap estates, noted with ongoing replanting, verified during field inspection.</p>	<p>Complied</p>

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

<p>Criterion 4.1</p>		
<p>Operating procedures are appropriately documented, consistently implemented and monitored.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p>Major Compliance</p>	<p>IOI Plantations Group - Standard Operating Procedures for the POM and Estate operations were available and verified to be maintained.</p> <p>Verified samples of SOP for the POM operations which were maintained include:</p> <p>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.</p> <p>Verified samples of SOP for the Estate operations which were maintained include:</p> <p>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, Planting Technique, Foliar sampling, Leguminous cover plant, Manuring, Weeding, Harvesting, Road maintenance, Pest and disease control.</p>	<p>Complied</p>

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<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place.</p> <p>Minor Compliance</p>	<p>Records had been kept by the staff concerned for each operation to monitor the procedure and progress of work, were checked by the Assistant Manager and the Manager regularly.</p> <p>These records had been verified during the visit.</p>	<p>Complied</p>
<p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p> <p>Minor Compliance</p>	<p>The records of monitoring and the actions taken over the past 12 months had been maintained at the mill and estates assessed.</p> <p>These records had been verified to have been satisfactorily maintained.</p>	<p>Complied</p>
<p>4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).</p> <p>Major Compliance</p>	<p>As at current assessment, the mill did not source for FFB from any third or external party. The entire crop was supplied by the estates within the IOI Group of PMUs in the region.</p>	<p>Complied</p>
<p>Criterion 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.</p> <p>Minor Compliance</p>	<p>“Fertilizer Recommendations & Requirements for Jan – Dec 2015” made by the Agronomist of IOI Research Centre, Sabah had been viewed and verified.</p> <p>Evidences provided were verified as following good agricultural practices. Soil sampling and leaf sampling records showed that adequate important guide for the maintenance of soil fertility and continuity.</p> <p>Annual fertilizer inputs had been monitored through fertilizer recommendations made by IOI Research Centre.</p> <p>Recommendations had been verified to be adhered to and records of applications were satisfactorily maintained.</p>	<p>Complied</p>
<p>4.2.2 Records of fertiliser inputs shall be maintained.</p> <p>Minor Compliance</p>	<p>Records of fertilizer application at the estates were maintained and had been verified to be in satisfactory order.</p>	<p>Complied</p>
<p>4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p> <p>Minor Compliance</p>	<p>Annual leaf sampling and analysis are carried out and evidenced by records (“Leaf Nutrient Status”).</p> <p>Soil sampling carried out on a 5 year cycle to determine soil fertility and nutrient efficiency and evidenced by records (“Soil Analysis Results – Dec 2014”). The next soil sampling and analysis will be in Dec 2019.</p> <p>Records of sampling and analysis were verified to be satisfactorily maintained.</p>	<p>Complied</p>
<p>4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting.</p> <p>Minor Compliance</p>	<p>All the EFB from the POM are delivered to the estates as evidenced by the “Daily/Monthly Summary Report of EFB” maintained by the POM.</p> <p>EFB Mulching Application Programme FY Jul 2015/ Jun 2016 and field maps indicate the amounts and locations of EFB application in the estates audited i.e. at Mayvin 1 and Tangkulap estates. Records of mulching areas were maintained and verified.</p> <p>Effluent solids application had been carried out in the estates and records of application were satisfactorily</p>	<p>Complied</p>

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	maintained.	
Criterion 4.3		
Practices minimise and control erosion and degradation of soils.		
Indicators	Findings and Objective Evidence	Compliance
4.3.1 Maps of any fragile soils shall be available. Major Compliance	Based on the soil maps available, there was no fragile soil on the estates.	Complied
4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). Minor Compliance	Terrace and revised road mapping for Replanting Areas were implemented as per the SOP i.e. planting terraces constructed on land with slope >5 degrees. Best practices were adhered to control and minimize soil erosion and degradation. Replanting activities at the Mayvin 1 and Tangkulap estates were verified during field inspections. There was no soil erosion noted during current assessment at the estates.	Complied
4.3.3 A road maintenance programme shall be in place. Minor Compliance	Estate roads were found to be in good and satisfactory condition. Annual road maintenance programme for 2015/2016 had been verified to be progressively done and satisfactorily adhered to.	Complied
4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Minor Compliance	Based on the estate soil maps, there was no peat soil on any of the estates as confirmed during the current assessment on-site	Not applicable
4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	As per findings above.	Not applicable
4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). Minor Compliance	Based on the estate soil maps and on-site assessment there were no other fragile and problematic soils found at these estates.	Not applicable
Criterion 4.4		
Practices maintain the quality and availability of surface and ground water.		
Indicators	Findings and Objective Evidence	Compliance
4.4.1 An implemented water management plan shall be in place. Minor Compliance	The documented water management plan was available and verified to be implemented and maintained. Rain water harvesting was practiced at the POM and estates. Where water ponds were found at the estates, water samples were collected and analysis carried out at least twice a year. It is verified that results of the water analysis for domestic use has met all the required parameters, including that of	Complied

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	<p>bacterium count (as per WHO Specification for Drinking Water Quality).</p> <p>Precautionary measures such as signages on 'Boiling water before consumption' was found displayed at the Estate offices and housing areas.</p>	
<p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.</p> <p>Major Compliance</p>	<p>Verification done on the previous year findings were as follows:</p> <p>1) Buffer zones were found to be maintained on both sides of Ruku-Ruku stream at Tangkulap Estate. Field 13A was re-visited and the company's policy on riparian zone management guidelines for Sabah operations was adequately implemented and maintained.</p> <p>2) Paint markings on the palms were prominent and consistent to prevent any unintentional spraying of individual palms located near the designated buffer zones.</p> <p>Buffer zones were implemented and verified to be satisfactorily marked and maintained during on-site field inspection at the Mayvin 1 and Tangkulap estates.</p> <p>There was no construction of bunds/ weirs/dams across the main rivers or waterways passing through the estates. It was observed that water was free-flowing.</p>	Complied
<p>4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).</p> <p>Minor Compliance</p>	<p>At Mayvin POM, water samples had been taken at monthly intervals at the final discharge point of the effluent pond.</p> <p>Analysis results meet the following DOE limits specified for 2015:</p> <ul style="list-style-type: none"> • BOD < 50 mg/l, • Total Suspended Solids < 400 mg/l, • Oil & Grease < 50 mg/l, • Ammonical Nitrogen < 150 mg/l, • Total Nitrogen < 20 mg/l, • pH = 5 to 9, • Temperature < 45°C <p>Over the past 12 months, the BOD level result was ranging between 11 and 35 ppm, which is consistently below the 50 ppm permissible limit as set by D.O.E, Sabah for the POM.</p>	Complied
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.</p> <p>Minor Compliance</p>	<p>Water usage as monitored at the mill over the past 12 months averaged at 1.22 m³/tonne FFB.</p> <p>Noted that annual usage of water noted to be slightly higher the industry norm.</p>	Complied
<p>Criterion 4.5</p> <p>Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored.</p> <p>Major Compliance</p>	<p>Records on planting of beneficial plants had been verified on the estates.</p> <p>Pest infestation was minimal on the estates.</p> <p>Programme for planting of beneficial plants such as Turnera subulata, Cassia cobanensis, and Antigonon leptopus, and records on areas planted had been verified together with the respective maps.</p>	Complied
<p>4.5.2 Training of those involved in IPM implementation shall be demonstrated.</p>	<p>Training records in 2015 for personnel on IPM implementation were available and was verified on-site</p>	Complied

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Minor Compliance	during field assessment.	
Criterion 4.6		
Pesticides are used in ways that do not endanger health or the environment		
Indicators	Findings and Objective Evidence	Compliance
4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance	Written justification in Standard Operating Procedures of all agrochemicals use had been reviewed and found acceptable.	Complied
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 and kept for a minimum of 5 years. Verified that records of monitoring were maintained i.e. on monthly basis.	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 national Best Practice guidelines. Major Compliance	It had been the policy of the estates to minimize the use of pesticides in accordance with integrated pest management. No prophylactic use of pesticides had been carried out. Rat baiting would be carried out only should rat damage exceed 5 % on FFB. The summary of grading of FFB from the estates showed rat damage to be below 2%. Thus no rat baiting was carried out in 2015 at the estates audited. The pesticide reduction program on usage per hectare basis was verified to be implemented and monitored.	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 national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. Minor Compliance	Paraquat usage had ceased since Dec 2011 at the PMU as per the IOI Group policy. Alternative herbicides such as Glyphosate Isopropylamine, Metsulfuron Methyl and Triclopyr Butoxyethyl ester was noted to be used under selective and spot spraying conditions.	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 observed, applied, and understood by workers (see Criterion 4.7). Major Compliance	All pesticide operators had been given training on the handling and application of the pesticides. Appropriate safety and application equipment had been provided and used by the operators. Programme and training records for pesticides handlers were maintained and verified. All precautions attached to the products had been observed, applied, and generally understood by the workers. The MSDS are in English and Bahasa Malaysia with supporting briefing documents in photographic demonstration was verified to be understood by the field workers interviewed during on-site field inspection. Some quantities of used chemical containers were reused for the similar chemical applications whilst the bulk of empty containers were noted to be disposed via a DOE licensed waste contractor.	Complied
4.6.6 Storage of all pesticides shall be according to recognised best practices.	Pesticides had been stored in accordance to the local Occupational Safety and Health Laws and Regulations and	

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<p>All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Major Compliance</p>	<p>local laws on Pesticides control. Used chemical containers for disposal were triple rinsed and punctured prior to disposal via approved waste contractor. Observation finding,2015: At Mayvin 1, Water flow to the emergency shower/eyewash station at the pesticide store was noted to be partially hindered. Maintenance of and water supply to emergency shower/eyewash station need to be monitored more regularly. Thus an Observation was issued.</p>	<p>OBS: CBK-01</p>
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance</p>	<p>Pesticides had been applied using the proven methods (Best Management Practices) that minimized risk and impacts. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off. Warning notice displayed in the area being sprayed with pesticides. Training materials with photographic illustrations and training records had been verified to be satisfactory maintained.</p>	<p>Complied</p>
<p>4.6.8 Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance</p>	<p>It is verified that the IOI plantations group does not practice any aerial application of pesticides.</p>	<p>Complied</p>
<p>4.6.9 Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated; including provision of appropriate information materials (see Criterion 4.8). Minor Compliance</p>	<p>Periodic training on pesticide handling had been carried out. Information on the pesticides was being displayed next to the pesticides in the store and notice board.</p>	<p>Complied</p>
<p>4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance</p>	<p>Scheduled waste had been sent to the palm oil mill for disposal through licensed contractor approved by DOE. Records of scheduled waste involved had been verified.</p>	<p>Complied</p>
<p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance</p>	<p>Annual medical surveillance for pesticide operators had been implemented as per the new 5-year CHRA report (valid until April 2020) recommendations. The POM and Mayvin 1 and Tangkulap estates had sent the identified workers i.e. 20 and 24 numbers respectively between Apr and July 2015.as per medical reports made available. Pesticide operators interviewed said that they did not have skin disorders or rashes, mouth and throat pain, breathing difficulties or nail problems. It was verified that there were no classical symptoms of toxic reactions due to work with pesticides. Based on the reports, it was verified that there were no significant health issues and the workers were still found fit for their designated work. It was verified that the CHRA recommendations has been</p>	<p>Complied</p>

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	satisfactorily followed.	
4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance	Verified that no pregnant or breast-feeding woman had been offered work as pesticide operators.	Complied
Criterion 4.7		
An occupational health and safety plan is documented, effectively communicated and implemented.		
Indicators	Findings and Objective Evidence	Compliance
The health and safety plan shall cover the following: 4.7.1 A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory Machinery Act had been prepared and documented. A safety and health policy had been verified. Records on training and analysis on understanding of training by the workers had been verified. 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. Risk assessment had been carried out on all operations where health and safety is an issue (e.g. noise exposure, pesticides/chemicals exposure, accident, fire). Awareness and training programme planned for year 2014 was consistently implemented. Evidence of training on safe working practices for workers involved in pesticides spray, use of fire extinguishers, awareness and understanding of MSDS/CSDS. Precautions attached to products properly observed and applied to workers in all estates. Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves) verified to be provided. Noise levels monitored in the POM. Ear muffers and ear plugs were seen to be worn by workers exposed to high noise levels such as in the engine room of POM (> 85 db limit). The usage of this PPE was also monitored by the Safety Officer. Confirmed that annual audiometric test conducted for the listed mill workers. Records were maintained. The workers checked did not suffer from hearing disabilities. Baseline audiogram and occupational and medical history records of workers maintained. A Hearing Loss Prevention Audit was conducted on employees exposed to high noise levels. Employees exposed to high noise levels were interviewed and there was no complaint raised. These employees confirmed to be provided with training at least once a year by the qualified Safety & Health Officer and training records are available. Evaluation carried out on each training programme to determine its effectiveness. The training content was revised periodically. Adequate fire extinguishers and hose reels found to be located at strategic locations, operational and maintained in good conditions. Location map of fire extinguishers is available. First Aid Kits were sighted at both the POM and estates. Samples of First Aid Kits were checked and its content found to be complete and in usable condition during field	Complied

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	<p>visit. Training for 14 estate workers in First Aid was carried out in 17 April 2015 and records maintained.</p> <p>Records showed that all types of PPE were issued to the workers and were used by the workers (i.e. safety helmets, safety shoes, safety goggles, ear muffers) at the Mill and the estates.</p> <p>The POM and estates have established their accident reporting and incident monitoring implemented according to requirements of OSHA.</p>	
<p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>Major Compliance</p>	<p>All operations had been risk assessed, documented and implemented.</p> <p>All precautions attached to the products had been observed and applied to the workers through MSDS available and briefing provided to them.</p>	Complied
<p>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.</p> <p>Major Compliance</p>	<p>Awareness and training programme had been carried out.</p> <p>All workers involved had been adequately trained in safe working practices.</p> <p>Appropriate PPE had been provided at the place of work to cover all potentially hazardous operations.</p> <p>The implementation was verified to be maintained during the on-site field inspections.</p>	Complied
<p>4.7.4 The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>Major Compliance</p>	<p>The responsible persons Estate Supervisors and Field Mandore/ Headman had been identified.</p> <p>Records of regular meetings including daily muster and 'roll call' between the responsible persons and workers to discuss about health and safety had been verified.</p>	Complied
<p>4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>Minor Compliance</p>	<p>Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors.</p> <p>Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites.</p> <p>Records on all accidents had been verified. Quarterly review on accident cases had been carried out during quarterly meeting of Environment, Safety, & Health (ESH).</p>	Complied
<p>4.7.6 All workers shall be provided with medical care and covered by accident insurance.</p> <p>Minor Compliance</p>	<p>Medical care had been provided to all the workers.</p> <p>Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with MSIG Insurance Berhad.</p>	Complied
<p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics</p> <p>Minor Compliance</p>	<p>Records on Lost Time Accident (LTA) metrics as submitted on annual basis to DOSH had been maintained and verified.</p>	Complied

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Criterion 4.8		
All staff, workers, smallholders and contract workers is appropriately trained.		
Indicators	Findings and Objective Evidence	Compliance
4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	Training programme on training for various categories of operators, including all field and office staff, with regards to their duties had been reviewed and found acceptable. Training programme is based on training need assessment including need for RSPO programmes aimed to fulfill their jobs and responsibilities as per the relevant documented procedures.	Complied
4.8.2 Records of training for each employee shall be maintained. Minor Compliance	Records of training for each employee including new workers had been maintained and were verified to be progressively updated.	Complied

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

Criterion 5.1		
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
Indicators	Findings and Objective Evidence	Compliance
5.1.1 An environmental impact assessment (EIA) shall be documented. Major Compliance	Environmental Impact Assessment and Environmental Improvement plans were documented and verified to have been reviewed on an annual basis. It was verified that annual review of internal EIA report done had included the stakeholder consultation with external stakeholders e.g. Sabah Forestry Department and Sabah Wildlife Department concerning the monitoring of boundary and conservation areas of the PMU which were adjacent to the Tangkulap, Dermakot and Tawai forest reserves. The replanting at Mayvin 1 and Tangkulap estates were carried out with approval from the Environmental Protection Department (EPD), Sabah since 2013. The 4 monthly Environmental Compliance Reports (ECR) were verified to be submitted and maintained at the estates.	Complied
5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. Minor Compliance	Environmental Aspect and Impact changes for 2013/ 2014 had included the following activities and changes: <ul style="list-style-type: none"> • Building new roads, new housing for workers at mill and estates and sanitation facilities; • Upgrade of mill i.e. fiberation and kernel crushing plant and other infrastructure; • Upgrade of drainage systems, siltation and oil traps POM & estates; • Management of mill effluents; • Monitoring of natural vegetation at designated riparian and buffer zones; • Replanting (if any) at the estates; • Persons responsible e.g. Managers / Assistant Managers were identified for each activity stated in the Management Plan. Note: Previous OBS: AL-01 (2014) was adequately addressed and closed. 	Complied
5.1.3 This plan shall incorporate a monitoring protocol, adaptive to	Implementation and monitoring of the documented environmental improvement plans were reviewed on an	Complied

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<p>operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>Minor Compliance</p>	<p>annually basis.</p> <p>For 2014-2016, the review was done between Sept and Oct 2015 by the Mill Manager and respective Estate Managers. The reviews had considered the mitigation of negative impacts and promotion of positive ones such as the introduction of floating vertiver pods at the effluent ponds (at POM) and monitoring and manual clearing of overgrown natural vegetation and debris along the streams and demarcated buffer zones (at estates) which was verified on-site during assessment.</p>	
<p>Criterion 5.2</p> <p>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.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>Major Compliance</p>	<p>The HCV assessment report(s) for the estates have been reviewed for 2015/2016, and had incorporated feedbacks provided by the Forestry and the Wildlife Depts. Buffer zones adjacent to Forest reserves identified as 'external' HCVs were maintained such as the Tawai, Dermakot and Tangkulap Forest Reserves adjacent to the Mayvin 1, Mayvin 6 and Tangkulap estates. Proper stretches of buffer zones of about 50m into the land areas of the said estates had been established adjacent to the said forest reserves. The said measures were in accordance with the proposal by the Forestry Department due to the identified existence of wild elephants and other wildlife species in the forest reserve areas. Monitoring and control of any illegal hunting, fishing or collecting activities within the Mayvin PMU were implemented via patrolling at the estates as evidenced in the records of the Patrol log books maintained. Signages such as "No Hunting" were verified on-site and found to have been satisfactorily maintained. The annual documentation review of Conservation & HCV areas at the estates was supported by appropriate maps and was verified to be satisfactorily maintained.</p>	Complied
<p>5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>Major Compliance</p>	<p>The HCV report had reviewed the conservation needed for the wildlife identified such as elephants, orangutan, long and short tailed macaque, white beaked hornbills and other wildlife which are protected under the Protection of Wildlife Act 1972 (Act 76) and Sabah Wildlife Conservation Enactment 1997 and IUCN Red List 2008. Updated posters as provided by the Sabah Wildlife Department were noted to have been displayed at the estates offices, new signages and copies pasted in the estate Patrol log books. Regular patrols i.e. on a weekly basis had been carried out and recorded by the Estate executives to monitor the HCV and buffer areas. Occasional sightings of wildlife were also recorded. Stakeholder consultations with the Forestry department and the estate personnel had improved through joint patrols and information sharing on identification of the existing and potential wildlife in the bordering Forest reserves. Implementation on the above activities was verified to be effective and records well maintained.</p>	Complied

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	<p>Note: Previous OBS: AL-01 (2014) was adequately addressed and closed.</p>	
<p>5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>Minor Compliance</p>	<p>The commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signages erected which prohibit such activities and monitoring done was effectively implemented during on-site inspection.</p> <p>Programmes to regularly educate the plantation workers about the status of potential RTE species were implemented and records of interactions with the local Wildlife authorities were well maintained.</p> <p>In 2015, the PMU has sent its personnel for training and qualification as Honorary Wildlife wardens in support of the environmental and wildlife protection monitoring efforts. Presently, 2 personnel are now valid holders of the 'Honorary Wildlife' warden card.</p>	Complied
<p>5.2.4 Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. <p>Minor Compliance</p>	<p>Ongoing monitoring of the management plan on the status of HCV and RTE was documented and evidences of reporting are available. Verified that outcomes of feedbacks were adequately followed up with the Wildlife authorities.</p> <p>Noted that the issues such as the occasional and seasonal incursions by wild elephants especially at replanting areas are properly managed as per recommendations by the authorities for mitigation of potential conflicts with wildlife.</p>	Complied
<p>5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>Minor Compliance</p>	<p>It is verified that there are no local communities or villages within the vicinity of the Mayvin PMU. Thus negotiated agreements of such nature are not applicable at this PMU.</p>	Not applicable
<p>Criterion 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.3.1 All waste products and sources of pollution shall be identified and documented.</p> <p>Major Compliance</p>	<p>Documented identification of all the waste products such as scheduled waste and sources of pollution such as from POME were maintained and implemented at the PMU.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was evidenced. Proper areas were identified for the storage of the respective wastes.</p> <p>Scheduled Waste such as 'spent hydraulic oil' (SW 305) were properly labeled and stored. Appropriate secondary containment was verified to be maintained at the scheduled waste storage areas.</p> <p>The schedule waste storage area had restricted access to authorized personnel only. MSDS/CSDS instructions were available and adhered to.</p> <p>The PMU has segregated its wastes as general /domestic wastes, POME and scheduled wastes. Proper areas were identified and maintained for the storage and treatment of the</p>	Complied

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	<p>respective wastes.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained at the POM.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory carried out at the POM and Estates. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill. It is verified on-site that the documentation has been satisfactorily maintained.</p>	
<p>5.3.2 All chemicals and their containers shall be disposed of responsibly.</p> <p>Major Compliance</p>	<p>General Manager's Memorandum on disposal of scheduled wastes to mill manager and copied to estate(s) managers dated 10th October 2011 stating that a standing instruction for all scheduled waste be disposed to/collected by licensed contractors within 180 days has been maintained.</p> <p>Disposal of Scheduled wastes disposal were verified to be in compliance with EQ (Scheduled Waste) Regulation 2005. The last scheduled waste disposal for SW 110 (electrical waste), SW 409 (empty chemical containers), SW 410 (used oil filters) and SW 429 (clinical waste) was done in July 2015, with proper documentation submitted by the approved SW contractor (Lagenda Bumimas S/B) which is filed and available at site.</p>	Complied
<p>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>Minor Compliance</p>	<p>Waste management and disposal plans were available at the POM and estates.</p> <p>The 5-year solid waste management and disposal plan of the sanitary landfills were verified to be available at Mayvin 1 and Tangkulap estates.</p> <p>The designated landfill areas were verified to be at least 50m away from any streams / water sources and the landfill drain holes were noted to be disconnected and did not reach any of the streams or water sources. Thus the risk of contamination has been observed to be avoided.</p> <p>Recycling of crop residues / biomass i.e. EFB and POME had been implemented.</p> <p>Recycling bins of three different color codes were available in the POM and estates and were used for solid waste segregation and recycling.</p> <p>The segregation and disposal of 'plastic and paper waste' can be improved and better coordinated at the PMU.</p> <p>It was verified that the practice of physical segregation and disposal were implemented during on-site inspections.</p>	Complied
<p>Criterion 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>Minor Compliance</p>	<p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fiber and PK shells were used as renewable energy/fuel on a 70:30 ratio basis. Monthly records of kWh usage of non-renewable and renewable fuel per metric tonne of palm product at the POM were available</p> <p>The annual target of 35% reduction of direct fossil fuel via</p>	Complied

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	<p>renewable energy usage was maintained. For July 2014/June 2015, energy consumed using renewable energy averaged at 15.6 kWh / mt CPO.</p> <p>On overall, renewable energy generation and consumption had been consistent over the past 3 years</p>	
<p>Criterion 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>Major Compliance</p>	<p>The Mayvin PMU had observed the IOI group policy of 'Zero open burning' for any replanting at the estates.</p> <p>No evidence of open burning was found during on-site inspection at Mayvin 1 and Tangkulap estates in which ongoing replanting activities was being carried out.</p>	Complied
<p>5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>Minor Compliance</p>	<p>Previous crop felled were appropriately disposed back to the soil according to the practices required.</p> <p>The PMU has adhered to the 'zero burning' policy for replanting at the estates.</p> <p>There was no evidence of any burning of domestic waste at the housing line sites and at the sanitary landfills of the estates during on site field assessment.</p>	Complied
<p>Criterion 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions; particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>Major Compliance</p>	<p>Annual review of environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land was done for 2014/15.</p> <p>Mill emissions as monitored online by DOE, Sandakan using the Continuous Emissions Monitoring System (CEMS) is maintained and verified to be within permissible limits of DOE</p> <p>POME treatment, monitoring and land application is monitored, maintained and adhered to DID regulations (see also findings under C4.4)</p>	Complied
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>Major Compliance</p>	<p>Significant pollutants and greenhouse gas (GHG) emissions are identified e.g. POME, Fuel / Diesel, fertilizer and pesticide usage were documented and monitored at the Mayvin PMU.</p> <p>It is noted that the PMU achieved and maintained the ISCC certifications for sustainable biofuels production since 2011 with annual audit reports and valid certificates available.</p> <p>The GHG emissions and calculations presented at the Mayvin PMU were verified to be in accordance with the European Union, Renewable Energy Directives i.e. EU-RED and had achieved the 35% reduction of GHG emissions level since 2013.</p> <p>Plans to further reduce GHG emissions for 2015/16 are being monitored.</p>	Complied

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<p>5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>Minor Compliance</p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are available.</p> <p>Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements (see also findings under C5.6.1 and C4.4)</p> <p>It is verified that the POME is treated in using aerobic and anaerobic pond (total; 7 nos) and water samples were regularly taken and analyzed to meet DID requirements at final discharge points. The discharged water is 100% used for land application as fertilizer at the Mayvin 2 estate.</p> <p>There has been no change in the land use as an Oil Palm plantation since 1995.</p> <p>The daily CEMS reporting summary chart indicated a maximum of 33.5% and an average of 6.1% opacity (DOE permissible limit is 40% max. opacity).</p> <p>Records are maintained and verified on-site to have met the permissible regulatory limits.</p>	<p>Complied</p>
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Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers

<p>Criterion 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented.</p> <p>Major Compliance</p>	<p>At Mayvin PMU, the respective Social Impact Assessment reports and Management plans at all the estates and mill was specific and individually documented by the Sustainability Team of IOI. Stakeholder consultation meeting with the local communities and employees was held together with other estates in the group in Oct. 2010.</p> <p>Revision of the SIAs have been made at the POM and estates audited, e.g. in Mayvin POM revision was made on 1 Oct. 2015; at Mayvin 1 and Tangkulap estates revisions were made in Sep. 2015 and Oct 2015 respectively.</p> <p>New position was created in managing the whole Mayvin group RSPO related matters i.e. Chairperson of RSPO Central Working Committee, which is currently held by Mr. Mustalim Dalinchi, Mayvin 1 Estate Manager.</p>	<p>Complied</p>
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>Major Compliance</p>	<p>External consultation was conducted for the Mayvin grouping estates on 9 Sep.2015 at Mayvin 1 estate office. Attendance of 39 external stakeholders verified including contractor, supplier, government agency, police, etc.</p> <p>The group has considered issues of social impact to employees and communities affected by their activities. Records of meeting with stakeholders indicated discussions held were generally on matters pertaining to access roads and use rights, working conditions, cultural/festival activities,</p>	<p>Complied</p>

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	<p>health facilities and other community concerns.</p> <p>In all meeting minutes of ECC and Gender Committee, list of attendance and photos of the session were kept in file showing evidence of participation of affected parties.</p> <p>Through verification of entries made in the Complaints & Grievance Book in POM and estates and interviews made, it was evident that the workers were kept informed of issues related to their rights.</p>	
<p>6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p> <p>Major Compliance</p>	<p>A time table of activities identified was sighted with time frame on implementation plans. Site inspection carried out confirmed that the implementations were in progress. Latest Social Plans sighted are for the period of 2015-2016 at both estates and from January-December 2015 for Mayvin POM.</p> <p>For example Palm Mech S/B commented at Mayvin 1 there were motorcycles without headlights which were dangerous for the riders and other road users, immediate notification was issued dated 15 Sep. 2015 instructing security to record the names of riders on motorcycles without headlights. The same reminder was given during roll call on 14 Sep. 2015.</p>	Complied
<p>6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices.</p> <p>There shall be evidence that the review includes the participation of affected parties.</p> <p>Minor Compliance</p>	<p>The plans are reviewed annually together with affected parties as mentioned especially the workers were consulted during the ECC meetings, daily morning muster and individual reports made in the Grievance Books maintained.</p>	Complied
<p>6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>Minor Compliance</p>	<p>There are no smallholders at the PMU. Thus this is not applicable</p>	Not applicable
<p>Criterion 6.2</p> <p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.2.1 Consultation and communication procedures shall be documented.</p> <p>Major Compliance</p>	<p>IOI's Group consultation and communication procedures are available via website link: http://www.ioigroup.com/Content/CI/Corp_Contact</p> <p>The PMU has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. its workers, government agencies, contractors, neighbouring plantations by personal invitation to attend the internal and external stakeholders' consultation meetings.</p> <p>SIA reports for Mayvin grouping estates including Mayvin 1, Tangkulap estates as well as the Mayvin POM had been reviewed in Jun 2015 for the next 5-year period.</p>	Complied

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<p>6.2.2 A management official responsible for these issues shall be nominated.</p> <p>Minor Compliance</p>	<p>Nominated respective officers at the operating unit are responsible to represent the PMU Mayvin grouping when any relevant issues raised by local communities and other affected or interested parties.</p> <p>For example in Mayvin POM the nominated Social Liaison Officer is Mr.Faizal Asmat.</p>	<p>Complied</p>
<p>6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>Minor Compliance</p>	<p>The maintenance of the list of stakeholders at the IOI Mayvin grouping is adequate and was 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.</p> <p>The lists of stakeholders are updated on a monthly basis and records of meetings were maintained. List of stakeholders are sighted in "SIA Stakeholders Consultation [Internal & External]" file. The lists were used to send the invitation out for stakeholder consultation during the audit.</p>	<p>Complied</p>
<p>Criterion 6.3</p> <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p>Major Compliance</p>	<p>All estates in Mayvin grouping have established complaints and grievances procedures and they were all well implemented. Complaints and Grievances logbooks were sighted in all audited estates and actively used by workers.</p> <p>Timelines for response to complaints and grievances are either through the logbook or ECC representatives are appropriately established and implemented. Generally respond time for minor requests will be within 2-3 days and up to one month for major requests.</p> <p>Complaints and Grievances Logbooks are for complaints which are not private and confidential in nature. For reports which are related to private matters such as sexual harassment reports separate logbooks are prepared and always kept under lock and key locations. Complainants are given the option whether to make the reports personally or through nominated workers' representatives. Two reports were received in 2014 in Tangkulap estate and both reports had been handled according to IOI procedures of private and confidential.</p> <p>It is verified during on-site interviews that there were no incidences of dispute or grievance of a serious nature.</p> <p>Since Feb 2014 IOI grouping had developed "Dasar Pemberi Maklumat (Whistleblowing)" which was approved by Jawatankuasa Audit dan Pengurusan Risiko.</p>	<p>Complied</p>
<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>Major Compliance</p>	<p>The PMU have a system for handling compensation claim in an effective, timely and appropriate manner. So far there has not been any dispute raised which was verified during on-site interviews with the workers.</p>	<p>Complied</p>
<p>Criterion 6.4</p>		

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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 Mayvin grouping which were adjacent to any villages or native land. Therefore there has been no record of any negotiation or compensation pertaining to this criterion. 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	The IOI Group has a procedure for calculating and distributing compensation which is available. To the date, there has been no dispute by any parties reported at the Mayvin PMU.	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	Documentation and conditions of pay for foreign workers hired in the POM and all estates visited are available for verification. Employment agreement with foreign workers, who are mostly from Indonesia, stated all statutory fringe benefits and eligible incentives, e.g. working hours, overtime, leave and medical benefits, maternity leave for women, insurance coverage, deductions, resignation notice period, company rules. IOI procedures require the employment contract to be explained by management to potential migrant workers before the contracts are signed. The payment slips for foreign workers at the POM and estates visited are easy to understand and this fact was further verified with migrant workers. Payments are made latest by 7th of each month. Payment slips for foreign and local workers hired by the contractors and settlers' cooperatives also verified as compliance to the Minimum Wages Order 2012. Holidays entitlements as required by the laws are satisfactorily fulfilled, e.g. annual leaves, public holidays and maternity leave. Vacation leave pay for 2014 was sighted at	Complied

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	<p>the POM and estate offices.</p>													
<p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>Major Compliance</p>	<p>In Mayvin grouping since January 2013 offer letter has been revised to reflect the new Minimum Wage Order 2012. The employment contracts used are approved by the Sabah Human Resources Department, i.e. Jabatan Tenaga Kerja Sabah.</p> <p>The document covers all issue such as working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, and reasons for dismissal, period of notice made available in Bahasa Malaysia which is generally understood by the workers including foreign workers from Indonesia and the Philippines.</p> <p>It is noted that most of the foreign workers had been staying and working in Sabah for more than 10 years.</p> <p>In addition to that, during the orientation week for newly employed workers, the employment contract, company policies and procedures, were explained to them with the assistance of senior workers who are also the appointed Worker representatives (both local and foreign).</p> <p>The new workers are required to sign on each topics explained indicating their understanding.</p> <p>At the estates audited a number of field workers were found to have received less than RM800 (as required in minimum wages regulation in Sep. 2015). Main reasons provided by the management was either due to absent from work or low productivity, e.g.</p> <p>Mayvin 1</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Yuliana</td> <td style="width: 20%;">RM741</td> <td style="width: 50%;">2 PH passport payment</td> </tr> <tr> <td>Supardi</td> <td>RM738</td> <td>2 PH passport payment</td> </tr> <tr> <td>Martha</td> <td>RM707</td> <td>2 PH passport payment</td> </tr> <tr> <td>Saparuddin</td> <td>RM707</td> <td>1 day absent</td> </tr> </table> <p>These workers are required to sign on a separate sheet indicating they are agree with the payment and understand the reasons why they received less than the amount required by the law.</p> <p>It was also found the workers has received above the required minimum wages when they achieve the daily target and minimum monthly work days without being absent (unless with prior approval).</p> <p>It is noted that majority of the workers are paid on a 'Piece rated basis' i.e. with certain targets per daily work in order to reach the minimum pay of RM800/month.</p> <p>It is verified that both local and foreign workers have been provided with free housing and clean water supply, free electricity, medical benefits, insurance cover and basic amenities that overall constitute as decent living conditions.</p> <p>However some non-conformance issues were found under this criteria as per below:</p> <p>1) Wages for gazetted public holiday:</p> <p>In Tangkulap estate it was found wages for gazetted public holidays, i.e. Malaysia Day [16 Sep.] and Hari Raya Haji [24-25 Sep.], for at least three workers were</p>	Yuliana	RM741	2 PH passport payment	Supardi	RM738	2 PH passport payment	Martha	RM707	2 PH passport payment	Saparuddin	RM707	1 day absent	<p>Major NC # JMD-01</p>
Yuliana	RM741	2 PH passport payment												
Supardi	RM738	2 PH passport payment												
Martha	RM707	2 PH passport payment												
Saparuddin	RM707	1 day absent												

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	<p>not paid accordingly.</p> <p>2) Annual (Vacation) leave pay:</p> <p>At the estates audited, the lists of workers who are not qualified to receive the annual (vacation) leave pay for 2014 were not made available for verification.</p> <p>The estates should be able to provide the full list of workers i.e. both qualified and not qualified for the annual leave pay.</p> <p>It was that the mill was able to provide the complete said lists.</p> <p>[Further note: Previous year 2014, related Minor NC issued on this indicator had not been adequately implemented].</p>	
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>Minor Compliance</p>	<p>PMU Mayvin grouping has provided adequate housing, water supplies, medical, educational and welfare amenities in accordance with Local - Workers' Minimum Standard of Housing and Amenities.</p> <p><u>Housing, electricity and water supply</u></p> <p>Line sites are kept clean with adequate frequency of rubbish collection per week. Workers are given a small patch of land to grow vegetables/ fruit trees and keep poultry around their houses in order to reduce the cost of living. The workers staying in the estate are provided with free electricity and treated pond water 24 hours daily. Wooden quarters are almost all replaced with brick terrace houses.</p> <p><u>Schools</u></p> <p>The migrant workers' children had received 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 estate management. Furthermore, three foreign teachers originally from Indonesia are paid by the estate management as well.</p> <p>An observation was issued under this criteria relating to the provision of education and welfare amenities per below:</p> <p>Construction of a new HUMANA school building, which started in Dec. 2014, was delayed (Mayvin 2 estate).</p> <p>The management has not taken adequate actions to address the deteriorating conditions of the temporary tent currently used as classroom area.</p> <p><u>Sundry shops</u></p> <p>Sundry shops available outside at each estate audited. From interviews with the workers in PMU it was found that most household sundries, including frozen foodstuffs were available on sale. Fresh food, such as fish, chicken, vegetable and meat are also brought in by fresh food suppliers into the estates in food trucks at least twice a week.</p> <p><u>Crèche (Rumah Asuhan Kanak-kanak)</u></p> <p>Crèche is available in each estate and they are found to be</p>	<p style="text-align: right;">Observation # JMD-01</p>

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	<p>well maintained with basic food i.e. biscuits and milk provided. The 'crèche ayahs' / child minders were found to be satisfactorily trained on the use of first aid kits. .</p> <p><u>Medical clinics</u></p> <p>The estate offices audited have adjacent clinics with qualified nurses employed and scheduled attendance by the Visiting Medical Officer (VMO).</p>	
<p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>Minor Compliance</p>	<p>Mayvin PMU has ensured that the workers have access to adequate, sufficient and affordable food by providing the workers with local sundry shops located within the vicinity of their respective housing areas.</p> <p>It is verified that office and field workers were provided with transport to go shopping for sundry items in town at the end of each month i.e. after pay day.</p>	Complied
<p>Criterion 6.6</p> <p>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.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.6.1 A published statement in local languages recognising freedom of association shall be available.</p> <p>Major Compliance</p>	<p>The published statements of policy which recognizes the employee's freedom of association, was noted to be available in a few languages including Bahasa Malaysia, English and translation made in some local native languages.</p> <p>As an alternative to the trade union, the management has formed Employees Consultative Council (ECC) to cater to the collective bargaining needs of the workers. Results of ECC meetings were minute and available for verification.</p>	Complied
<p>6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>Minor Compliance</p>	<p>PMU Mayvin grouping had published a statement (in local languages) recognizing freedom of association at Mayvin Palm Oil Mill office.</p> <p>Employee representation was through the ECC which has representation from the different levels of workers who are elected by the workers.</p> <p>In all meeting minutes of ECC, list of attendance and photos of the session were kept in file showing evidence of participation of affected parties.</p> <p>In Mayvin POM latest ECC meeting was on 25 Mar. 2015 with attendance of 14 workers from different units. Whilst, in Mayvin 1 latest ECC meeting was on 9 Oct. 2015 with attendance of 11 workers from different units.</p>	Complied
<p>Criterion 6.7</p> <p>Children are not employed or exploited.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.7.1 There shall be documentary evidence that minimum age requirements are met.</p> <p>Major Compliance</p>	<p>There was no evidence of any child labor being used at the estates of Mayvin grouping.</p> <p>The Child Labour policy adopted by estate managements had stated that the minimum age of workers is 19 years. Site inspection of the employment records in all estates confirmed that this has been complied.</p> <p>HUMANA schools and 'crèche' were established to cater to</p>	Complied

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	<p>the proper education of the workers children. Children at the appropriate age for secondary school are sent to the Indonesian school organised by Indonesian Consulate in Sabah.</p> <p>Inspections of the employment records including field trips in the estates of Mayvin grouping and passport photo verification confirmed that this criterion has been complied.</p>	
<p>Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p>Major Compliance</p>	<p>The policy statements which recognize Equal Job Opportunity were widely available and displayed in local languages and English. Inspections including interviews in the estates of Mayvin grouping of the employment records including foreign workers, pay slips and deductions of wages (according to law) confirmed that this criterion has been maintained.</p>	Complied
<p>6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.</p> <p>Major Compliance</p>	<p>Based on interviews and feedback from the employees and foreign workers and review of ECC meeting minutes, it is verified that there has been no issue of discrimination at the PMU.</p>	Complied
<p>6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>Minor Compliance</p>	<p>Mayvin PMU was able to demonstrate that staff are hired and promoted based on specified requirements of performance, skills and medical fitness.</p> <p>For foreign workers, hiring is based on review of evaluations and recommendations obtained using an outsourced employment agency i.e. Friendstar and Agensi Pekerjaan MNK Ent.</p> <p>There was no evidence to suggest any discrimination on promotions as both men and women, local and foreign workers were given equal opportunity to be promoted.</p>	Complied
<p>Criterion 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>The established social policy has covered aspects on sexual harassment, gender and women reproductive rights.</p> <p>There was a documented procedure on the management of sexual harassment and one case reported in 2014 was handled with utmost confidentiality and fairness.</p> <p>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. For example, in Mayvin POM, latest Gender consultative committee / GCC meeting was conducted on 18 May 2015.</p> <p>The policy statements which recognize sexual harassment, gender and women reproductive rights were widely available and displayed in local languages and English.</p>	Complied

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	Briefing sessions have been conducted in all estates audited as well at the Mayvin POM for both male and female workers. For example in Tangkulap estate latest gender committee meeting for female workers was conducted on 11 Sep. 2015 and for male workers was on 14 Apr. 2015. Attendance lists for both briefing sessions were verified which include all categories of workers.	
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	The established social policy has covered aspects on sexual harassment, gender and women reproductive rights. Pregnant and breastfeeding women were exempted from work associated with potentially hazardous chemicals and were given light duties such as work in and around the office and crèche. Noted from records sampled, one woman worker in Mayvin 1 estate, i.e. Arnis Arif had voluntarily resigned from work due to her pregnancy. Meeting minutes of activities of the Gender Consultative Committees (GCC) has been maintained and verified.	Complied
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 PMU has been maintained. There are gender committees specifically to address areas of concern to women. These committees headed by the managers and members are representatives from all areas of work.	Complied
Criterion 6.10		
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	All the estates in the Mayvin PMU do not have any dealings with smallholders. There was also no evidence to suggest of any unfair business practices with the local businesses. No changes with regards to dealing with smallholders since last year and no evidence to suggest of any unfair business practices with the local businesses.	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	Mayvin PMU maintained records on current and past prices paid for FFB. 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 into, and that contracts are fair, legal and transparent. Minor Compliance	Based on employee contracts and meeting minutes (between Mayvin management and employee) it is evidenced that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Interviews with parties concerned confirmed that business practices with local businesses are conducted in a fair and transparent manner. Work tenders are open to appropriate parties and reviewed by Tender Committee before approval. The contractors are monitored during work in progress to follow safety requirements.	Complied

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6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance	The PMU has a policy to ensure agreed payments were made in a timely manner as per the contracts of agreement made. Payments are made on time according to common practice of 60-day grace period.	Complied
Criterion 6.11 Growers and millers contribute to local sustainable development where appropriate.		
Indicators	Findings and Objective Evidence	Compliance
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	Main contribution of the estates to the local development can be demonstrated in the provision of facilities, services and where feasible, monetary. For example based on cooperation with Sabah Immigration Department and Indonesian consulate. The IOI Regional office has been assisting and sponsoring its foreign workers and their dependents to acquire proper travelling documents, if needed.	Complied
6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity Minor Compliance	Verified that there are no scheme smallholders at this PMU.	Not applicable
Criterion 6.12 No forms of forced or trafficked labour are used.		
6.12.1 There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	Estate workers are sourced by the IOI appointed Employment agencies, i.e. Friendstar and Agensi Pekerjaan MNK Ent., and handled via IOI Sandakan Regional office. All procedures of bringing in foreign workers are with the approval from the Immigration Office. Based on records verified and interview with some of the workers, it is confirmed that there has been no occurrence of forced nor trafficked workers in IOI estates Due to delay in processing of annual renewal of work permits at the Immigration Office, some foreign workers are found to have their work permit delayed since Jan. 2015. Evidence of proper follow up inquiries was noted to be done by the Estates management and correspondences with the Immigration Authorities were filed and verified.	Complied
6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	No incidents of contract substitution has been found and this is confirmed that during interviews with workers and external stakeholders.	Complied
6.12.3 Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	A policy on Equal Opportunity was adopted and implemented by Mayvin PMU has adequately covered all necessary aspects of foreign worker related issues.	Complied
Criterion 6.13 Growers and millers respect human rights.		
Indicators	Findings and Objective Evidence	Compliance

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<p>6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).</p> <p>Minor Compliance</p>	<p>The “Sustainability Policy Statement” dated March 2014 signed by Dato’ Lee Yeow Chor recently adopted and implemented by Mayvin PMU covers the necessary aspects of human rights related issues.</p>	<p>Complied</p>
<p>6.13.2 As long as children of plantation workers of Sabah and Sarawak are not secured a right to go to government school, the plantation companies should engage in a process to secure the children of the plantation workers access to education as a moral obligation.</p> <p>Minor Compliance</p>	<p>The children of foreign workers were able to receive free education in NGO-managed schools, i.e. Humana. Maintenance of the school building and its surrounding are under the purview of the respective estate management.</p> <p>See also C6.5.3.</p>	<p>Complied</p>

Principle 7: Responsible development of new plantings

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

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

Criterion 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
Indicators	Findings and Objective Evidence	Compliance
<p>8.1.1 The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>Major Compliance</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of the supply base. 	<p>The POM and Estates audited has identified and progressively implemented the following Continual Improvement Action Plans which are annually reviewed.</p> <p><u>POM:</u></p> <p>Improved POM work facilities.</p> <p>New boiler control room.</p> <p>Reduction of noise level in ripple mill (nut cracking machine) using plywood enclosure.</p> <p>Upgraded Loading bay at shell bunker and fibre store.</p> <p>New assistant quarters and workers quarters.</p> <p>Development of GHG reduction activities such as the higher use of renewable energy sources and application of fertilizers with lower GHG emissions.</p> <p><u>At Estates (Mayvin 1 & Tangkulap)</u></p> <p>Increased planting of beneficial plants along the stretches of estate roads to reduce attacks by caterpillars and bag worm, thereby further reducing the use of pesticides.</p> <p>Maintenance and monitoring of the growth of natural vegetation at the buffer zones and riparian areas and clearance of debris and any clogging of the water flows.</p> <p>Better disposal of recyclable domestic waste such as used plastic and paper products.</p> <p>Better utilization of the plantable land during replanting and improving the harvesting activities and loose fruit</p>	<p>Complied</p>

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	<p>collections.</p> <p>Improved housing units for workers.</p> <p>Fire extinguishers at housing area.</p> <p>Water treatment at for workers at Tangkulap estate.</p> <p>New Humana building in progress at Mayvin 2 estate.</p> <p>Listing of prices for groceries available in retail shop in each estate for easy comparison with prices of groceries offered in nearby town.</p>	
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3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

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

Details of findings are as follows:

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

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surveillance report.		
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).	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 IP Module is: RSPOSC/SOP/IP/3 issue 04 dated 2 Jan 2015. The procedure has covered the implementation of all elements of IP Module.	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 that include controlling the 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.	Mill manager, Mr. Wilfred Moikong has the overall responsibility and authority for implementation and compliance with the documented procedure. He and other relevant staff 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, Technicians, Security Officer, Weighbridge Operator, 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.	It is verified that the procedures are in place and implemented. The POM only received and processed FFB mainly from the PMU estates and occasionally some FFB from other certified IOI PMUs estates within the region as per the data compiled. The PMU did not receive any non-certified FFB from other sources	Complied

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	<p>or suppliers.</p> <p>All supplies of FFB were subjected to verification of documents and quality checks by weighbridge personnel.</p> <p>The identification and documentation needed for supply and processing from the other sources or suppliers are adequately addressed under the procedure.</p> <p>Mayvin POM has 4 CPO storage tanks that stored the IP quantities.</p>	
D.4 Purchasing and goods in		
Indicators	Findings and Objective Evidence	Compliance
D.4.1 The facility shall verify and document the tonnages and sources of certified and non-certified FFBs received.	The Mill had maintained record of tonnages and supply source of FFB from the respective estates at the weighbridge station, in the dispatch chit and weighbridge ticket and these are reported daily to the Sandakan 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 receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	The records and reports are available from the computerized system. 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 on a daily basis. As per the SOP, the records and reports are archived and stored in the Mill Office for a minimum period of 5 years.	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.	<p>Confirmed from records that the POM only received and processed certified FFB from its own estates and estates in other certified IOI PMUs for the current year and following projected year.</p> <p>The processing facility has established and implemented a clear procedure and mechanism for the IP module.</p> <p>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.</p> <p>Transaction documents and bookkeeping of FFB, CPO and PK are done daily and monthly summary submitted to Head Office.</p> <p>A volume balance recording system that shows FFB deliveries, CPO and PK production and dispatch is balanced every 3 months.</p> <p>The PK is entirely sold to IOI Edible Oil and there has been no outsourcing of the PK crushing to an independent palm kernel crushing facility.</p>	Complied

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<p>D.6.2 The objective is for 100 % segregated material to be reached.</p>	<p>Documents and records provided documented evidence that the FFB receipt and processed, and CPO and PK produced are traceable to 100% certified material.</p> <p>The PK is delivered to the palm kernel crushing plant at IOI Edible Oil, Sandakan. The POM does not produce PKO.</p> <p>The product type and supply chain module indicated as CSPO/IP and CSPK/IP on relevant documents was verified to be correctly stated.</p>	<p>Complied</p>
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3.1.2 Status on Supply Chain at POM:

Based on the documents and records presented during the on-site verifications made, it is concluded that the Mayvin POM has been able to comply with the requirements of the RSPO SCCS under the 'IP' module and is thus eligible for 'IP' trading for its palm products for year 2015/2016.

3.1.3 Monitoring of CSPO and CSPK traded:

Trading of CSPO and CSPK are via RSPO eTrace, GreenPalm and ISCC e-platforms. The records maintained at the POM relied on internal communications from the trading arm of IOI based at the HQ, Putrajaya Jaya. Based on records maintained at the POM, the quantities (tonnages) traded as verified during assessment are as follows:

	CSPO - Actual (FY July 2013 / June 2014) (MT)	CSPK - Actual (FY July 2013 / June 2014) (MT)	CSPO - Actual (FY July 2014 / June 2015) (MT)	CSPK - Actual (FY July 2014 / June 2015) (MT)
RSPO	27,898.60	-	12,115.94	-
Book & Claim (Green Palm)	-	11,148.31	-	10,471.73
ISCC	4,163.75	-	16,288.23	-
Total Traded	32,062.35	11,148.31	28,404.17	10,471.73
Actual Produced	43,196.23	11,148.31	40,474.80	10,471.73

Notes:

- The PK is entirely sold to IOI Edible Oil at Sandakan and there is no outsourcing of the PK crushing to an independent palm kernel crushing facility.

Based on records maintained at the POM, it was verified that the total tonnage of CSPO traded has not exceeded the annual certified quantity.

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

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

Assessment Type	Year	Noncompliance (NCR)	Observations (OBS)	Follow up status
Main Assessment	2010	2 - Minor (2.1.3 & 5.2.1)	7	Actions taken on the NCRs and OBS verified to be effective during ASA-01.
Annual Surveillance - 01	2011	2 - Minor (5.3.2 & 6.5.2)	4	Actions taken on the NCRs and OBS verified to be effective during ASA-02.
Annual Surveillance - 02	2012	2 - Minor (4.4.7 & 4.5.4)	2	Actions taken on the NCRs and OBS verified to be effective during ASA-03.

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Annual Surveillance - 03	2013	2 - Major (4.4.2 & 6.9.1)	6	Actions taken on the NCRs and OBS verified to be effective during ASA-04.
Annual Surveillance - 04	2014	1 - Minor (6.5.2)	1	Actions taken on the NCRs and OBS verified to be effective during Re-Certification assessment.
Re-Certification Assessment	2015	1 - Major (6.5.2)	4	Next Surveillance

Year 2014: ASA-04 (1 NCR)

NCR #	MYNI Indicator	Details of NCR	
Minor JMD-01	6.5.2	Date issued: 10 Oct 2014	
		Nonconformance: 1. As to date, the 2013 vacation leave pay for workers in Mayvin 5 estate has not been paid. 2. It was found that a total 107 workers have absconded in Mayvin 5 and Mayvin 6 estates since Jan 2014 but this matter had not been reported to the Police and/or Immigration Department.	
		Root Cause and Corrective Action: 1. List of eligible and non-eligible workers for the vacation leave hasn't been finalized yet by Mayvin 5 Estate. It was caused by short of staff at Mayvin 5 Estate. Finalization of the list was given priority. Once finalized, payment will be made month of October pay. New clerk to handle sustainability issues has been appointed at Mayvin 5 Estate to ensure no re-occurrence of the issue. 2. This was an oversight by respective estate management. Reporting will be made in timely manner i.e. 3 months once by the estate. Record of reporting will be maintained at estate office.	
		Verification for closure of NC: Documents verified: Finalized list of eligible and non-eligible workers for vacation leave pay. Copy of pay slip showing payment of the Annual Leave. Latest report dated 13 Oct 2014 to Police regarding absconded workers from Mayvin 5 and Mayvin 6.	
		NC status verified by auditor: Dr. Ooi Cheng Lee	Date closed: 05 Nov 2014
		Verification (for effectiveness): It is verified that the implementation of some items under the indicator has not been adequately addressed and effectively implemented at the estates audited during current recertification assessment and thus the NC was upgraded to a 'Major' NC status.	
		NC status verified by auditor: Jumat Majid (JMD)	Date verified: 30 Oct 2015

Year 2015: Re-Certification (1 NCR)

NCR #	MYNI Indicator	Details of NCR
Major	6.5.2	Date issued: 10 Oct 2014

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JMD-01	<p>Nonconformance:</p> <p>1) Wages for gazetted public holiday: In Tangkulap estate it was found wages for gazetted public holidays, i.e. Malaysia Day [16 Sep.] and Hari Raya Haji [24-25 Sep.], for at least 3 workers were not paid accordingly.</p> <p>2) Annual (Vacation) leave pay: At the estates audited, the lists of workers who are not qualified to receive the annual (vacation) leave pay for 2014 were not made available for verification. The estates should be able to provide the full list of workers i.e. both qualified and not qualified for the annual leave pay. Noted that the POM was able to provide the complete said lists.</p> <hr/> <p>Root Cause and Corrective Action:</p> <p><u>1) Wages for gazetted public holiday:</u> Root Cause: Technicality cause due to lack of awareness given to the new recruited clerk responsible in payroll.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> (i). List of eligible Public Holiday for year 2015 approved for Tangkulap estate (which also displayed at the notification board) for workers' information. (ii). To extract the list of person affected workers (not paid for a gazetted Public Holiday) from January 2015 until September 2015 according to the Public Holiday Schedule for the year 2015 approved for Tangkulap estate. (iii). Approval letter from General Manager on the Public Holiday payment (January 2015 – September 2015). (iv). Proof of payment for the affected workers as per item no (ii). (v). Briefing to all workers including staffs for awareness on the Public Holiday payment eligibility in accordance to Sabah Labour Ordinance under Section 103 (4). (vi). Training for payroll clerk and on the correct usage of Pinfosys code to be entered into system reflecting attendance and task carried out on daily basis. (vii). As a continuous practice, the proof of PH payment made on October 2015. Sample made on few workers. <p><u>2) Annual (Vacation) Leave Pay:</u> Root Cause: No submission required for the non-eligible list to regional office thus the estate did not produce the list.</p> <p>Corrective Action: Apart from the list of eligible workers to receive the annual leave payment for year 2014, both Tangkulap Estate and Mayvin 1 Estate to produce the list of workers who are not eligible to receive the annual leave payment 2014 and this will continue to be practised on annual basis.</p> <hr/> <p>Verification for closure of NC: Corrective actions taken with supporting evidences as submitted on 27 Nov 2015 for the said issues i.e. list of eligible and non-eligible workers, proof of payments made, training done for personnel concerned on the handling of payroll etc was verified to be satisfactorily performed and found adequate and acceptable for the closure of the NC.</p>						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 2px;">NC status verified by auditor: JMD & AL</td> <td style="padding: 2px;">Date closed: 30 Nov 2015</td> </tr> <tr> <td colspan="2" style="padding: 2px;">Verification (for effectiveness): Next assessment</td> </tr> <tr> <td style="padding: 2px;">NC status verified by auditor: -</td> <td style="padding: 2px;">Date verified: -</td> </tr> </table>		NC status verified by auditor: JMD & AL	Date closed: 30 Nov 2015	Verification (for effectiveness): Next assessment		NC status verified by auditor: -	Date verified: -
NC status verified by auditor: JMD & AL	Date closed: 30 Nov 2015						
Verification (for effectiveness): Next assessment							
NC status verified by auditor: -	Date verified: -						

Year 2014: ASA-04 (1 Observation)

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Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS # AL-01	5.2.2	Mayvin 6 estate	Annual review of HCV reports was done at Mill and estates audited. However at Mayvin 6, the recent change i.e. Water pond near Field 98B should be included as part of Conservation area (estimated 0.7ha). Water from the pond is supplied to the workers' housing for mainly washing and cleaning with warning precaution taken In boiling the water if it used for consumption. Quarterly water analysis results meet the requirements for drinkable water quality. However, this water supply source should be included in the Water Management Plan and monitored.	10 Oct 2014	30 Oct 2015	Adequate actions taken and closed

Year 2015: Re-Certification (4- Observations)

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS: AL-01	5.1.2	Mayvin 1 and Tangkulap estates	Implementation of comprehensive management plan to mitigate negative environmental impacts: Review, follow up items and action plans needed as per the quarterly Environment Compliance Report (ECR) for Mayvin grouping in 2015, as submitted to Environment Protection Dept, need closer monitoring.	30 Oct 2015	-	Follow up in next assessment.
OBS: AL-02	5.3.3	Mayvin 1 and Tangkulap estates	Waste management and disposal to reduce pollution: Waste Management can be improved i.e. implementation of waste segregation of recyclable materials such as plastic containers, scrap metals /cans, paper along the policy of 3R (Recycle, Reuse and Reduce) prior and during disposal.	30 Oct 2015	-	Follow up in next assessment.
OBS: CBK-01	4.6.6	Mayvin 1	Water flow to the emergency shower/eyewash station at the pesticide store was noted to be partially hindered. Maintenance of and water supply to emergency shower/eyewash station need to be monitored more regularly.	30 Oct 2015	-	Follow up in next assessment.
OBS: JMD-01	6.5.3	Mayvin 2	Provision of education and welfare amenities: Construction of a new HUMANA	30 Oct 2015	-	Follow up in next assessment.

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			<p>school building, which started in Dec. 2014, was delayed. The management has not taken adequate actions to address the deteriorating conditions of the temporary tent currently used as classroom area.</p>		
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3.2.2 Identified Positive Elements

- 1) IOI Corporation Berhad is one of the biggest partners of HUMANA i.e. Borneo Child Aid. About 63 teachers in Humana are paid by IOI and another 20 teachers are paid by the Government of Indonesia. Humana has provided education assistance for more than 2000 migrant estate children.
- 2) The PMU has a team of committed staff and good support from all employees on the RSPO certification.

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 Mayvin PMU operations were sourced (**refer to Section 2.0 Assessment Process**). All pertinent feedback received were reviewed and followed up for verification and these had been accordingly incorporated into the report findings. See table below:

2014: ASA-04

Stakeholders' Feedback	PMU Response	Intertek verification / comment on further action (if any)	Further action from PMU (if any)
Government Agencies			
No feedback received.	There was no feedback / enquiries received from any government Agencies concerning the operations of the PMU.	Verified during on-site assessment that there has been no issues from any Government Agencies concerning the PMU's operations.	No further action needed.
Non-Governmental Organizations			
No feedback received.	There was no feedback / enquiries received from any NGO concerning the operations of the PMU.	Verified during on-site assessment that there has been no issues from any NGO concerning the PMU's operations.	No further action needed.
Local Communities			
On-site group and individual consultations and interviews were held during the assessment duration with various categories of stakeholders comprising of Contractors, Suppliers, Transporter, Local communities (Village Head, School & Clinics), Government agencies, etc. and also employees/workers. Concerns and issues raised include: <ul style="list-style-type: none"> • Presence of stray dogs from 	The PMU will examine the	Adequate actions taken	No further action

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<p>the workers quarters (Tangkulap estate) which need better control as they may enter forest reserve areas.</p> <p>Positive comments include:</p> <ul style="list-style-type: none"> • Satisfied with the IOI management • Contributions given to the local communities. • No negative impacts on wildlife issues. 	<p>issue raised by the Wildlife Department and identify appropriate actions.</p>	<p>to curb the stray dogs issue ie relocation done to estates that needed them.</p>	<p>needed.</p>
Other Interested parties			
No feedback received.	No action needed.	No action needed.	No action needed.

2015: Re-Certification

Stakeholders' Feedback	PMU Response	Intertek verification / comment on further action (if any)	Further action from PMU (if any)
<p>Government Agencies: Environment Protection Dept (EPD) written reminder on timely submission of ECR reports at estates undergoing replanting.</p>			
<p>Non-Governmental Organizations: No feedback received.</p>	No action needed.	No action needed.	No action needed.
<p>Local Communities & Interested Parties: On-site group and individual consultations and interviews were held during the assessment duration with various categories of stakeholders comprising of Contractors Suppliers, Transporter, Local communities (Village Head, School & Clinics), Government agencies, etc. and also office employees/field workers.</p> <p>Note: Local community: 15 persons Employees / Workers: Over 20 individuals</p> <p>Concerns and issues raised include:</p> <ul style="list-style-type: none"> • Humana School in Mayvin 2 has been under construction since Dec. 2014. During this period temporary location allocated by the 	<ul style="list-style-type: none"> • PMU Management will review the performance of the contractor involved and take appropriate actions. 	<p>To be followed up during the next Assessment.</p>	



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<p>management is not conducive for positive learning of the children</p> <ul style="list-style-type: none">• Children of foreign workers between 15-17 years old who are not interested to continue studying but not yet qualified to be employed by IOI. It was suggested for IOI to organise a meeting with the parents involved to encourage the parents to continue sending their children at this age to complete their schooling. <p>Positive comments include:</p> <ul style="list-style-type: none">• Overall satisfaction on interaction received from IOI Management and personnel• Contributions given have helped the local community development.• No negative impacts on wildlife issues.	<ul style="list-style-type: none">• More dialogue with the parents will be held to stress the importance of proper education.		
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4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

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

Therefore, it is recommended that the re-certification of IOI Mayvin Grouping be approved.

Signed for and on behalf of
Intertek Certification International Sdn Bhd



Augustine Loh
Lead Assessor

Date: 11 December 2015

4.1 Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings

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

Signed for and on behalf of
IOI CORPORATION BERHAD



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

Date: 14 December 2015

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4.2 INTERTEK- RSPO P&C Certificate details for Mayvin Grouping (Re-Certification)

Certificate No:	RSPO 926888
Original Issue date:	22 Dec 2010
New Certificate (RA-01) date	22 Dec 2015
New Expiry date:	21 Dec 2020
Organization	IOI Corporation Berhad
Address of Head Office:	Level 8, Two IOI Square, IOI Resort, 62502 Putrajaya, Malaysia
RSPO Membership No:	2-0002-04-000-00
Plantation Management Unit:	Mayvin Grouping
Address of POM:	16km Off Sandakan / Telupid Road at 110km, WDT No. 164., 90009 Sandakan, Sabah, Malaysia
Standards:	RSPO Principles and Criteria (April 2013) Malaysian National Interpretation (MYNI, 2014) and RSPO Supply Chain Certification Standards (November 2014) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernels
Supply Chain module at POM	Identity Preserved (IP)

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

Name	Address	GPS Reference		Certified Area (Ha)
		Latitude	Longitude	
Mayvin Palm Oil Mill (Capacity: 60 MT/hr)	Mayvin Palm Oil Mill, Telupid, 16km Off Sandakan/Telupid Road at 110km, WDT No 164, 90009 Sandakan, Sabah	5°34.621' N	117°14.146' E	9,302.26
Mayvin 1 Estate	Mayvin 1 Estate, Telupid, 16 km Off Sandakan/Telupid Road at 110km, WDT No 164, 90009 Sandakan, Sabah	5°34.622' N	117°14.145' E	
Mayvin 2/3 Estate	Mayvin 2/3 Estate, WDT No 164, 90009 Sandakan, Sabah	5°32.999' N	117°13.670' E	
Mayvin 5 Estate	Mayvin 5 Estate, Telupid, WDT No 164, 90009 Sandakan, Sabah	5°28.577' N	117°20.408' E	
Mayvin 6 Estate	Mayvin 6 Estate, Telupid, WDT No 164, 90009 Sandakan, Sabah	5°28.656' N	117°22.581' E	
Tangkalap Estate	Tangkalap Estate, Telupid, WDT No 164, 90009 Sandakan, Sabah	5°30.162' N	117°15.154' E	

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

Mayvin POM	Annual Tonnages (MT)
Certified FFB	160,340.00
Certified CPO	35,676.00
Certified PK	9,220.00
Supply Chain module at POM	Identity Preserved (IP)

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, USA and Diploma in Maritime Studies, Singapore

Mr. Augustine Loh is an IRCA Third Party Assessment (TPA) 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 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 and RSPO RED 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 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.

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 5 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 in 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 is a member of the RSPO CB Assessment team which audited several RSPO certified Plantation Management Units since 2014.

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

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

Mr Jumat Majid (JM) 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 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.

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Appendix B:

Re-Certification Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
26 Oct 15 (Day 1)	8.00 am – 1.30 pm	Travel to Mayvin (POM) Office		
	1.30 pm - 2.30 pm	Lunch Break		
	2.30 pm – 3.00 pm	Opening Meeting and Briefing at Mayvin - POM Office (to be attended by representatives from the Estates as well)		
	3.00 pm – 5.30 pm	Document Review and Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM		
		AL	CBK	JMD
		Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & HCV • P8 Continual Improvement • SCC for POM 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Mill • P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	<ul style="list-style-type: none"> • Review of changes for compliance to revised RSPO P&C, MYNI and RSPO SCC • Verification of effectiveness of corrective actions for non-conformances • Review of Time Bound Plan • Verification for compliance with Rules on Partial Certification 			
	5.30 pm – 8.00 pm	Travel to Hotel & Break		
8.00 pm – 9.00 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity		
27 Oct 15 (Day 2)	8.30 am – 12.30pm	AL	CBK	JMD
		Site assessment at Mayvin 1 Estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Mayvin 1 Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Mayvin 1 Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Mayvin 1 Estate		
	5.30 pm – 8.00 pm	Travel to Hotel & Break		
8.00 pm – 9.00 pm	Team Meeting and Discussion			

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Date	Time	Assessors and Assessment Activity		
		AL	CBK	JMD
28 Oct 15 (Day 3)	8.30 am – 12.30pm	Site assessment at Mayvin 2/3 Estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Mayvin 2/3 Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Mayvin 2/3 Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm – 5.30 pm	Continue site assessment at Mayvin 2/3 Estate		
	5.30 pm – 8.00 pm	Travel to Hotel & Break		
	8.00 pm – 9.00 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity		
		AL	CBK	JMD
29 Oct 15 (Day 4)	8.30 am – 10.30 am	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below): <ul style="list-style-type: none"> • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community • Settlers, in the case of independent and organized smallholders. <p>Notes</p> <p>1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders <u>prior</u> to the assessment.</p> <p>2. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement</p>		
	10.30 am – 12.30 pm	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & HCV • P8 Continual Improvement • SCC for POM 	Site assessment at Mayvin grouping estate to follow up on any specific criteria/areas <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Mayvin grouping estate to follow up on any specific criteria/areas <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm – 5.30 pm	Continue site assessment at POM or estates to follow up on any specific criteria/areas		
	5.30 pm – 8.00 pm	Travel to Hotel & Break		
8.00 pm – 9.00 pm	Team Meeting and Discussion			

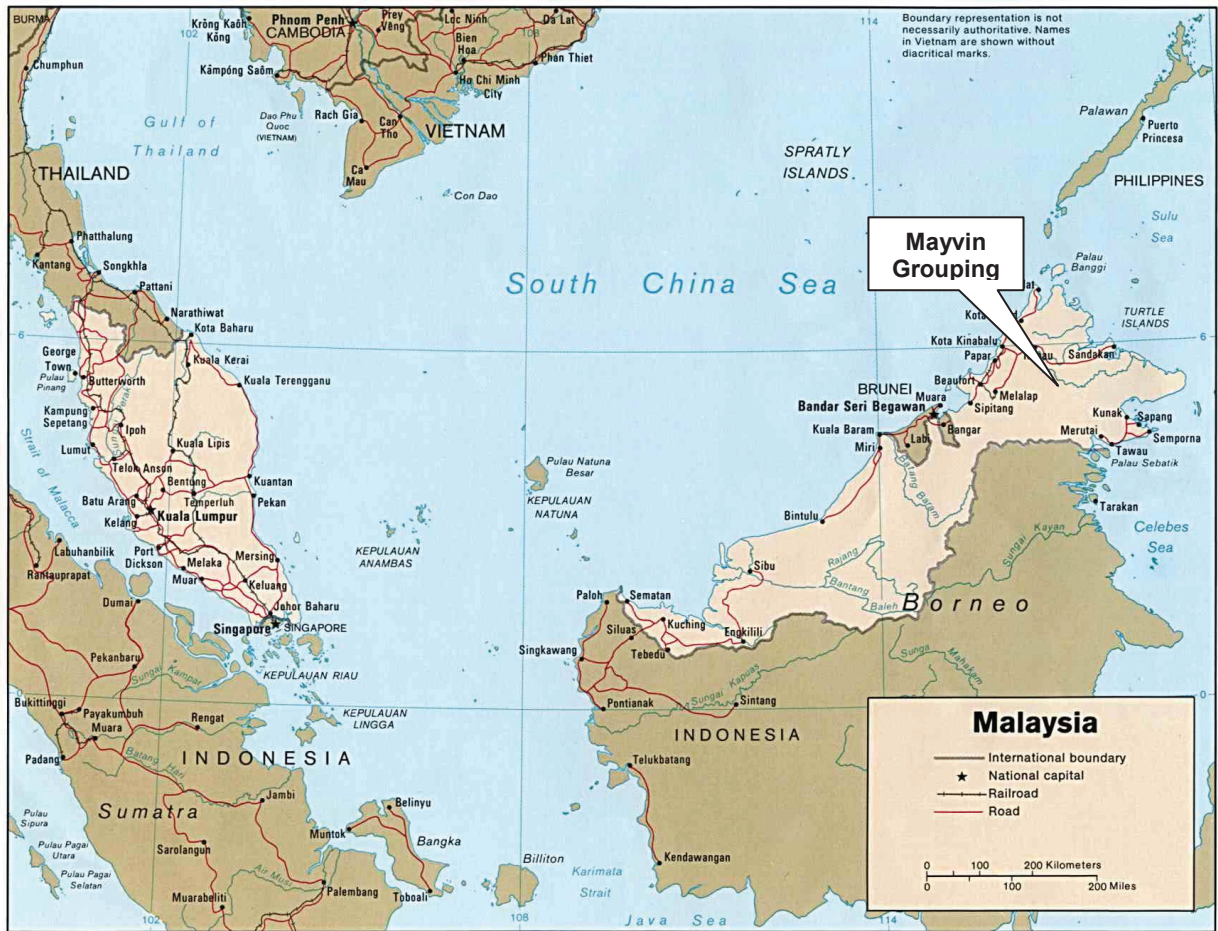
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Date	Time	Assessors and Assessment Activity
30 Oct 15 (Day 5)	8.30 am – 11.00 am	Preparation for Closing Meeting
	11.00 am – 12.00 pm	Team Meeting and Discussions with Mayvin Management Representative
	12.00 pm – 12.30 pm	Closing Meeting & Briefing at Palm Oil Mill Office
	12.30 pm – 1.30 pm	Lunch Break
	1.30 pm onward	Travel back to Kuala Lumpur

Appendix C-1:

Location Map of IOI Mayvin Grouping, Sandakan, Sabah, Malaysia



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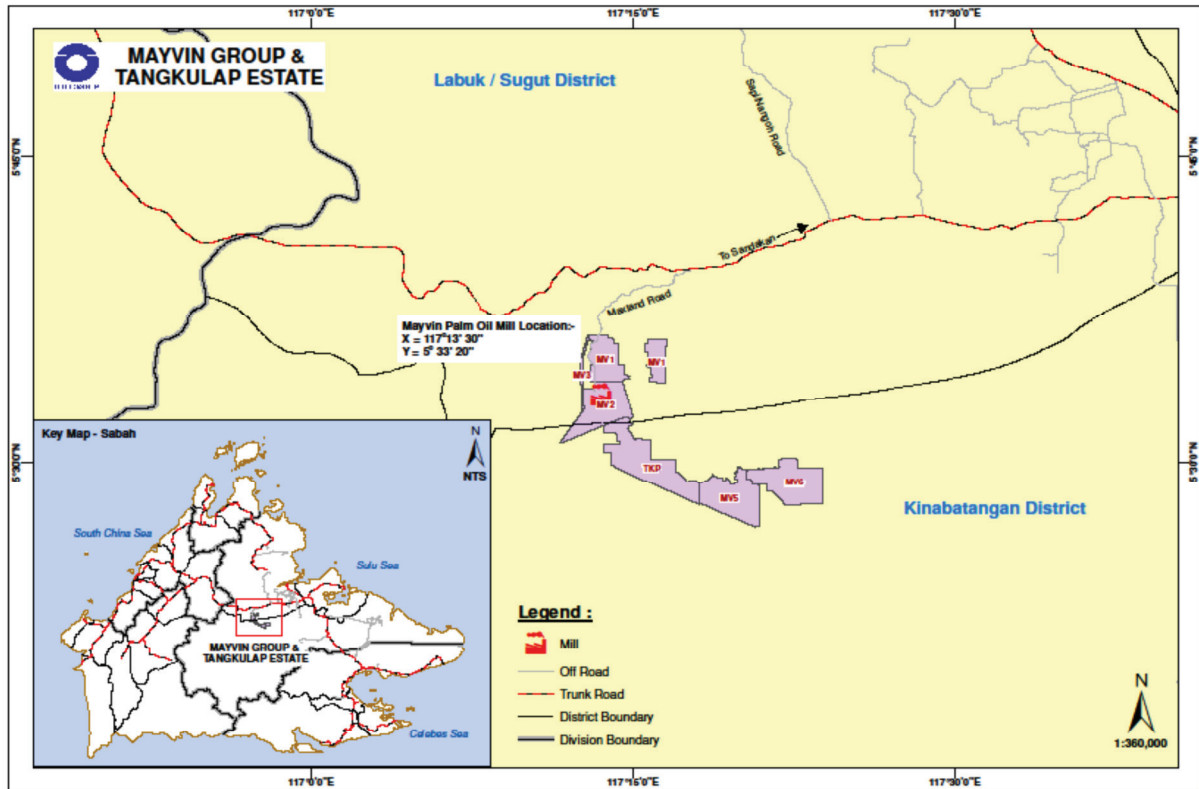
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Appendix C-2:

Location Map of IOI Mayvin Grouping, Sandakan, Sabah, Malaysia

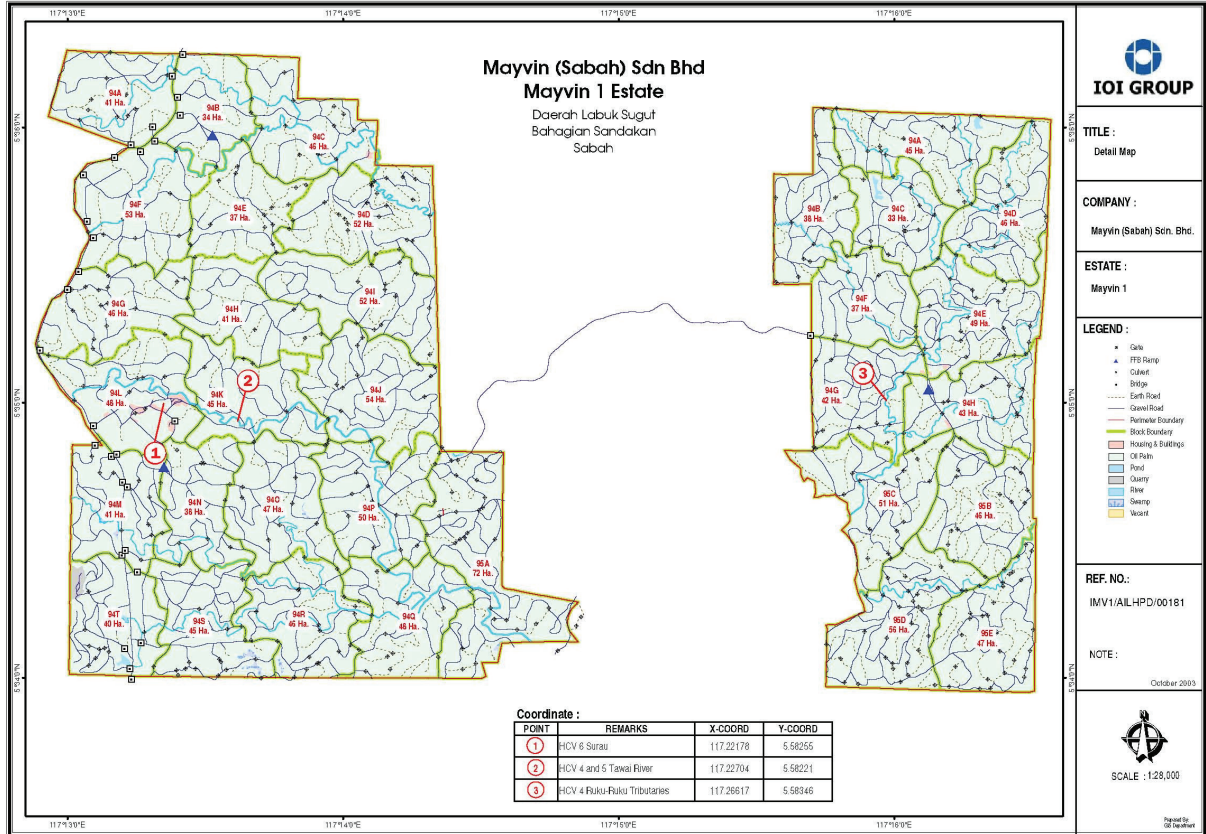


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Appendix C-3:

Layout of Mayvin 1 Estate

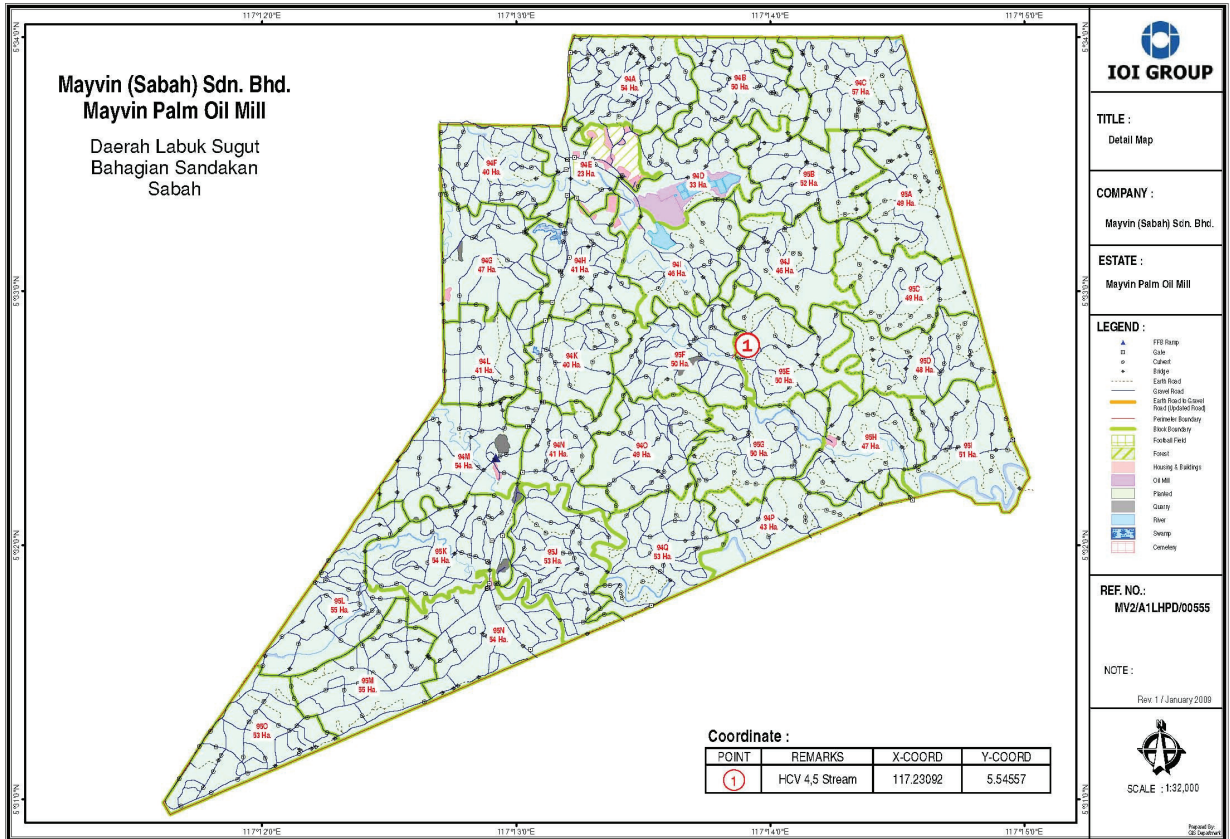


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Appendix C-4: Layout of Mayvin 2 Estate

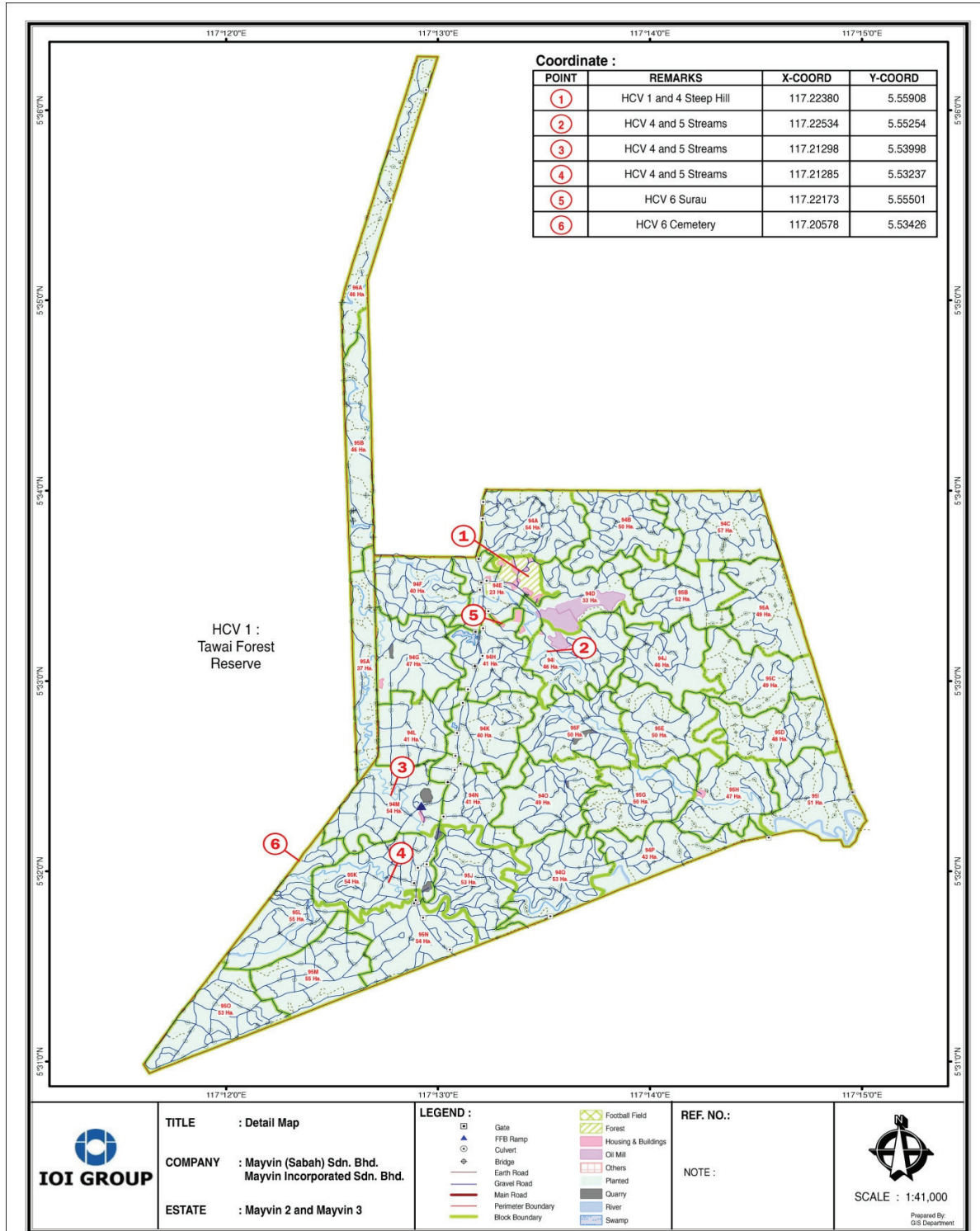


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Appendix C-5:

Layout of Mayvin 2/3 Estate



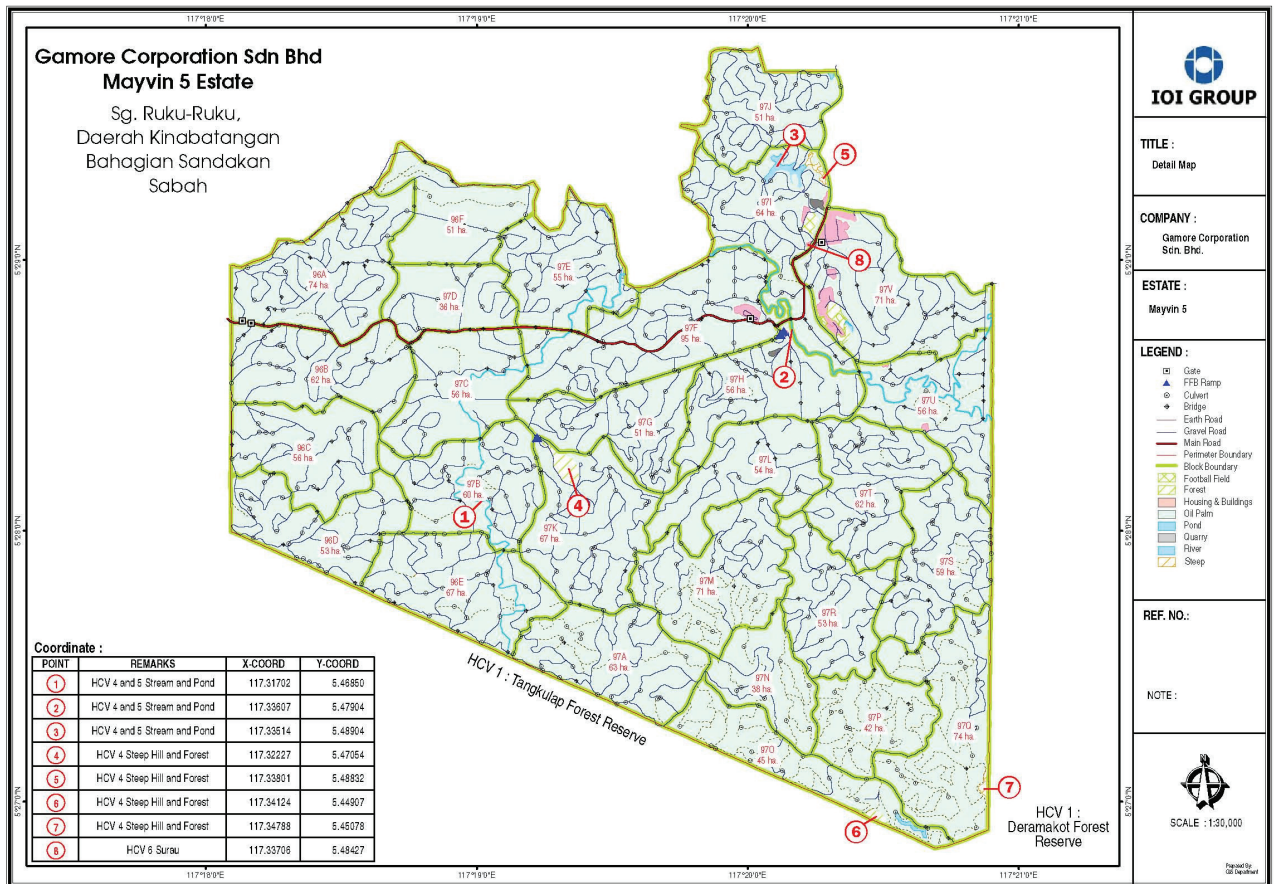
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Appendix C-6:

Layout of Mayvin 5 Estate

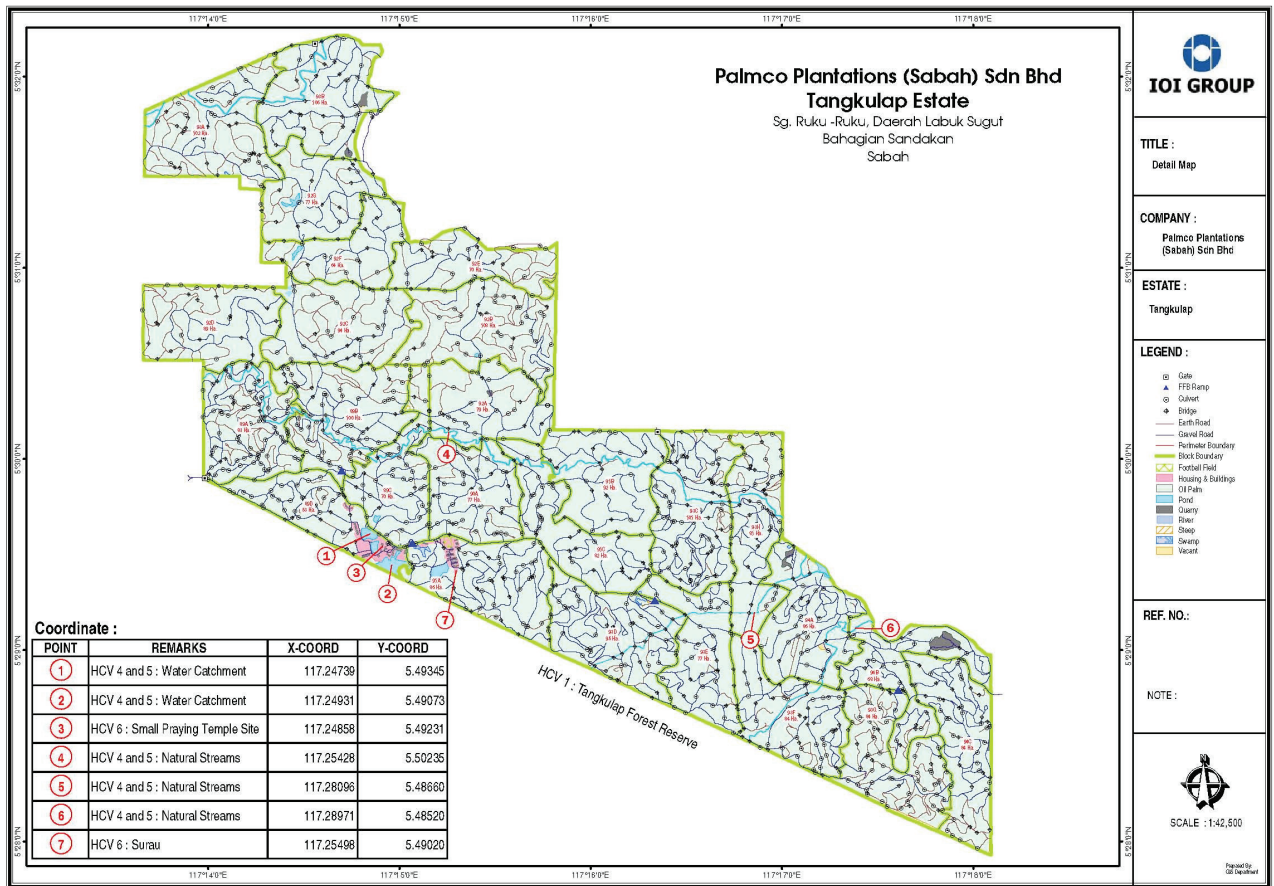


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Appendix C-7:
Layout of Tangkulap Estate



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Appendix D:

Photographs of Assessment findings at Mayvin PMU (Re-Certification)



Presentation by IOI personnel during the Opening meeting of assessment.



Ongoing replanting and shredding of the felled old palms at Mayvin 1 estate.



Field inspection and interview of workers and PPE worn by workers at the estates.



Maintenance of landfill site at Tangkulap estate.



Signages maintained at buffer zones of 50m from boundary with Forest Reserve at Tangkulap estate



Allocated and maintained buffer zones of 50m from boundary with Forest Reserve at Tangkulap estate

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Appendix E:

Details of Time Bound Plan as submitted by IOI Plantation Services Sdn Bhd (Dec 2015)

No	PMU	Main Assessment	Certification Status	Current Status	Updated information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified units
1.	Pamol POM, Sabah	May 2008	Re-Certified in Feb 2014	ASA-01 planned in 2015.	No outstanding issues
2.	Sakilan POM	Nov 2008	Certified in Mar 2010	Re-Certification planned for 2015	No outstanding issues
3.	Pamol Kluang POM	Mar 2009	Certified in Mar 2010	Re-Certification planned for 2015	No outstanding issues
4.	Gomali POM,	Aug 2009	Certified in Aug 2010	Re-Certification planned for 2015	No outstanding issues
5.	Baturong POM	Sep 2009	Certified in Oct 2010	Re-Certification planned for 2015	No outstanding issues
6.	Bukit Leelau POM	Apr 2010	Certified in Nov 2010	Re-Certification planned for 2015	No outstanding issues
7.	Mayvin POM	Aug 2010	Certified in Dec 2010	Re-Certification planned for 2015	No outstanding issues
8.	Pukin POM Johor	Dec 2010	Certified in Jun 2012	ASA-04 completed for 2015.	No outstanding issues
9.	Leepang POM	Aug 2012	Certified in Dec 2013	ASA-02 planned for 2015.	No outstanding issues
10.	Syarimo POM	Sep 2012	Certified in Mar 2013	ASA-02 completed for 2015.	No outstanding issues
11.	Ladang Sabah POM	Oct 2012	Certified in Apr 2013	ASA-02 completed for 2015.	No outstanding issues
12.	Morisem POM, Sabah	Sep 2013	Certified in Dec 2013	ASA-02 completed for 2015.	No outstanding issues
13.	IOI-Pelita, Sarawak	Planned – 2019	Uncertified unit	New certification for IOI-Pelita (Sarawak) is pending resolution of land dispute and RSPO decision. No POM yet.	<p>Settlement Discussion and resolution with local community is presently still on-going.</p> <p>RSPO has been briefed on the 17 Sept 2015 and 27 Oct 2015 about IOI Pelita's Mediation Plans.</p> <p>There has been 2 meetings between IOI Pelita and the LTK community since IOI's discussion with RSPO - on the 9 Nov 2015 and another on the 1 Dec 2015 - where RSPO had attended the latter as an observer together with local expert from Sarawak (Law Professor specializing in the Rights of Indigenous Community) during the discussions.</p> <p>Next Meeting dates are planned on 30 Dec or 12 Jan subject to receiving confirmation from all Parties.</p>
14.	Unico POM-1, Sabah	Planned – 2018	Uncertified unit	Acquired in 2014. Established OP plantation (before 2005). Supply base do consists of external / independent smallholders.	<p>Certification preparations in progress</p> <p>Delay is expected due to further monitoring of implementation of RSPO requirements with regards to the external FFB suppliers.</p>

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					Thus readiness for external audit planned in 2018 only.
15.	Unico Desa POM-2, Sabah	Planned – Sep 2017	Uncertified unit	Acquired in 2014. Established OP plantation (before 2005). Supply base comprised of own estates.	Certification preparations in progress
16.	PT SKS, Indonesia	Planned – 2016	Uncertified unit	Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental 'Hak Guna Usaha' application in progress.	Certification preparations in progress Delays expected on the HGU. Note: NPP issue was considered resolved in May 2012 via letter from RSPO.
17.	PT BNS, Indonesia	Planned – 2017	Uncertified unit	Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental HGU application in the process.	Certification preparations in progress. Pending the issuance of HGU. Note: NPP issue was considered resolved in May 2012 via letter from RSPO.
18.	PT BSS, Indonesia	Planned – 2019	Uncertified unit	Acquired in 2009 (new concession land). No POM yet, still in development phase. Governmental 'Hak Guna Usaha' application in progress.	Certification preparations in progress. Pending the issuance of HGU. NPP for on-going planting was completed and posted on RSPO website. Note: Negotiation regarding compensation on the accidentally cleared HCV is in progress with RSPO.
19.	PT KPAM, Indonesia	Planned – 2020	Uncertified unit	Acquired in 2010 (new concession land). No POM planned yet. Re-application of expired 'Izin Lokasi' in progress and development planned in 2017.	HCV assessment completed, SEIA in progress. NPP notification will follow once the HCV and SEIA assessments reports are completed and reviewed. Earliest expected in 2017.

---End---