

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT
Syarimo Grouping
Kinabatangan, Sabah, Malaysia



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Public Summary Report (abridged version)

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Report No.: R9283/12-2 IOI Corporation Berhad
(Syarimo Grouping: Annual Surveillance Assessment - 01)

PUBLIC SUMMARY REPORT

ANNUAL SURVEILLANCE ASSESSMENT (ASA-01) ON RSPO CERTIFICATION

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT

Syarimo Grouping

Kinabatangan, Sabah, Malaysia

Certificate No:

Issued date:

Expiry date:

RSPO 928388

20 March 2013

19 March 2018

Assessment Type

Initial Certification (Main Assessment)

Annual Surveillance Assessment (ASA-01)

Annual Surveillance Assessment (ASA-02)

Annual Surveillance Assessment (ASA-03)

Annual Surveillance Assessment (ASA-04)

Re-Certification

Assessment Dates

17 – 21 September 2012

18 – 21 February 2014

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

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1.0 SCOPE OF ANNUAL SURVEILLANCE ASSESSMENT (ASA-01)

1.1 Introduction

1.1.1 This Public Summary Report is the abridged version of the Annual Surveillance Assessment (ASA-01) report prepared for public notification, taking into consideration the protection of confidential and sensitive information of the client organization, which is consistent with the guiding principle specified by RSPO Certification System Standard. In the event, stakeholders, who require further details or clarification on any part of the content of the Public Summary Report, may contact RSPO Secretariat or Intertek Certification International. The full version of the assessment report has been submitted to RSPO Secretariat.

1.1.2 This Annual Surveillance Assessment (ASA-01) was conducted on the Syarimo grouping of IOI Corporation Berhad, from 18 - 21 February 2014 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 (MY-NI, November 2010) and RSPO Supply Chain Certification Standard (November 2011) for POM. This assessment also includes a review of the changes made by the PMU to comply with the requirements of the ratified new RSPO Principles and Criteria (effective 25 April 2013). It was found that the PMU is aware of the new RSPO Principles and Criteria and the transition period for compliance but has not yet make the necessary changes required.

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

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

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

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

Name	Address	GPS Reference	
		Latitude	Longitude
Syarimo Palm Oil Mill (Capacity: 90 mt/hour)	KM23, Jalan Kinabatangan, Sg. Pin, Kinabatangan, Sabah	05°20.001'N	117°46.875'E
1. Syarimo 1 estate	Sg. Pin, Kinabatangan, Sabah	05°19.742'N	117°49.510'E
2. Syarimo 2 estate	Sg. Pin, Kinabatangan, Sabah	05°19.642'N	117°47.077'E
3. Syarimo 3 estate	Sg. Pin, Kinabatangan, Sabah	05°19.769'N	117°46.561'E
4. Syarimo 4 estate	Sg. Pin, Kinabatangan, Sabah	05°23.041'N	117°45.877'E
5. Syarimo 5 estate	Sg. Pin, Kinabatangan, Sabah	05°21.065'N	117°42.938'E
6. Syarimo 6 estate	Sg. Pin, Kinabatangan, Sabah	05°18.919'N	117°45.707'E
7. Syarimo 7 estate	Sg. Latangan, Kinabatangan, Sabah	05°17.792'N	117°42.124'E
8. Syarimo 8 estate	Sg. Latangan, Kinabatangan, Sabah	05°19.235'N	117°41.489'E
9. Syarimo 9 estate	Sg. Latangan, Kinabatangan, Sabah	05°15.714'N	117°42.546'E

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1.3 Description of supply base (fruit sources)

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

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

Table 2: Estate Area Summary and FFB Production

Estate	Area Summary (ha) – 2012 / 2013	
	Certified Area	Planted Area
1. Syarimo 1	1,914	1,836
2. Syarimo 2 (assessed in ASA-01)	1,987	1,750
3. Syarimo 3	2,442	2,326
4. Syarimo 4 (assessed in ASA-01)	2,378	1,877
5. Syarimo 5 (assessed in ASA-01)	2,149	2,110
6. Syarimo 6 (<i>to be assessed in ASA-02</i>)	1,741	1,611
7. Syarimo 7	2,080	1,978
8. Syarimo 8 (<i>to be assessed in ASA-02</i>)	1,889	1,475
9. Syarimo 9	1,756	1,515
Total:	18,336	16,478
Percentage:	100%	89.9%

Notes:

1. This Assessment covered the overall land use for oil palm plantation areas, and the identified Conservation areas including HCV areas marked out at the selected estates.
2. The estates sampled for this Assessment have been selected based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and high conservation value areas.
3. A Malua Wildlife Conservation project on the 'Malua Forest Reserve' concerning the oil palm plantations, communities and forest use had been undertaken jointly by MPOC, New Forest Asia, Sabah Forestry Dept, Yayasan Sabah, Sabah Wildlife Dept; and the oil palm growers bordering the reserve i.e. IOI Corporation Bhd, Kwantas Corporation Bhd; Tung Hup Enterprise Sdn Bhd; Perbadanan Kemajuan Pertanian Selangor.
4. Agreement for the abovementioned conservation project was signed by IOI Corporation Bhd on 4 November 2012 and as at the period of this assessment; the group of oil palm growers involved has held several meetings and made progressive efforts towards the Malua Wildlife Conservation project.

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1.4 Summary of plantings and cycle

The year of plantings and age profiles for the respective estates is as per Table 3 below.

Table 3: Age Profile of Planted Oil Palm (2012/13)

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below
Syarimo 1 estate	1995	1st	1,836	nil
Syarimo 2 estate	1995	1st	1,750	nil
Syarimo 3 estate	1995, 2000	1st	2,326	nil
Syarimo 4 estate	1995, 2000	1st	1,877	nil
Syarimo 5 estate	1995	1st	2,110	nil
Syarimo 6 estate	1995, 2001	1st	1,611	nil
Syarimo 7 estate	1995, 2002	1st	1,978	nil
Syarimo 8 estate	2001	1st	1,475	nil
Syarimo 9 estate	2001 - 2003	1st	1,515	nil
		Total	16,478	nil

Note: There has been no New Planting in any of the 9 estates at the certified areas since 1995.

1.5 Summary of Conservation and HCV Areas

The summary of Conservation and HCV Areas as identified in Syarimo Grouping during this assessment in 2014 is as shown in Table 4 below:

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	2011/12 (Main Assessment) Hectarage - Ha	2012/13 (ASA-01) Hectarage - Ha
1	Planted Area (ha) – Oil Palm		
	- Mature	16,478	16,478
	- Immature	nil	nil
2	Conservation Area (ha)		
	- comprising buffer zones along small streams, hilly areas, swampy and unplantable areas	158	280
3	HCV Area (ha)		
	- comprising buffer zones near forest reserves, water catchments, burial & religious sites	8	8

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1.6 Other certifications held and Use of RSPO Trademarks

Currently, the other certification held by IOI-Syarimo Grouping PMU is the ISCC certification.

1.6.1 The RSPO's trademarks and logo are not being used by the PMU audited. Instructions for use were provided and acknowledged by the PMU through a signed Memorandum during the assessment.

1.7 Organizational information / Contact Person

At Head Office:
Mr. Too Heng Liew
Head of Sustainability (Malaysia/Indonesia)
IOI Corporation Berhad
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62502, Putrajaya
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Fax: 603 8947 8988
Email: hltoo@ioigroup.com

At Syarimo Grouping - PMU:
Mr. Poo Liong Chai
General Manager
IOI Corporation Berhad
Syarimo Palm Oil Mill
Tel: 089 - 568 700
Fax: 089- 568 120
Email: ioisyarimo@gmail.com
Email: pcs_office@yahoo.com.my

1.8 Tonnages Verified for Certification

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

#	Estate /Supplier	FFB Processed	Main Receiving Palm Oil Mill	RSPO P&C Certification By CB (year)
1.	Syarimo 1 estate	51,678.03	Syarimo Palm Oil Mill	Intertek (2012)
2.	Syarimo 2 estate	45,754.36	Syarimo Palm Oil Mill	Intertek (2012)
3.	Syarimo 3 estate	66,050.15	Syarimo Palm Oil Mill	Intertek (2012)
4.	Syarimo 4 estate	54,162.39	Syarimo Palm Oil Mill	Intertek (2012)
5.	Syarimo 5 estate	48,538.51	Syarimo Palm Oil Mill	Intertek (2012)
6.	Syarimo 6 estate	45,134.97	Syarimo Palm Oil Mill	Intertek (2012)
7.	Syarimo 7 estate	57,660.01	Syarimo Palm Oil Mill	Intertek (2012)
8.	Syarimo 8 estate	33,069.21	Syarimo Palm Oil Mill	Intertek (2012)
9	Syarimo 9 estate	42,702.80	Syarimo Palm Oil Mill	Intertek (2012)
	Total (under PMU):	444,750.43		
	Other Suppliers:	Nil		
	Grand total	444,750.43		

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

Estate / Supplier	FFB Processed in FY2011/12 - Actual		FFB Processed for FY2012/13 – Actual		FFB Processed for FY2013/14 – Actual & Projected	
	MT	%	MT	%	MT	%
Syarimo Grouping Estates	393,747.49	100	444,750.43	100	481,830	100
Other Suppliers	Nil	Nil	Nil	Nil	Nil	Nil
Total	393,747.49	100	444,750.43	100	481,830	100
SCCS Model for POM	SG		SG		SG	

Note: The projected figure FFB figure for FY2013/14 is as per the figures declared and submitted to the IOI HQ both by the respective Estate Managers and Mill Manager.

The annual certifiable tonnages of CPO and PK production by Syarimo Grouping from the supply base/suppliers as assessed and verified during the current Assessment are detailed as follows:

POM	FY2011/12 - Actual		FY2012/13 – Actual		FY2013/14 – Actual & projected	
Total FFB Processed (MT)	393,747.49		444,750.43		481,830	
Total CPO Production (MT)	81,741.98	OER: 20.76%	90,052.54	OER: 20.25%	103,593	OER: 21.49%
Total PK Production (MT)	18,939.25	KER: 4.81%	21,844.44	KER: 4.91%	25,296	KER: 5.25%

Note: Currently, the POM has established and maintained procedures for the book keeping and monitoring requirements for the CPO at the mill and was verified to be adopting the '**Segregation – SG**' model in accordance with the RSPO Supply Chain Certification Standard (SCCS) requirements.

1.9 Time Bound Plan for Other Management Units

IOI Corporation Berhad has been a member of RSPO since 18 May 2004 and is committed to full compliance with the RSPO P&C and full certification in all aspects of its operations. IOI Corporation Berhad owns and operates 12 palm oil mills and 77 estates throughout Malaysia and Indonesia.

To-date a significant number of its Plantation Management Units (PMUs) have undergone the RSPO certification process in accordance with its revised and updated time bound plan which is to achieve RSPO certification for all its PMU's by year 2016.

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

The time bound plan is subject to certain conditions on IOI-Pelita (Sarawak) as set by the RSPO Secretariat.

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The information pertaining to IOI's plantation activities and status are also available at the following website link:
http://www.ioigroup.com/business/busi_plantoverview.cfm
http://www.ioigroup.com/business/busi_millsestates.cfm

1.10 Abbreviations Used

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

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2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 15 January 2014, Intertek has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on the Syarimo Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 18 to 21 February 2014, the Assessment team of Intertek conducted the Surveillance Assessment in which 3 out of the 9 estates of Syarimo Grouping namely Syarimo 2, Syarimo 4 and Syarimo 5 estates 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 (StOP), management plans, hectareage development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance. The Assessment team covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment and other requirements. Stakeholders' interviews were conducted during the assessment and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

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

After completion of the on-site field assessment, Intertek also performed the evaluation of conformity against the RSPO Certification System requirements for CB. The assessment report, findings and associated documents were evaluated through an independent review and approval by the Intertek Internal Evaluation Panel prior to submission of the Public Summary Report to RSPO Secretariat.

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

2.2 Date of next scheduled visit

The next scheduled visit will be the Annual Surveillance Assessment (ASA-02) which will be carried out within a 12-month period based on the annual certification anniversary date.

2.3 Qualifications of the Lead Assessor and Assessment Team

Details of the Lead Assessor and Assessment Team and summary of their competency and skill may be obtained from RSPO or Intertek Certification International.

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.

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Intertek operates globally providing clients with a wide-ranging technical inspection expertise and access to thousands of skilled specialists worldwide. Intertek Group's certification business is ranked in the top 10 worldwide, and is available globally offering certification across a wide range of industries.

2.5 Process of stakeholder consultation

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

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

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

Among the list of key stakeholders consulted was the following:

Government Agencies (by emails)

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

Statutory Bodies (by emails)

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

NGOs (by emails)

- | | |
|--|---|
| 28. All Women's Action Society (AWAM) | 57. Malaysian Nature Society Terengganu |
| 29. BCSDM - Business Council for Sustainable Development in Malaysia | 58. Malaysian Plant Protection Society (MAPPS) |
| 30. Borneo Child Aid Society (HUMANA) | 59. Mountaineering and Outdoor Pursuits Association of Negeri Sembilan |
| 31. Borneo Resources Institute Malaysia (BRIMAS) | 60. National Council of Welfare & Social Development Malaysia - NCWSDM |
| 32. Borneo Rhino Alliance (BORA) | 61. National Union of Plantation Workers (NUPW) |
| 33. Center for Orang Asli Concerns COAC | 62. Partners of Community Organisations (PACOS) |
| 34. Centre for Environment, Technology and Development, Malaysia - CETDEM | 63. Penang Institute previously known as Socio-Economic & Environmental Research Institute (SERI) |
| 35. Consumers Association Of Penang - CAP | 64. Proforest - South East Asia Regional Office |
| 36. EcoKnights | 65. R.E.A.C.H. - Regional Environmental Awareness Cameron Highlands |
| 37. Environmental Management and Research Association of Malaysia (ENSEARCH) | 66. Sabah Wetlands Conservation Society (SWCS) |
| 38. Environmental Protection Society Malaysia (EPSM) | 67. SEPA - Sabah Environmental Protection Association |
| 39. Friends of the Earth, Malaysia | 68. SUARAM - Suara Rakyat Malaysia |
| 40. Future in Our Hands Society, Malaysia | 69. SUHAKAM - National Human Rights Society - Persatuan Kebangsaan Hak Asasi Manusia |
| 41. Global Environment Centre | 70. Sustainable Development Network Malaysia (SUSDEN) |
| 42. Institute of Foresters, Malaysia (IRIM) | 71. Tenaganita Sdn Bhd |
| 43. JUST - International Movement for a Just World | 72. The Malaysian Forum of Environmental Journalist (MFEJ) |
| 44. Malaysian Environmental NGOs - MENGO | 73. TRAFFIC Southeast Asia - Wildlife trade & trafficking monitoring programme |
| 45. Malaysian National Animal Welfare Foundation - MNAWF | 74. Transparency International - Malaysian Chapter |
| 46. Malaysian Nature Society (MNS) Kuala Lumpur | 75. Treat Every Environment Special Sdn Bhd. (TrEES) |
| 47. Malaysian Nature Society Johor | 76. United Nations Development Programme - UNDP Malaysia |

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- | | |
|---|--|
| 48. Malaysian Nature Society Kedah | 77. Water Watch Penang (WWP) |
| 49. Malaysian Nature Society Kelantan | 78. Wetlands International (Malaysia) |
| 50. Malaysian Nature Society Kuching | 79. Wild Asia Sdn Bhd |
| 51. Malaysian Nature Society Melaka/Negeri Sembilan | 80. World Wide Fund for Nature (WWF) Malaysia |
| 52. Malaysian Nature Society Miri | 81. World Wide Fund of Nature (WWF) Sabah |
| 53. Malaysian Nature Society Pahang | 82. UNION - AMESU |
| 54. Malaysian Nature Society Perak | 83. Malaysian CropLife & Public Health Association (MCPA) |
| 55. Malaysian Nature Society Pulau Pinang | 84. Pesticide Action Network Asia and the Pacific (PAN AP) |
| 56. Malaysian Nature Society Sabah | |

Local community (On-site interviews)

- | | |
|---------------------------------------|---|
| 86. Gender representatives | 88. Suppliers & Contractors representatives |
| 87. Workers & Workers representatives | |

3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

The assessment confirmed that Syarimo grouping demonstrated compliance against the RSPO Principles and Criteria (April 2013), Malaysian National Interpretation (MY- NI, November 2010) and RSPO Supply Chain Certification Standard (November 2011) for POM.

3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

The Supply Chain model applied at Syarimo Grouping - POM during this assessment is Module D: Segregation (SG)

3.1.2 Status on Supply Chain on POM:

Based on the documents and records presented during the on-site verifications made, it is concluded that the Syarimo POM has been able to comply with the requirements of the RSPO SCCS under the 'SG' module and is thus eligible for 'SG' trading for its palm products for year FY 2013/2014.

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

All previous non-conformances and observation have been closed off. During this assessment, there was 1 Observation raised. The root cause and corrective action taken by the company were reviewed and these had been accordingly incorporated into the full detailed report.

3.2.1 Identified Positive Elements

- 1) IOI Syarimo is actively involved in the ongoing Malua Wildlife Conservation program.
- 2) IOI Corporation Berhad is one of the largest contributors to the Borneo Child Aid (HUMANA) organisation. Over 60 teachers in engaged under 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 children of estate migrant workers.
- 3) Natural vegetation is seen to be returning at the riparian and buffer zones near watercourses which are within and bordering the IOI Syarimo PMU.

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3.3 Feedback Raised by Stakeholders and Findings

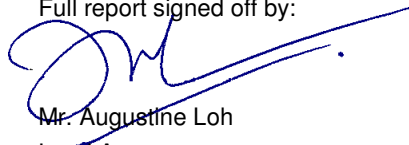
Intertek had obtained some written and verbal feedback from the stakeholders on the environmental and social performance of Syarimo grouping operations in the course of assessment and consultations. During the Annual Surveillance Assessment (ASA-01), all pertinent feedback issues were reviewed and followed up for verification and these had been accordingly incorporated into the full detailed report.

4.0 Assessment Conclusion and Recommendation

Based on the findings above, IOI Corporation Berhad Syarimo Grouping had been able to demonstrate its compliance with the RSPO Principles and Criteria (April 2013), Malaysian National Interpretation (MY-NI 2010) and the RSPO Supply Chain Certification Standard (November 2011) for Palm Oil Mill.

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

Full report signed off by:



Mr. Augustine Loh

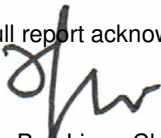
Lead Assessor

Intertek Certification International Sdn Bhd

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.

Full report acknowledged and signed off by:



Mr. Poo Liong Chai

General Manager, IOI Syarimo

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4.2 INTERTEK- RSPO P&C Certificate details for Syarimo Grouping

Certificate No:	RSPO 928388
Issue date:	20 March 2013
Expiry date:	19 March 2018
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:	Syarimo Grouping
Address of POM:	KM23, Jalan Kinabatangan, Sg. Pin, Kinabatangan, Sabah
Standards:	RSPO Principles and Criteria (April 2013); Malaysian National Interpretation (November 2010); RSPO Supply Chain Certification Standards (November 2011) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernels
Supply Chain model for CPO & PK:	Segregation (SG)

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

Name	Address	GPS Reference	
		Latitude	Longitude
Syarimo Palm Oil Mill (Capacity: 90 mt/hour)	KM23, Jalan Kinabatangan, Sg. Pin, Kinabatangan, Sabah	05°20.001'N	117°46.875'E
Syarimo 1 estate	Sg. Pin, Kinabatangan, Sabah	05°19.742'N	117°49.510'E
Syarimo 2 estate	Sg. Pin, Kinabatangan, Sabah	05°19.642'N	117°47.077'E
Syarimo 3 estate	Sg. Pin, Kinabatangan, Sabah	05°19.769'N	117°46.561'E
Syarimo 4 estate	Sg. Pin, Kinabatangan, Sabah	05°23.041'N	117°45.877'E
Syarimo 5 estate	Sg. Pin, Kinabatangan, Sabah	05°21.065'N	117°42.938'E
Syarimo 6 estate	Sg. Pin, Kinabatangan, Sabah	05°18.919'N	117°45.707'E
Syarimo 7 estate	Sg. Latangan, Kinabatangan, Sabah	05°17.792'N	117°42.124'E
Syarimo 8 estate	Sg. Latangan, Kinabatangan, Sabah	05°19.235'N	117°41.489'E
Syarimo 9 estate	Sg. Latangan, Kinabatangan, Sabah	05°15.714'N	117°42.546'E

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

Estate / Supplier	FFB Processed in FY2012/13 – actual & projected		FFB Processed for FY2013/14 – actual & projected	
	Syarimo Group Estates	444,750.43	100	481,830
Other Suppliers	Nil	Nil	Nil	Nil
Total	444,750.43	100	481,830	100
SCCS Model for POM	SG		SG	

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

Syarimo POM	FY2012/13 – actual & projected	FY2013/14 – actual & projected
Total certifiable FFB Processed (MT)	444,750.43	481,830
Total CPO Production (MT)	90,052.54	103,593
Total PK Production (MT)	21,844.44	25,296

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**Appendix A:
Assessment Plan (Actual)**

Date	Time	Assessors and Assessment Activity	
		Assessment Team	
18/02/2014 Day 1	9.00 – 1.00 pm	Travel to Kinabatangan, Sabah	
	1.00 pm -2.00 pm	Lunch Break	
	2.00 pm – 3.00 pm	Opening Meeting and Briefing at Syarimo Grouping– POM Office	
	3.00 pm – 6.00 pm	Review of Documentation and Follow up Issues based the Previous Assessment <ul style="list-style-type: none"> • Review of changes for compliance to revised P&C 2013 • Review of Time Bound Plan • Verification for compliance with rules on partial certification 	
	6.00 – 7.00 pm	Break	
	7.00 –10.00 pm	Team meeting and discussion	

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
		Mr. Augustine Loh (AL)	Mr Chen Fai Kok (CFK)	Mr. Jumat bin Majid (JMD)
19/02/2014 Day 2	9.00 am – 10.00 am	Meeting & Briefing at Syarimo Grouping (Palm Oil Mill Office)		
	10.00 am – 1.00 pm	Site assessment at Syarimo Grouping Palm Oil Mill (RSPO P&C: 1~8) <ul style="list-style-type: none"> • Review of Time Bound Plan • Verification for Compliance with Rules on Partial Certification • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & Mill including HCV • P8 Continual Improvement • SCC for POM 	Site assessment at Syarimo 2 estate(RSPO P&C: 1~8) <ul style="list-style-type: none"> • P4 Best Practices at Estates & Mill • P7 New Plantings • P8 Continual Improvement 	Site assessment at Syarimo 2 estate (RSPO P&C: 1~8) <ul style="list-style-type: none"> • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	1.00 pm – 2.00 pm	Lunch		
	2.00 pm -6.00 pm	Continue site assessment at Syarimo Grouping Palm Oil Mill	Continue site assessment at Syarimo 2 estate	Continue site assessment at Syarimo 2 estate
	6.00 pm– 7.00 pm	Break		
	7 – 10 pm	Team meeting and discussion		

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Date	Time	Assessors and Assessment Activity		
		Assessment Team		
20/02/2014 Day 3	9.00 am – 1.00 pm	Mr. Augustine Loh (AL)	Mr Chen Fai Kok (CFK)	Mr. Jumat bin Majid (JMD)
		Site assessment Syarimo 4 estate (RSPO P&C: 1~8) <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & Mill including HCV • P8 Continual Improvement 	Site assessment at Syarimo 4 estate (RSPO P&C: 1~8) <ul style="list-style-type: none"> • P4 Best Practices at Estates & Mill • P7 New Plantings • P8 Continual Improvement 	Site assessment at Syarimo 4 estate (RSPO P&C: 1~8) <ul style="list-style-type: none"> • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	1.00 pm – 2.00 pm	Lunch		
	2.00 pm - 6.00 pm	Stakeholder / Consultations: <ul style="list-style-type: none"> • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community # Mandatory for each category to be audited		
	6.00 pm– 7.00 pm	Break		
	7 – 10 pm	Team meeting and discussion		

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
21/02/2014 Day 4	9.00 am – 1.00 pm	Mr. Augustine Loh (AL)	Mr Chen Fai Kok (CFK)	Mr. Jumat bin Majid (JMD)
		Site assessment at Syarimo 5 estate (RSPO P&C: 1~8) <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & Mill including HCV • P8 Continual Improvement 	Site assessment at Syarimo 5 estate (RSPO P&C: 1~8) <ul style="list-style-type: none"> • P4 Best Practices at Estates & Mill • P7 New Plantings • P8 Continual Improvement 	Site assessment at Syarimo 5 estate (RSPO P&C: 1~8) <ul style="list-style-type: none"> • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	1.00 pm – 2.00 pm	Lunch		
	2.00 pm – 3.00 pm	Preparation of Closing Meeting		
	3.00 – 4.00 pm	Team Meeting and Discussions with Syarimo Grouping Management Representative		
	4.00 pm – 5.00 pm	Closing Meeting & Briefing at Palm Oil Mill Office		

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Appendix B-1:

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



