

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT
Unico Desa (Sabah) Grouping
Lahad Datu, Sabah, Malaysia



Valued Quality. Delivered.

Assessment Report

"This report (including any enclosures and attachments) has been prepared for the exclusive use and benefit of the addressee(s) and solely for the purpose for which it is provided. Unless we provide express prior written consent, no part of this report should be reproduced, distributed or communicated to any third party. We do not accept any liability if this report is used for an alternative purpose from which it is intended, nor do we owe any duty of care to any third party in respect of this report."



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 2 of 84

**MAIN ASSESSMENT REPORT
ON RSPO CERTIFICATION**

PUBLIC SUMMARY REPORT

IOI CORPORATION BERHAD
RSPO Membership No: 2-0002-04-000-00

PLANTATION MANAGEMENT UNIT
Unico Desa (Sabah) Grouping
Lahad Datu, Sabah, Malaysia

Certificate No:
Original issued date:
Issued date:
Expiry date:

RSPO 931288
16 May 2018
16 May 2018
15 May 2023

Assessment Type
Main Assessment
Annual Surveillance Assessment (ASA-01)
Annual Surveillance Assessment (ASA-02)
Annual Surveillance Assessment (ASA-03)
Annual Surveillance Assessment (ASA-04)

Assessment Dates
11 – 15 Dec 2017



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 3 of 84

TABLE OF CONTENTS

Section	Content	Page No
1.0	SCOPE OF ASSESSMENT	4
1.1	Introduction	4
1.2	Location (address, GPS and map) mill, estates and hectarage	4
1.3	Description of supply base (fruit sources)	5
1.4	Year of plantings and cycle	5
1.5	Summary of Land Use – Conservation and HCV Areas	6
1.6	Other certifications held and Use of RSPO Trademarks	7
1.7	Organizational information/contact person	7
1.8	Tonnages Verified for Certification	8-9
1.9	Time Bound Plan	9
1.10	Abbreviations Used	10
2.0	ASSESSMENT PROCESS	11
2.1	Assessment Methodology, Plan & Site Visits	11
2.2	Date of next scheduled visit	11
2.3	Qualifications of the Lead Assessor and Assessment Team	11
2.4	Certification Body	11
2.5	Process of Stakeholder consultation	12-13
3.0	ASSESSMENT FINDINGS	14
3.1	Summary of findings	14-53
3.2	Status of Identified Noncompliance and Corrective Actions, Observations and Identified Positive Elements	53-61
3.3	Summary of Feedback Received from Stakeholders and Findings	61-62
4.0	ASSESSMENT CONCLUSION AND RECOMMENDATION	63
4.1	Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings	63
4.2	Intertek RSPO Certification Details for Unico Desa (Sabah) Grouping	64-65
APPENDICES		
Appendix A	Qualifications of the Lead Assessor and Assessment Team	66
Appendix B	Assessment Plan	67-69
Appendix C	Maps of location – Mill and Estates	70-79
Appendix D	Photographs of Assessment findings at Unico Desa (Sabah) Grouping	80
Appendix E	Time Bound Plan for Multiple Management Units	81-83
Appendix F	Summary of RSPO Complaints Panel Case Tracking and Decisions on IOI	84



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 4 of 84

1.0 SCOPE OF ASSESSMENT

1.1 Introduction

This **Main Assessment** was conducted on the Plantation Management Unit (PMU) Unico Desa (Sabah) Grouping of IOI Corporation Berhad (hereafter abbreviated as IOI), from **11-15 Dec 2017**, to assess the organization's operations of the mill and its supply bases are in compliance against the RSPO Principles and Criteria (Apr 2013), Malaysian National Local Indicators (MYNI 2014) and the RSPO Supply Chain Certification Standard (Jun 2017) for Palm Oil Mill.

Note 1: 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 (IOI).

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

The Unico Desa (Sabah) Grouping consists of one (1) palm oil mill, namely Unico Desa (Sabah) Palm Oil Mill and 6 estates as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estates. The 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
Unico Desa Palm Oil Mill Sdn Bhd. (Capacity: 60 MT/Hr.)	Postal address: Unico Desa POM, KM3, Jalan Segama, 91100, Lahad Datu, Sabah Location: KM60, Jalan Jeroco, Lahad Datu, Sabah	5° 24' 47.12" N	118°31'45.6"E
Unico 1 Estate	Postal address: Unico Plantation Sdn. Bhd – Unico 6 MDLD 5123, KM3, Jalan Segama, 91100 Lahad Datu, Sabah Location: Estate 1- Phase 3, Jalan Jeroco, 91113 Lahad Datu Sabah	5° 24' 40.93" N	118°31'23.8"E
Unico 2 Estate	Postal address: Unico Plantation Sdn. Bhd – Unico 6 MDLD 5123, KM3, Jalan Segama, 91100 Lahad Datu, Sabah Location: Estate 2 - Phase 1, Km 65 Jalan Jeroco, 91113 Lahad Datu, Sabah	5°25'10.24"N	118°31'29.1"E
Unico 3 Estate	Postal address: Unico Plantation Sdn. Bhd – Unico 6 MDLD 5123, KM3, Jalan Segama, 91100 Lahad Datu, Sabah Location: Unico-Desa Plantations Berhad, Unico 3 Estate, Km 65 Jalan Jeroco, 91113 Lahad Datu Sabah	5°27'54.44"N	118°33'04.7"E
Unico 4 Estate	Postal address: Unico Plantation Sdn. Bhd – Unico 6 MDLD 5123, KM3, Jalan Segama, 91100 Lahad Datu, Sabah Location: Unico-Desa Plantations Berhad Unico 4 Estate, Km 65, Jalan Jeroco	5°23'52.38"N	118°33'34.1"E
Unico 5 Estate	Postal address: Unico Plantation Sdn. Bhd – Unico 6 MDLD 5123, KM3, Jalan Segama, 91100 Lahad Datu, Sabah Location: 16km Jalan Jeroco off Mile 13 Lahad Datu/Sandakan Highway Lahad Datu Sabah	5°22'25.62"N	118°32'11.1"E
Unico 6 Estate	Postal address: Unico Plantation Sdn. Bhd – Unico 6 MDLD 5123, KM3, Jalan Segama, 91100 Lahad Datu, Sabah Location: 16km Jalan Jeroco off Mile 13 Lahad Datu / Sandakan Highway Lahad Datu Sabah	5°11'44.77"N	118°18'07.3"E



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 5 of 84

1.3 Description of supply base (fruit sources)

The supply base i.e. FFB sources to the POM at Unico Desa (Sabah) Grouping PMU are from the abovementioned estates owned by IOI.

Verification done on site during the assessment confirmed that there also smallholders / outgrowers / independent suppliers involved in the supply of FFB to the said PMU.

Details of the planted hectareage for the FFB supply for Unico Desa (Sabah) Grouping are as shown in Table 2 below.

Table 2: Estate Area Summary

Estate	Area Summary (ha) Year 2017	
	Total Area	Planted Area
Unico 1 Estate	2317.50	2142
Unico 2 Estate	2352.02	2146
Unico 3 Estate	2203.80	2080
Unico 4 Estate	2235.69	2103
Unico 5 Estate	2287.47	2147
Unico 6 Estate	2263.76	2087
Total:	13,660.24	12,705
Percentage:	100%	93%

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. There has been no significant change in the current sizes of the certified land areas in comparison with the previous year data.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 6 of 84

1.4 Summary of plantings and cycle

The estates had been developed and planted from 1995 onwards and are currently in the 1st and 2nd cycle of planting for the oil palms. The age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm (Year 2017)

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total (ha)
Unico 1 Estate	2002 - 2013	2 nd Cycle	2142	0	2142
Unico 2 Estate	1993 – 1999	1 st Cycle	1235	0	2146
	2005 - 2010	2 nd Cycle	911		
Unico 3 Estate	1994 – 1999	1 st Cycle	1755	0	2080
	2000	2 nd Cycle	325		
Unico 4 Estate	1993	1 st Cycle	575	0	2103
	2003 - 2014	2 nd Cycle	1528		
Unico 5 Estate	1991 – 1992	1 st Cycle	1359		2147
	2014 - 2017	2 nd Cycle		788	
Unico 6 Estate	1996 – 1999	1 st Cycle	509	0	2087
	2000	2 nd Cycle	1578		
Total			11,917	788	12,705

Note: There has been no New Planting in any of the IOI estates at the said certified areas.

1.5 Summary of Conservation and HCV Areas

The summary of Conservation and HCV Areas as identified in Unico Desa (Sabah) Grouping during this assessment is as shown in Table 4 below:

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	Hectarage – Ha (Year 2017)
1	Planted Area (ha) – Oil Palm	
	Mature (Production)	11,917
	Immature (Non-Production)	788
2	Conservation Area (ha)	
	Comprising unplanted areas such as steep & hilly areas and swampy areas.	372.22
3	HCV Area (ha)	
	Comprising buffer zones areas near river riparian, forest reserves, water catchments, burial & religious sites.	87.03



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 7 of 84

1.6 Other certifications held and Use of RSPO Trademarks

Currently, the other certification held by IOI Unico Desa (Sabah) Grouping PMU is the ISCC certification which is valid.

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

1.7 Organizational information / Contact Person

At Head Office:

Mr. N B Sudhakaran
Plantation Director
IOI Plantation Services Sdn Bhd
Level 8, Two IOI Square,
IOI Resort, 62502, Putrajaya
Tel: 603-89478888
Fax: 603-89478988
Email: nbsudha@ioigroup.com

At Unico Desa (Sabah) Grouping:

Mr. Hiew Yin Foh
Plantation Controller – Unico Group
IOI Plantation Services Sdn Bhd
Tel: 089 509101/102
Fax: 089 509100
Email: unicogmoffice@ioigroup.com

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 8 of 84

1.8 Tonnages Verified for Certification

1.8.1 The breakdown of all the suppliers and their tonnages of FFB supplied to the POM at Unico Desa (Sabah) Grouping based on the actual (Jan - Nov 2017) plus projected for Dec 2017 shown in Table 5 below:

Table 5: Tonnages Verified for Certification

#	Estate /Supplier	FFB Processed (MT)	Main Receiving POM	Certified By
1.	Unico 1 Estate	37,978.68	Unico Desa POM	Intertek
2.	Unico 2 Estate	46,503.14	Unico Desa POM	Intertek
3.	Unico 3 Estate	47,662.21	Unico Desa POM	Intertek
4.	Unico 4 Estate	37,304.29	Unico Desa POM	Intertek
5.	Unico 5 Estate	30,910.82	Unico Desa POM	Intertek
6.	Unico 6 Estate*	0	* Unico Palm Oil Mill	Non-certified
	Total (under PMU):	200,359.14		
	Other External Suppliers*:	6,097.93	Unico Desa POM	Non-certified
	Grand total:	206,457.07		

Note:

- 1) * Although Unico 6 estate is placed under the Unico Desa Grouping, all its FFB are presently delivered to another mill i.e. Unico POM (which is not certified yet).
- 2) * The other external suppliers comprise of outgrowers (which are not certified yet).

1.8.2 Total annual volumes / tonnages of FFB supplied from the supply base to Unico Desa (Sabah) Grouping POM for the current and projected period are as follows:

Table 6: Annual Tonnages of FFB

Estate / Supplier	FFB processed in Year 2017 (Actual + Projected)		FFB for processing in Year 2018 (Projected)	
	MT	%	MT	%
Unico Desa PMU Estates - under certification	200,359.14	97.05	249,130	97.43
Other external suppliers - non certified	6,097.93	2.95	6,570	2.57
Total	206,457.07	100.00	255,700	100.00
SCCS Model for POM	MB		MB	

Note. FFB output is expected to increase in year 2018 as the young palms mature.



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 9 of 84

1.8.3 The annual tonnages of FFB, CPO and PK production by the PMU Grouping assessed and verified during current assessment (2017) and projected (2018) for certification are detailed as follows:

Table 7: Annual Tonnages of CPO and PK (for certification)

POM	Year 2017 (Actual + Projected)		Year 2018 (Projected)	
Certified FFB Processed (MT)	* 200,359.14		249,130	
Certified CPO Production (MT)	*42,075	OER: 21%	54,809	OER: 22%
Certified PK Production (MT)	*9,016	KER: 4.5%	11,709	KER: 4.7%
SCCS Model for POM	MB		MB	

Notes: * Quantities produced in year 2017 are considered as 'non-certified' as this is a Main Assessment.

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

1.9 Time Bound Plan requirements for Multiple Management Units under RSPO Certification Systems for Principles & Criteria (June 2017)

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 16 palm oil mills and over 90 oil palm estates throughout Malaysia and Indonesia.

Currently, 12 of its PMUs 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 had declared its commitment to complete RSPO certifications on all its 'non-certified' units, targeted by 2019.

In addition, IOI Group had also submitted a positive assurance statement to assure its commitment to continued compliance with RSPO requirements for all its certified and non-certified units.

IOI had conducted an internal audit on the uncertified units to determine its compliance against **Clause 4.5.4 (Requirements for Uncertified Management Units)**. The Internal audit reports had identified the issues involved, on-going corrective actions and monitoring.

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

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

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



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 10 of 84

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



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 11 of 84

2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 7 Nov 2017, 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 Unico Desa (Sabah) Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 11-15 Dec 2017, the Assessment team of Intertek conducted the Assessment in which **3 out of the 6 estates of the PMU, namely Unico 1, 4 and 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 the Sampling methodology provided under the RSPO Certifications Systems for Principles & Criteria (Jun 2017) i.e. minimum sample of X estates = $(0.8\sqrt{Y}) \times Z$, where Y is the number of estates and Z is the multiplier as defined by the risk assessment. The Z multiplier value was determined as High risk for this PMU considering the geographical location and distance of the estates, complexity of the labour force, landscape setting and presence of HCV or peat, complexity of supply sheds, number of communities and known conflicts, legality etc. Additionally the estates selection was made based on their potential risks on environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and HCV areas.

During the on-site assessment, relevant documents and records, including Standard Operating Procedures (SOP), management plans, hectare 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).

The POM was also assessed against the requirements for the **Mass Balance (MB) 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 MB 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.

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

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

2.2 Date of next scheduled visit

The next scheduled visit will be the Annual Surveillance Assessment which will be carried out within a 12-month period of the certificate anniversary date / certificate expiry date.

2.3 Qualifications of the Lead Assessor and Assessment Team

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

2.4 Certification Body

Intertek Certification International Sdn Bhd is part of the Intertek Group, which is a worldwide technical services organization dedicated to reducing clients' risks by providing technical inspection services, management system certification in quality, environmental, occupational safety & health and product certification, RSPO SCC, ISCC, 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.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 12 of 84

2.5 Process of stakeholder consultation

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

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

Statutory Bodies (by emails)

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

NGOs and others (by emails)

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



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 13 of 84

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

Local community (On-site interviews)

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

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 14 of 84

3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

Criterion 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
Indicators	Findings and Objective Evidence	Compliance
1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Minor Compliance	The PMU has established and implemented a documented procedure for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. IOI Corporation Berhad (as the parent company) has declared its progress made in the achievement of the RSPO certifications since year 2012 via the RSPO Annual Communication of Progress (ACOP). The latest ACOP made available was submitted for year: 2016 https://rspo.org/members/acop/search?name=IOI&member_type=&acopyear= The tracking of cases and issues made publicly available which were monitored and reviewed by the CH include: 1) Complaints – Case Tracking 2) NPP – Case Tracking Verified during assessment that the above information were updated to the latest progress made. See report - Appendix F. Date of public notification of this assessment of the PMU was made on: 7 Nov 2017. As at the period of assessment, there were no additional requests for information from stakeholders for this PMU.	Complied
1.1.2 Records of requests for information and responses shall be maintained. Major Compliance	The PMU had established and maintained an updated site specific list of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, etc. The POM and estates had conducted its internal and external stakeholders' consultations for year 2017. The respective internal and external stakeholders' consultations were held between 28 Aug and 24 Oct 2017. Records of participants and feedbacks / responses were maintained and appropriate actions were taken.	Complied
Criterion 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
Indicators	Findings and Objective Evidence	Compliance
1.2.1 Management documents that are made available to the public shall	Management documents relating to environmental, social and legal issues were verified to be maintained and	Complied



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 15 of 84

<p>include, but are not necessarily limited to:</p> <p>Major Compliance</p>	<p>available to the public (notices and websites) and updated by IOI, HQ.</p> <p>On 8 Aug 2016, IOI Corporation Berhad published a revised Group Sustainable Palm Oil Policy (SPOP) alongside a detailed Sustainability Implementation Plan (SIP) in consultation with a wide range of their stakeholders, both customers and civil society.</p> <p>IOI Corp. Bhd. further revised its Sustainable Palm Oil Policy (SPOP) and this was uploaded in the company website on 12 Jun 2017.</p> <p>http://www.ioigroup.com/Content/News/NewsroomDetails?ntNewsID=845.</p> <p>During this current assessment at IOI Unico Desa Grouping, the revised policy was verified to have been communicated to all levels of the workforce.</p> <p>The following types of mandatory documents are available to the public upon request:</p> <ul style="list-style-type: none"> • land titles/user rights, • occupational health and safety plan, • plans and impact assessments relating to environment and social impacts, • pollution prevention plans, • details of complaints & grievances, • negotiation procedures • continuous improvement plan • Public summary of certification assessment report. • Human Rights Policy. <p>These publicly available documents include key indicators of performance like waste management and disposal plans for the mill and estates.</p> <p>Continual Improvement Action Plans include budgets approved and progress implementations for social, environmental improvements and crop productivity.</p>	
<ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); 	<p>Copies of all land titles were available and have been maintained at the POM and Estates. HQ kept the original copies.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); 	<p>Occupational Safety and Health Plan has been established. Annual review was conducted by the Group Safety & Environmental Manager (Sabah region) together with the respective Safety Officers for POM and estates.</p> <p>Safety Policy and HIRAC documented was reviewed for the POM and estates.</p> <p>The OSH Programme 2017 include the following:</p> <ul style="list-style-type: none"> • Safety & Health Committee meetings 4x/year, • Annual medical surveillance, • Accident Reporting & Investigation, 	<p>Complied</p>



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 16 of 84

	<ul style="list-style-type: none"> • Workplace inspection, • CHRA assessment, • Air compressors annual inspection, • Warning signs, • Chemical Register, • SOP for safe work, • PPE usage, • MSDS/CSDS, • JKPP 8 reporting of accidents annually, • Emergency Response Plan (ERP), • Emergency drills, • Inspections (line site, fire extinguisher, first aid box, chemical store, ELCB, PPE checklist, Vehicle daily inspection, gen set maintenance, ramp inspection, bridge and tanks inspection), • Monthly KPI Report on HSE performance, • Monthly Safety inspection & audit by Safety Officer • Surveillance programmes for protection of workers' health and safety. <p>The above plans were found to be satisfactorily implemented.</p>	
<ul style="list-style-type: none"> • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); 	<p>Environmental aspect and impact assessment (EIA) conducted for the POM and estates were available and reviewed in Sept 2017.</p> <p>The Environmental Compliance Reports (done every 4 months by the PMU EIA Consultant) for Pollution Monitoring and Mitigation for Replanting are available and report of Mar-June 2017 sighted. Management Plan and Continual Improvement Plan documented and implemented.</p> <p>Social Impact Assessment carried out. Positive and negative impacts identified. Action plans were documented and implemented.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • HCV documentation (Criteria 5.2 and 7.3); 	<p>The Internal "HCV and Conservation Areas" Assessment were reviewed between 12 and 22 Nov 2017 at the POM & Estates audited. Management plans for HCV and Conservation areas were updated. The Management Action Plans were monitored and progressively implemented at the respective Estates.</p>	<p>Complied</p>



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 17 of 84

<ul style="list-style-type: none"> • Pollution prevention and reduction plans (Criterion 5.6); 	<p>Pollution Prevention Management Plans were reviewed annually for FY2016/2017.</p> <p>Action items include mitigation measures for pollution control (smoke emission, POME / effluent discharge), pesticides reduction, scheduled wastes (chemicals, hydraulic oil, filters, obsolete electrical and electronic equipment) and domestic wastes disposal, reuse and recycling (scrap iron, paper, plastic and glass).</p>	<p>Complied</p>
<ul style="list-style-type: none"> • Details of complaints and grievances (Criterion 6.3); 	<p>The mill and respective estates had maintained the Complaints and Grievances Logbook.</p> <p>Logbook entries were examined and found to be satisfactorily maintained. Employees Consultative Council (ECC) representatives interviewed had confirmed that there were no serious issues.</p> <p>For the latest updates on complaints issues against the IOI Group, refer to Appendix F - Summary of RSPO Complaints Panel Decisions and RSPO Case Tracking on IOI Group.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • Negotiation procedures (Criterion 6.4); 	<p>Presently, there is no conflict/dispute requiring negotiation on compensation at this PMU.</p> <p>Negotiation procedure and flowchart was available and maintained.</p> <p>The status on the ongoing negotiations on land issues against IOI Group plantations in Sarawak and Kalimantan are accessible via website link: http://www.rspo.org/members/status-of-complaints Refer also to details in Section 1.9: Time bound Plan.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • Continual improvement plans (Criterion 8.1); 	<p>Continual Improvements Plans in key operations for the mill and estates have been identified, documented and implemented.</p> <p>The plans include the Integrated Pest Management (IPM) program for pest control and reduction in the consumption of chemical pesticides, the use of direct bio-control methods such as the cultivation of beneficial plants, environmental and social programs such as recycling and providing new housing quarters for the workers, assistance in the HUMANA schools for children of foreign workers and better medical facilities and benefits for all employees.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • Public summary of certification assessment report; 	<p>Public summary of certification assessment reports are available from the company upon request.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • Human Rights Policy (Criterion 6.13). 	<p>The Human Rights Policy has been documented and incorporated as part of the Sustainability Palm Oil Policy revised on 08 Aug 2016 and signed by the Group CEO. IOI Corp. Bhd had revised its Sustainable Palm Oil Policy (SPOP) and this was uploaded in the company website on 12 Jun 2017. Web link: http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845 .</p>	<p>Complied</p>
<p>Criterion 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 18 of 84

<p>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.</p> <p>Minor Compliance</p>	<p>IOI Group has a documented policy “Code of Business Conduct and Ethics” signed by the CEO and Head of Sustainability (Malaysia/Indonesia) on 11 May 2015.</p> <p>The following are included:</p> <ul style="list-style-type: none"> - Diversity and Respect in the workplace, - Equal Opportunity Employment, - Protecting the Environment, - Safety, Health and Security at Work, - Managing Documents, - Intellectual Property and Information, - Management and Security in our Computing Environment, - Data Privacy - Employee Privacy in the Communication and Computing Environment - Gifts, Benefits or Entertainment, - Bribes and Kickbacks, - Employment of Family Members and Relatives. <p>Verified that copies of the policy were found to be displayed at prominent locations in the POM and estates and easily viewed by the workers.</p>	<p>Complied</p>
--	--	-----------------

Principle 2: Compliance with applicable laws and regulations

<p>Criterion 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.</p>		
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 available at the mill and estates and was verified to be reviewed for the POM and estates on 13 Jan 2017 for any relevant updates.</p> <p>The relevant legislations identified and listed were among others regarding safety and health, environmental management, pollution management, chemical handling, usage & storage, schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities.</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>Licenses and permits (License for Trading, License for Employment of Foreign Workers, Workers Wages Deduction Permit, Domestic and Consumer Permit for Keeping Diesel, Petrol & Fertilizer, MPOB license, DOSH (Department of Occupational Safety and Health) Certificates, DOE</p>	<p>Complied</p>



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
 Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 19 of 84

	<p>(Department of Environment Permit, etc.) were renewed and evidenced to be valid.</p> <p>Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty chemical and lubricants containers collected at six monthly intervals by DOE licensed contractor.</p> <p>Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated.</p> <p>Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and electricians were noted to be with valid certificates from relevant authorities (DOSH and Energy Commission). The POM has maintained a boiler register that indicate the date of commission, cleaned, inspected, tested or repaired. Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator, steam separator, vacuum oil dryer, etc. issued by DOSH.</p> <p>Valid license for diesel generators issued by Energy Commission (“Suruhanjaya Tenaga”).</p> <p>Valid licenses for authorized gas tester (ACT), 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.</p> <p>Noise Monitoring Report is available.</p> <p>Annual Audiometric testing of workers exposed to high noise levels were done on-site on 12 May 2017 at the POM. Total 104 workers were checked. Noted that 2 workers initial found with potential hearing impairment was retested on 8 Sept 2017 (3 months later) and found to be have met the normal baseline level as per the medical report of 11 Sept 2017.</p> <p>Legal documents of foreign workers (including work permits and passports) are renewed and valid. Insurance coverage is maintained and available for foreign workers in the estates.</p> <p>Based on the site observations, interviews and records checked, there was evidence of compliance with the relevant laws, regulations, local and international laws at the POM and estates. There were no cases of any violation or actions imposed by relevant authorities.</p>	
<p>2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. Minor Compliance</p>	<p>The Register of Legal requirements for identifying, determining, reviewing and updating of applicable legal and other requirements has been satisfactorily implemented.</p> <p>Listing of laws and regulations monitored for changes included the Sabah Labour Ordinance (Chapter 67), regulations and circulars received from bodies such as DOE (Department of Environment) and DOSH (Department of Occupational Safety and Health), DID (Dept. of Irrigation</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 20 of 84

	and Drainage), Forestry Dept. and Wildlife Dept. were maintained.	
<p>2.1.3 A mechanism for ensuring compliance shall be implemented. 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) was implemented.</p> <p>The PMU had conducted the annual internal audit on 28 - 29 Sept 2017 using the RSPO Generic Checklist for determining compliance of its operations with legal requirements and records were maintained.</p> <p>Management review on implementation was conducted on 8 Oct 2017 and minuted.</p>	Complied
<p>2.1.4 A system for tracking any changes in the law shall be implemented. Minor Compliance</p>	<p>The listing of all the relevant laws applicable included the international laws and conventions ratified by the Malaysian government are documented in the Legal register.</p> <p>Tracking of changes in the relevant laws are communicated and received from the IOI Group HQ. Monitoring of changes to the applicable laws and regulations was carried out through periodical review in accordance with the documented procedure.</p> <p>Noted that change had included the Minimum Wage Order 2016 which came into effect in 1 July 2016 was implemented.</p> <p>Based on the site observations, interviews and records updated, the system used is appropriate to the operations at the PMU.</p>	Complied
<p>Criterion 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available. Major Compliance</p>	<p>Copies of the land titles of all estates were maintained and noted to be legally owned by the IOI Group.</p> <p>The land titles were issued by the Sabah State Government for a concession period of 99 years which will expire in 2081.</p> <p>The original copies are maintained by the Corporate Head office in Putrajaya. The legal use of the land confirmed to be for cultivation of oil palms and agricultural use.</p> <p>There were no recorded or known disputes over the ownership of the land. No changes to the land ownership or new land acquisition since the last audit.</p> <p>There has been no recorded dispute over the ownership during the tenure of the land.</p>	Complied
<p>2.2.2 There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance</p>	<p>It was verified that there has been no change to the stated land titles and designated use for cultivation of agricultural crop of economic value.</p> <p>Locations of several boundary stones and markers were visited and verified to be within the perimeters of the estate land titled boundaries.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 21 of 84

	On-site verification confirmed that there has been no planting beyond the legal demarcated boundary areas of the mill and estates.	
<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>	Verified that there has been no dispute on the land rights in this PMU. As such, the process of fair compensation and FPIC is currently not required to be applied.	Not applicable
<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>	There were reported instances of any land conflicts in this PMU.	Not applicable
<p>2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable).</p> <p>Minor Compliance</p>	There was no land disputes in this PMU. As such the process of participatory mapping is not applicable for verification of implementation.	Not applicable
<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>	There was no evidence to suggest that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.	Not applicable
<p>Criterion 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>2.3.1 Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>Major Compliance</p>	<p>Maps showing the extent of the legal boundary of the Estates were available.</p> <p>The lands at the PMU are legally owned by IOI Plantation Group and it is verified that there were no other users or affected parties in the land areas.</p> <p>There is no dispute on the land rights in this PMU.</p> <p>The lands are not encumbered by any customary lands or user rights and therefore the process of participatory mapping is not required.</p>	Complied
<p>2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in</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).	Complied



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 22 of 84

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

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

<p>Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>Major Compliance</p>	<p>The POM and Estates had documented their respective Business / Management Plans for FY 2016/2017 to FY 2020/2021 at the PMU which was available and reviewed.</p> <p>The Annual Budget for each year include the following:</p> <ul style="list-style-type: none"> (1) Staff and Labour requirements; (2) Crop projection; FFB yield/ha trends; (3) Mill extraction rates; OER trends; (4) Cost of Production; Cost/mt FFB trends; (5) Cost of Production; Cost/MT CPO trends; (6) Financial indicators covering cost of labour, supervision, maintenance, depreciation, etc.); (7) Budget for Environmental, Social, Safety & Health, Training and Promotions. <p>The Mill and Estate Managers have monitored the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.).</p> <p>Records of monitoring of costs against budget to achieve specified targets were verified to be available.</p>	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 23 of 84

	<p>Performances are discussed in the monthly meetings held at the PMU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit.</p> <p>Monthly, quarterly, half-yearly and yearly reports are submitted to the Regional GM of Lahad Datu.</p> <p>Noncompliance finding: The Business management plan of minimum 3 years was documented and available at the POM and respective estates audited. However, it is noted that the Crop projection data of FFB stated at the estates was not consistent with the projection data at the POM.</p>	<p>Major NC: AL-01</p>
<p>3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. Minor Compliance</p>	<p>Verified that the 5-year replanting program for estates are available at the estates audited.</p> <p>The replanting programs were reviewed annually by the respective Estate Managers as follows:</p> <p>Unico 1 estate: Replanting had completed in 2013.</p> <p>Unico 2 and 3 estates: Replanting is ongoing and is expected to complete in 2019.</p> <p>Unico 4, 5 and 6 estates: Replanting is expected in year 2022/23 onwards.</p>	<p>Complied</p>

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

Criteria 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance</p>	<p>The Management had established their SOPs and documented as Group Standard Operating Procedures For Palm Oil Mill IOI/StOP/A Issue 2 dated 1 July 2017 for its processes at the mill, including that of Supply Chain Certification System requirements.</p> <p>Examples of SOPs for the POM are:</p> <ul style="list-style-type: none"> - StOP for FFB Receiving Station - StOP for Loading Ramp - StOP for Steriliser - StOP for Threshing Station - StOP for Digestion Pressing Station - StOP for Depericarperzation Station - StOP for Nut & Kernel Plant - StOP for Oil Room Station - StOP for Boiler Station - StOP for Engine Room Station - StOP for Product Storage and Despatch - StOP for Laboratory - StOP for Water Treatment Plant - StOP for Shovel - StOP for Threshing Station - StOP for Polishing Plant - StOP for Effluent Treatment Plant 	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 24 of 84

	<ul style="list-style-type: none"> - StOP for Workshop - StOP for Biogas Plant <p>The estates have the following documented SOPs:</p> <ul style="list-style-type: none"> - SOP for Oil Palm DxP Seed Production - SOP for Oil Palm Planting Density - SOP for Pre Nursery Seedlings - SOP for Large Polybag Nursery - SOP for Land Clearing - SOP for Land Preparation for new planting and replanting - SOP for Tidal Gates - SOP for Oil Palm Planting Technique - SOP for Planting Leguminous cover plant - SOP for Manuring - SOP for Weeding - SOP for Pest and disease - SOP for Harvesting - SOP for road maintenance - SOP for workshop - SOP for buffalo healthcare - SOP for foliar sampling - SOP for POME application - SOP for Fertilizer sampling for analysis <p>Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.</p>	
<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance</p>	<p>There is a mechanism to check the implementation of the SOPs. Records had been kept by the staff concerned for each operation to monitor the procedure and progress of work and these records were checked by the respective Assistant Managers and Managers regularly.</p> <p>These records were satisfactorily maintained during the on-site visit.</p>	Complied
<p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance</p>	<p>Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estates. Overall, these records verified to be satisfactory.</p> <p>Daily Muster chits were available at estates and actual field activities were verified during on-site field inspection.</p> <p>Verified that spraying, manuring and harvesting activities were carried out as stated in the Muster chits.</p>	Complied
<p>4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance</p>	<p>The POM had monitored and maintained records of all FBB received for processing including those from 3rd parties which have been supplying FFB over the past 12 months.</p> <p>Verified that records of the 3rd party FFB has been properly maintained. The quantity from these 3rd parties only constituted about 3.56% of the total POM's processing quantiles.</p> <p>The IOI management had held meetings with a total of 19 outgrowers on 3 July 2017, informing them to comply with their requirements and in accordance with RSPO principles.</p>	Complied



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad

Page 25 of 84

Unico Desa (Sabah) Grouping: Main Assessment (R1)

	During audit, a field visit made to one of the outgrowers' estates indicated that they had recently started to implement some of the requirements. The status of compliance preparations by the outgrowers would be followed up during the next surveillance.	
Criteria 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
Indicators	Findings and Objective Evidence	Compliance
4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	<p>Annual fertilizer inputs had been monitored through fertilizer recommendations made by Agronomist of IOI Research Centre, Sabah.</p> <p>Good Agricultural Practice (GAP) for minimization of soil erosion and maintenance of soil fertility are maintained via the frond stacking and fertilizer application.</p> <p>These had been verified through the records for fertilizer application. Estates provided the evidence of GAP and was verified during the audit.</p> <p>Fertilizer application at the estate fields had adhered to the recommendations at all estate levels.</p> <p>Noncompliance finding: At Unico 4 Estate, the Manuring Programme 2017/2018 was established for the application of the fertilizer CPD for fields 10FH, 10FI, 10FJ, 10FK and many other fields for August, October and November 2017. However, the application of the fertilizer CPD had not been carried out for the months of October and November 2017 for those fields. NC#CBK-01 was raised.</p>	Minor NC# CBK-01
4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance	Records of fertilizer application at the estates were maintained and had been verified to be satisfactory.	Complied
4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	<p>Leaf sampling and analysis had been carried out annually. Soil sampling and analysis were carried on a 5 year cycle to determine the nutrient levels.</p> <p>Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long term soil fertility and nutrient efficiency.</p> <p>Records of the sampling and analysis had been verified to be satisfactory.</p>	Complied
4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance	<p>Geotubes were used to filter the solid from the POME and the solid were used by the estates for field application as organic fertilizer.</p> <p>All the EFB from the POM are delivered to the estates as evidenced by the "Daily/Monthly Summary Report of EFB" maintained by the POM.</p> <p>EFB Mulching Application and field maps indicate the amounts and locations of EFB application in the estates.</p> <p>Records of EFB delivery, mulching quantities and field locations were well maintained.</p>	Complied
Criteria 4.3 Practices minimise and control erosion and degradation of soils.		
Indicators	Findings and Objective Evidence	Compliance



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 26 of 84

<p>4.3.1 Maps of any fragile/marginal soils shall be available. Major Compliance</p>	<p>Soil maps for all the estates were available. At Unico 3, peat soil was present in part of Fields 99JC and 99JD and in Unico 4 Estate, parts of Fields 03CB, 03CC and 05EC. The peat soil areas were small considering the extent of the plantation size. Verified that it was sufficiently well managed.</p>	<p>Complied</p>
<p>4.3.2 A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance</p>	<p>Planting terraces had been constructed along contours on slopes of >10°. There were stop bunds to control water flow along terraces. Verified at estates and field audited that the terraces were made and that fields were generally covered with soft grasses, ferns, and herbaceous plants in the mature area while leguminous cover crop had been maintained in the immature area. Generally, the Best Management Practices was followed to control and minimize soil erosion and degradation during replanting activities.</p>	<p>Complied</p>
<p>4.3.3 A road maintenance programme shall be in place. Minor Compliance</p>	<p>Road maintenance programme and maintenance records had been verified at the estates.</p>	<p>Complied</p>
<p>4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance</p>	<p>In Unico 3 and 4 Estates, peat soil was present but the areas were small considering the extent of the plantation size. The planted peat soil areas were noted to be below 100 ha. Verified that Best Management Practices for Peat areas were adhered which included: Water table management; Monitoring of soil subsidence at the pegs and water level had been put up in the field and in the water collection drain. Records of water level monitoring showed the water level was maintained between 50 cm. and 70 cm. below ground surface The water level had been monitored on a monthly basis. Verified that the data on water levels indicated that the water levels were consistent and monitoring was satisfactorily done It was further confirmed during assessment on site that there are no other peat soil areas at the other estates within the PMU.</p>	<p>Complied</p>
<p>4.3.5 Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance</p>	<p>Verified that the peat areas in Unico 3 and 4 estates were small and there has been no recorded experience of any floods occurring in the area. As the environmental impact is deemed to be insignificant, it is confirmed that there is no necessity for a drainability assessment.</p>	<p>Complied</p>
<p>4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance</p>	<p>The Management practices for soil conditions at Unico 3 and 4 estates was considered to be adequate. Based on the estates soil maps and visit to the estates, there were no other fragile and problematic soils on the other estates.</p>	<p>Complied</p>
<p>Criteria 4.4 Practices maintain the quality and availability of surface and ground water.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.4.1 An implemented water management plan shall be in place. Minor Compliance</p>	<p>Documented Water Management Plan verified to be in place for the palm oil mill and estates, The plan was respectively reviewed on 30 November 2017.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 27 of 84

	<p>The plan includes steps such as soil stabilization, run-off control, and water level control in peat areas, waste water management and sediment trapping to mitigate the disturbed earth entering waterways.</p> <p>There are water ponds in the POM and estates. Water samples were collected and analysis carried out at least twice a year as part of Environmental Compliance Reporting.</p> <p>The water for domestic use meets all the required parameters, including that of bacterium count (WHO Specification for Drinking Water Quality).</p> <p>Rainfall data was monitored as part of the water management plan and rain water harvesting was practiced for washing and cleaning purposes.</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. Major Compliance</p>	<p>Buffer zones had been generally maintained for streams passing in the estates as verified during on-site field inspection.</p> <p>During field inspection, there was no evidence of spraying around palms marked as boundary for the buffer zones.</p> <p>Appropriate signages were placed with demarcation of buffer zone area. Workers are aware of the non-usage of chemicals within the buffer zone.</p> <p>There was no construction of bunds/ weirs/dams across the main rivers or waterways passing through the estates.</p>	Complied
<p>4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance</p>	<p>In palm oil mill, water samples were taken at monthly interval at the discharge point of effluent pond.</p> <p>The BOD level from July 2016 to June 2017 had been in the range of 8.2 ppm (lowest) to 19 ppm (highest) with an average of 16.5 ppm.</p> <p>The current upper limit specified by D.O.E. Sabah is stated at 20 ppm which was found to be complied from May 2017 till the time of audit.</p>	Complied
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance</p>	<p>Water usage in the POM over past 12 months were monitored. From July 2016 to June 2017 usage ranged from 0.23 to 0.46 m³/MT FFB with an average of 0.33 m³/MT FFB.</p>	Complied
<p>Criteria 4.5 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. Major Compliance</p>	<p>Verified that IPM Plans were monitored at the estates audited and that pest infestation was minimal.</p> <p>Programmes for planting of beneficial plants such as <i>Cassia cobanensis</i>, <i>Turnera subulata</i>, and <i>Antigonon leptopus</i> were established and records on areas planted had been verified together with the respective maps.</p> <p>Rat baiting was carried out based on the census of rat attack on FFB. The threshold limit was set at 5% prior to any rat baiting, which was found to have occasionally occurred. Rat baiting was applied and the records of the rat baiting performed were verified to have been properly maintained.</p>	Complied
<p>4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance</p>	<p>IPM training conducted by for all those involved in IPM implementation. Training records for staff and workers on IPM implementation were available and was verified on-site to be satisfactorily maintained.</p>	Complied

Criteria 4.6 Pesticides are used in ways that do not endanger health or the environment.		
Indicators	Findings and Objective Evidence	Compliance
<p>4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance</p>	<p>Written justification in Standard Operating Procedures of all agrochemicals use had been reviewed and found acceptable.</p> <p>The PMU has an Approved List of Pesticides registered under the Pesticide Board of Malaysia. The types of chemicals used are as follows:</p> <ol style="list-style-type: none"> (1) Glyphosate isopropyl amine (41% a.i.) (2) Metsulfuron methyl (20% a.i.) (3) Triclopyr butoxy ethyl ester (32.1% a.i.) (4) 2, 4 Dimethylamine (60% a.i.) (5) Glufosinate ammonium (13.5% a.i.) <p>Specific pesticides had been used to deal with the respective target pest, weed, or disease.</p> <p>Verified that the pesticides were selected to deal with specific species of weeds or pests as listed in the SOP.</p> <p>These were reflected in the weed and pest control records maintained.</p>	Complied
<p>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</p>	<p>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 4 years.</p> <p>Verified that the records of monitoring were satisfactorily maintained.</p>	Complied
<p>4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance</p>	<p>The policy to minimize the use of pesticides in accordance with IPM plan is maintained at the Estates.</p> <p>Verified that no prophylactic use of pesticides had been carried out at the estates.</p>	Complied
<p>4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance</p>	<p>The company had a complete list of WHO class 1A and class 1B and Stockholm or Rotterdam conventions pesticide.</p> <p>Paraquat had been eliminated since end of year 2011 for IOI Group Estates.</p> <p>Verified that alternatives such as Glyphosate Isopropyl amine, Metsulfuron Methyl, and Triclopyr Butoxyethyl Esther had been used with the elimination of Paraquat.</p>	Complied

<p>4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance</p>	<p>All pesticide operators have been provided training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974. Appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves and overalls) were provided to the field workers. Verified that pesticides operators had worn the proper PPE during field inspection. Precautions attached to the pesticides (MSDS) have been generally understood and followed by the workers. Training programmes were planned and training records verified to be satisfactorily maintained/ The training include spraying technique, precautions and symptoms of symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems. The emergency shower and eye wash were verified to be available and in proper working order at the pesticide mixing area. The PMU has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE. Equipment such as spraying pumps were maintained to be in proper functioning condition. First Aid Kits found to be available during pesticides spraying in the fields (as per 4th Schedule). Verified that portable signboard were displayed at areas of spraying activity (as per 5th Schedule).</p>	<p align="center">Complied</p>
<p>4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance</p>	<p>Storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974. Emergency shower and eye wash are available near the pesticides store. Material Safety Data Sheets (MSDS) are available in the store. The MSDS are noted to be in English and Bahasa Malaysia version. Used chemical containers were mainly reused as containers for mixing of spraying solution and extras were retained and mixed into a new batch. Verified that prior disposal the empty pesticide containers were triple rinsed and pierced at the bottom. Verified that there was no improper reuse of the chemical containers by the workers at the fields.</p>	<p align="center">Complied</p>
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance</p>	<p>Pesticides had been applied using the Best Management Practices that minimize risk and impacts. During interview with workers at field visits to all the estates, it was observed spraying operators had demonstrated knowledge and understanding of using correct nozzle, spray drift, spray quality and run-off. Proper technique for spraying was demonstrated by the workers. It was verified that the workers had been trained on safe handling and application of chemicals, and information of chemicals through MSDS and CSDS.</p>	<p align="center">Complied</p>
<p>4.6.8 Pesticides shall be applied aerielly only where there is documented justification. Communities shall be informed of impending aerial pesticide</p>	<p>The policy of the company was not to carry out any aerial application of pesticides. This was verified to be maintained during on-site field inspection.</p>	<p align="center">Complied</p>



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 30 of 84

<p>applications with all relevant information within reasonable time prior to application. Major Compliance</p>		
<p>4.6.9 Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8). Minor Compliance</p>	<p>Verified that the Annual Training Plan has included training on pesticides handling. Noted that all new pesticides operators were trained before being assigned to work with pesticides. Existing pesticide operators were also given continual training to enhance their knowledge and skills on pesticides particularly in the handling of new spraying equipment. Information and safety precautions on the pesticides displayed on the notice board and next to the pesticides in the store were found to be satisfactorily maintained.</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>Used pesticides containers were triple-rinsed and punctured at the bottom and stored in a designated store before being disposed of through a licensed contractor approved by the Department of Agriculture.</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>The CHRA recommendations has been followed in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2 as follows: 1) Annual Medical Surveillance for all pesticide handlers due to toxicity and highly hazardous nature of the pesticides. 2) Monthly Health checks at the estate clinics were conducted for workers who handled agrochemicals and fertilisers. Based on the above recommendations, it was verified that the following was carried out over the past 12 months: Records of Annual medical surveillance for pesticide handlers were maintained. The medical reports had showed that there was no case of low blood cholinesterase levels for any of the workers. No abnormalities were stated in the reports and the workers were individually found to be fit for the work with pesticides. Other health issues such as hypertension, diabetic or poor eyesight are occasionally noted in the report of several individuals. When these are reported, the individual worker is closely monitored in the monthly health checks done at the Estates clinics by the Estate Health Assistants (EHA). Pesticides operators were interviewed during field visits and feedback received that they do not have any symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems. Verified that monthly clinical tests were carried out by the Estate Health Assistant on all sprayers and manurers. Records of the health checks were maintained. Verified that there were occasional cases of mild illness in which workers were accordingly given medical leave and rest. In more severe cases, the workers were sent to the nearest Hospital for the proper medical treatment.</p>	<p>Complied</p>



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 31 of 84

	It is also verified that there were no reported cases of any blood poisoning amongst the workers at the PMU estates over the past 12 months.	
<p>4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance</p>	<p>No pregnant or breast-feeding woman had been offered work as pesticide operator.</p> <p>List of pesticide operators (with female workers identified) was available on the estates.</p> <p>Female workers found pregnant were notified of the condition and approved to go on leave until delivery.</p> <p>Verified that there were no pregnant female workers involved in handling pesticides on-site.</p>	Complied
<p>Criteria 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>The occupational health and safety plan shall cover the following:</p> <p>4.7.1 An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance</p>	<p>Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory Machinery Act was documented and implemented.</p> <p>The Safety and health policy, approved by the Group Plantation Director dated 11 Nov 2011, had been verified to be maintained. This policy had been explained to the foreign workers (Indonesian) by Field Supervisors in Indonesian language. Confirmed during site interviews of sample field workers that they do have basic understanding of the Safety and Health policy.</p> <p>Records on training and analysis on understanding of training provided by the Safety & Health Officers for the workers were available and verified.</p>	Complied
<p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance</p>	<p>Risk assessment carried out on operations where health and safety is an issue in order to determine the significant hazards at the various activities at the POM and Estates. Significant hazards determined and documented include noise exposure, pesticides/chemicals exposure, accident, fire etc. Procedures and actions were implemented to mitigate the hazards. Risk assessment was reviewed in Jan 2017.</p> <p>Incidences and accidents that occurred were notified and discussed in the OSH committee meetings. Noted that all workers were regularly reminded to adhere to safe working practices to avoid recurrence of accidents.</p> <p>Precautions as attached to the products via the MSDS had been observed to be complied by the workers.</p> <p>Assessment of noise levels in the POM was carried out in September 2017 as per the Consultant Report. Work areas identified with high noise levels are the boiler station, engine room and sterilization unit where noise level exceeded 85 db. Mill management have taken the actions recommended such as installing hearing protection signages and using hearing protection devices.</p> <p>Annual audiometric test conducted for all mill staff and workers in 24 May 2017. The audiometric reports revealed that eleven (11) workers has mild to moderate hearing impairment and were recommended to wear hearing protector. Three (3) workers were retested in Oct 2017 and noted to fit to continue work with proper PPE worn.</p> <p>As at the time of audit, SOCSO compensation claim submission was made for the eligible workers which was found to be appropriately followed up.</p>	Complied



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 32 of 84

	<p>Baseline audiogram and occupational and medical history records of workers were maintained.</p> <p>Sample of employees exposed to high noise levels were interviewed and they are aware of the danger of hearing loss due to prolonged exposure to high noise. The workers are also aware of the complaints process and mechanism available.</p> <p>Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear muffers) verified to be provided and being used by the workers.</p> <p>Internal Safety audit was done to ensuring compliance with the minimum standards needed for the types of PPE used.</p> <p>Fire extinguishers and hose reels found to be located at strategic locations and noted in functioning conditions. Location map of fire extinguishers is available at POM.</p> <p>First Aid equipment was available at POM, estates and at worksites and weekly checked. Samples of First Aid boxes checked and contents found to be complete and in usable order during field visit. Training for workers in First Aid was carried out in the mill and estates and records maintained.</p> <p>The POM and estates have established their accident reporting KPI and incident monitoring implemented. Yearly reporting of JKPP8 regulations was submitted to JKPP on Jan 2017.</p> <p>Verified that records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities captured to prevent mishaps as maintained by the Safety Officer is up-to-date.</p>	
<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, and training records had been verified.</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, and all workers had been noted to be wearing the appropriate PPE.</p> <p>Fire-fighting training and fire drills were carried out with the attendance of workers or residents and crèche caretakers.</p>	
<p>4.7.4 The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>Major Compliance</p>	<p>The persons nominated to be responsible for health, safety and welfare were Mill Manager and Estate Managers.</p> <p>Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified to be satisfactory.</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</p>	<p>Accident and emergency procedures had been written in English and Bahasa Malaysia and briefed to staff, workers, contractors and visitors.</p> <p>Workers trained in First Aid were present in the mill and field operations.</p> <p>First Aid Kits were available at worksites. Records on all accidents had been verified to be maintained satisfactorily.</p>	Complied

in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance	The respective Safety & Health Committees chaired by the Mill Manager and the Estate Managers reviewed accident cases during the Safety Committee meeting every three months.	
4.7.6 All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	Medical care had been provided to all the workers. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with MSIG Insurance.	Complied
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Records on Lost Time Accident (LTA) metrics had been maintained and verified. JKPP8 reports had been sent to JKPP before end Jan of each year.	Complied
Criteria 4.8 All staff, workers, smallholders and contract workers are appropriately trained.		
Indicators	Findings and Objective Evidence	Compliance
4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	The formal training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System have been established and implemented. Training for various categories of operators, including all field and office staff, with regards to their duties and training needs had been reviewed and found acceptable.	Complied
4.8.2 Records of training for each employee shall be maintained. Minor Compliance	Records of training for each employee, including new employees were maintained.	Complied

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

Criteria 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	The Environmental Aspect and Impacts Assessment were conducted and documented on September 2017. The assessment documents had included the identification of aspects from field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal and also road maintenance. The report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as relevant conservation activities applicable to the PMU. Records were made available during audit and found to be satisfactory implemented.	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 action plan. The action plan shall identify the responsible person/persons.	The POM and estates continued with the implementation and monitoring of management action plans and continuous improvement programmes. Management plan for mitigation of environmental impacts, timeframe for action and responsible persons were identified. Impacts such as smoke emissions, noise levels, POME and EFB management were verified at the Unico Desa	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 34 of 84

<p>Minor Compliance</p>	<p>POM. Data were collected and it ensured compliance with relevant regulations.</p> <p>Noncompliance finding: In most estates visited, (Unico 1, Unico 2, Unico 3 and Unico 4), there seems to be several ponds identified and their existence is to serve several purposes, such as for domestic use and recreation. The management and action plan implemented, however, was found not to be conclusive and effective to achieve the desired objective or the intended purpose of their existence. The Management plan for mitigation of environmental impacts, timeframe for action and responsible persons were not adequately followed up by the Estate managers.</p>	<p>Minor NC: SH-01</p>
<p>5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>Minor Compliance</p>	<p>Implementation and monitoring of the documented environmental improvement plans will be reviewed on an annual basis. For the audit period, it was documented in September 2017. The exercise had taken into consideration the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone, clearing of overgrown natural vegetation and debris along the streams for flood mitigation.</p>	<p>Complied</p>
<p>Criteria 5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<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>HCV assessment was conducted by the IOI Group HQ and documented in a report dated 22nd November 2017. The exercise has taken into consideration all aspects of environmentally sensitive areas such as ponds, streams, wildlife boundaries and was documented.</p> <p>Visits to site confirmed that the Unico Desa 1, Unico Desa 5 and Unico Desa 6 plantation are surrounded by palm oil estates along its border.</p> <p>Unico Desa 2 plantation borders the Trusan Kinabatangan Forest Reserve on the North. Unico Desa 3 plantation also having borders with Trusan Kinabatangan Forest Reserve at the North and Kretam Forest Reserve at the South. Unico Desa 4 plantation borders the Kretam Forest Reserve at the East.</p> <p>HCV and other environmentally sensitive areas were documented and inspected on site. Boundaries bordering the forest reserves at Unico Desa 2, Unico Desa 3 and Unico Desa 4 were well demarcated to deter wildlife from going into the estate. Trenching was also installed along the forest borders to deter wild animals from coming into the estates. Apart from the 50 m buffer allocated bordering the forest, it was also separated by perimeter boundary roads.</p> <p>Conservation areas/environmentally sensitive areas i.e. buffer zones along the stretches of rivers/streams which pass through the estates had also been identified, demarcated and being monitored.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 35 of 84

	<p>Sungai Kretam passes through Unico Desa 2 plantation at the North while Sungai Segama passes through Unico Desa 4 plantation at the South.</p> <p>Observation raised:</p> <p>At all estates: Map of estates need to be updated to its current status. Some of the conservation areas identified has not been marked or shown on the maps. In addition, at most estates, the landfill location was not indicated on the maps.</p>	<p>OBS: SH-01</p>
<p>5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan.</p> <p>Major Compliance</p>	<p>Regular patrols within the POM and estates were being carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. Records in the Patrol book maintained included the occasional sightings wild elephants, boars, monkeys etc.</p> <p>Honorary wildlife wardens were also appointed with the assistance of the Wildlife Department to look into issues relating to wildlife in their areas.</p> <p>Monitoring and control of any illegal hunting, fishing or collecting activities was also carried out by the patrolling activities conducted.</p> <p>Also, signage that prohibit hunting, fishing and water polluting activities were verified on-site at all estates visited i.e. Unico Desa 1, Unico Desa 2, Unico Desa 3, Unico Desa 4 and Unico Desa 6 Estates and found to have been satisfactorily erected and maintained.</p>	<p>Complied</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 instituted 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>There was evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signage erected around the affected areas which prohibit such activities.</p> <p>Training programme on RTE has also been organised and attended by personnel across the organisation. The training was conducted on 10th August 2017 and 18th September 2017.</p> <p>Other trainings which included buffer zones, integrated pest management and its importance were also conducted to the field workers.</p>	<p>Complied</p>
<p>5.2.4 Where an action plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan. <p>Minor Compliance</p>	<p>Management plans were established and ongoing monitoring is conducted by the estate personnel and also Auxiliary patrols.</p> <p>Verification were also made during on-site assessment and found to be satisfactory recorded the outcome of the monitoring activities.</p> <p>The overall management plan on the status of HCV/RTE of the Unico Desa plantation group was collated, reviewed and monitored by the HQ sustainability team in consultation with other stakeholders, especially the Forestry and Wildlife Departments and the community.</p>	<p>Complied</p>
<p>5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>Minor Compliance</p>	<p>It was verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estates visited i.e. Unico Desa 1, Unico Desa 2, Unico Desa 3, Unico Desa 4, and Unico Desa 6 Estates. Thus negotiated agreement of such nature is not applicable.</p>	<p>Complied</p>
<p>Criteria 5.3</p>		



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 36 of 84

Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		
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>Visits made to POM and estates showed that all waste products and sources of pollution were identified and documented.</p> <p>The documentation and identification of all the waste products such as scheduled waste, domestic waste , clinical waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME,</p> <p>Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306) used chemical containers/drums (SW 409), used filters (SW 410) clinical waste (SW 404) and used batteries (SW 102). Records on the usage and disposal were well recorded and documented.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory carried out in the Unico Desa mill and Plantations. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p>	<p>Complied</p>
<p>5.3.2 All chemicals and their containers shall be disposed of responsibly.</p> <p>Major Compliance</p>	<p>At the mill, the disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned and in line with the regulation as required.</p> <p>Stores for scheduled waste were inspected and audited at site i.e. POM and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. The mill has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor (Legenda Bumimas Sdn Bhd). Latest disposal was recorded on 2nd November 2017. Inventory on the schedule waste was properly recorded and up to date.</p> <p>At the plantations, records on the disposal and recycle of chemical containers and fertiliser bags was also made available during the audit.</p>	<p>Complied</p>
<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>The waste management and disposal plan were in place at both the POM and estates. It has been documented and implemented as required.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory in all the Plantations visited. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p> <p>Recycling bins of three different colour codes for specific recycle waste were available in both POM and estates and were used for solid waste segregation and recycling.</p> <p>Disposal of schedule waste was done by an appointed contractor that is licensed by the Department of Environment, Legenda Bumimas Sdn Bhd.</p> <p>The solid waste management and disposal plan using landfills was available at Unico Desa 1, Unico Desa 2, Unico Desa 3, Unico Desa 4, and Unico Desa 6 estates. Landfill management was found to be satisfactory. The location of the landfill is far away from the village and water sources.</p>	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 37 of 84

	<p>Recycling of crop residues / biomass i.e. EFB and POME had been implemented. Management on EFB application plans and progress reports were verified to be satisfactory. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained at the POM.</p> <p>Noncompliance finding: However, at the entrance leading to Unico 6 estate, it was found and observed that waste materials were indiscriminately scattered all over the places.</p>	<p>Minor NC: SH-02</p>
<p>Criteria 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>Minor Compliance</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Records were satisfactorily documented.</p> <p>Visit to Unico Desa mill showed evident that they are compiling the data, document it for further action to improve on their efficiency of using the renewable and non-renewable energy.</p> <p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fiber and PK shells were used as renewable energy/fuel on a 70:30 ratio basis.</p> <p>It was verified that energy usage are being monitored daily, especially at the POM for better control and comparison of trends.</p>	<p>Complied</p>
<p>Criteria 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i>, or comparable guidelines in other regions.</p> <p>Major Compliance</p>	<p>IOI Group had observed the policy of 'Zero open burning' for any replanting, if any, at the estates.</p> <p>Field inspections made at Unico 1, Unico 4 and Unico 5 estates showed no evidence of open burning.</p>	<p>Complied</p>
<p>5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i>, or comparable guidelines in other regions.</p> <p>Minor Compliance</p>	<p>The PMUs shall adhere to the 'zero burning' policy for replanting at the estates.</p> <p>During the audit, there were no replanting activities carried out in the IOI Unico Desa plantation group.</p> <p>Also, there was no evidence of any burning of domestic waste at the housing line sites and at the sanitary landfills of the estates during on site field assessment.</p>	<p>Complied</p>
<p>Criteria 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot</p>	<p>Monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS) and supported by the Ringelmann Smoke Chart. Report</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 38 of 84

<p>emissions and effluent (see Criterion 4.4).</p> <p>Major Compliance</p>	<p>showed evident that the emission is within the permissible limits of DOE as verified by documents made available during the on-site visit to the Unico Desa mill.</p> <p>POME treatment, monitoring and land application is monitored, maintained and adhered to DOE regulations.</p> <p>Stack emissions and Boiler ashes were maintained and monitored at the POM. Regular reporting of twice yearly was carried out and report made available during the audit.</p> <p>BOD analysis was also conducted on a monthly basis and result confirmed it was below the allowable limits. Water analysis, both raw and treated water, conducted once every six months, latest being on the 21st October 2017.</p>	
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>Major Compliance</p>	<p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at both the POM and PMU.</p> <p>GHG report calculation has also been submitted to RSPO on December 2017 using the version 3.01.</p>	Complied
<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 in place.</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</p> <p>Water samples were regularly taken and tested by mill environment officer in charge and analyzed to ensure compliance to DOE requirements at final discharge points. The water samples were sent for analysis. This was conducted by Dynakey Laboratories Sdn Bhd. Records are maintained and verified on-site to have met the permissible regulatory limits.(Domestic Water Discharge Quality Report dated September 2017).</p>	Complied

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

<p>Criterion 6.1</p> <p>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 the PMU, the respective Social Impact Assessment reports and Management Plans at all estates and mill were individually documented by the Sustainability Team of IOI. The SIA contains inputs from external stakeholders' consultation with the local communities and employees which was held on 28 Aug 2017 involving Morisem, Unico, Permodalan as well as Leepang groupings held in LDRO. Participation of external stakeholders were verified, including 67 participants from contractors, suppliers, government agencies, police, neighbouring estate, etc. Internal stakeholders meetings were conducted separately by each operating unit, e.g. in Unico 1 Estate it was conducted on 26 Oct 2017 and in UNICO Desa POM on 24 Oct 2017. Workers participation in the meetings were verified through signed attendance lists, issues raised in recorded in</p>	Complied



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 39 of 84

	the meeting minutes as well as through interview with workers. Among others, some of the issues raised during the meetings are request for security patrol at night time.	
<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>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, health facilities and other community concerns as stated in C6.1.1.</p> <p>In all meeting minutes of ECC and Gender Committee, list of attendance and photos of the session were kept in file showing evidence of participation of affected parties. Through verification of entries made in the Complaints & Grievance Book in POM and estates and interviews made, it was clear that the workers are well informed of issues related to their rights.</p>	Complied
<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 implementation was completed. Latest Social Plans sighted are for the period of May 2016-Jun 2017 at both estates audited and from Jan-Dec 2017 for the POM. Complaints submitted through ECC meetings, grievance book, etc., received by the management were recorded and also indicated with status either continuous, completed or pending.</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, communication and grievance procedures are available via website links: http://www.ioigroup.com/Content/S/PDF/GrievanceList.pdf http://www.ioigroup.com/Content/CI/Corp_Whistleblowing 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,</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 40 of 84

	neighbouring plantations by personal invitation to attend the internal and external stakeholders' consultation meetings.	
6.2.2 A management official responsible for these issues shall be nominated. Minor Compliance	Records sighted show evidence of appointed teams headed by Estate Managers assisted by Assistant Managers. E.g. Mr. Sabtu Manna, Senior Asst. Manager for the POM, Mr. Barain Kelop, Asst. Manager in Unico 1 Estate and Mr. Ali Imran Aras, Asst. Manager for Unico 3 Estate were identified in the SIA as Social Liaison Officers for each unit.	Complied
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. Minor Compliance	The list of stakeholders, communication and actions taken were maintained in Stakeholders File. Consultations with various stakeholders held and meeting minutes have been verified during the audit.	Complied
Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.		
Indicators	Findings and Objective Evidence	Compliance
6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. Major Compliance	All estates in the PMU 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. E.g. in Unico 4 Estate latest entry was on 19 Oct 2017 made by Teh TC. Timelines for response to complaints and grievances are either indicated in the logbook or ECC representatives are appropriately established and implemented. Generally respond time for minor requests will be within 2-3 days. 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 report personally or through nominated workers' representatives. It is verified during on-site interviews that there were no incidents of dispute or grievance of a serious nature.	Complied
6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	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.	Complied
Criterion 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
Indicators	Findings and Objective Evidence	Compliance
6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.	There are no borders adjacent to any village at the estates audited in the PMU. No changes in status as of audit day hence no negotiation or compensation pertaining to this criterion	Complied



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 41 of 84

Major Compliance		
<p>6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p>Minor Compliance</p>	<p>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 PMU.</p>	Complied
<p>6.4.3 The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>Major Compliance</p>	<p>To date, there has been no dispute by any parties reported. Therefore the process and outcome of compensation could not be observed.</p>	Complied
<p>Criterion 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.5.1 Documentation of pay and conditions shall be available.</p> <p>Major Compliance</p>	<p>Offer letters and work contracts for local staff and foreign workers are verified. The contracts met the industry minimum standards including included extra pays under the statutory fringe benefits.</p> <p>The pay slips for workers at the estates and mill were verified to contain all necessary information and can easily be understood by the workers, e.g. type and rate of works completed, days offered, days worked, days absent, total deduction, etc.</p> <p>Review of field workers' pay slips showed that the calculation of pay is clearly itemised, for example:</p> <ul style="list-style-type: none"> • Normal working day rate • Normal working day overtime rate • Rest day work • Rest day work overtime • Public holiday work • Public holiday work overtime • Annual leave pay in December • Sick leave pay • Deductions <p>All contracts between the management and the workers are in Bahasa Malaysia, even for foreign workers from Indonesian and Filipino workers. Through interviews it was verified that the contracts were clearly understood by the foreign workers when they were able to give correct responds on daily minimum rate, medical entitlement, public holiday entitlement and pay for work during public holiday,</p>	Complied



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 42 of 84

<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>etc.</p> <p>On 20 Jun 2016, a memorandum has been distributed to IOI PMUs in Sabah including Unico Desa PMU with regards to the revised wages in accordance with Minimum Wages Order 2016. According to this memorandum monthly minimum wage is RM920/month or RM35.38/day. The employment contracts used are approved by the Sabah Human Resources Department, i.e. Jabatan Tenaga Kerja Sabah. The agreement covers all aspects 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 understood by the workers.</p> <p>The obligatory Foreign Workers Compensation Scheme [FWCS] for foreign workers were issued by MSIG and will expire on 30 Sep 2017 in the POM and all estates audited. At the estates audited a number of field workers found to have received less than stipulated minimum wages and reasons provided by the management were absenteeism, long holidays and low productivity. These reasons were verified as sufficiently accurate during the audit.</p> <p>Workers receiving below minimum wages are identified, counselled and if there is no improvement in the achievement the workers will be offered to take on additional jobs or to work on less difficult tasks.</p> <p>However, evidence is clear that the workers who reached the daily target and working the whole month without absent received the minimum wages or much more.</p> <p>All relevant payment as prescribed by the laws, i.e. public holiday, annual leave, sick leave, are paid accordingly.</p> <p>Noncompliance finding:</p> <p>The following non-compliances were found:</p> <ol style="list-style-type: none"> Prorated annual leave calculation were used to calculate annual leave eligibility for workers who apply for long vacation leave. Noted that the calculation was incorrectly applied on 4 workers in POM and one worker in Unico 4 Estate (i.e. their approved cumulated unpaid leave in 2016 were actually less than 30 days). <p>This practice is not complying with Section 104D(8) of Sabah Labour Ordinance which stated that prorated calculation on annual leave can only be used if the workers cumulated unpaid leave exceed 30 days for a period of twelve months of service.</p> <ol style="list-style-type: none"> Due to the incorrect application of the prorated annual leave calculation, it resulted in a reduced annual leave eligibility for these workers. (For example, the POM workers who are originally eligible for 16 days of annual leave pay, were only paid between 14-15 days of annual leave. Whilst, for the Unico 4 Estate worker who was originally eligible for 12 days of annual leave pay, was only paid with 11 days of annual leave). 	<p>Major NC: JMD-01</p>
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and</p>	<p>The PMU has provided adequate housing, water supplies, medical, educational and welfare amenities in accordance</p>	



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 43 of 84

<p>welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>Minor Compliance</p>	<p>with Local - Workers' Minimum Standard of Housing and Amenities Act 1990 to the workers. This act is yet to be enforced by Sabah.</p> <p><u>Housing, electricity and water supply</u></p> <p>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 estates near to the Unico Desa POM are provided with free electricity and treated pond water 24 hours daily. Line site inspection is conducted weekly by the RSPO Field Supervisor and once a month by Health Assistant (HA).</p> <p><u>Schools</u></p> <p>The migrant workers' children received free education in a NGO-managed school, i.e. HUMANA. Maintenance of the school building, furniture, electric and water supplied are in under the purview of the estate management. Furthermore, foreign teachers originally from Indonesia are paid by the estate management through HUMANA. Children attending the schools are provided with free school bag and stationery annually.</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. Price in the sundry shops are still affordable and appropriate for the location of the group.</p> <p><u>Crèche (Rumah Asuhan Kanak-kanak)</u></p> <p>Crèche is available in each estate and they are well maintained. The crèche ayahs are well trained on procedures of using the first aid kits. Most of the crèche visited, the management provided condensed milk to the children. Crèche inspection is conducted weekly by the RSPO Field Supervisor and monthly by the clinic attendance.</p> <p>Observation raised: At Unico 1 estate: The crèche, chemical detergents and floor cleaners were found to be kept at open places which are potentially within the reach of the children.</p> <p><u>Medical clinics</u></p> <p>Clinics are available in the estates audited and at the POM. The clinics are managed by experienced HA with sufficient number of health assistants. Medical and ambulance services for the PMU is free of charge. Record of visiting medical officer were also sighted. Medical fees for workers sent to local hospital are also covered by the management.</p> <p>Noncompliance finding: Assessment of conservation areas have been identified and mapped. However, the management and action plan</p>	<p>OBS: JMD-01</p> <p>Minor NC: SH-03</p>
--	---	---



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad

Page 44 of 84

Unico Desa (Sabah) Grouping: Main Assessment (R1)

	on the cemetery, located and identified at Unico 1 estate, has not been effectively implemented.	
6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. Minor Compliance	The PMU has ensured that the workers have access to adequate, sufficient and affordable food by providing the workers with local sundry shops within their compounds. The estates visited are located far from the main town such as Lahad Datu and Kota Kinabatangan however are reachable by local transportations.	Complied
Criterion 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.		
Indicators	Findings and Objective Evidence	Compliance
6.6.1 A published statement in local languages recognising freedom of association shall be available. Major Compliance	The published statements of policy which recognises employee's freedom of association, was noted to be available and widely displayed in Bahasa Malaysia. Each of the estates audited in the PMU had formed the ECC as a mechanism to cater the collective bargaining needs of the workers. Results of ECC meetings were minuted and available for verification. For example latest ECC meeting in Unico 4 Estate was on 20 Oct 2017. Representatives in the ECC is elected based on group categories and involving both male and female workers.	Complied
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	The PMU has published a statement (in local languages) recognizing freedom of association at the POM office. The representation from the different levels of workers is through the Employees Consultative Council (ECC). These representatives are elected by the workers. In all meetings, minutes of ECC, list of attendance and photos of the sessions were kept in file showing evidence of participation of affected parties. Inputs and request raised during ECC meetings were verified to be included in the continual improvement plans of the mill and estates.	Complied
Criterion 6.7 Children are not employed or exploited.		
Indicators	Findings and Objective Evidence	Compliance
6.7.1 There shall be documentary evidence that minimum age requirements are met. Major Compliance	There was no evidence of any child labor being used at the PMU. 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. HUMANA schools and 'crèche' were established to cater to the need for proper education of the foreign workers children. Children at the appropriate age for secondary school attended the Community Learning Centre (CLC) which is also managed by HUMANA but built with the help of the PMU. Inspection of the employment records including site visit to the estates confirmed that this criterion was complied.	Complied
Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 45 of 84

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 the PMU, checking of the employment records including migrant workers, pay slips and deductions of wages (according to law) confirmed that this criteria have 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, foreign workers and review of ECC meeting minutes and Grievance Book, 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>The PMU demonstrated that staff are hired and promoted based on specific criteria. However, promotion to higher position sometime take a longer period due to the position sought is not yet vacant.</p> <p>For foreign workers, hiring is based mainly on mandore recommendations. However, it was evident that no discrimination on promotion as both male and female, local and foreign workers have equal opportunity to be promoted.</p>	Complied
<p>Criterion 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>The established social policy covered aspects on sexual harassment, gender and women reproductive rights.</p> <p>There are gender committees specifically to address areas of concerns 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 Unico Desa POM latest Gender Consultative Committees (GCC) meeting, was conducted on 8 Dec 2017.</p> <p>The policy statements on prevention of sexual harassment, protection of gender and women reproductive rights were widely available and displayed in local languages and English. Briefing sessions were conducted together with the GCC meetings in all estates audited as well at the POM for both male and female workers.</p>	Complied
<p>6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>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. However, in most cases based on the advice from the management, female workers found to be voluntarily resigned from work due to her pregnancy. Letter from the Visiting Medical Officer dated 12 Mar 2015 also recommended the same practice as high occurrences of habitual abortion were found. The letter stated these incidents were found exceptionally high in Cantawan Estate in Baturong grouping but also true in all other IOI groupings in Sabah as well.</p> <p>Protection of reproductive rights also carried out by providing free ante-natal services at the estate clinics and ambulance</p>	Complied



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 46 of 84

	ride to nearest hospital. If the workers delivered their child at the quarters, the estate HA will collect all necessary data and fill in relevant forms to be submitted to the authorities, i.e. government hospital.	
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. The minutes of meetings were documented and kept.	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 estates in the PMU have no dealings with smallholders. 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	The 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 the PMU managements and employees) it is evidenced that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. 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
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 a 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, IOI has been assisting and sponsoring its foreign workers and their independents to acquire proper travelling documents if they do not have any. With regards to HUMANA, the PMU has been replacing old	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 47 of 84

	HUMANA buildings with the new ones for the past few years. The Community Learning Centre (CLC) was also built by the PMU in collaboration with HUMANA management in order to provide children completing primary school to still acquire necessary education suitable for their age. These HUMANA schools are not only for children within the PMU only but also open for children from surrounding areas. Free transport are provided by the office management for children to the schools. Annually IOI also donated school bags and stationery to HUMANA students. Whilst in government schools, high achievers were given cash rewards.	
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	Not applicable	Complied
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 agents and handled via IOI Lahad Datu Region office [LDRO]. All procedures of bringing in foreign workers are with the approval from the Immigration Office. Based on records verified and interviews with some of the workers, it is confirmed that there has been no occurrence of forced nor trafficked workers in IOI estates. In fact, IOI through its newly revised SPOP has been releasing the passports back to the workers throughout the group. The workers however were reminded they are responsible if any untoward incidents happened with the passport in their custody. The management however, would still assist the workers to monitor the passport and work permit expiry dates, sending them for FOMEMA test until collecting work permit from the Immigration. This temporary transfer of custody is recorded in log books available in the POM and in the estates audited.	Complied
6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	No issue of contract substitution has been found and this was confirmed through interviews mainly with internal stakeholders.	Complied
6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	A policy on Equal Opportunity was adopted and implemented by the PMU and verified to have covered all necessary aspects of migrant workers related issues.	Complied
Criterion 6.13 Growers and millers respect human rights.		
Indicators	Findings and Objective Evidence	Compliance
6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). Major Compliance	Clauses pertaining to Human Rights Policy were stated in the Equal Opportunity and Non-Discrimination Policy. Adoption of the Special Labour Policy and Procedures issued 01 Mar 2016 covers majority of the principles in UN Guiding Principles on Business & Human Rights 2011. Based on the newly revised SPOP, the IOI Group had released the passports back to the foreign workers which	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 48 of 84

	was verified during audit at this PMU.	
--	--	--

Principle 7: Responsible development of new plantings

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

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

It was verified during current on-site assessment that the PMU has declared and submitted its Land Use Change details for analysis for its plantings since Nov 2005 as per the calculations specified in the RSPO PalmGHG v 3.0.1. The record of submission made to the RSPO Secretariat for the current year was done in Dec 2017 as verified during the assessment.

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

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

SUMMARY OF NET GHG EMISSIONS

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

GHG Table 1: Summary of Net GHG Emissions (Jan - Dec 2017)

Emissions per Product	tCO ₂ e / t Product
CPO	0.77
PK	0.77

Production	t/yr
FFB processed	200,359.14
CPO Produced	43,200.074

Extraction	%
OER	21.56
KER	4.74

GHG Table 2: Summary of Net GHG Emissions

Land use	ha
OP planted area	12,705
OP planted on peat	0
Conservation (forested)	87.13
Conservation (non-forested)	114.45
Total	201.58

GHG Table 3: Summary of Field Emissions and Sinks

	Own Crop		Group		3rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land Conversion	34190.05	4.06	0	0	0	0	34190.05	4.06
CO ₂ Emissions from Fertiliser	11672.1	1.26					11672.1	1.26
N ₂ O Emissions	10667.42	1.12	0	0	0	0	10667.42	1.12
Fuel Consumption	2807.83	0.32	0	0	0	0	2807.83	0.32
Peat Oxidation	0	0	0	0	0	0	0	0
Sinks								
Crop Sequestration	-71165.46	-8.23	0	0	0	0	-71165.46	-8.23
Conservation Sequestration	-49.7	0	0	0	0	0	-49.7	0
Total	-11877.76	-1.48	0	0	0	0	-11877.76	-1.48

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 49 of 84

GHG Table 4a: Summary of Mill Emissions and Credits

	tCO2e	tCo2e/tFFB
Emissions		
POME	50552.14	0.25
Fuel Consumption	2807.83	0.01
Grid Electricity Utilisation	0	0
Credits		
Export of Excess Electricity to Grid and Housing	-490.59	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	51402.65	0.26

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

Divert to compost	0%
Divert to anaerobic digestion	100%

GHG Table 4c: POME Diverted to Anaerobic Digestion

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

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

Criterion 8.1		
<p>Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>		
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>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Encourage optimising the yield of the supply base. <p>Major Compliance</p>	<p>The POM has identified and implemented the following Continual Improvement Action Plans for 2017/2018:</p> <ul style="list-style-type: none"> • Use of Geotubes for continuous de-sludging of effluent ponds and planning for a bio gas plant in the near future. • Burning of EFB into the incinerator for the ash which later used in the plantation as fertiliser. • Use of shell and fibre for the boiler to reduce consumption of diesel. <p>The estates have identified and implemented the following Continual Improvement Action Plans:</p> <ul style="list-style-type: none"> • Increase planting of beneficial plants (<i>Turnera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>) along the roads; • Fertilizer bags are to be recycled and empty pesticide containers to be returned to supplier. • In addition, waste will also be segregated accordingly to the plastic and organic materials. <p>Evidence of results was available for the above continuous improvement action plans.</p>	<p>Complied</p>

3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

The Supply Chain model applied at IOI Unico Desa (Sabah) POM during this assessment is Module E – CPO Mills: Mass Balance (MB).



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 50 of 84

Details of findings are as follows:

E.1 Definition		
Indicators	Findings and Objective Evidence	Compliance
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>The POM had processed FFB from its own supply base and also from some external suppliers of FFB crop (see report under Section 1.3). The CPO Mill is therefore applying the Mass Balance (MB) module. Verified that the volume claimed is limited only to the products which are produced from the certified FFB.</p>	<p>Complied</p>
E.2 Explanation		
Indicators	Findings and Objective Evidence	Compliance
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the POM is recorded 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 reported in Section 1.8.2 Table 6 and Section 1.8.3 Table 7.</p>	<p>Complied</p>
<p>E.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).</p>	<p>Verified that the POM has met all registration and reporting requirements for the appropriate supply chain through the RSPO Supply Chain managing organization (RSPO IT platform).</p>	<p>Complied</p>
E.3 Documented procedures		
Indicators	Findings and Objective Evidence	Compliance

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 51 of 84

<p>E.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:</p>	<p>The documented SOP for RSPO Supply Chain Certification Standard has been established and implemented at the POM. The Supply Chain Procedure Doc No: RSPO SC / SOP /MB / 01, R01 dated 01 Nov 2017. Verified that the procedure covered the implementation of all elements of MB Module that include Organization Chart, Management Functions & Job Descriptions, Claims, FFB Delivery Plantation to Mill, CPO/PK Delivery Mill to customer, Record Keeping and Training of personnel.</p>	<p style="text-align: center;">Complied</p>
<p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements</p>	<p>The documented procedure and its implementation confirmed to have complied with all the specified requirements of Mass Balance (MB) Module E.</p>	<p style="text-align: center;">Complied</p>
<p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>The Palm Oil Mill Organization Chart and job responsibilities of employees (Mill Manager, Assistant Managers, Engineers, Assistant Engineers, Technicians, Security Officer, Weighbridge Operator, Laboratory Chemist and clerks) have been suitably defined in the SOP.</p> <p>IOI Unico Desa - POM Mill Manager, Mr. Muslimin Sakta has been appointed as the person in charge for the overall responsibility and authority for implementation and compliance with the documented supply chain procedure.</p> <p>He and other relevant staff under his charge demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard Module E requirements and its implementation.</p> <p>The latest RSPO SC Training based on SCCS June 2017 was conducted on 2 Nov 2017 with total of 18 personnel in attendance including the POM Manager.</p> <p>Interviews of the relevant staff confirmed their knowledge of the RSPO Supply Chain Certification requirements for the respective areas of operations.</p>	<p style="text-align: center;">Complied</p>
<p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>The SOP covers the receiving of FFB supply from the PMU estates and External / Outside Crop Producers. All supplies of FFB were subjected to verification of documents (delivery notes) to determine the origin, quantity and quality of the FFB. The Weighbridge Ticket for FFB indicated the date, vehicle number, estate & field number, harvesting date, security seal number and weight. All Storage tanks at the POM are designated as Mass Balance CPO and PK. Monthly FFB and CPO/PK Report and YTD Report for Jan -Dec 2017 were verified to have complied with requirements of the MB Module whereby the Palm Oil Mill received and processed FFB from its own estates and Outside Crop Producers.</p>	<p style="text-align: center;">Complied</p>
<p>E.4 Purchasing and goods in</p>		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 52 of 84

Indicators	Findings and Objective Evidence	Compliance
<p>E.4.1</p> <p>The facility shall verify and document the tonnages and sources of certified and non-certified FFBs received.</p>	<p>The Mill verifies and records tonnages and supply source of FFB received at the weighbridge in the delivery notes and weighbridge tickets and all FFB data are entered by the weighing clerk into the computer system or reporting spreadsheet on a daily basis.</p> <p>Daily and monthly reports are submitted to the Regional Office and Kuala Lumpur Head Office through the Mill Performance Report (MPR) system.</p> <p>The production report from Jan – Dec 2017 were verified to follow the MB module.</p> <p>Satisfactory performance of deliveries of FFB made by transport contractors hired by the estates.</p> <p>It is additionally verified that the FFB received from external 3rd parties which are also processed by the POM, has been considered as non-certified FFB and products via the MB module.</p>	<p>Complied</p>
<p>E.4.2</p> <p>The facility shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>The documented Supply Chain SOP has specified that POM Manager shall check production quantity against the certified amount and notify RSPO, the CB and Sustainability Department of any projected overproduction of certified tonnage. As at todate, there is no projected overproduction.</p>	<p>Complied</p>
E.5 Record keeping		
Indicators	Findings and Objective Evidence	Compliance
<p>E.5.1</p> <p>a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.</p> <p>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)</p>	<p>It is verified that the Production Reports for the quantities in the related records (i.e. FFB Delivery Note, Weigh Ticket, FFB & Truck Daily Summary, Production Report, CPO & PK Storage Report, and CPO & PK Delivery Orders.) were done on a real time basis. Inventory balance on 3 monthly basis is available for verification.</p> <p>Transaction documents and bookkeeping of CPO and PK are done daily and monthly summary report of FFB receipt, FFB processed, CPO production, PK production and balance stocks submitted to the Regional Office and Kuala Lumpur Head Office.</p> <p>Noted that the POM weighbridges were duly calibrated with valid certificates.</p> <p>All volumes of CPO and PK produced are delivered and sold to another entity i.e. IOI Edible Oils Sdn Bhd (refinery) at Sandakan, Sabah.</p> <p>Noted that there is no Palm Kernel mill for production of PKO at the POM.</p> <p>Deduction and conversion ratios for the volumes of CPO and PK delivered from the Palm Oil Mill have been appropriately done and recorded.</p> <p>All deliveries of the MB sales are from positive stock.</p>	<p>Complied</p>



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 53 of 84

	The POM had maintained a monthly summary of all receipts of FFB, production tonnage and dispatch of CPO and PK.	
--	---	--

3.1.2 Status on Supply Chain on POM:

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

3.1.3 Monitoring of Certified Sustainable Products traded:

Not applicable as this is currently a Main Assessment.

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	Dec 2017	6 (2 Major & 4 Minor)	2	Next Surveillance (ASA - 01)

3.2.1 Year 2018: 6 NCs (2 Major, 4 Minor)

NCR	MYNI Indicator / Category	Details of NCR
Major: AL-01	3.1.1 Major	Date issued: 15 Dec 2017
		Requirement: 3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.
		Nonconformance: The Business management plan of minimum 3 years was documented and available at the POM and respective estates audited. However, it is noted that the Crop projection data of FFB stated at the estates was not consistent with the projection data at the POM.
		Root Cause and Corrective Action(s): by Auditee representative



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 54 of 84

		<p>Root cause: Crop projection (for next Financial Year) is prepared by all operating unit by end of financial year by considering and under the assumption of the best case scenario (i.e. weather condition, workforce & other related factor is being predicted and manage sufficiently).</p> <p>The crop projection section under Business Management Plan document estate was found does not tally with the mill due to miscommunication between both side of the operating unit. It was found that the mill does not consult the estate's management when they revised their crop receive projection, therefore the outcome figure does not able to match with the estate's.</p> <p>Corrective Action: Development of the crop projection in the mill should be based by the data in the estates. To ensure no repetition of the issue, a 3-monthly meeting shall be carried out to ensure that the mills crop projection data should always be tally with the data from estate.</p>						
		Verification on Corrective Action(s): by Lead Auditor / Auditor						
		<p>MAJOR NC: On-site Off-site Verification on date: 15 – 30 Mar 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: 1) Revised 5 Years Business Plan (Mill & Estates) 2) Data on Annual Crop Projections from Mill 3) Minutes of meeting between Mill and Estates on the estimation & projection of FFB crop Conclusion: <input checked="" type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. <input type="checkbox"/> No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): Next Assessment</p>						
		<p>Minor NC: N.A On-site / Off-site Verification on date:- Corrective Actions taken: - Supportive evidences:- Conclusion:- <input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>						
		<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">NC status verified by auditor: Closed by AL</td> <td style="width: 30%;">Date closed: 2 Apr 2018</td> </tr> <tr> <td colspan="2">Verification of effectiveness: Next Assessment</td> </tr> <tr> <td>NC status verified by auditor: -</td> <td>Date verified: -</td> </tr> </table>	NC status verified by auditor: Closed by AL	Date closed: 2 Apr 2018	Verification of effectiveness: Next Assessment		NC status verified by auditor: -	Date verified: -
NC status verified by auditor: Closed by AL	Date closed: 2 Apr 2018							
Verification of effectiveness: Next Assessment								
NC status verified by auditor: -	Date verified: -							

NCR	MYNI Indicator / Category	Details of NCR
Minor: CBK-01	4.2.1 Minor	Date issued: 15 Dec 2017
		Requirement:

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 55 of 84

		<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>Nonconformance:</p> <p>At Unico 4 Estate, the Manuring Programme 2017/2018 was established for the application of the fertilizer CPD for fields 10FH, 10FI, 10FJ, 10FK and many other fields for August, October and December 2017.</p> <p>The application of the fertilizer CPD had not been carried out for the months of October and 1st half of December 2017 for those fields.</p>
		<p>Root Cause and Corrective Action(s): by Auditee representative</p> <p>Root cause: The delay of fertilizer application was mainly due to the shortage of workers and lack of option to rectify the issue at the time. There is also no clear indication of the root cause and the action taken provided in the management action plan document.</p> <p>Corrective Action: Any delay in fertilizer application shall be followed up closing by the estate management. Notice or written root cause for delay of the application should be properly send to the senior management to request for assistance to solve the issue (e.g. request for manpower assistance from sister estate).</p> <p>Future occurrence of the issue should be highlight in the management plan/ fertilizer application programme to indicate the root cause of the issue and the action which has been taken toward solving the issue.</p>
		<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>MAJOR NC: N.A On-Site / Off-site Verification on dates: N.A Corrective actions taken: N.A Supportive evidences: N.A Conclusion: N.A</p> <p><input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p> <p><input type="checkbox"/> No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure.</p> <p>Subject to further follow-up verification on (dates): N.A</p>
		<p>Minor NC: On-site Off-site Verification on date: 12 Mar 2018 Corrective Actions taken: As stated above Supportive evidences: As received are:</p> <ol style="list-style-type: none"> 1) Letter from Unico's PC Office to OP Estates management on Notification of the potential delay of fertilizer applications. 2) Remarks in the Estates management plan/fertilizer application programme indicating the root cause of the delay in fertilizer application. <p>Conclusion: <input checked="" type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached photographs at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>
		<p>NC status verified by auditor: Closed by CBK & AL Date closed: 16 Mar 2018</p>
		<p>Verification of effectiveness: Next Assessment</p>



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 56 of 84

	NC status verified by auditor: -	Date verified: -
--	----------------------------------	------------------

NCR	MYNI Indicator / Category	Details of NCR
Minor: SH-01	5.1.2 Minor	Date issued: 15 Dec 2017
		Requirement:
		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.
		Nonconformance:
		In most estates visited, (Unico 1, Unico 2, Unico 3 and Unico 4), there seems to be several ponds identified and their existence is to serve several purposes, such as for domestic use and recreation. The management and action plan implemented, however, was found not to be conclusive and effective to achieve the desired objective or the intended purpose of their existence.
		The Management plan for mitigation of environmental impacts, timeframe for action and responsible persons were not adequately followed up by the Estate managers.
		Root Cause and Corrective Action(s): by Auditee representative
		Root cause: Estate has identified the location of the ponds and had carried out the action plan according to the management plan provided. However, the actual purpose or designation of the place were unclear.
		Corrective Action: Estate management will put the specific signboard indicate the purpose the pond at each operating unit. A revised section in the Water Management Plan will be specifically states the purpose or designation of the pond
		Verification on Corrective Action(s): by Lead Auditor / Auditor
MAJOR NC: N.A On-Site / Off-site Verification on dates: N.A Corrective actions taken: N.A Supportive evidences: N.A Conclusion: N.A [] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. [] No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): N.A		



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 57 of 84

		<p>Minor NC: On-site Off-site Verification on date: 12 Mar 2018 Corrective Actions taken: As stated above Supportive evidences: As received are: 1) Revised sections in the documented Water Management Plans 2) Pictorial evidences of the specific signboards at estates. Conclusion: [x] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>		
		<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">NC status verified by auditor: Closed by SH & AL</td> <td style="width: 30%;">Date closed: 16 Mar 2018</td> </tr> </table>	NC status verified by auditor: Closed by SH & AL	Date closed: 16 Mar 2018
NC status verified by auditor: Closed by SH & AL	Date closed: 16 Mar 2018			
		Verification of effectiveness: Next Assessment		
		<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">NC status verified by auditor: -</td> <td style="width: 30%;">Date verified: -</td> </tr> </table>	NC status verified by auditor: -	Date verified: -
NC status verified by auditor: -	Date verified: -			

NCR	MYNI Indicator / Category	Details of NCR
Minor: SH-02	5.3.3 Minor	Date issued: 15 Dec 2017
		Requirement:
		5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.
		Nonconformance:
		At the entrance leading to Unico 6 estate, it was found and observed that waste materials were indiscriminately scattered all over the places.
		Root Cause and Corrective Action(s): by Auditee representative
		Root cause: The unregistered shop opened by the villagers at the entrance of Unico 6 were found to be insensitive in keeping the environment clean and had irresponsibly littering the area with rubbish. This is most probably due to the unavailability of proper rubbish collection center in the area
		Corrective Action: Estate Management will provide specific place for rubbish collection near the entrance of Unico 6 estate.
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		<p>MAJOR NC: N.A On-Site / Off-site Verification on dates: N.A Corrective actions taken: N.A Supportive evidences: N.A Conclusion: N.A [] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. [] No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily address the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): N.A</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 58 of 84

		<p>Minor NC: On-site Off-site Verification on date: 12 Mar 2018 Corrective Actions taken: As stated above Supportive evidences: As received are: 1) Signages erected in the affected area to educate the general public and the nearby shopkeepers. 2) Pictorial evidences of signages and proper places for rubbish disposal and collection Conclusion: <input checked="" type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>						
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by SH & AL</td> <td style="width: 40%;">Date closed: 16 Mar 2018</td> </tr> <tr> <td colspan="2">Verification of effectiveness: Next Assessment</td> </tr> <tr> <td>NC status verified by auditor: -</td> <td>Date verified: -</td> </tr> </table>	NC status verified by auditor: Closed by SH & AL	Date closed: 16 Mar 2018	Verification of effectiveness: Next Assessment		NC status verified by auditor: -	Date verified: -
NC status verified by auditor: Closed by SH & AL	Date closed: 16 Mar 2018							
Verification of effectiveness: Next Assessment								
NC status verified by auditor: -	Date verified: -							

NCR	MYNI Indicator / Category	Details of NCR
Minor: SH-03	6.5.3 Minor	Date issued: 15 Dec 2017
		Requirement: 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.
		Nonconformance: Assessment of conservation areas have been identified and mapped. However, the management and action plan on the cemetery, located and identified at Unico 1 estate, has not been effectively implemented.
		Root Cause and Corrective Action(s): by Auditee representative
		Root cause: Estate Management's oversight to prepare a specific management action plan for the cemetery.
		Corrective Action: 3 monthly monitoring report will be produced by the estate to ensure that there is continuous monitoring in the area.
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		MAJOR NC: N.A On-Site / Off-site Verification on dates: N.A Corrective actions taken: N.A Supportive evidences: N.A Conclusion: N.A <input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. <input type="checkbox"/> No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily address the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): N.A

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 59 of 84

		<p><u>Minor NC:</u> On-site Off-site Verification on date: 12 Mar 2018 Corrective Actions taken: As stated above Supportive evidences: As received are: 1) Signboards indicating the cemetery and prohibition to trespass in the area 2) Records of information gathered on the deceased persons 3) Cleaning schedule for maintenance of the cemetery area 4) Proposed fencing and proper beautification of the area 5) Location Maps indicating the burial / cemetery site. Conclusion: [x] Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>						
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">NC status verified by auditor: Closed by SH & AL</td> <td style="width: 30%;">Date closed: 16 Mar 2018</td> </tr> <tr> <td colspan="2">Verification of effectiveness: Next Assessment</td> </tr> <tr> <td>NC status verified by auditor: -</td> <td>Date verified: -</td> </tr> </table>	NC status verified by auditor: Closed by SH & AL	Date closed: 16 Mar 2018	Verification of effectiveness: Next Assessment		NC status verified by auditor: -	Date verified: -
NC status verified by auditor: Closed by SH & AL	Date closed: 16 Mar 2018							
Verification of effectiveness: Next Assessment								
NC status verified by auditor: -	Date verified: -							

NCR	MYNI Indicator / Category	Details of NCR (6)
Major JMD-01	6.5.2 Major	Date issued: 15 Dec 2017
		Requirement:
		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.
		Nonconformance:
		<p><u>Reduced Annual Leave Eligibility for 2016</u></p> <p>3. Prorated annual leave calculation were used to calculate annual leave eligibility for workers who apply for long vacation leave. Noted that the calculation was incorrectly applied on 4 workers in POM and one worker in Unico 4 Estate (i.e. their approved cumulated unpaid leave in 2016 were actually less than 30 days).</p> <p>This practice is not complying with Section 104D(8) of Sabah Labour Ordinance which stated that prorated calculation on annual leave can only be used if the workers cumulated unpaid leave exceed 30 days for a period of twelve months of service.</p> <p>4. Due to the incorrect application of the prorated annual leave calculation, it resulted in a reduced annual leave eligibility for these workers. (For example, the POM workers who are originally eligible for 16 days of annual leave pay, were only paid between 14-15 days of annual leave. Whilst, for the Unico 4 Estate worker who was originally eligible for 12 days of annual leave pay, was only paid with 11 days of annual leave).</p>
		Root Cause and Corrective Action(s): by Auditee representative

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 60 of 84

		<p>Root cause: The prorated annual leave calculation for some worker was incorrectly calculated due to management's oversight on the said matter.</p> <p>Corrective action: Name list for workers with less payment for annual leave has been prepared and has been paid in December 2017 salary payment. Training has been given to the Chief and Check roll Clerks for the explanation on the prorated annual leave calculation to calculate annual leave eligibility for workers who apply for long vacation leave.</p>		
		Verification on Corrective Action(s): by Lead Auditor / Auditor		
		<p>MAJOR NC: On-site Off-site Verification on date: 15 – 30 Mar 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: 1) Name listing of workers shown as 'Gaji Kurang Bayar' which were paid in the Dec 2017 payslips. 2) Copies of the said Workers payslips. Conclusion: <input checked="" type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure. <input type="checkbox"/> No - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and DID NOT satisfactorily addressed the issue and thus not acceptable for closure. Subject to further follow-up verification on (dates): Next Assessment</p>		
		<p>Minor NC: N.A On-site / Off-site Verification on date:- Corrective Actions taken: - Supportive evidences:- Conclusion:- <input type="checkbox"/> Yes - Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">NC status verified by auditor: Closed by JMD & AL</td> <td style="width: 30%;">Date closed: 2 Apr 2018</td> </tr> </table>	NC status verified by auditor: Closed by JMD & AL	Date closed: 2 Apr 2018
NC status verified by auditor: Closed by JMD & AL	Date closed: 2 Apr 2018			
		Verification of effectiveness: Next Assessment		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">NC status verified by auditor: -</td> <td style="width: 30%;">Date verified: -</td> </tr> </table>	NC status verified by auditor: -	Date verified: -
NC status verified by auditor: -	Date verified: -			

3.2.2 Year 2018: 2 Observations (OBS)

Ref No:	MYNI Indicator	Details of Observation	Status		
			Opened date	Closed date	Remark, if any
OBS: SH-01	5.2.1.	<p>At all estates: Map of estates need to be updated to its current status. Some of the conservation areas identified has not been marked or shown on the estate maps. In addition, at most estates, the landfill locations were not clearly indicated on the maps.</p>	15 Dec 2017		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 61 of 84

OBS: JMD-01	6.5.3	At Unico 1 estate: In the crèche hall, chemical detergents and floor cleaners were found to be kept at open places which are potentially within the reach of the children.	15 Dec 2017		
------------------------	--------------	---	-------------	--	--

3.2.3 Identified Positive Elements

- 1) The PMU has contributed towards the education of children of estate migrant workers. IOI Corporation has provided has education assistance for more than 2000 children under the HUMANA programme.
- 2) The PMU has contributed towards the local economy and provided proper infrastructure such as roads, housing, sport facilities and financial support for the Government school located in the PMU.

3.3 Feedback Raised by Stakeholders and Findings

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

3.3.1 Feedback Raised by Stakeholders (Year 2017: Main Assessment)

Communication done via email prior assessment to various categories of stakeholders (see list under **section 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
Government Agencies: Feedback received: Sabah Forestry Dept. (SFD) via faxed letter on 16 Dec 2017. Recommendations made on: a) Environmental Protection b) Biodiversity Conservation c) Employment Opportunities d) Community development Conclusion: SFD supports the PMU to be certified under the RSPO Scheme.	The recommendations made by SFD are considered for continual improvement. Ongoing consultations with SFD will be maintained. Official reply dated 3 Jan 2018 was submitted to SFD with copy made to CB.	Verified during on-site assessment that most of the SFD recommendations were implemented under the findings made under RSPO Principles 1, 2, 3, 4, 5 and 6. Official reply by IOI dated 3 Jan 2018 submitted to SFD was noted to address the recommendations raised by SFD.	Monitoring to continue during next surveillance
Non-Governmental Organizations: Feedback received from Land Empowerment Animal & People (LEAP) via email on 9 Nov 2017. Issues raised include: a) Protection needed for the aquatic resources near Kg Sri Ganda community b) Maintenance of riparian reserves at Sungai Jeroco and Sungai Kretam Besar and protecting the needs of the fishing community at the vicinity. c) Recommendations for more proactive involvement between IOI and the local community in the areas to mitigate potential impacts under the RSPO certification.	The recommendations made by LEAP are considered for continual improvement. Ongoing consultations with LEAP will be maintained.	Verified during on-site assessment via a visit made to Kampung Sri Ganda communality and subsequent stakeholder consultations with the local representatives available. IOI will ensure continued briefing and consultations with LEAP and the local community involved in the area.	Monitoring to continue during next surveillance.
Local Communities - Stakeholders' Consultation:			



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 62 of 84

<p>Selected stakeholders representing the various stakeholder categories were invited for the Stakeholders' Consultation on 15 Dec 2017. A total of 16 stakeholders: 3 governmental representatives, 2 transporters, 1 local communities, 2 contractors 2 suppliers 6 outgrowers and smallholders were present at the consultation.</p> <p>They were interviewed by the auditors without the presence of any of the PMU staff.</p> <p>Concerns and suggestions received during interviews include: a) Outgrower and smallholders representatives proposing more guidance, briefing and training on the implementation of RSPO requirements b) More gatherings to foster better rapport between local communities and the PMU.</p>	<p>Ongoing consultations with the respective stakeholders will be maintained.</p>	<p>Findings were reported during the current audit.</p>	<p>Monitoring to continue during next surveillance.</p>
<p>Local Communities - Interviews: Interviews of sampled staff and workers were also conducted by the auditors during field visits from 11 to 15 Dec 2017 at the PMU:</p> <p>Staff/Workers sampling: POM - 16 male, 12 female Estate Offices - 20 male, 22 female Field/sites visit - 28 male, 31 female</p> <p>All complaints & issues has been allowed, properly recorded and attended to by the Mill & Estate management.</p> <p>No further new issues raised by the sampled staff and workers.</p>	<p>Ongoing consultations via ECC, Safety & Heath, Gender committee meetings etc. will be maintained.</p>	<p>Findings were reported during the current audit. No further response needed.</p>	<p>Monitoring to continue during next surveillance.</p>
<p>Other Interested parties: No feedback received.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>

4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

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

Therefore, it is recommended that the certification of IOI Unico Desa (Sabah) Grouping be approved.

Signed for and on behalf of
Intertek Certification International Sdn Bhd

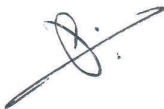


Augustine Loh
Lead Assessor
Date: 4 May 2018

4.1 Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings

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

Signed for and on behalf of
IOI Plantation Services Sdn Bhd



Mr. Hiew Yin Foh
Plantation Controller (Unico Group)
Date: 7 May 2018



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)**

Page 64 of 84

4.2 INTERTEK- RSPO P&C Certificate details for Unico Desa (Sabah) Grouping

Certificate No:	RSPO 931288
Original Issue date:	7 May 2018
Expiry date:	6 May 2023
Parent 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:	Unico Desa (Sabah) Grouping
Address of POM:	Unico Desa POM, KM3, Jalan Segama, 91100, Lahad Datu, Sabah
Standards:	RSPO Principles and Criteria (Apr 2013); Malaysian National Interpretation (MY-NI 2014); RSPO Supply Chain Certification Standards (Jun 2017) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernel
Supply Chain module for POM	Mass Balance (MB)

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

Name	Address	GPS Reference		Certified (Titled) Area (ha)
		Latitude	Longitude	
Unico Desa Palm Oil Mill Sdn Bhd. (Capacity: 60 MT/Hr.)	Postal address: Unico Desa POM, KM3, Jalan Segama, 91100, Lahad Datu, Sabah Location: KM60, Jalan Jeroco, Lahad Datu, Sabah	5° 24' 47.12" N	118°31'45.6"E	12,705
Unico 1 Estate	Postal address: Unico Plantation Sdn. Bhd – Unico 6 MDLD 5123, KM3, Jalan Segama, 91100 Lahad Datu, Sabah Location: Estate 1- Phase 3, Jalan Jeroco, 91113 Lahad Datu Sabah	5° 24' 40.93" N	118°31'23.8"E	
Unico 2 Estate	Postal address: Unico Plantation Sdn. Bhd – Unico 6 MDLD 5123, KM3, Jalan Segama, 91100 Lahad Datu, Sabah Location: Estate 2 - Phase 1, Km 65 Jalan Jeroco, 91113 Lahad Datu, Sabah	5°25'10.24"N	118°31'29.1"E	
Unico 3 Estate	Postal address: Unico Plantation Sdn. Bhd – Unico 6 MDLD 5123, KM3, Jalan Segama, 91100 Lahad Datu, Sabah Location: Unico-Desa Plantations Berhad, Unico 3 Estate, Km 65 Jalan Jeroco, 91113 Lahad Datu Sabah	5°27'54.44"N	118°33'04.7"E	
Unico 4 Estate	Postal address: Unico Plantation Sdn. Bhd – Unico 6 MDLD 5123, KM3, Jalan Segama, 91100 Lahad Datu, Sabah Location: Unico-Desa Plantations Berhad Unico 4 Estate, Km 65, Jalan Jeroco	5°23'52.38"N	118°33'34.1"E	
Unico 5 Estate	Postal address: Unico Plantation Sdn. Bhd – Unico 6 MDLD 5123, KM3, Jalan Segama, 91100 Lahad Datu, Sabah Location: 16km Jalan Jeroco off Mile 13 Lahad Datu/Sandakan Highway Lahad Datu Sabah	5°22'25.62"N	118°32'11.1"E	
Unico 6 Estate	Postal address: Unico Plantation Sdn. Bhd – Unico 6 MDLD 5123, KM3, Jalan Segama, 91100 Lahad Datu, Sabah Location: 16km Jalan Jeroco off Mile 13 Lahad Datu / Sandakan Highway Lahad Datu Sabah	5°11'44.77"N	118°18'07.3"E	



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 65 of 84

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

Unico Desa (Sabah) POM	Annual Tonnages (MT)
Certified FFB	249,130
Certified CPO	54,809
Certified PK	11,709
Supply chain module	Mass Balance (MB)



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 66 of 84

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, RSPO RED and RSPO NEXT requirements. He has conducted assessments of organizations in Malaysia, Singapore, Indonesia, Brunei, Thailand, Cambodia and Australia. He is currently the RSPO Regional Program Manager of Intertek Certification International, Malaysia and has performed over 800 auditing days on quality, environmental and safety & health assessments in various sectors including oil palm plantations. He was the RSPO CB Assessment Team Leader / Member which audited several RSPO certified Plantation Management Units since 2009. He was the CB Team Leader in the stakeholder consultation and development of the RSPO Cambodian Local Indicators. He is a member of the CB Internal Review Panel for RSPO Assessment reports since 2010. He is also the Lead Auditor in the Malaysian Sustainable Palm Oil (MSPO) certification.

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

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

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

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

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

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

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

(Good Agriculture Practice, Integrated Pest Management and Social)
– BSc in Food Technology, University of Reading, UK

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



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 67 of 84

Appendix B: Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity			
		Assessment Team			
11 Dec 2017 Monday (Day 1)	7.00 am – 1.00 pm	Travel to Unico Desa POM			
	1.00 pm - 2.00 pm	Lunch Break			
	2.00 pm – 2.30 pm	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)			
	2.30 pm – 5.00 pm	Document Review and Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM			
		AL	CBK	SH	JMD
		Site assessment at Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P8 Continual Improvement • SCC for POM 	Site assessment at Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Mill • P8 Continual Improvement 	Site assessment at Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at 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"> • Verification of effectiveness of corrective actions for non-conformances • Review of Time Bound Plan • Verification for compliance with rules on partial certification 				
5.00 pm – 6.00 pm	Travel to Hotel & Break				
6.00 pm – 7.00 pm	Team Meeting and Discussion				

Date	Time	Assessors and Assessment Activity			
		AL	CBK	SH	JMD
12 Dec 2017 Tuesday (Day 2)	8.30 am – 12.30pm	Site assessment at Unico 1 Estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P8 Continual Improvement 	Site assessment at Unico 1 Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estate • P7 New Plantings • P8 Continual Improvement 	Site assessment at Unico 1 Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Unico 1 Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
		Lunch Break			
	1.30 pm - 5.00 pm	Continue site assessment at Unico 1 Estate			
	5.00 pm – 6.00 pm	Travel to Hotel & Break			
	6.00 pm – 7.00 pm	Team Meeting and Discussion			

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 68 of 84

Date	Time	Assessors and Assessment Activity			
		AL	CBK	SH	JMD
13 Dec 2017 Wednesday (Day 3)	8.30 am – 12.30pm	Site assessment at Unico 4 Estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P8 Continual Improvement 	Site assessment at Unico 4 Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estate • P7 New Plantings • P8 Continual Improvement 	Site assessment at Unico 4 Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Unico 4 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 - 5.00 pm	Site assessment at Unico 5 Estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • SCC for POM 	Site assessment at Unico 5 Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Mill • P8 Continual Improvement 	Site assessment at Unico 5 Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Unico 5 Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	5.00 pm – 6.00 pm	Travel to Hotel & Break			
	6.00 pm – 7.00 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity			
		AL	CBK	SH	JMD
14 Dec 2017 Thursday (Day 4)	8.30 am – 12.30pm	Site assessment at Independent Smallholders <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P8 Continual Improvement 	Site assessment at Independent Smallholders <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estate • P7 New Plantings • P8 Continual Improvement 	Site assessment at Independent Smallholders <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Independent Smallholders <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 - 5.00 pm	Site assessment at Independent Smallholders <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • SCC for POM 	Site assessment at Independent Smallholders <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Mill • P8 Continual Improvement 	Site assessment at Independent Smallholders <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Independent Smallholders <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad

Page 69 of 84

Unico Desa (Sabah) Grouping: Main Assessment (R1)

	5.00 pm – 6.00 pm	Travel to Hotel & Break
	6.00 pm – 7.00 pm	Team Meeting and Discussion

Date	Time	Assessors and Assessment Activity			
		AL	CBK	SH	JMD
15 Dec 2017 Friday (Day 5)	8.30 am – 10.30 am	Site assessment at Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • SCC for POM 	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below): <ul style="list-style-type: none"> • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community 		
	10.30 am – 11.00 am		Notes 1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders prior to the assessment. 2. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement		
	11.00 pm – 12.00 pm	Preparation for Closing Meeting			
	12.00 pm – 1.00 pm	Team Meeting and Discussions with POM Management Representative			
	1.00 pm – 2.00 pm	Closing Meeting & Briefing at Palm Oil Mill Office			
	2.00 pm onwards	Travel and flight back to Kuala Lumpur			
			Site assessment at POM or estates to follow up on any specific criteria/areas		

Assessment Team Competency Matrix

P&C	Areas	Assessors (A) / Technical Experts (TE)			
		AL (LA/TE)	CBK (A/TE)	SH (A/TE)	JMD (A/TE)
1.	Transparency	√			
2.	Laws & Regulations	√	√	√	√
3.	Economic & Financial Viability	√			
4.	Best Practices at Estates & Mill	√	√	√	√
5.	Environmental, Conservation & HCV	√		√	
6.	Social - Employees, Individuals & Communities incl. Gender issues	√			√
7.	New Plantings	√	√		
8.	Continual Improvement	√	√	√	√
	Supply Chain Certification (SCC) for POM	√			

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Appendix C-1:

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

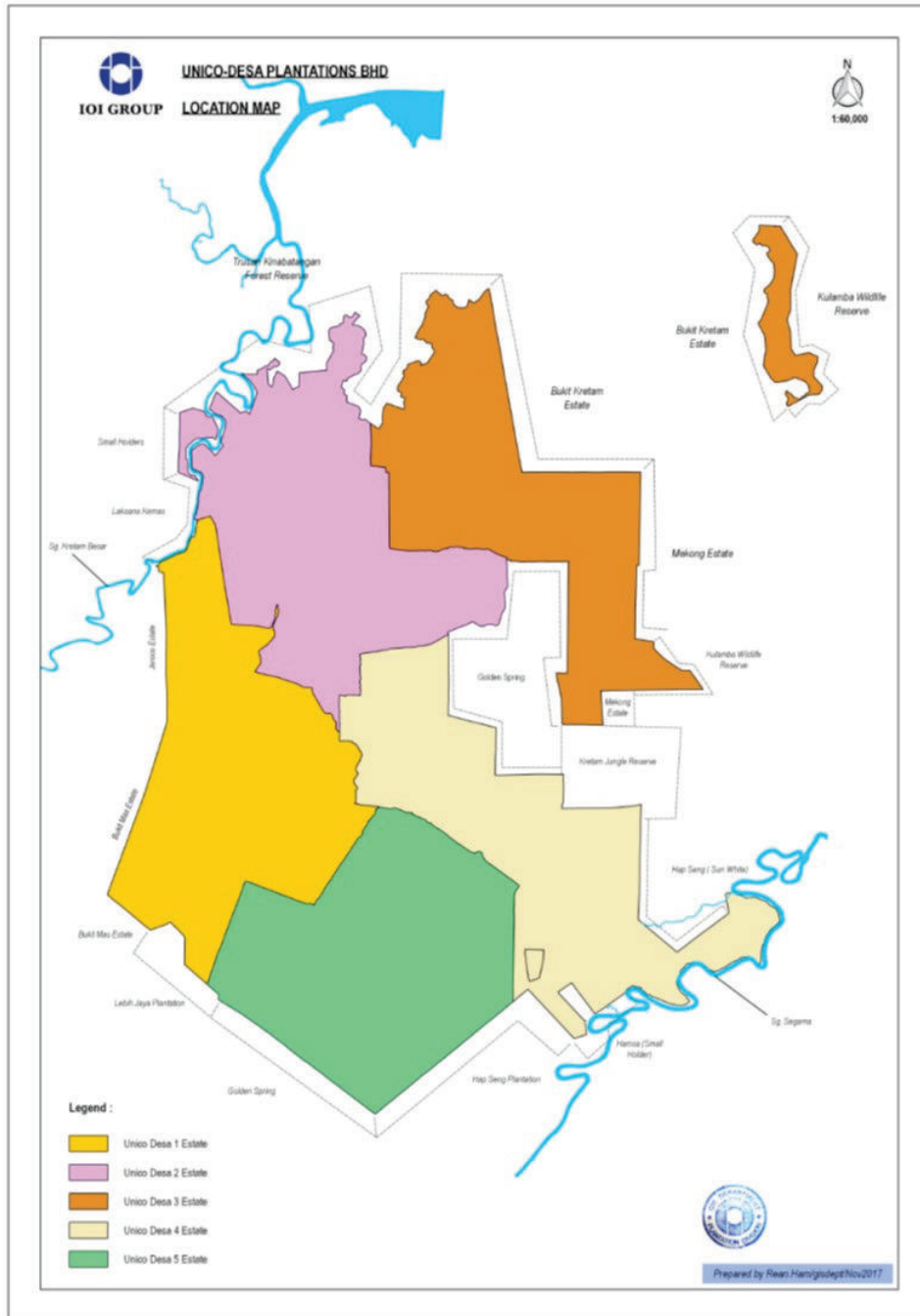


INTERTEK CERTIFICATION INTERNATIONAL SDN BHD (188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Appendix C-2:

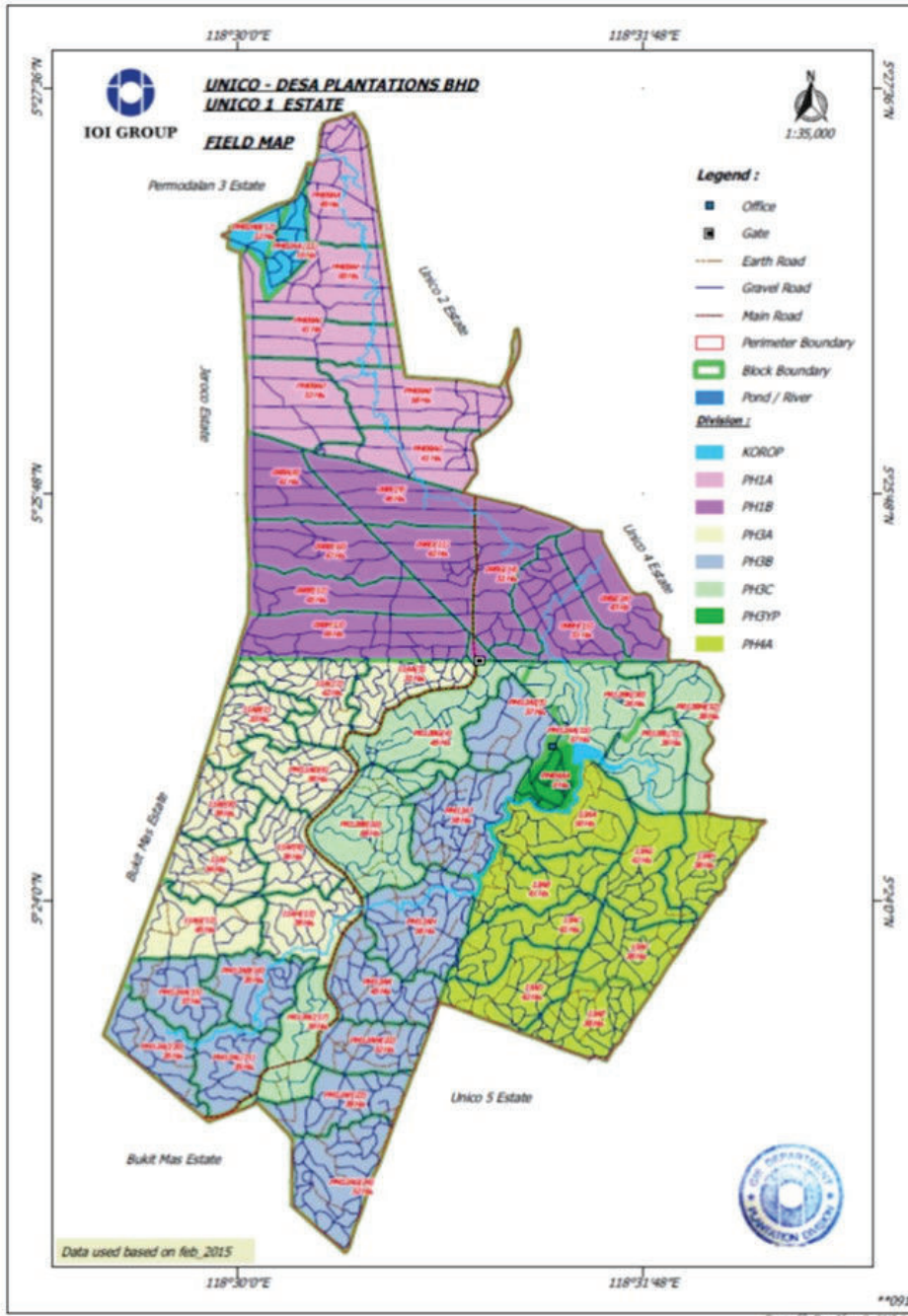
Location Map of IOI Unico Desa (Sabah) Grouping Estates, Lahad Datu, Sabah



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

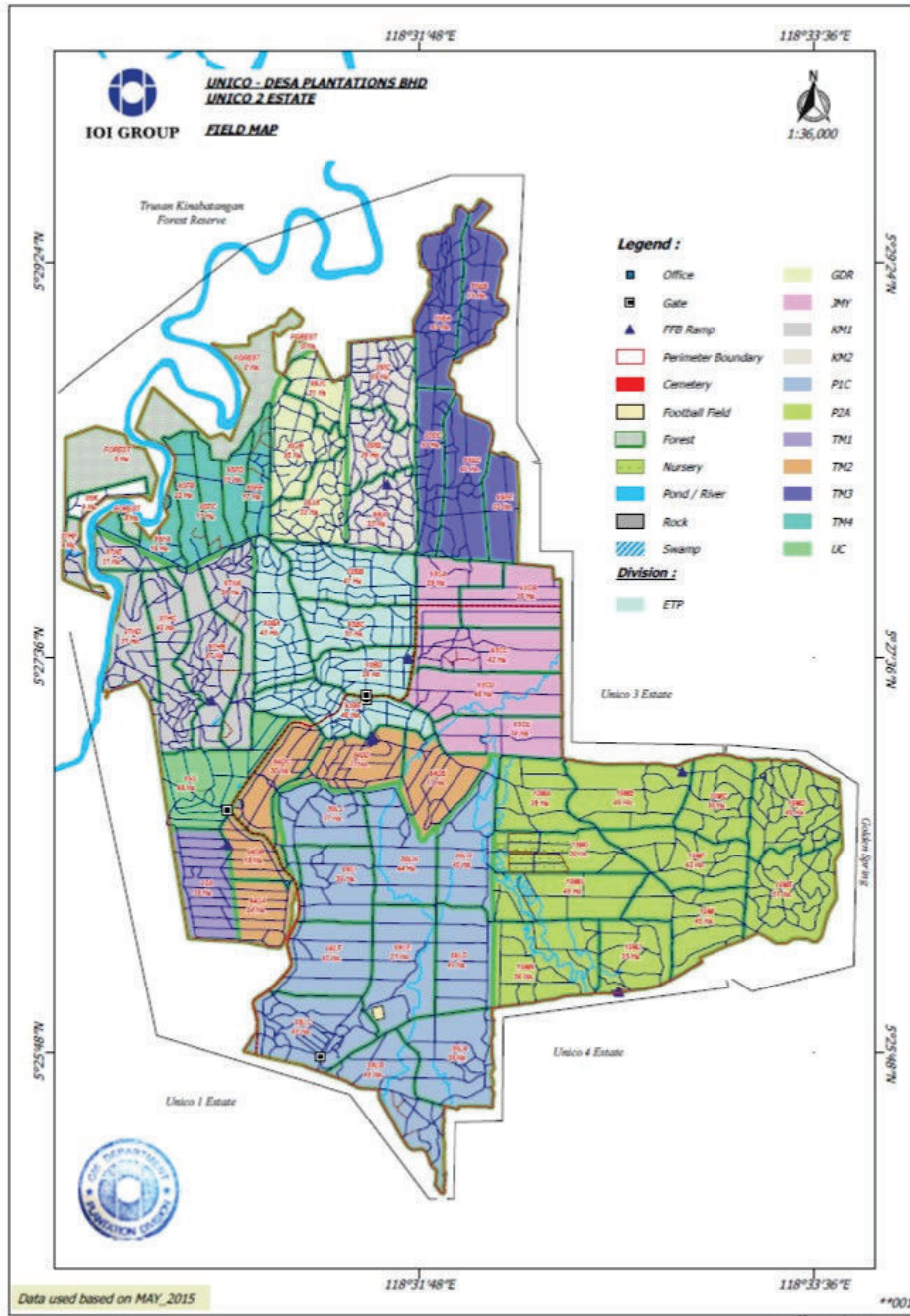
Appendix C-2-1: Map of Unico 1 estate



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

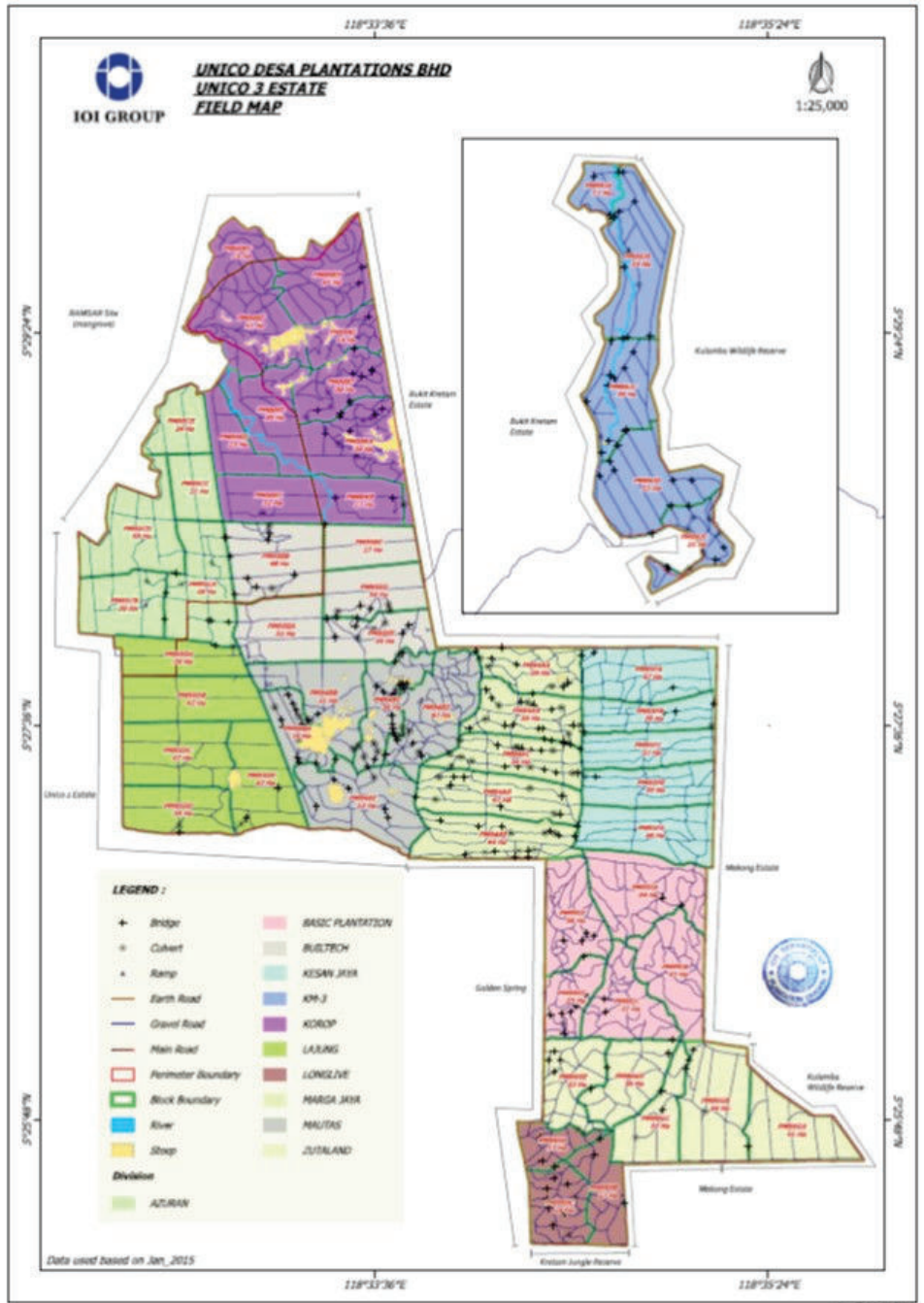
Appendix C-2-2: Map of Unico 2 estate



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

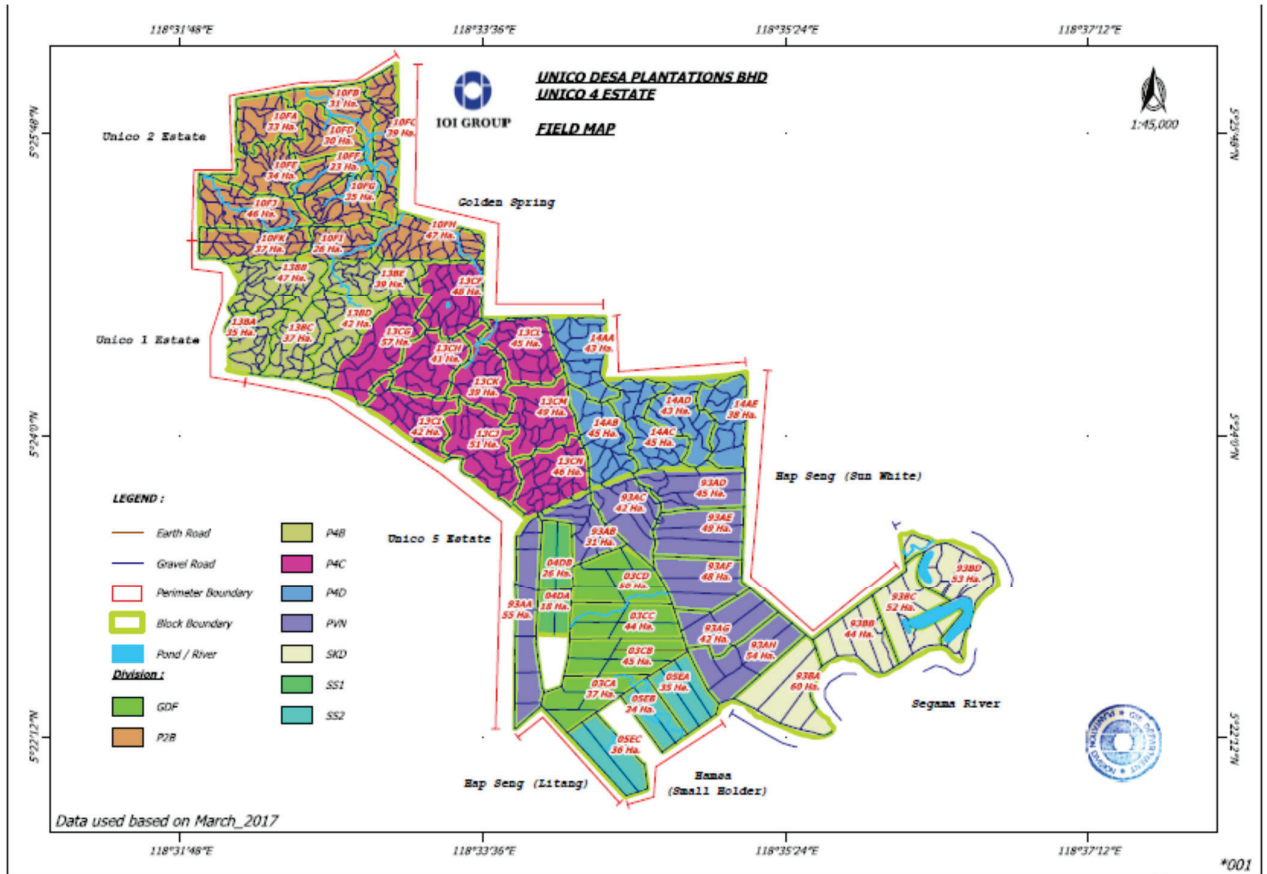
Appendix C-2-3: Map of Unico 3 estate



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Appendix C-2-4: Map of Unico 4 estate

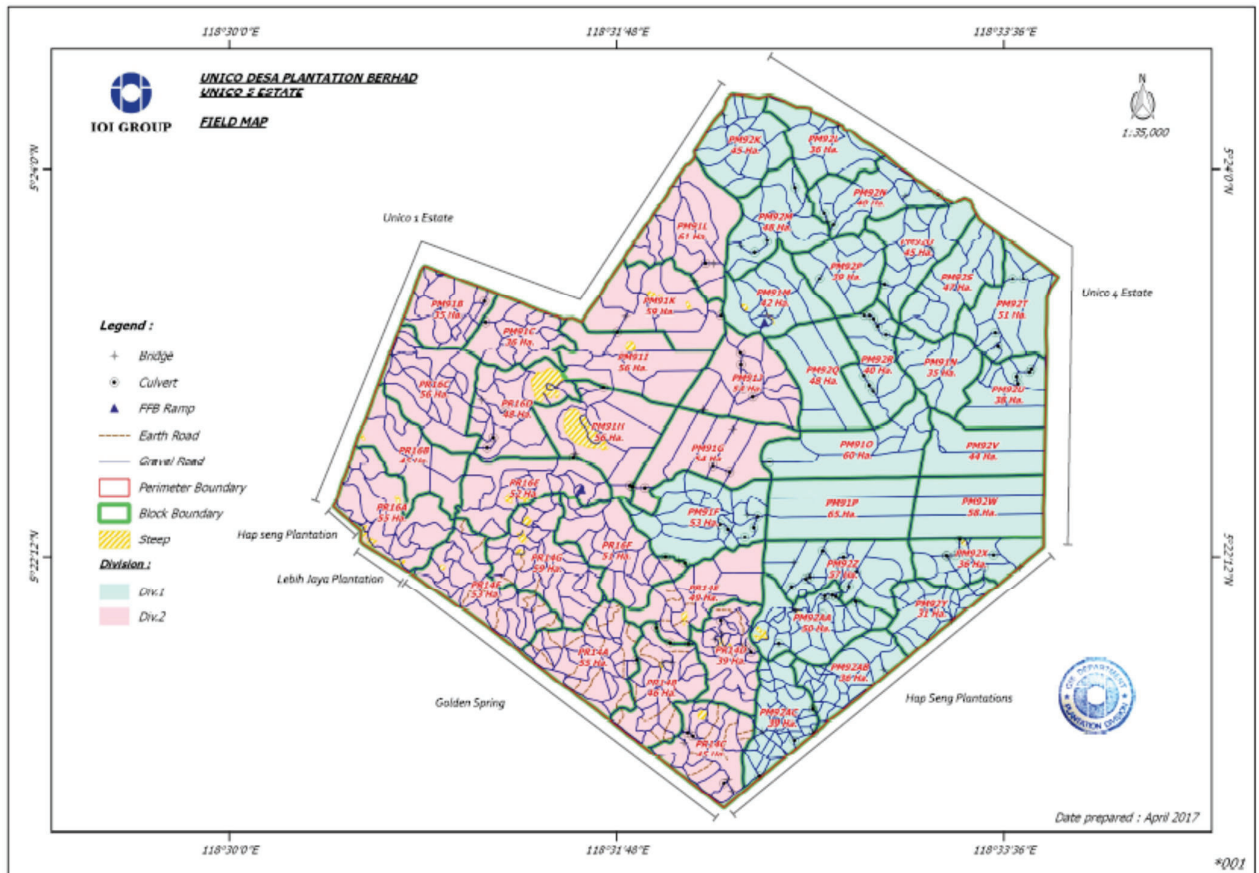


INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
 Unico Desa (Sabah) Grouping: Main Assessment (R1)

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



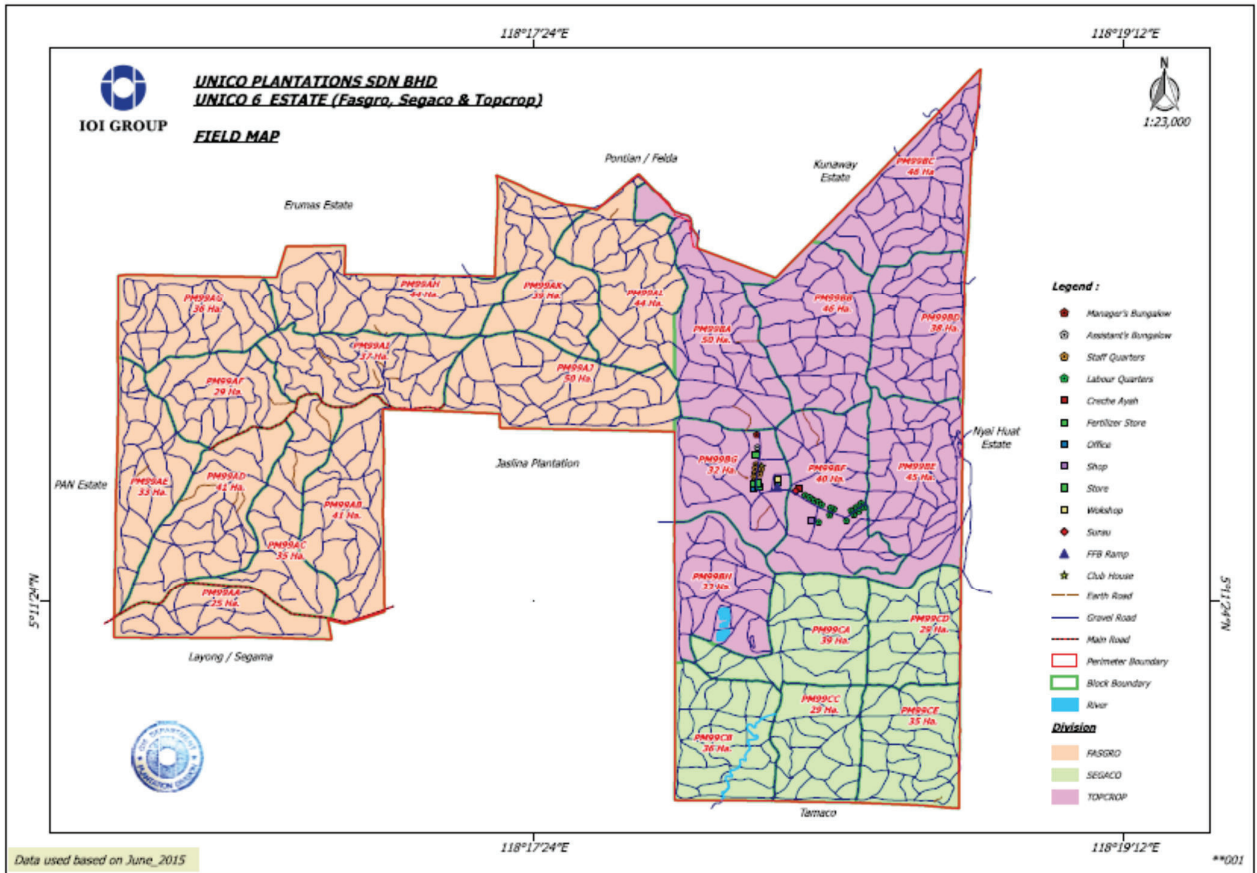
INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
 Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 77 of 84

Appendix C-2- 6A: Map of Unico 6 – FST estate

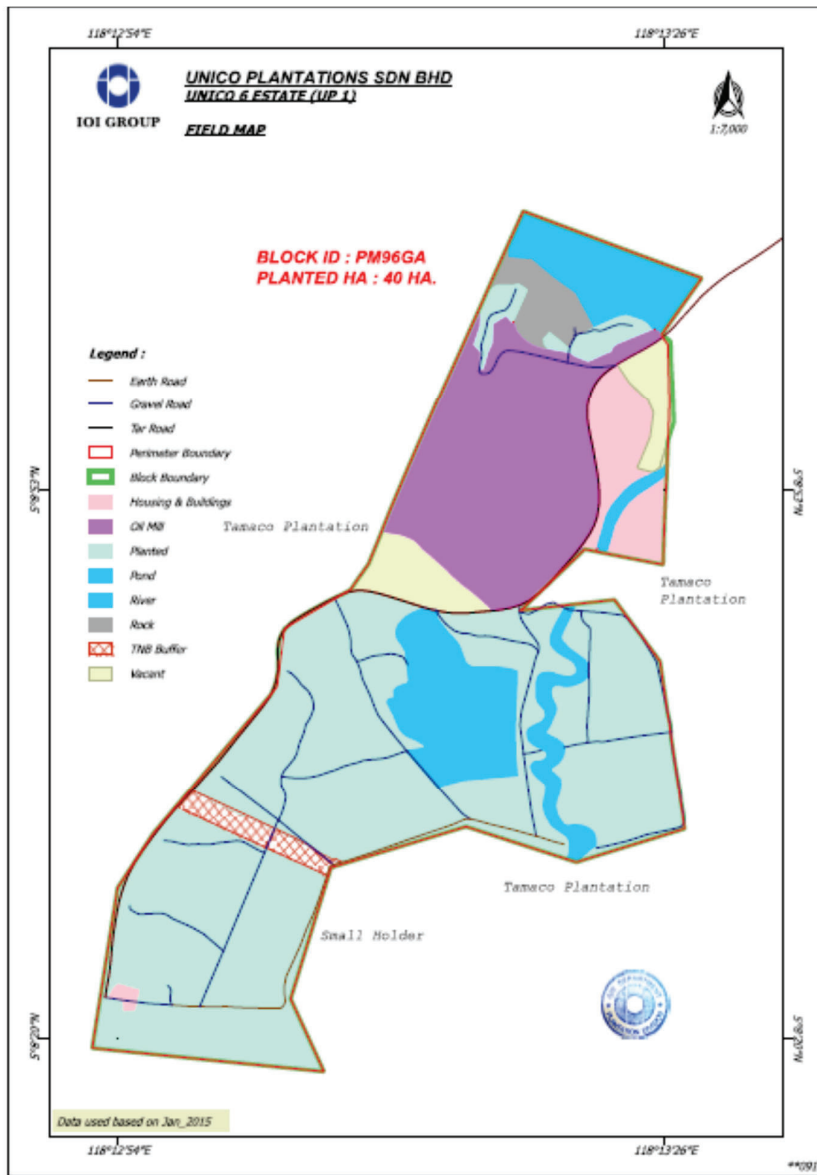


INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Appendix C-2-6B: Map of Unico 6 - UP estate

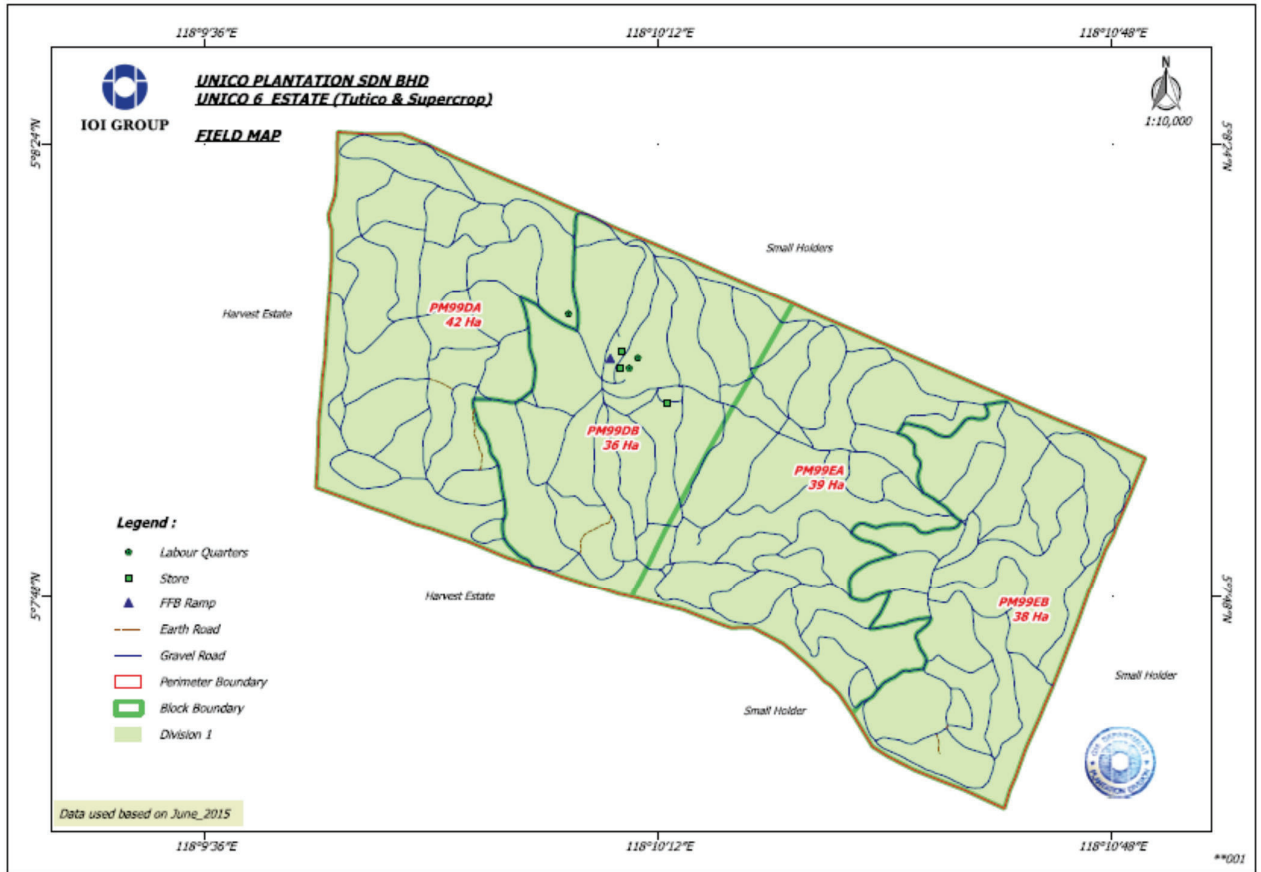


INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Appendix C-2- 6C: Map of Unico 6 – T & S estate



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Appendix D:

Photographs of Assessment findings at Unico Desa (Sabah) PMU - Dec 2017

<p>Signages near Riparian areas</p>	<p>Signages near Forest Reserves Areas</p>
<p>Markings for non-chemical application areas</p>	<p>Public stakeholder consultations</p>
<p align="center">Closing meeting session</p>	



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 81 of 84

Appendix E:

Time Bound Plan

Details of Time Bound Plan as submitted by IOI Plantation Services Sdn Bhd (Jan 2018)

No	PMU	Main Assessment	Certification Status	Current Status	Updated Information for Multiple Management Units as per RSPO Certification Systems for Principles & Criteria (approved on 14 th June 2017) - revised clause 4.5.3 & 4.5.4 for Certified and Uncertified Units.
1.	Pamol (Sabah) POM, Sabah	May 2008	Re-Certified in Dec 2016	ASA-01 cum extension completed in Sept 2017	Sugut estate (uncertified) has been included for audit into the Pamol (Sabah) grouping. The estate is now certified under the PMU. No outstanding issues
2.	Sakilan POM	Nov 2008	Re-Certified in Mar 2015	ASA-02 completed in Dec 2016	No outstanding issues
3.	Pamol Kluang POM	Mar 2009	Re-Certified in 2015	ASA-02 is completed in Dec 2016	No outstanding issues
4.	Gomali POM	Aug 2009	Re-Certified in Aug 2015	ASA-02 completed for Jun 2017	No outstanding issues
5.	Baturong POM	Sept 2009	Re-Certified in Oct 2015	ASA-02 completed in Jul 2017	No outstanding issues
6.	Bukit Leelau POM	Apr 2010	Re-Certified in Nov 2015	ASA-01 completed in Sept 2016	No outstanding issues
7.	Mayvin POM	Aug 2010	Re-Certified in Dec 2015	ASA-02 completed in Oct 2017	No outstanding issues
8.	Pukin POM, Johor	Dec 2010	Certified in June 2012	ASA -01 completed in Mar 2017	No outstanding issues
9.	Leepang (Sabah) POM	Aug 2012	Certified in Dec 2013	ASA-04 completed in Oct 2017	No outstanding issues
10.	Syarimo POM	Sept 2012	Certified in Mar 2013	Re-Cert audit done in Jan 2018	No outstanding issues
11.	Ladang Sabah POM	Oct 2012	Certified in Apr 2013	Re-Cert planned in Jan 2018	Transferred to new CB (BSI) in Jan 2018. Certification in progress
12.	Morisem POM, Sabah	Sept 2013	Certified in Dec 2013	ASA-04 completed in Sept 2017	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.	Settlement Discussion with local community is presently still ongoing. On 26 th May 2017, the complaints Panel's response to IOI and Grassroots joint letter was published; stating their response on the three main issues raised – "Mediation" process, Capacity Building Proposal submitted by Grassroots and Community Support.
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.	Certification preparations in progress.
15.	Unico Desa POM-2, Sabah	Audited in Dec 2017	Uncertified Unit	Acquired in 2014. Established OP plantation (before 2005). Supply base comprised of own estates.	Certification in progress.



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 82 of 84

16.	PT SKS, Indonesia	Planned - 2017	Uncertified Unit	<p>Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental 'Hak Guna Usaha' (HGU) application in progress</p>	<p>Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5th August 2016 has lifted the Suspension effective 8th August 2016.</p> <p>Latest posted update was on 20th June 2017</p> <p>Landscape approach been initiated with our stakeholder, regency and local government and Aidenvironment on 27-28 July 2017), as a part of recommendation by RSPO verification team. Training for following areas has been done to estate and SNA top management. (a) Sustainable Peatland Management including peat measurements, monitoring and protection. (b) Management of HCV areas and buffer zones (c) Water management (d) Fauna and flora monitoring (e) Fire Prevention and Control</p> <p>Training has been conducted by GEC, Flora Fauna Institute (FFI) in July 2017 centralized at PT.SKS</p> <p>Certification preparations in progress. Pending issuance of HGU.</p> <p>Further reference : http://www.rspo.org/members/complaints/status-of-complaints/view/80</p>
17.	PT BNS, Indonesia	Planned - 2017	Uncertified Unit	<p>Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental HGU application in process.</p>	<p>Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5th August 2016 has lifted the Suspension effective 8th August 2016.</p> <p>Latest posted update was on 20th June 2017</p> <p>Landscape approach been initiated with our stakeholder, regency and local government and Aidenvironment on 27-28 July 2017), as a part of recommendation by RSPO verification team. Training for following areas has been done to estate and SNA top management. (a) Sustainable Peatland Management including peat measurements, monitoring and protection. (b) Management of HCV areas and buffer zones (c) Water management (d) Fauna and flora monitoring (e) Fire Prevention and Control</p> <p>Training has been conducted by GEC, Flora Fauna Institute (FFI) in July 2017 centralized at PT.SKS</p> <p>Certification preparations in progress. Pending issuance of HGU.</p> <p>Further reference : http://www.rspo.org/members/complaints/status-of-complaints/view/80</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 83 of 84

18.	PT BSS, Indonesia	Planned - 2019	Uncertified Unit	<p>Acquired in 2009 (new concession land). No POM yet, still in development phase. Governmental 'Hak Guna Usaha' application in progress.</p>	<p>Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5th August 2016 has lifted the Suspension effective 8th August 2016.</p> <p>Latest posted update was on 20th June 2017</p> <p>Landscape approach been initiated with our stakeholder, regency and local government and Aidenvironment on 27-28 July 2017), as a part of recommendation by RSPO verification team. Training for following areas has been done to estate and SNA top management. (a) Sustainable Peatland Management including peat measurements, monitoring and protection. (b) Management of HCV areas and buffer zones (c) Water management (d) Fauna and flora monitoring (e) Fire Prevention and Control</p> <p>Training has been conducted by GEC, Flora Fauna Institute (FFI) in July 2017 centralized at PT.SKS</p> <p>Certification preparations in progress. Pending issuance of HGU.</p> <p>Further reference : http://www.rspo.org/members/complaints/status-of-complaints/view/80</p>
19.	PT KPAM, Indonesia	Planned - 2020	Uncertified Unit	<p>Acquired in 2010 (new concession land). No POM planned yet, all necessary permits are up to date.</p>	<p>HCV Assessment completed and the SEIA in progress.</p> <p>The report on HCV assessment was received from Aksenta and the peer review for HCV assessment will be carried out by Deameter as recommended by Proforest. A decision on when the new planting will commence will only be taken after the two phases have been completed.</p> <p>The data for the HCS assessment has been sent to Proforest in early December 2016 and NPP will be conducted upon completion of all reports and will be posted on the RSPO website for Public consultation.</p> <p>Further reference : http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=82</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9312/17-1 IOI Corporation Berhad
Unico Desa (Sabah) Grouping: Main Assessment (R1)

Page 84 of 84

Appendix F:

Summary of RSPO CP decisions and RSPO Case Tracking on IOI Group

1) Monitoring by RSPO Complaints Panel (CP)

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

Latest updates (according to RSPO complaint case tracker) as follows:

i) RSPO Case Tracker on: PT SUKSES KARYA SAWIT (SKS), PT BERKAT NABATI SAWIT (PT BNS), PT BUMI SAWIT SEJAHTERA (PT BSS) SUBSIDIARY OF PT SAWIT NABATI AGRO (PT SNA), IOI Group

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

24 January 2018 (CP Meeting):

The verification exercise is taking place on 25 – 29 January 2018. Secretariat to follow up with the verification team. The Secretariat will also be having a post verification meeting with the team on 31st January 2018.

ii) RSPO Case Tracker on: IOI Pelita Sdn Bhd, Sarawak

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

24 January 2018 (CP Meeting):

Secretariat to proceed with a meeting with the Company and Grassroots to discuss the revision to the Action Plan.

2) Updated IOI Group Newsletters and Corporate Communications

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

8 Aug 2016: IOI Launches Revised Palm Oil Sustainability Policy and Sustainability Implementation Plan

Weblink: <http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=813>

IOI Corporation further updates its Sustainability Palm Oil Policy
12/06/2017, Corporate Communications

<http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845>

IOI Corporation Berhad (IOI) has further revised its Sustainability Palm Oil Policy (SPOP) to reflect their serious intent towards sustainability and sustainability practices.

Revised SPOP: <http://www.ioigroup.com/Content/S/PDF/IOISPOPwithTPSAnnex.pdf>

Sept 2017: IOI submitted its Sustainability Report

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

IOI uploaded the Social Responsibility report by BSR

<http://www.ioigroup.com/Content/S/PDF/BSR%20Summary%20Report.pdf>

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

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

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

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

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

http://www.ioigroup.com/Content/S/PDF/20180126_Quarterly%20Sustainability%20Update_F.pdf

- End of Report -