



MOODY INTERNATIONAL CERTIFICATION (MALAYSIA) SDN BHD
(188296-W)

Report No.: 2019/10-2 (IOI Corporation Berhad)

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**1ST SURVEILLANCE ASSESSMENT
ON
RSPO CERTIFICATION**

PUBLIC SUMMARY REPORT

MANAGEMENT UNIT
Mayvin Grouping, Sandakan, Sabah, Malaysia
IOI CORPORATION BERHAD
(9027-W)

Certificate No: RSPO 926888
Issued date: 22 December 2010
Expiry date: 21 December 2015

Assessment Type	Assessment Dates
Initial Certification	23 – 27 August 2010
Surveillance 1	26 – 30 September 2011
Surveillance 2	
Surveillance 3	
Surveillance 4	
Re-Certification	

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1.0 SCOPE OF SURVEILLANCE ASSESSMENT

1.1 Introduction

This Surveillance assessment was conducted on the Mayvin Grouping-Plantation Management Unit (PMU) of IOI Corporation Berhad, on the 26th to 30th September 2011, to assess if the organization's operations of the mill and its supply bases were in compliance against the Malaysian National Interpretation (MY-NI 2008) of the RSPO Principles and Criteria (2007).

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)

The MAYVIN GROUPING-PMU consist of one (1) palm oil mill namely Mayvin Palm Oil Mill and five (5) estates i.e. Mayvin 1, Mayvin 2/3, Mayvin 5, Mayvin 6 and the Tangkulap estate. Details of the addresses and locations are as indicated in Table 1. The location maps and HCV Areas are detailed in Appendix C1 - C3.

Table 1: Address and GPS Location

Name	Address	GPS Reference	
		Latitude	Longitude
Mayvin Palm Oil Mill	16km Off Sandakan/Telupid Road at 110km, WDT No 164, 90009 Sandakan, Sabah	N 05°34.621'	E 117°14.146'
Mayvin 1 Estate	16km Off Sandakan/Telupid Road at 110km, WDT No 164, 90009 Sandakan, Sabah	N 05°34.621'	E 117°14.146'
Mayvin 2/3 Estate	16km Off Sandakan/Telupid Road at 110km, WDT No 164, 90009 Sandakan, Sabah	N 05°32.999'	E 117°13.670'
Mayvin 5 Estate (not audited during this surveillance)	16km Off Sandakan/Telupid Road at 110km, WDT No 164, 90009 Sandakan, Sabah	N 05°28.577'	E 117°20.408'
Mayvin 6 Estate (not audited during this surveillance)	16km Off Sandakan/Telupid Road at 110km, WDT No 164, 90009 Sandakan, Sabah	N 05°28.656'	E 117°22.581'
Tangkulap Estate	16km Off Sandakan/Telupid Road at 110km, WDT No 164, 90009 Sandakan, Sabah	N 05°30.162'	E 117°15.154'

Note: During this Surveillance Assessment in 2011, the selected sites audited were Mayvin POM and estates Mayvin 1, Mayvin 2/3 and Tangkulap and the selected sample of other FFB supply sources to the POM (i.e. Labuk Estate and Bimbingan One Estate).



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1.3 Description of FFB supply base.

The 5 estates which are owned by IOI are the main sources of FFB to the POM at MAYVIN GROUPING-PMU as indicated in Table 2.

There were other estates owned by IOI, which also supplied FFB to the POM. These other supply bases have also been considered in the overall assessment on MAYVIN GROUPING-PMU and have been verified to be part of the Time Bound Plan committed by IOI for eventual certification. (Refer to para.1.8)

Table 2: Estate Area Summary and FFB Production

Estate	Area Summary (ha)		FFB (tonnes)	Immature (ha)
	Total	Planted		
Mayvin 1 Estate	1,642.56	1,509	36,570.30	Nil
Mayvin 2/3 Estate	1,812.81	1,657	40,523.63	Nil
Mayvin 5 Estate	1,765.00	1,644	40,070.84	Nil
Mayvin 6 Estate	1,837.00	1,717	44,466.43	Nil
Tangkulap Estate	2,277.45	2,185	56,539.15	Nil
Total	9,334.82	8,712	218,170.35	Nil

Note: The FFB production figures above were the actual output submitted for the financial year July 2010 to June 2011

1.4 Date of plantings and cycle

The 5 estates been developed between 1989 and 1998 and are still in the 1st cycle of planting. The age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm

Year of Planting	Age of Palm (years)	Planted (Ha)				
		Mayvin 1	Mayvin 2/3	Mayvin 5	Mayvin 6	Tangkulap
1995 - 1999	12 - 16	272	899	1,644	1,717	-
1989 - 1993	17 - 22	1237	758	-	-	2185
Total		1,509	1,657	1,644	1,717	2,185

1.5 Other certifications held

MAYVIN GROUPING-PMU does not hold any other certifications.

1.6 Organisational information / Contact Person

Mr. S.S. Ragupathy
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 IOI Corporation Berhad,
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 Mile 45, Jalan Sandakan/Telupid,
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1.7 Time Bound Plan for Other Management Units

IOI operates 12 palm oil mills and 77 oil palm estates throughout Malaysia and Indonesia. The organization is a pioneering member of RSPO and has been taking an active role in the RSPO certification processes since 2004. Currently, a significant number of its Plantation Management Units (PMU) is undergoing the RSPO certification process in accordance with its time bound plan to achieve RSPO certification for all its PMUs the end of year 2015 and subject to other conditions determined by RSPO in their website announcements.

Details of the time bound plan as submitted by IOI are as per Appendix F.

1.8 Tonnages Certified

The breakdown of the all the suppliers and their estimated tonnages of FFB supplied to the POM of the MAYVIN GROUPING-PMU from July 2010 to June 2011 were as follows:

#	Estate /Supplier	FFB Processed (tonne)	Main Receiving Mill
1	Mayvin 1 Estate	36,570.30	Mayvin Palm Oil Mill
2	Mayvin 2/3 Estate	40,523.63	Mayvin Palm Oil Mill
3	Mayvin 5 Estate	40,070.84	Mayvin Palm Oil Mill
4	Mayvin 6 Estate	44,466.43	Mayvin Palm Oil Mill
5	Tangkalap Estate	56,539.15	Mayvin Palm Oil Mill
*6	Labuk Estates	165.88	Sakilan Mill & Ladang Sabah POM
7	Meliau Pamol	1,384.86	Pamol Sabah Mill
8	Nangoh Estate	860.54	Pamol Sabah Mill
*9	Bimbingan One	140.87	Ladang Sabah POM & Sakilan Mill
*10	Bimbingan Two	56.52	Ladang Sabah POM & Sakilan Mill
11	Rungus Estate	686.76	Pamol Sabah Mill
12	Sakilan Estate	0.00	Sakilan Mill
13	Ulu Estate	0.00	Pamol Sabah Mill
14	Bayok Estate	0.00	Pamol Sabah Mill
15	Tindakon Estate	0.00	Pamol Sabah Mill
	Total	221,465.78	

The summary of the total estimated tonnages of FFB supplied from the 5 estates assessed and other suppliers at MAYVIN GROUPING-PMU is as per below:

#	Estate / Supplier	FFB Processed (tonne)
1 to 5, 7, 8 & 11	As indicated above	221,102.51
6, 9 & 10	* Other Suppliers / Sources	363.27
	Total	221,465.78

* Note:

- Suppliers' nos. 7, 8, 11, 12, 13, 14 and 15 are under RSPO certified estates.
- MAYVIN GROUPING-PMU has made a commitment plan to ensure that the remaining other suppliers will meet to certifiable standards within the next 3 years. Activities and plans were verified at the Labuk estate and Bimbingan One estate to be in various stages of implementation to ensure that they will meet to certifiable standards within the next 2 years.



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Based on the above details, the approximate annual certified tonnages of CPO and PK production under the MAYVIN GROUPING-PMU from the 5 estates assessed are detailed as follows:

Actual at initial certification, claimed for July 2009 – June 2010:

FFB Processed (tonne) from estates under certification	CPO Production claimed for certification (tonne)	PK Production claimed for certification (tonne)
230,950.81	50,607.30	12,184.29
	OER: 21.91%	KER: 5.28%

Actual at ASA-01, claimed for July 2010-June 2011:

FFB Processed (tonne) from estates under certification	CPO Production claimed for certification (tonne)	PK Production claimed for certification (tonne)
221,102.51	47,074.23	11,790.74
	OER: 21.29%	5.33%

Projected for July 2011 – June 2012: to be verified

FFB Processed (tonne) from estates under certification	CPO Production claimed for certification (tonne)	PK Production claimed for certification (tonne)
225,100	47,946.30	11,930.30
	OER: 21.30%	5.30%

1.9 Abbreviations Used

ACCREDIA	Italian National Accreditation Council	MICM	Moody International Certification (Malaysia) Sdn Bhd
CPO	Crude Palm Oil	MSC	Marine Stewardship Council
CSDS	Chemical Safety Data Sheets	MTCS	Malaysia Timber Certification Scheme
COFRAC	Comite Francais d'Accreditation (France)	NCR	Non-Conformance Report
DOE	Department of Environment	NGO	Non-Government Organisation
ECC	Employees Consultative Council	NUPW	National Union Plantation Workers
EHS	Environmental Health & Safety	OER	Oil Extraction Rate
EFB	Empty Fruit Bunch	OHS	Occupational Health & Safety
EIA	Environmental Impact Assessment	PEFC	Programme for the Endorsement of Forest Certification
ERT	Endangered, Rare & Threatened species	PK	Palm Kernel
ETP	Effluent Treatment Plant	PKO	Palm Kernel Oil
FFB	Fresh Fruit Bunch	POM	Palm Oil Mill
GAP	Good Agriculture Practice	POME	Palm Oil Mill Effluent
HCV	High Conservation Values	PPE	Personal Protective Equipment
IPM	Integrated Pest Management	STOP	Standard Operating Procedures
IUCN	International Union for Conservation of Nature	SOCSO	Social Security Insurance
KER	Kernel Extraction Rate	TQEM	Total Quality Environment Management
LTA	Lost Time Accidents	UKAS	United Kingdom Accreditation Service
MSDS	Material Safety Data Sheets	WRAP	Worldwide Responsible Apparel Production



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2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Programme and Site Visits

Assessment methodology included physical site inspections, observing relevant processes, including healthcare activities, interviewing the Mill Manager, Estate Managers, Executives, operational staff, foreign workers, female workers and their families, external stakeholders, including NGOs, review of documentation, verification of records, communications and monitoring data. Checklist and questionnaires were widely used. Samples for assessment were taken on a random basis. Details of assessment programme are given in **Appendix B**.

This report has been independently reviewed for conformance with the RSPO certification system requirements and reviewed for its technical content by Mr. William Ng, MICM Scheme Manager for Food & Sustainability Program.

2.2 Date of next scheduled visit

The next scheduled visit is the 2nd surveillance audit which will be carried out within 12 months from the date of RSPO's acceptance of this public summary report.

2.3 Qualifications of the Lead Assessor and Assessment Team

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

2.4 Certification Body

Moody International Certification Malaysia Sdn Bhd is currently part of the Intertek Moody Group.

Intertek Moody Group is one of the leading international organizations offering management system certifications in quality, environmental, occupational safety & health and product certification, Marine Sustainability Chain-of-Custody, MTCS and PEFC Chain-of Custody certification in applicable industry sectors including the agricultural and forestry sectors. Intertek Moody has over 100 years of experience in providing various types of inspections and certifications in more than 100 countries worldwide. As a Group, Intertek Moody is multi accredited by leading accreditation bodies of the world such as UKAS (UK), COFRAC (France), Dakks (Germany), ACCREDIA (Italy), Marine Stewardship Council (MSC/ASI) and STANDARDS MALAYSIA (Malaysia) for specific accredited certification schemes.

2.5 Outline of how stakeholder consultation was managed

Stakeholder consultations began with notification of upcoming assessment through communication with RSPO, IOI and MICM. E-mails, facsimiles and letters of the same were sent to applicable stakeholders including government agencies and NGOs.

Telephone enquiries were made and received prior to the actual assessment from some stakeholders and were dealt with accordingly.

During the assessment stakeholders were interviewed and their feedbacks were recorded. Among the stakeholders consulted were workers, employee consultative committee leaders and members, women representatives, government departments / agencies and NGOs.



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The list of stakeholders consulted was as follows:

Government Agencies (both Sabah & Peninsular Malaysia)

Department of Environment, Sandakan
Department of Forestry, Telupid
Department of Occupational Safety & Health, Kota Kinabalu
Department of Wildlife & National Parks, Kota Kinabalu
Immigration Department, Sandakan
Labour Department, Sandakan

NGOs

Borneo Child Aid Society (Humana)
Malaysia Palm Oil Association Sabah (MPOA)
Environmental Protection Society Malaysia (EPSM)
Malaysian Nature Society
Sustainable Development Network Malaysia (SUSDEN)
Tenaganita Sdn Bhd
Wetlands International (Malaysia)
Wild Asia Sdn Bhd
World Wildlife Fund (Malaysia)

Others

Gender Committee Members
Employees Consultative Council



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3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

Criterion 1.1 Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.		Compliance Outcome
Initial-2019/09-1	The procedure for providing information and handling responses and requests was available at the IOI- MAYVIN GROUPING-PMU and records of correspondences made were maintained. The mill and estate management have responded constructively and promptly to requests for information from other stakeholders. This was evident from records sighted among which were letters, correspondences and minutes of meetings held with the local authorities, employee consultative committees and local community leaders.	Complied
1st SA-2019/09-2	The implementation of procedures for providing information and handling responses including requests were adequate during this surveillance audit. Records were maintained adequately and could be retrieved upon request	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.		
Initial-2019/09-1	In line with the organization's policies IOI, MAYVIN GROUPING-PMU has hard copies of the 7 types of documents that are required to be made available to the public. Similar documents were available in the IOI website. The statement that these documents can be made available to the public upon request is also stipulated in the estates management plans.	Complied
1st SA-2019/09-2	No changes to the organization's policies since the last audit and the 7 types of mandatory document (s) are available to the public as required.	Complied

Principle 2: Compliance with applicable laws and regulations

Criterion 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.		Compliance Outcome
Initial-2019/09-1	The MAYVIN GROUPING-PMU has established a documented system explaining the mechanism for identifying, determining, reviewing and updating applicable legal and other requirements that the PMU has subscribed to. A legal register covering applicable local and international laws and regulations were available at the mill with the Mill Manager and at each estate with the Estate Managers. The Mill and Estate Managers maintain the tracking for any changes in legal requirements. These were reviewed on yearly basis and updated (when necessary) with the compliance status indicated. The relevant legislations identified and listed were among others regarding safety and health, environmental management, pollution management, chemical handling, usage and storage, schedule waste management.	



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	<p>Based on the site observations, interviews and records checking at the field and mill, there was sufficient evidence of compliance with the relevant laws, regulations, local and international laws at that the POM and estates.</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 fees, for the health screening of foreign workers which was borne by the company and carried out as per the Ministry of Health guidelines.</p> <p>The permit for Hiring of Foreign Workers (under Section 118, Sabah Labour Ordinance – Chapter 67), has expired since September 2009 for the POM and all the estates and at the time of assessment, the renewal was still pending. Hence a minor nonconformance was issued.</p> <p>The Social Impact Assessments and Management Plans were made available at all the estates. However, the listing of the laws and regulations that were being monitored for changes had not included reference to the Sabah Labour Ordinance (Chapter 67).</p>	<p>See NCR # 1</p> <p>See OBS # 1</p>
1 st SA-2019/09-2	<p>No recurrence of the previous NCR#1 and noted that the MAYVIN GROUPING-PMU has participated in the Federal Government's 5P registration process for migrant workers appropriately. The listing for 2011 of the laws and regulations that were being monitored for changes had now included reference to the Sabah Labour Ordinance (Chapter 67) hence OBS#1 addressed.</p> <p>Based on the site observations, interviews and records checking at the field and mill, there was sufficient evidence of compliance with the relevant laws, regulations, local and international laws at that the POM and estates during this surveillance audit.</p>	Complied
<p>Criterion 2.2 The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.</p>		
Initial-2019/09-1	<p>Copies of the land titles of all estates were sighted. The original copies are maintained by the Corporate Head office</p> <p>The palm oil mill (POM) is located at the Mayvin 1 Estate. The land has been planted with oil palm trees since 1989 and 1990's. There has been no recorded dispute over the ownership of the land.</p> <p>Legal boundary markers were sighted and maintained along the perimeters of estate lands which were mapped with a 1- metre differential Global Positioning System (GPS).</p>	Complied
1 st SA-2019/09-2	<p>Availability and copies of the land titles were noted to be in proper order. There were no recorded or known disputes over the ownership of the land since the last audit. Legal boundary markers were maintained appropriately along the perimeters of estate lands.</p>	Complied
<p>Criterion 2.3 Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.</p>		
Initial-2019/09-1	<p>The estate lands at the PMU are legally owned by IOI and no other users were identified in the land area. The nearest local village (i.e. Tungod) was about 60 km away from the PMU.</p> <p>There has been no dispute on the land rights in the areas assessed. Letters of consent to use the access road as right of way has been produced during the assessment.</p>	Complied



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1 st SA-2019/09-2	There were no disputes on the land rights in the areas assessed since the last audit.	Complied
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Principle 3: Commitment to long-term economic and financial viability

Criterion 3.1 There is an implemented management plan that aims to achieve long term economic and financial viability.		Compliance Outcome
Initial-2019/09-1	<p>Each estate and mill within the PMU has documented management plans with the annual budget for FFB, CPO, PK, OER and KER with projections for the next 5 years.</p> <p>A financial management system was sighted to monitor the actual performance results on a daily, monthly and annual basis. Reports by MAYVIN GROUPING - PMU to the IOI management on the production performance and the OER as a measure of production efficiency were evidenced.</p> <p>Replanting programs which was planned around year 2014, for the 5 estates over a 10 year period were sighted. The annual replanting percentages ranged from 5% to 10% of the total oil palm areas.</p>	Complied
1 st SA-2019/09-2	There were significant changes in the replanting programme from last year due to difficulty in harvesting as a result of tall palms. The replanting programme for the financial year 2012/2013 is for 383 Ha , 2013/2014 for 260 Ha, 2014/2015 for 581 Ha, 2015/2016 for 730 Ha, 2016/2017 238 Ha with a total of 2192 Ha for the next 5 years.	Complied

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

Criterion 4.1 Operating procedures are appropriately documented and consistently implemented and monitored.		Compliance Outcome
Initial-2019/09-1	<p>Standards Operating Procedures (StOP) for the estates and the mill were documented. Monitoring records were available such as store requisitions and store issuances of agro-chemicals were properly maintained and their implementation was noted to be consistent.</p> <p>It was noted that rat baiting would only be carried out when rat attacks are more than 5% based on quality checks on the FFB crop.</p>	Complied
1 st SA-2019/09-2	The StOP were maintained without changes and the the implementation were satisfactory. Noted from the estates audited they were rat attacks were minimal and below 5% based on quality checks on the FFB crop.	Complied
Criterion 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
Initial-2019/09-1	<p>Annual fertilizer application program was monitored and implemented according to the fertilizer recommendations as provided by the Agronomist.</p> <p>Sampling of palm leaves for nutrient analysis was also carried out annually. Soil sampling was carried out as on 20% of the total fields each year and thus a single round of sampling were conducted on every field once in every 5 years.</p> <p>During field inspections, mulching with EFB noted at planted areas. There was no evidence of any open burning.</p> <p>The dosages of dry POME applied was noted to be in accordance with the recommendations of the research centre of IOI, which was based on their</p>	Complied



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	analytical findings on POME utilization, to maintain the nutrient status and microbiological health of the soil.	
1 st SA-2019/09-2	Annual fertilizer application program began in January 2011 and was monitored and implemented according to the fertilizer recommendations as provided by the Agronomist. Sampling of palm leaves for nutrient analysis and soil sampling was carried out as planned. During field inspections, mulching with EFB noted at planted areas. There was no evidence of any open burning. Other practices such as the application of dry POME applied were noted to be in accordance with the recommendations of the research centre of IOI.	Complied
Criterion 4.3 Practices minimise and control erosion and degradation of soils.		
Initial-2019/09-1	Inspection at sites provided evidence that soil erosion counter-measures were taken which included: Frond stacking was carried out at alternate inter-rows of oil palm planting. After each harvesting, the fronds were cut into two pieces and stacked at the alternate inter-rows without hindering the future harvesting and evacuation of the crop. Inter-row maintenance was done through selective weeding to ensure that the 'woodies' are removed and that only soft weeds are growing. Fronds were also stacked along lips of terraced areas and parallel to streams to minimise soil runoff. Terrace planting was adopted at slopes which are more than 8 degrees. At slopes which were less than 8 degrees, the fronds were stacked along the contours of the slopes as part of prevention of soil erosion programme. Stop bunds were constructed within the planting terraces Regular road and culvert maintenance was performed. Planting of 'vetiver' grass and natural riverine plants was observed to minimize stream and river bank erosion and to restore riparian areas and buffer zones demarcated. The PMU has made efforts to re-designate riparian strips which were adjacent to the estates.	Complied
1 st SA-2019/09-2	There were no replanting hence no soil cultivation required and the situation remained status quo. The road maintenance programmes established by the PMU were implemented satisfactorily. The PMU has maintained efforts to protect the riparian strips which were adjacent to the estates adequately.	Complied
Criterion 4.4 Practices maintain the quality and availability of surface and ground water.		
Initial-2019/09-1	IOI's policy on slope protection and river buffer-zoning was available for inspection and for public viewing. The PMU has identified appropriate buffer zones along all natural waterways i.e. rivers and streams passing through the estates. Buffer zone demarcation was done in accordance with the Sabah, DID directive and specifications as per the letter dated 13 th March 2001 [ref: JPS (SAB)03/GEN/ JLD.08(310)] The palms had been planted up to about 3m from the banks in the late 1980's and early 1990's. Since early 2010, no spraying or manuring activities were performed within the demarcation zones. Appropriate markings and signages were found to be placed. The estates have Environmental management plans to maintain the buffer zones in which no replanting is permitted within the zones. On-site Inspections confirmed the sighting of demarcations and restoration being done with the natural riverine plants seen growing at the banks. The workers were trained and informed to avoid spraying of agro-chemicals in the buffer zones. The POM had monitored and controlled discharges to waterways with installation of silt traps to reduce suspended solids and contaminants to meet the DOE limits. Daily checks for leakages were observed on the POME which was channeled to the Effluent Treatment Ponds (ETP) for desludging. Water and	Complied



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	<p>treated POME samples were taken monthly and sent to external laboratories for analysis. Estate river water analysis is carried out at 6 monthly intervals. Rainfall data is maintained daily and water management plans are available. The monitoring of the effluent quality at the POM was noted to be done with monthly analysis results submitted by an independent laboratory i.e. KL-Kepong (Sabah) Sdn Bhd, However, it was noted from records of the PMU's own internal audits prior our assessment, some parameters were found to exceed the specification limit e.g. the Biochemical Oxygen Demand (BOD) level in some months e.g. in March and May 2010. This non-conformance was highlighted during their Internal audit. Subsequently, the Management had undertaken further measures prior to the RSPO assessment by MICM, such as through the use of the 'Hydro Kinetic-Green Tubes' – which works as a 'sieving' mechanism for the separation of solid from the liquid effluents of the POME - see below: This mechanism managed to bring down the effluent results to the specified limits as permitted by the Sabah, DOE in the month of July and August 2010, at the time of our assessment. However, these need to be closely monitored to ensure that all the specifications are consistently meeting the permitted limits set by the DOE.</p> <p>The water management plan dated July 2010 need to be improved i.e. approved, authorized, review period indicated, the team that developed the water management plan be identified clearly by their education, competence, trainings, experience and skills. The raw water intake(s) points used for treating water for human consumption in all the estates should be tested periodically (i.e. monthly) based on the Ministry of Health (MOH), Malaysia's requirements.</p>	<p>OBS # 2</p> <p>See OBS # 3</p>
<p>1st SA-2019/09-2</p>	<p>Practices to maintain the quality and availability of surface and ground water were maintained appropriately. IOI's policy on slope protection and river buffer-zoning was available for public viewing, implemented and verified during field inspections. Estate river water analysis is carried out at 6 monthly intervals. Rainfall data is maintained daily and the latest reviewed water management plans for 2011 are available.</p> <p>This mechanism to bring down the effluent results to the specified limits as permitted by the Sabah, DOE is part of an on going plan to upgrade the POME ponds by the POM which has submitted and resubmitted application(s) dated 1st & 11th of August 2011 respectively to Sabah's DOE and the plans were made available during the audit. Hence OBS#2 addressed.</p> <p>The water management plan has been amended to include approval/ authorization signatories. A section identifying the team that developed it has also been included. Samples of water for consumption have also been sent for analysis to check whether it is up to the Malaysian Ministry of Health requirements hence OBS#3 addressed. However the dosing / chlorination process for the water treatment plant located at the mill which was used for domestic drinking water has to be reviewed because of the detection of 'Total Coliform' during water quality analysis.</p>	<p>OBS SV#1</p>
<p>Criterion 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</p>		
<p>Initial-2019/09-1</p>	<p>MAYVIN GROUPING-PMU had adopted the IOI group policy and Internal Environmental Management & Monitoring Plan on IPM system which was made available. Inspection at site observed the following: Parasitoid host and beneficial predator plants such as <i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> had been planted at some stretches along</p>	<p>Complied</p>



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	<p>the access roads within the estates. Monitoring and records of areas where pesticides were being used and the usage per hectare basis were maintained. There was evidence of studies and monitoring done by the IOI-operating units on the IPM system adopted by them such as the detection of pest infestation as per the FAO guidelines and census taking. It was noted the findings had concluded that the pest and weed infestations were at a minimal level in these estates.</p>	
1 st SA-2019/09-2	<p>The estates were effectively managed using appropriate Integrated Pest Management (IPM) techniques similar to the previous years. The pest and weed infestations were at a minimal level in these estates.</p>	Complied
<p>Criterion 4.6 Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.</p>		
Initial-2019/09-1	<p>The estates have procedures for the use of agrochemicals for pest control which stipulated the use of only pesticides officially registered under Section 53A of the Pesticide Act (1974); and in accordance with USECHH Regulations (2000). Pesticides storage was noted to be in accordance with the Occupational Safety and Health Act 1994 (Act 514) and Chemical Health and Risk Assessment (CHRA) guidelines.</p> <p>Inspection at sites observed that pesticides were kept under lock and key. Empty containers disposed off in accordance with the DOE requirements. Information regarding the chemicals and their usage, hazard and general names were displayed in the National Language (i.e. Bahasa Malaysia) and translated for the understanding of the foreign workers.</p> <p>Annual medical checkup has been carried out for pesticides operators. No pregnant or breastfeeding women were assigned to work with pesticides. Paraquat usage is minimum and restricted to use as a catalyst with other approved herbicides and is used only at the Tangkulap estate. We were given to understand by the Tangkulap estate manager that it is the last estate to phase out the use of paraquat and will no longer be in use by the following year. The antidote i.e. 'Fullers earth' was available at the Tangkulap estate. No paraquat was used at the other estates.</p> <p>No aerial application of agrochemicals had been carried out. There was no testing of chemical residues in CPO as there were no requests made from the buyers. Daily records of pesticides usage were maintained.</p>	Complied
1 st SA-2019/09-2	<p>The usage of paraquat is restricted and used under stringent control. It was noted that the growers are actively seeking to identify alternatives to paraquat and a joint study with BASF was in progress. All other practices were consistently implemented and evidenced from the records such as Daily Costing Book which shows the amount/quantity of chemicals used/applied over a specific area.</p>	Complied
<p>Criterion 4.7 An occupational health and safety plan is documented effectively communicated and implemented.</p>		
Initial-2019/09-1	<p>The Occupational Safety and Health (OSH) Policy were displayed at the POM and all the estates. The Occupational Safety and Health (OSH) Plan established have included the establishment of escape routes and locations of the firefighting equipment at the sites covered. Each estate and mill had identified and assessed their respective hazards and risks as per established procedures. Actions and precautions established to address the identified risks.</p> <p>All operations where health and safety is an issue have been assessed and procedures and actions are documented and implemented to address the identified issues.</p> <p>Noted evidence that each procedure is further supported with documented tasks</p>	Complied



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	<p>and task elements and all possible risks assessed. All precautions attached to products are observed and applied to the workers.</p> <p>Noted in the training records that workers involved in the operations have been adequately trained in the OSH policy, programs and in safe working practices. Pesticide sprayers and fruit cutters selected at random at the estates were interviewed and they were able to demonstrate the correct safety precautions required.</p> <p>Adequate and appropriate PPE were available to labourers at the place of work to cover all potentially hazardous operations, such as pesticide application, chemical storage / handling, land preparation and harvesting.</p> <p>The responsible persons (i.e. mandores / field supervisors), conductors and store supervisor) were identified.</p> <p>There were records of regular meetings between the responsible person and workers where concerns of all parties about health, safety and welfare were briefed and discussed.</p> <p>Records detailing the occurrence and issues raised were properly maintained. Meeting minutes were available.</p> <p>Accident and Emergency procedures and First Aid procedures are present and instructions are clearly understood by all workers. Accident procedures are also available in Bahasa Malaysia, which is understood to the workers. Assigned operatives trained in First Aid are present in both field and other operations and first aid equipment are available at worksites. Sighted a list of sites where all First Aids boxes are placed.</p> <p>Records of accidents are kept and reviewed monthly. Fire Drills had been conducted at each site (Mill and Estates) with records observed in response to potential emergency.</p> <p>All workers (including the Indonesian foreign workers) were covered by the worker's compensation scheme. Calculation on Lost Time Accident was maintained. Workplaces, machinery, equipment, transportation vehicles were maintained to ensure safety and without undue risk to health. Chemical, physical and biological substances and agents were stored under controlled conditions. A safe and healthy working environment was provided for the workers regardless of whether they are estate full time employees or contract workers.</p> <p>Good Agriculture Practice (GAP) and Chemical Health Risk Assessment (CHRA) were among the references used in maintaining the safe working environment for the employees.</p> <p>Field inspection at BPE (D1A/1) observed circle spraying with Supreshade 41 (Glyphosate) + 2,4-D Amine (herbicide) and workers with appropriate PPE. Signboards indicated spraying of herbicides in progress and the harvesting supervisor (mandore) also carried the First Aid Box during supervision at the field.</p>	
<p>1st SA-2019/09-2</p>	<p>OSH Plan has been reviewed as planned and the communication and implementation aspects are in place.</p>	<p>Complied</p>
<p>Criterion 4.8 All staff, workers, smallholders and contractors are appropriately trained.</p>		
<p>Initial-2019/09-1</p>	<p>The training schedule for the year 2009/2010 for POM and respective estates was available. Relevant topics are identified and training classes were conducted for the staff and workers and evidenced in the training records. There are no smallholders or contractors at the PMU.</p> <p>Safety matters are briefed at the morning muster and 'on-the job' training is given. Records of training for the employees including the Estate Hospital Assistant (EHA) were maintained. Workers are given specific and relevant training before fieldwork. Continuous assessment and reactive training are also given in accordance with documented procedures and in compliance with the requirement of RSPO principles and criteria.</p>	



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1 st SA-2019/09-2	<p>The training schedule for the year 2010/2011 for POM and respective estates were available. Appropriate training for staff, workers and contractors were noted. However, the circle and path spraying technique of Mayvin 2/3 sprayers need to be improved i.e. noted during field inspection the sprayers swung the spraying rods too high to the sides and as a result the mist spray reached the shoulder height of the sprayer(s). Empty Green Chemical containers labeled "POISON" were left unattended / unsecured at the Premix area / store at Tangkulap Estate after the daily field spraying activities during audit.</p>	<p>Complied</p> <p>Obs CFK#1</p> <p>Obs SV#2</p>
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Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

Criterion 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.		Compliance Outcome
Initial-2019/09-1	<p>Documented Environmental Impact Assessment, Management Actions Plans and Continuous Improvement Plans dated May 2010 were prepared for the respective estates under MAYVIN GROUPING-PMU by the IOI Sustainability Team which is from the HQ at Batang Melaka, Negeri Sembilan, Malaysia. The findings of the assessment had included the identification of impacts that requires changes in current practices. The report also includes action plans and recommendations in order to mitigate negative effects and promote positive ones. A generic timetable / monitoring frequency were developed and noted. Environmental impact assessment covered activities such as POM, oil palm fields, open areas, patches of hill forest and forest edges / boundary to forest reserve areas were targeted by the assessment team in this study. Management action plans addressing issues raised which was monitored and projected to be reviewed annually. During the assessment, it was noted that internal EIA report had included the stakeholder consultation with external stakeholders i.e. the Sabah Forestry Department especially for Tangkulap, Dermakot and Tawai forest reserve departments. Interviews signed by respective forestry officers were also available as part of document evidence of internal EIA. As there was no replanting yet, no external consultants were engaged by the operating units. However, we understand that the PMU will be engaging an external approved consultant for the EIA when the need arises.</p>	Complied
1 st SA-2019/09-2	<p>The documented Environmental Impact Assessment, Management Actions Plans and Continuous Improvement Plans dated May 2010 were reviewed in April 2011 as planned for the respective estates under MAYVIN GROUPING-PMU with consultation with the relevant stakeholders including the IOI Sustainability Team in Sabah. The implementation and monitoring of the above mentioned plans were appropriate. As there were plans for replanting in Tangkulap Estates, an external consultant(s) registered with the Environmental Protection Department (EPD), Sabah were engaged by the operating units through the Regional Office in Sandakan. The scoping has been approved by EPD for the proposed replanting and the Terms of Reference are in the final stages of acceptance.</p>	Complied
Criterion 5.2	The status of rare, threatened or endangered species and 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 their conservation taken into account in management plans and operations.	



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<p>Initial-2019/09-1</p>	<p>The HCV assessment report(s) have indicated that there were ERT / protected species at the external HCVs (forest reserves) at the areas covered by MAYVIN GROUPING-PMU estates. The collated information has included the planted area itself and relevant forest boundary considerations such as the boundary of the Tangkulap Forest Reserve adjacent to the Tangkulap estate. However a minor CAR issued at the Tangkulap Estate for not clearly identifying the natural pond that has a common boundary with Tangkulap Forest Estate as a HCV in their assessment report prepared on December 2009 and there were no signage(s) available on-site to identify the established HCV(s) by categories at Tangkulap estate. The HCV assessment reports can be enhanced by cooperation with the forestry department to gather information on the animal species near the boundaries as the department has installed surveillance cameras for these purposes. Knowledge of species i.e. ERT at the boundaries with Forest Reserve(s) could significantly affect conservation status (e.g. IUCN status) then that was noted in the report and this would require further studies to determine the applicable legal protection, population status and habitat requirements of rare, threatened, or endangered species. In addition the HCV assessment team should indicate more clearly the information gathering process on HCV habitats (including ERTs) and the consultations done with relevant government departments, research institutes, interested NGOs and any additional field survey work to be done in the future based on the current findings dated September 2009. There was one reported case of incursion by elephants a few years ago at the estate manager's residence. However no damage to property and plantation was reported. No other incursion reported ever since the implementation of RSPO for the MAYVIN GROUPING-PMU estates. Legal requirements relating to the protection of the species or habitat were met such as reporting the matter to the authorities such as the Sabah Wildlife Department. The relevant estate(s) management has undertaken appropriate measures to control any illegal or inappropriate hunting, fishing or collecting activities within MAYVIN GROUPING-PMU. IOI has "no hunting" policy and appropriate signages were prominently displayed to convey this policy especially at the forest reserve boundary areas. HCV biodiversity areas / forests type 4, 5 and 6 has been appropriately identified for MAYVIN GROUPING-PMU estates and mill based on the assessment conducted. However, the HCV(s) actual dimensions / hectarage and the latitude & longitude (where not determined yet) could be further defined for future reference.</p>	<p>See NCR # 2 of 2</p> <p>See OBS # 4</p> <p>See OBS # 5</p>
<p>1st SA-2019/09-2</p>	<p>No changes to the status of the HCV(s) identified and their conservation were practices appropriate as per the management plans established. There was evidence of commitment to discourage any illegal or inappropriate hunting during this surveillance audit. There were no recorded human-wildlife conflicts. Current Tangkulap HCV Assessment Report was reviewed in April 2011 for adequacy appropriately and noted signages were available on-site, to identify the established HCV(s) by their respective categories at the Tangkulap estate during this surveillance audit. Satisfactory. Cooperation with the forestry department is in the very initial stage(s) and follow-up including formal communication via letters with the forestry officials were noted during this audit. The HCV(s) actual dimensions / hectarage and the latitude & longitude were determined appropriately and documented in the HCV Area Statement for reference. Management Plans established for the HCV areas (i.e. MV 2/3 & Tangkulap estates) especially bordering HCV 1 e.g. borders with Tawai & Tangkulap Forest Reserve should indicate the length of the "corridor" bordering these reserves.</p>	<p>Obs SV#3</p>



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<p>Criterion 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<p>Initial-2019/09-1</p>	<p>The documented identification of all the waste products such as scheduled waste and sources of pollution such as from POME were appropriately implemented at MAYVIN GROUPING-PMU. The PMU has segregated its wastes as general wastes and scheduled wastes. Proper areas were identified for the storage of the respective wastes.</p> <p>Scheduled Waste such as 'spent hydraulic oil' (SW 305) were properly stored and labeled with secondary containment noted at the major scheduled waste storage areas. The schedule waste storage area had restricted access to authorized personnel only. MSDS/CSDS instructions were available and adhered to at MAYVIN GROUPING-PMU.</p> <p>Recycling bins of three different colour codes were available in the POM and estates and were used for solid waste segregation and recycling.</p> <p>The solid waste management at the dumpsite / 'landfill' requires a strategic disposal plan for the long term i.e. 2014 onwards to prevent potential leachate, pollution and to be located at a distance away from the planted/cultivated area at Tangkulap estate. More signages i.e. on Health, Safety and Environment rules is required at the current designated landfill/dumpsite as the area is still being harvested.</p> <p>The labeling of scheduled wastes at the estates should be enhanced as per Reg. 10 of EQ (Scheduled Wastes) Regulation 2005 and the waste information (7th Schedule of EQ (Scheduled Waste) Regulation 2005) should be established by categories and follow the prescribed format in the regulation.</p>	<p>Complied</p> <p>See OBS # 6</p> <p>See OBS # 7</p>
<p>1st SA-2019/09-2</p>	<p>No changes during this surveillance audit in the documented identification of all the waste products such as scheduled waste and sources of pollution such as from POME were appropriately implemented at MAYVIN GROUPING-PMU. The PMU has segregated its wastes as general wastes, POME and scheduled wastes. Proper areas were identified and maintained for the storage and treatment of the respective wastes. However scheduled waste category SW 305 and SW 306 for the period of waste generation 21st July 2010 to 22nd Feb 2011 were not disposed according to EQ (Scheduled Waste) Regulation 2005. Refer 5th schedule (Inventory of Scheduled Wastes) dated 22nd Feb 2011 for exceeding 180 days hence a minor CAR raised. Noted that the previous observations on labeling addressed. Labeling of scheduled wastes at the estates adequate as per Reg. 10 of EQ (Scheduled Wastes) Regulation 2005 and the waste information (7th Schedule of EQ (Scheduled Waste) Regulation 2005) established and followed the prescribed format.</p> <p>Noted that Tangkulap estate has since enlarged its landfill site since the previous audit. The site has also been fenced and HSE signage (SOP, No Entry, etc.) has also been put up. As the area is due for felling and replanting, the area shall be further enlarged and planned accordingly for long term.</p>	<p>See NCR # 2 of 2</p>
<p>Criterion 5.4 Efficiency of energy use and use of renewable energy is maximised.</p>		
<p>Initial-2019/09-1</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 fibre and shell were used as fuel. Diesel generators were on standby basis to support the operation in the event of boiler / steam turbine system breakdown. Monthly records of KW usage of non-renewable and renewable fuel per metric tonne of palm product were available.</p>	<p>Complied</p>



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1 st SA-2019/09-2	The efficiency and use of energy in palm oil mill and line site was monitored. Monthly records of KW usage of non-renewable and renewable fuel per metric tonne of palm product were available.	Complied
Criterion 5.5 Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
Initial-2019/09-1	MAYVIN GROUPING-PMU had observed the IOI group policy of 'Zero open burning' in the estates. Inspections at site confirmed no evidence of open burning. No burning of waste including domestic waste was noted.	Complied
1 st SA-2019/09-2	No evidence of open burning found during site inspection which is consistent with MAYVIN GROUPING-PMU's and IOI's group policy of 'Zero open burning' in the estates including at the workers quarters.	Complied
Criterion 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
Initial-2019/09-1	Environmental impact assessment performed to identify potential pollution to water, gaseous emissions to air and contamination on land. Management Action Plans and Continuous Improvement Plans were developed to mitigate significant impacts identified. These exercises were reviewed periodically (i.e. annually) such as next review scheduled in April 2011.	Complied
1 st SA-2019/09-2	Reviews of Management Action Plans and Continuous Improvement Plans that were developed to mitigate significant impacts identified were carried out as planned in April 2011 and approved by senior management appropriately.	Complied

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

Criterion 6.1 Aspects of plantation and mill management, including replanting, that have social impacts 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 continuous improvement.		Compliance Outcome
Initial-2019/09-1	Under the MAYVIN GROUPING-PMU, the respective Social Impact Assessment reports and Management plans at all the estates and mill was specific and individually documented by the Sustainability Team of IOI. Stakeholder consultation meetings with the local communities and employees on the assessment were performed by the Estate managers with their Social Liaison Officers. Employee representation was through the Employees Consultative Council (ECC) which has representation from the different levels of workers who are elected by the workers. Participation from their official representatives expressed their views freely with records of meeting attendance and minutes of meeting being available. 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. A time table of activities identified was sighted with time frame on implementation plans. Site inspection carried out confirmed that the implementations were in progress.	Complied
1 st SA-2019/09-2	The Social Impact Assessment reports and Management plans at all the estates and mill were reviewed in April 2011 as planned and documented by the regional	Complied



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	Sustainability Team of IOI based in Sandakan, Sabah. Timetable established was also updated appropriately to reflect current changes. Reviewed process has been done with the participation of stakeholders (including migrant workers) appropriately. Records of meetings were available and indicated that concerns were generally working conditions, cultural/festival activities, health facilities and other community concerns.	
Criterion 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
Initial-2019/09-1	IOI Mayvin grouping has adopted open and transparent methods of communication and consultation when dealing with relevant parties, e.g. its workers, government agencies, contractors, neighbouring plantations by personal invitation to attend the internal and external stakeholders' consultation meetings. The lists of stakeholders are updated on a monthly basis and records of meeting were maintained.	Complied
1 st SA-2019/09-2	The maintenance of the list of stakeholders at the IOI Mayvin grouping is adequate and has ensured that the list is kept current. Noted that there are open and transparent methods for communication and consultation which has taken into consideration the local mechanisms including migrant workers and languages.	Complied
Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.		
Initial-2019/09-1	All estates in Mayvin grouping have established complaints and grievances procedures and it was well implemented. Complaints and Grievances logbook were sighted in all estates in the grouping. Alternative to the logbook, estate workers and administration staff could also file their complaints and grievances through their respective ECC representatives. Timelines for response to complaints and grievances are either through the logbook or ECC representatives are appropriately established and implemented	Complied
1 st SA-2019/09-2	The estates had maintained the established complaints and grievances procedures. Noted that any Complaints and Grievances Logbook were used in the estates appropriately and records of corrective actions implemented were stated in the logbook. ECC representatives interviewed understood that roles, responsibility and treated them as an important matter.	Complied
Criterion 6.4 Any negotiations concerning compensation for loss of legal or customary 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.		
Initial-2019/09-1	There were no borders at estates in Mayvin grouping which were adjacent to any villages or native land. Therefore no has been no records of any negotiation or compensation pertaining to this criteria.	Complied
1 st SA-2019/09-2	No changes in status as of audit day hence no negotiation or compensation pertaining to these criteria.	Complied
Criterion 6.5 Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.		
Initial-2019/09-1	Basic daily rate for all employees in Mayvin grouping estates have met the industry minimum standards which included extra pay under the statutory fringe benefits. The estate managements also provide free housing and treated water supply,	Complied



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	subsidized electricity, medical benefits, community halls, mosques and welfare amenities constitutes a decent living for the employees	
1 st SA-2019/09-2	<p>There were positive improvements with regards to salary / pay increment this w.e.f. July 2011 for the estate workers in Mayvin grouping. Other benefits were maintained such as free housing and treated water supply, subsidized electricity, medical benefits, community halls, mosques and welfare amenities which constitute a decent living for the employees.</p> <p>However pay and conditions for employees on maternity leave were not implemented as per employment contract signed. Noted that maternity leave payments of 60 days were deducted for weekend(s) and public holidays.</p>	See NCR # 1 of 2
<p>Criterion 6.6 The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
Initial-2019/09-1	<p>The published statements of policy which recognizes the employee's freedom of association, was noted to be available in a few native languages including Bahasa Malaysia, English and some local native languages.</p> <p>Due to the restrictions stated in Immigration Act 1959/63, in which foreign employees are not allowed to form or be affiliated to any society or association, the estate management had formed the ECC as an alternative mechanism to cater to the collective bargaining needs of the workers.</p> <p>Results of ECC meetings were minuted and available</p>	Complied
1 st SA-2019/09-2	<p>The policy statements which recognizes the employee's freedom of association were widely displayed in local languages and English. ECC was functional in Mayvin grouping estates and their meetings were minuted, distributed accordingly and available as records.</p>	Complied
<p>Criterion 6.7.</p> <ul style="list-style-type: none"> • Children are not employed or exploited. • Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. • Children are not exposed to hazardous working conditions. 		
Initial-2019/09-1	<p>There was no evidence of any child labor being used at the estates of Mayvin grouping.</p> <p>The Child Labour policy adopted by estate managements on had stated that the minimum age of workers is 19 years. Site inspection of the employment records in all estates confirmed that this has been complied.</p> <p>Humana schools and 'crèche' were established to cater to the proper education of the workers children.</p>	Complied
1 st SA-2019/09-2	<p>Inspections of the employment records including field trips in the estates of Mayvin grouping confirmed that this criteria has been complied.</p>	Complied
<p>Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>		
Initial-2019/09-1	<p>An Equal Job Opportunity Policy was adopted by the estate management was displayed in the places where workers usually gather such as the estate administration offices, community halls, crèche, health clinics and housing blocks.</p> <p>Payment slips were also inspected in all estates in order to ensure no discrimination in daily rate between workers, unfair deduction of wages and proper wage payment for work done during the rest days as reflected in the payment slips issued.</p> <p>There was no negative feedback on any form of discrimination from the private</p>	Complied



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	interviews conducted with the interviewees, and from the payment slips inspection.	
1 st SA-2019/09-2	The policy statements which recognize Equal Job Opportunity were widely available and displayed in local languages and English. Inspections including interviews in the estates of Mayvin grouping of the employment records including migrant workers, pay slips and deductions of wages (according to law) confirmed that this criteria has been complied. No negative feedback received from the interviews conducted.	Complied
Criterion 6.9 A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.		
Initial-2019/09-1	The established social policy has covered aspects on sexual harassment, gender and women reproductive rights. There was a documented procedure on the management of sexual harassment. 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. There was a gender committee specifically to address areas of concern to women. This committee was headed by the manager and, has representatives from all areas of work. The minutes of meetings were documented and kept.	Complied
1 st SA-2019/09-2	The policy statements which recognize sexual harassment, gender and women reproductive rights were widely available and displayed in local languages and English. There were functional gender committee(s) specifically to address areas of concern to women and noted no negative feedback received from the interviews conducted. Their minutes of meetings were documented, kept and could be retrieved during audit.	Complied
Criterion 6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.		
Initial-2019/09-1	All the estates in the Mayvin grouping do not have any dealings with smallholders. There was also no evidence to suggest of any unfair business practices with the local businesses.	Complied
1 st SA-2019/09-2	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
Criterion 6.11 Growers and millers contribute to local sustainable development wherever appropriate.		
Initial-2019/09-1	All estates in Mayvin grouping have no adjacent borders with any village. The closest village is 'Tungod' which is located about 60km away from the estates.	Complied
1 st SA-2019/09-2	No change in the Mayvin grouping's estates borders i.e. no adjacent borders with any village. The closest village is 'Tungod' which is located about 60km away from the estates.	Complied

Principle 7: Responsible development of new plantings

MAYVIN GROUPING-PMU has a procedure for this development but has not carried any new plantings since November 2005. However noted plans were available for replanting according to Principle 7, subject to the EIA and other regulatory approval.



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

Criterion 8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.		Compliance Outcome
Initial-2019/09-1	Continuous improvements in key operations have been developed at the Mayvin Grouping-PMU which were regularly monitored and reviewed. Under the Integrated Pest Management (IPM) program, for pest control and reduction in the consumption of chemical pesticides. There were increasing efforts made through the use of direct bio-control methods such as the cultivation of beneficial plants, the introduction of waste pollution and reduction programs including the recycling of materials i.e. the central collection and disposal of scrap iron collected from the renovations of older buildings and structures.	Complied
1st SA-2019/09-2	Continuous improvements in key operations have been reviewed in 2011 at the Mayvin Grouping-PMU and were regularly monitored .It was noted that the growers are actively seeking to identify alternatives to paraquat and a joint study with BASF was in progress (refer also section 4.6).	Complied

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:

- Year 2010 - Compliance assessment, **2 Minor Noncompliances and 7 Observations** were identified
- Year 2011 - 1st Surveillance assessment, **2 Minor Noncompliances and 4 Observations** were identified.

The 2 Minor noncompliances identified in the year 2010 assessment were followed up and closed as follows:

NCR #	MYNI Indicator	Details of NCR (in year 2010)		
1 of 2 Minor	2.1.3	Date issued:	Date due: 1 st Surveillance	Date closed:
		26 August 2010		30 September 2011
		Nonconformance:		
		License for the Hiring of Foreign Workers under Section 118, Sabah Labour Ordinance (Chap. 67) had expired on 9 September 2009 for the POM and Estates. Though required documents for renewal were submitted since May 2010 to the Sandakan Regional Office, the renewal was still pending.		
Corrective Action (replied):		The license was renewed with a valid period from 20 th September 2010 till 19 September 2011 with the Human Resource Department, Sabah. A copy was submitted for reference.		
Verification (for effective closure):		No recurrence of expired permits for hiring foreign workers during this surveillance audit and noted POM and estate workers were registered under the 5P program (foreign legal & illegal workers registration) foreign workers registration by Sabah's Immigration Department. Satisfactorily implemented.		



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NCR #	MYNI Indicator	Details of NCR (in year 2010)		
2 of 2 Minor	5.2.1	Date issued: 26 August 2010	Date due: 1 st Surveillance	Date closed: 30 September 2011
		Nonconformance: 1) At Tangkulap Estate, HCV 4 (natural pond) which has a common boundary with Tangkulap Forest Reserve was not clearly identified in the Tangkulap HCV Assessment Report which was dated 4 th December 2009. 2) Signages were not available on-site, to identify the established HCVs by their respective categories at the Tangkulap estate.		
		Corrective Action (replied): The updated HCV documentation dated 13 th September 2010 was done and submitted. However further clarification / details were requested from IOI and supporting evidences and actions taken were submitted on 5 th October 2010.		
		Verification (for effective closure): Tangkulap HCV Assessment Report were reviewed in April 2011 for adequacy appropriately and noted signages were available on-site, to identify the established HCV(s) by their respective categories at the Tangkulap estate during this surveillance audit. Satisfactorily implemented.		

During 1st Surveillance Assessment in 2011, the 2 Minor noncompliances identified against the MYNI Compliance Indicators were as follows:

NCR #	MYNI Indicator	Details of NCR		
01	6.5.2	Date issued: 30 September 2011	Date due: 2 nd Surveillance	Date closed: -
		Nonconformance: Pay and conditions for employees No: MV 22114 and MV 22242 were not implemented as per employment contract signed and dated 2 nd Nov 2009 and 7 th June 2010 respectively with regards to maternity leave payment of 60 days. Noted deductions for weekend(s) and public holidays of 7 days and 12 days for the employees mentioned above according to the salary statement dated Feb 2011 and July 2011.		
		Corrective Action (replied): September 2011 pay slip for the affected employees showed that outstanding maternity leave payment had been paid and General Manager's Memorandum on payment of maternity allowance dated 10 th October 2011 stating that leave payment should be in accordance with Sabah Labour Ordinance was submitted for reference.		
		Verification: Documented evidence submitted was acceptable after review and verification. Verification for effective closure will be made during the next surveillance.		



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NCR #	MYNI Indicator	Details of NCR		
02	2.1.3	Date issued: 30 September 2011	Date due: 2 nd Surveillance	Date closed: -
		Nonconformance: Scheduled waste category SW 305 and SW 306 for the period of waste generation 21 st July 2010 to 22 nd Feb 2011 were not disposed according to EQ(Scheduled Waste) Regulation 2005.Refer 5 th schedule (Inventory of Scheduled Wastes) dated 22 nd Feb 2011 for exceeding 180 days.		
		Corrective Action (replied): General Manager's Memorandum on disposal of scheduled wastes to mill manager and copied to estate(s) managers dated 10 th October 2011 stating that a standing instruction for all scheduled waste be disposed to/collected by licensed contractors within 180 days. This is in accordance to EQ (Scheduled Waste) Regulation 2005.		
		Verification: Documented evidence submitted was acceptable after review and verification. Verification for effective closure will be made during the next surveillance.		

Summary of Observations:

The 7 Observations (OBS) identified in year 2010 were followed up. The progress made as observed during the surveillance assessment in 2011 was as follows:

OBS	MYNI Indicator	Details of Observation		
01	2.1.2	Date issued: 26 August 2010	Date due: 1 st Surveillance	Date closed: 30 September 2011
		Observation: The Social Impact Assessments and Management Plans were made available at all the estates. However, the listing of the laws and regulations that were being monitored for changes had not included reference to the Sabah Labour Ordinance (Chapter 67).		
		Follow up Verification: The listing of the laws and regulations that were being monitored for changes had included reference to the Sabah Labour Ordinance (Chapter 67) in 2011 hence addressed.		
02	4.4.3	Date issued: 26 August 2010	Date due: 1 st Surveillance	Date closed: 30 September 2011
		Observation: The monitoring of the effluent quality at the POM was noted to be done with monthly analysis results submitted by an independent laboratory i.e. KL-Kepong (Sabah) Sdn Bhd, However, some parameters were found to exceed the specification limit e.g. the Biochemical Oxygen Demand (BOD) level in the some months e.g. in March, May and July 2010. Although further measures have been currently put in place such as the use of 'Hydro K-Green Tubes', these need to be closely monitored to ensure that all the specifications are consistently meeting the permitted limits by DOE.		