

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT

Syarimo Grouping

Kinabatangan, Sabah, Malaysia



Valued Quality. Delivered.

Assessment Report

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(188296-W)

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ANNUAL SURVEILLANCE ASSESSMENT REPORT
ON RSPO CERTIFICATION

PUBLIC SUMMARY REPORT

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT
Syarimo Grouping
Kinabatangan, Sabah, Malaysia

Certificate No:

Issued date:

Expiry date:

RSPO 928388

20 March 2013

19 March 2018

Assessment Type

Initial Certification (Main Assessment)

Annual Surveillance Assessment (ASA-01)

Annual Surveillance Assessment (ASA-02)

Annual Surveillance Assessment (ASA-03)

Annual Surveillance Assessment (ASA-04)

Re-Certification

Assessment Dates

17–21 September 2012

18–21 February 2014

26–29 January 2015

25-28 January 2016

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1.0 SCOPE OF ASSESSMENT

1.1 Introduction

This Annual Surveillance Assessment (ASA-03) was conducted on the Plantation Management Unit (PMU) Syarimo Grouping of IOI Corporation Berhad (hereafter abbreviated as IOI), from **25 – 28 Jan 2016**, 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 (Nov 2014) for Palm Oil Mill.

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

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

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

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1.3 Description of supply base (fruit sources)

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

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

Table 2: Estate Area Summary

Estate	Area Summary (ha) – Previous (FY Jul 2013 / Jun 2014)		Area Summary (ha) – Current (FY Jul 2014 / Jun 2015)	
	Certified Area	Planted Area	Certified Area	Planted Area
1. Syarimo 1	1,914	1,836	1,914	1,820
2. Syarimo 2	1,987	1,747	1,987	1,747
3. Syarimo 3	2,442	2,319	2,442	2,315
4. Syarimo 4	2,378	1,877	2,378	1,877
5. Syarimo 5	2,149	2,111	2,149	2,111
6. Syarimo 6	1,741	1,611	1,741	1,611
7. Syarimo 7	2,080	1,978	2,080	1,978
8. Syarimo 8	1,889	1,430	1,889	1,430
9. Syarimo 9	1,756	1,515	1,756	1,515
Total:	18,336	16,424	18,336	16,404

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. IOI Syarimo PMU is involved in the ongoing Malua Wildlife Conservation project situated on the 'Malua Forest Reserve' which concerns the oil palm plantations, communities and forest use. The project is undertaken jointly with MPOC, New Forest Asia, Sabah Forestry Dept, Yayasan Sabah, Sabah Wildlife Dept; and the oil palm growers bordering the reserve, i.e. IOI Corporation Bhd, Kwantas Corporation Bhd; Tung Hup Enterprise Sdn Bhd; Perbadanan Kemajuan Pertanian Selangor.
4. Agreement for the abovementioned conservation project was signed by IOI Corporation Bhd on 4 Nov 2012 and as at the period of this assessment; the group of oil palm growers involved has held meetings and annual review of progress made on the Malua Wildlife Conservation project.

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1.4 Summary of plantings and cycle

The 9 estates had been developed since 1995 and are all currently in the 1st cycle of planting for the Oil Palms. The age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm (FY July 2014 / June 2015)

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below
Syarimo 1 estate	1995	1 st	1,820	0
Syarimo 2 estate	1995	1 st	1,747	0
Syarimo 3 estate	1995, 2000	1 st	2,315	0
Syarimo 4 estate	1995, 2000	1 st	1,877	0
Syarimo 5 estate	1995	1 st	2,111	0
Syarimo 6 estate	1995, 2001	1 st	1,611	0
Syarimo 7 estate	1995, 2002	1 st	1,978	0
Syarimo 8 estate	2001	1 st	1,430	0
Syarimo 9 estate	2001 - 2003	1 st	1,515	0
		Total	16,404	0

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

1.5 Summary of Conservation and HCV Areas

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

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	FY 2013/14 Hectarage - Ha	FY 2014/15 Hectarage - Ha
1	Planted Area (ha) – Oil Palm		
	- Mature	16,424	16,404
	- Immature	nil	0
2	Conservation Area (ha)		
	- comprising buffer zones along small streams, hilly areas, swampy and unplantable areas	280	280
3	HCV Area (ha)		
	- comprising buffer zones near forest reserves, water catchments, burial & religious sites	8	8

1.6 Other certifications held and Use of RSPO Trademarks

Currently, the other certification held by IOI-Syarimo 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.

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1.7 Organizational information / Contact Person

At Head Office:

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 Sustainability Manager
 IOI Corporation Berhad
 Level 8, Two IOI Square,
 IOI Resort, 62502, Putrajaya
 Tel: 603-89478888
 Fax: 603-89478988
 Email: yeo.leenya@ioigroup.com

At Syarimo Grouping - PMU:

Mr. Peter Wong Thian Lai
 Plantation Controller
 IOI Plantation Services Sdn Bhd
 Syarimo Palm Oil Mill
 Tel: 089 - 568 700
 Fax: 089- 568 120
 Email: ioisyarimo@gmail.com

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 Syarimo Grouping based on the actual for FY Jul 2014 / Jun 2015 is as in Table 5 below:

Table 5: Tonnages Verified for Certification

#	Estate /Supplier	FFB Processed (MT)	Main Receiving Mill	Certified By
1.	Syarimo 1 estate	47,267.11	Syarimo POM	Intertek
2.	Syarimo 2 estate	50,983.47	Syarimo POM	Intertek
3.	Syarimo 3 estate	64,559.52	Syarimo POM	Intertek
4.	Syarimo 4 estate	50,191.08	Syarimo POM	Intertek
5.	Syarimo 5 estate	55,519.69	Syarimo POM	Intertek
6.	Syarimo 6 estate	48,668.81	Syarimo POM	Intertek
7.	Syarimo 7 estate	59,915.88	Syarimo POM	Intertek
8.	Syarimo 8 estate	37,890.92	Syarimo POM	Intertek
9	Syarimo 9 estate	45,131.06	Syarimo POM	Intertek
	Total (under PMU):	460,127.54		
	Other Suppliers:	0		
	Grand total	460,127.54		

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

Table 6: FFB Processed (Certified & Non-certified) tonnages

Estate / Supplier	FFB Processed in FY Jul 2013 – Jun 2014) - Actual		FFB Processed in FY (Jul 2014 – Jun 2015) - Actual		FFB Processed for FY (Jul 2015 – Jun 2016) – Actual + Projected	
	MT	%	MT	%	MT	%
Syarimo PMU Estates (certified)	421,546.16	100	460,127.54	100	487,930	100
Other Suppliers (non-certified)	0	0	0	0	0	0
Total	421,546.16	100	460,127.54	100	487,930	100
SCCS Model for POM	SG		SG/IP		IP	

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

Table 7: Certified FFB Tonnages

POM	FY (Jul 2013 – Jun 2014) - Actual		FY (Jul 2014 – Jun 2015) - Actual		FY (Jul 2015 – Jun 2016) – Actual + Projected	
	Total certified FFB Processed (MT)	421,546.16		460,127.54		487,930
Total certified CPO Production (MT)	86,723.98	OER: 20.57%	94,985.03	OER: 20.64%	103,685	OER: 21.25%
Total certified PK Production (MT)	21,470.92	KER: 5.09%	22,367.20	KER: 4.86%	25,616	KER: 5.25%
SCCS Model for POM	SG		SG/IP		IP	

Notes:

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

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

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

To date IOI Group manages a total of 19 Plantation Management Units (PMU) which comprise 16 palm oil mills and over 90 oil palm estates throughout Malaysia and Indonesia.

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

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

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On overall, IOI Group has declared its commitment to complete RSPO certifications on all its 'non-certified' units, targeted by 2019.

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

Intertek had also referred to the RSPO's Complaints website for the tracking of issues and the latest updates available on cases of legitimate complaints which may be filed against the IOI Group and also IOI's statements of response under the web links below:

1. Complaint titled: PT Sukses Karya Sawit (SKS), PT Berkat Nabati Sawit (PT BNS), PT Bumi Sawit Sejahtera (PT BSS) subsidiary of PT Sawit Nabati Agro (PT SNA), IOI Group
<http://www.rspo.org/members/complaints/status-of-complaints/view/80>

Note: The last update recorded under the above web link was on 26 Oct 2015.

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

Note: The last update as announced under the above web link was on 10 Jun 2015.

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

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

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

1.10 Abbreviations Used

CB	Certification Body	IUCN	International Union for Conservation of Nature
CHRA	Chemical Health & Risk Assessment	KER	Kernel Extraction Rate
CPO	Crude Palm Oil	LTA	Lost Time Accidents
CSDS	Chemical Safety Data Sheets	MSDS	Material Safety Data Sheets
CSPO	Certified Sustainable Palm Oil	MTCS	Malaysia Timber Certification Scheme
CSPK	Certified Sustainable Palm Kernel	NCR	Non-Conformance Report
EFB	Empty Fruit Bunch	NGO	Non-Government Organization
EHS	Environmental Health & Safety	OER	Oil Extraction Rate
EIA	Environmental Impact Assessment	OHS	Occupational Health & Safety
ETP	Effluent Treatment Plant	PEFC	Programme for the Endorsement of Forest Certification
FFB	Fresh Fruit Bunch	PK	Palm Kernel
GAP	Good Agriculture Practice	PMU	Plantation Management Unit
HCV	High Conservation Values	POM	Palm Oil Mill



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Intertek	Intertek Certification International Sdn Bhd	POME	Palm Oil Mill Effluent
IOI	IOI Corporation Berhad	PPE	Personal Protective Equipment
IPM	Integrated Pest Management	SCCS	Supply Chain Certification Standard
ISCC	International Sustainability & Carbon Certification	SOP	Standard Operating Procedure

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2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 07 Dec 2015, Intertek has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on the Syarimo Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 25 to 28 Jan 2016, the Assessment team of Intertek conducted the Assessment in which 3 out of the 9 estates of Syarimo Grouping namely Syarimo 3, Syarimo 7 and Syarimo 9 estates as well as the palm oil mill were assessed for compliance against the RSPO requirements. The number of estates sampled was based on a minimum sample of $0.8\sqrt{y}$ where y is the number of management sub-units and the selection was made based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and high conservation value areas.

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

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

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

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

2.2 Date of next scheduled visit

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

2.3 Qualifications of the Lead Assessor and Assessment Team

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

2.4 Certification Body

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

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2.5 Process of stakeholder consultation

Stakeholder consultations began with notification of the upcoming assessment through the websites of RSPO, IOI and Intertek. E-mails 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)
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)

NGOs (by emails)

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

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43. Malaysian CropLife & Public Health Association (MCPA)
44. Malaysian Environmental NGOs – MENGO
45. Malaysian National Animal Welfare Foundation – MNAWF
46. Malaysian Plant Protection Society (MAPPS)
47. National Council of Welfare & Social Development Malaysia – NCWSDM
48. National Union of Plantation Workers (NUPW)
49. Partners of Community Organisations (PACOS)
50. Penang Institute previously known as Socio-Economic & Environmental Research Institute (SERI)
51. Pesticide Action Network Asia and the Pacific (PAN AP)
52. Proforest - South East Asia Regional Office
53. R.E.A.C.H. – Regional Environmental Awareness Cameron Highlands
54. Sabah Wetlands Conservation Society (SWCS)
55. SEPA – Sabah Environmental Protection Association
56. SUARAM – Suara Rakyat Malaysia
57. SUHAKAM – National Human rights Society – Persatuan Kebangsaan Hak Asasi Manusia
58. Tenaganita Sdn Bhd
59. TRAFFIC – the wildlife trade monitoring network
60. Transparency International – Malaysian Chapter
61. Treat Every Environment Special Sdn Bhd (TrEES)
62. UNION – AMESU
63. United Nations Development Programme – UNDP Malaysia
64. Water Watch Penang (WWP)
65. Wetlands International (Malaysia)
66. Wild Asia Sdn Bhd
67. World Wide Fund (WWF) - HQ
68. World Wide Fund (WWF) - Sabah

Local community (On-site interviews)

69. Consultative Committee & Gender representatives
70. Workers & Workers representatives
71. Village Heads & representatives
72. Suppliers & Contractors representatives



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3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

<p>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.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>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</p>	<p>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. Date of public notification of this assessment of the PMU was made on 07 Dec 2015. As at the period of assessment, there were no additional requests for information from stakeholders for this PMU.</p>	Complied
<p>1.1.2 Records of requests for information and responses shall be maintained. Major Compliance</p>	<p>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 stakeholder consultation in Dec 2015 and Jan 2016. Records of participants and feedback given were maintained and appropriate actions taken.</p>	Complied
<p>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.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>1.2.1 Management documents that are made available to the public shall include, but are not necessarily limited to: Major Compliance</p>	<p>Management documents relating to environmental, social and legal issues were verified to be maintained and available to the public (notices and websites) and updated by IOI, HQ e.g. website link: http://www.ioigroup.com/business/busi_plantoverview.cfm 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</p>	Complied

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	<p>of performance like waste management and disposal plans for the mill and estates. Also, Continual Improvement Action Plans include targets for waste reduction and pollution prevention.</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>	Complied
<ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); 	<p>Occupational Safety and Health Plan has been established. The plan was annually reviewed, i.e. on 11/01/2016 by the Safety Manager for POM and estates. Policy and HIRAC documented for both mill and estates. The HIRAC was also reviewed for the POM and estates and found to be satisfactory. The OSH Programme 2016 include the following:</p> <ul style="list-style-type: none"> • Safety & Health Committee meetings 4x/year, • Annual medical surveillance, • Accident Reporting & Investigation, • Workplace inspection, • CHRA assessment, • Air compressors annual inspection, • Warning signs, • Chemical Register, • SOP for safe work, • MSDS/CSDS, • JKKP 8 reporting of accidents annually, • Emergency Response Plan, • 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 SHO, <p>CHRA was conducted in year 2014. Next CHRA assessment scheduled for year 2019. Programmes for protecting workers' health and safety were satisfactorily implemented.</p>	Complied
<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 conducted for the POM and estates. Management Plan and Continual Improvement Plan documented and implemented. Social Impact Assessment carried out. Positive and negative impacts identified. Action plans were documented and implemented.</p>	Complied
<ul style="list-style-type: none"> • HCV documentation (Criteria 5.2 and 7.3); 	<p>The Internal "HCV and Conservation Areas" Assessment were reviewed on 28/12/2015. Management plans for HCV and Conservation areas updated. The Management Action Plans were monitored and progressively implemented at the respective Estates.</p>	Complied
<ul style="list-style-type: none"> • Pollution prevention and reduction plans (Criterion 5.6); 	<p>Pollution Prevention Management Plans were reviewed annually for the mill on 06/01/2016. The annual reviews for Syarimo 3, 7 and 9 estates were on 15/01/2016,</p>	Complied

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	<p>18/01/2016 and 22/12/2015 respectively.</p> <p>Among action items recorded were the mitigation measures for pollution control (smoke emission, POME / effluent discharge), pesticides reduction, scheduled wastes (chemicals, hydraulic oil, filters) and domestic wastes disposal, reuse and recycling (paper, glass, plastic) and management of water ponds due to delayed rainfall.</p>	
<p>• Details of complaints and grievances (Criterion 6.3);</p>	<p>The mill and respective estates had maintained the Complaints and Grievances Logbook. Logbook entries in year 2015 were viewed and among the complaints recorded were issues on low water pressure, faulty/blocked kitchen sink, faulty wiring, lighting, repairs for workers' housing/quarters, etc. Actions found to be taken to address the complaints and recorded in the Complaints Book.</p> <p>Employees Consultative Council (ECC) representatives interviewed had confirmed that there were no serious issues.</p>	Complied
<p>• Negotiation procedures (Criterion 6.4);</p>	<p>Negotiation procedure and flowchart was available and maintained.</p> <p>Additionally via website link: http://www.ioigroup.com/business/busi_plantoverview.cfm</p> <p>No borders at estates in this PMU were adjacent to any villages or native land.</p> <p>Presently, there was no conflict/dispute requiring negotiation or compensation pertaining to this criterion.</p> <p>IOI had also uploaded the status on the land dispute/claim at the IOI Pelita plantation in Sarawak which is publicly available at website link: http://www.ioigroup.com/default.cfm</p>	Complied
<p>• Continual improvement plans (Criterion 8.1);</p>	<p>Continual Improvements Plans in key operations for the mill and estates have been developed which were regularly monitored and reviewed. This includes 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 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>The budget needed for implementation of the improvement plans were submitted to the HQ and made available for verification.</p>	Complied
<p>• Public summary of certification assessment report;</p>	<p>Public summary of certification assessment reports are available from the company upon request. Website link: http://www.ioigroup.com/Content/CI/Corp_Accolades</p>	Complied
<p>• Human Rights Policy (Criterion 6.13).</p>	<p>The Human Rights Policy has been documented and incorporated as part of the Sustainability Policy Statement issued in Mar 2014, signed by the CEO. Copies of the policy found to be displayed at prominent locations in the POM and estates. Briefing and communication to all levels of the workforce, both administrative and operations departments were provided.</p>	Complied
<p>Criterion 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.</p>		



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Indicators	Findings and Objective Evidence	Compliance
<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>The IOI Group’s Booklet “Code of Business Conduct and Ethics” is available with documented policy signed by the CEO. 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>Whistle blowing policy documented and approved by the Audit and Risk Management Committee of BOD.(Dasar Pemberi Maklumat – BM version is also available)</p> <p>Weblink stated: http://whistleblowing.ioigroup.com/</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 any relevant updates on 30/09/2015 for the POM and estates.</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 (Department of Environment Permit, etc.)</p>	<p>Complied</p>



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	<p>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. Noise Monitoring Report is available.</p> <p>Legal documents (work permits, passports) of foreign workers in the estates. Insurance coverage is 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. Statutory returns to relevant authorities found to be in compliance.</p>	
<p>2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. Minor Compliance</p>	<p>The documented system for identifying, determining, reviewing and updating 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 and Drainage), Forestry Dept and Wildlife Dept were maintained.</p>	<p>Complied</p>
<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>Complied</p>
<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. 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 carried out through periodical review in</p>	<p>Complied</p>

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	<p>accordance with the documented procedure and last performed on 30/09/2015. This was evidenced in the review meetings minutes.</p> <p>Operating licenses and permits were displayed, renewed and evidenced to be valid e.g. MPOB (Malaysian Palm Oil Board) licenses for Mill and respective estates were valid.</p> <p>Based on the site observations, interviews and records updated, the system used is appropriate to the operations at the PMU.</p>	
<p>Criterion 2.2</p> <p>The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure (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.</p> <p>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 original copies are maintained by the Corporate Head office at Kuala Lumpur. 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>The land has been planted with oil palms since 1995. There has been no recorded dispute over the ownership during the tenure of the land.</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.</p> <p>Minor Compliance</p>	<p>It was verified that there has been no change to the stated land titles and designated use for cultivation of oil palms and agricultural use.</p> <p>Legal boundary markers were sighted and maintained along the perimeters of estate lands which were mapped with a 1- meter differential Global Positioning System (GPS).</p> <p>Locations of several boundary stones, pegs and markers were visited and found to have pole markers for easier identification and traceability.</p> <p>On-site verification confirmed that there has been no planting beyond the legal demarcated boundary of the estates.</p> <p>Neighbouring estates include Tong Hup, Hup Seng and Lamag Oil Palm estates and plantations. Syarimo 7 and Syarimo 9 estates have boundaries adjacent to the Malua Forest Reserve.</p>	Complied
<p>2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>Minor Compliance</p>	<p>There has been no dispute on the land rights in this PMU. As such, the process of fair compensation and FPIC is currently not required to be applied.</p>	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</p>	<p>There were no land conflicts in this PMU.</p> <p>The process for conflict resolution verified to be publicly</p>	Not applicable

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and 6.4) are implemented and accepted by the parties involved. Major Compliance	available on company website: http://www.ioigroup.com/Content/S/S_Community	
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). Minor Compliance	No land disputes in this PMU. As such the process of participatory mapping is not applicable for verification of implementation.	Not applicable
2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	No evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.	Complied
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.		
Indicators	Findings and Objective Evidence	Compliance
2.3.1 Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). Major Compliance	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. There is no dispute on the land rights in this PMU. The lands are not encumbered by any customary lands or user rights and therefore the process of participatory mapping was not required.	Not applicable
2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance	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
2.3.3 All relevant information shall be	No cases of land claims in this PMU.	Not

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available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	As such this process is not applicable for verification.	applicable
2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance	This process is not applicable during current assessment.	Not applicable

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

Criterion 3.1		
There is an implemented management plan that aims to achieve long-term economic and financial viability.		
Indicators	Findings and Objective Evidence	Compliance
3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance	<p>The 5-year Business Management Plan (FY 2014/2015 to FY 2018/2019) for the PMU was documented 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> <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>	Complied
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>Replanting Program for estates sighted. Evidence of the replanting program planned, reviewed and on-going implementation carried out.</p> <p>Replanting Program for the various estates as follows:</p> <p><u>Syarimo 3 estate:</u></p> <p>Replanting to commence in year 2019 and end in year 2029 with about 250 ha to be replanted per year.</p> <p><u>Syarimo 7 estate:</u></p> <p>Replanting to commence in year 2022 and end in year</p>	Complied

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	2029 with about 300 ha to be replanted per year. <u>Syarimo 9 estate:</u> Replanting to commence only in year 2026.	
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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>POM has documented SOPs for the following :</p> <ol style="list-style-type: none"> 1. Palm Oil Mill Operation from reception of FFB until the delivery of processed oil and POME management. 2. Laboratory Operation Manual was available for viewing. 3. Quality, Environmental and Occupational Health & Safety Manual and Procedures of Palm Oil Mill - The SOP for pollution prevention includes measuring and monitoring mill effluents and waste disposal / recycling. 4. Procedure for Safe Work and Management of Safety and Health for Workers - The SOP for safe working practices in the POM includes hazards identification, risk assessment and control measures. The hazards include noise, chemicals, heat, fire, fuel spillage, working at heights, working in enclosed space, hot work, lightning, electrocution, machinery, etc. Control measures include the use of PPE, fire drill training, first aid training, etc. and "permit to work system" for the mill. Records of 'Permit to Work' including gas entry and stand-by permits issued by NIOSH to the competent personnel at the POM was verified to be maintained and found to be in order. 5. SOP for Mill RSPO Supply Chain Certification System using the Identity Preserved (IP) module. <p>The estates have the following SOPs:</p> <ol style="list-style-type: none"> 1. Sustainable Oil Palm Estate Operation Manual - The manual describes operational procedure of nursery practices, land preparation, planting practices, ground cover maintenance, roads, immature stage, harvesting, collection of bunches, manuring, pesticide application, pests & diseases control. The SOP for pesticides specifies safe working practices and application of pesticides. It includes annual medical surveillance for pesticides operators. 2. SOP for riparian zone management with specified buffer zones. <p>Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.</p>	Complied
<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 would be checked by the Assistant Manager and the Manager regularly. These records had been verified to indicate satisfactory implementation during the visit.</p>	Complied
<p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p>	<p>1. Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estates.</p>	Complied

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Minor Compliance	Overall, these records verified to be satisfactory. 2. Daily Muster chits were available at estates. During field visits at Syarimo estates, chemicals used were: Metsulfuron methyl 20% for woodies and broad leaves, Glyphosate 41% and 2,4-D dimethylamine 60% for circle spray.	
4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	The mill did not source any FFB from third-party. The entire crop was supplied by Syarimo PMU estates.	Complied
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	Annual fertilizer inputs had been monitored through fertilizer recommendations made by Agronomist of IOI Research Centre, Sabah. GAP for minimization of soil erosion and maintenance of soil fertility are maintained via the frond stacking and fertilizer application as per the recommendations provided by the Agronomist. These had been verified through the records for fertilizer application. Estates provided the evidence of Good Agricultural Practice and was verified during the audit. Soil sampling and leaf sampling records provided guide for the fertilizer application and all recommendations had been properly followed at estate levels. Noted that proper herbicide spraying had also been done.	Complied
4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance	Records of fertilizer application had been verified to be in order. Thus the corrective action taken on previous assessment Minor NC# CBK-01 verified to be effective.	Complied
4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	Leaf sampling and analysis had been carried out annually and soil sampling and analysis on a 5 year cycle to determine the nutrient levels. Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long term soil fertility and nutrient efficiency. Records of the sampling and analysis had been verified to be satisfactory.	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	Estates were utilizing EFB obtained from mill to various blocks. The EFB had been incorporated in frond stacking rows. Replanting in scheduled in the year 2019 for Syarimo 3 estate. POME is applied to neighbouring estates through trenches to the fields.	Complied
Criteria 4.3 Practices minimise and control erosion and degradation of soils.		
Indicators	Findings and Objective Evidence	Compliance

<p>4.3.1 Maps of any fragile/marginal soils shall be available. Major Compliance</p>	<p>Based on the soil maps and field visit verification, there was no fragile soil or marginal soil existence on the estates.</p>	<p align="center">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 constructed on land with slope more than 6°. Records and maps on terraces constructed had been verified on the estates.</p> <p>The PMU has a SOP (Best Management Practices) for erosion control during replanting or any activities involving earth disturbance. Steps taken for erosion control are soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways.</p> <p>There was no soil erosion noted during the visit. Fields were generally covered with cover crop and soft grasses.</p>	<p align="center">Complied</p>
<p>4.3.3 A road maintenance programme shall be in place. Minor Compliance</p>	<p>Estate roads were maintained in good and satisfactory condition. Road maintenance programme verified to be established and implemented. Road grading was in progress at Syarimo 3 estate during site visit as programmed.</p>	<p align="center">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>It was confirmed during assessment on site that there is no peat soil on the estates.</p>	<p align="center">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>There was no peat soil on the estates as confirmed by auditor's on-site assessment</p>	<p align="center">Not Applicable</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>Based on the estate soil maps and visit to the estates, there were no other fragile and problematic soils on the estates.</p>	<p align="center">Not Applicable</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>1. Documented water management plan verified to be in place for the palm oil mill and estates. The plan includes steps such as soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways.</p> <p>2. Water samples were taken at monthly interval at the final discharge point of the palm oil mill effluent pond and at upstream and downstream of waterways. Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet the DOE requirements.</p> <p>3. The water supply for domestic use to staff and workers' housing is solely from the Lamag river. The water treatment is treated and the tests carried out on parameters to meet the Ministry of Health Specifications for drinking water quality. The results were verified to comply with the requirements.</p>	<p align="center">Complied</p>

	4.Rainfall data found to be monitored as part of the water management plan.	
4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. Major Compliance	Riparian buffer zone of 20 m had been sighted on both sides of river tributaries/streams in the estates. Appropriate signages were placed and workers are aware of the non-usage of chemicals within the buffer zones. There was no construction of bunds/ weirs/dams across the main rivers or waterways passing through the estates.	
4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance	The water at the final discharge point of the palm oil mill effluent pond was analyzed at monthly intervals for pH, BOD, COD, Total Solids, Suspended Solids, oil & grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet the DOE requirements. BOD level was within the approved level by DOE at 20 ppm maximum. Stack emission monitoring by CEMS – Refer to 5.6.3	Complied
4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance	Water usage in the mill from Dec 2015 to Jan 2016 ranged from 1.24 to 1.58 m ³ /tonne FFB with an average of 1.42 m ³ /tonne FFB which is within industrial norm of 1.2 m ³ to 1.5 m ³ /tonne FFB.	Complied
Criteria 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		
Indicators	Findings and Objective Evidence	Compliance
4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	1.IPM Plan includes the planting of beneficial plants and control of damage by rodent attacks to FFB. 2.Programme were available for planting of beneficial plants such as <i>Turnera subulata</i> , <i>Cassia cobanensis</i> , and <i>Antigonon leptopus</i> . Syarimo 3 estate was behind schedule and the nursery found to be with insufficient cuttings. All the estates audited (i.e. Syarimo 3, 7 and 7) have a management plan for IPM that involved the establishment and maintenance of beneficial plants (<i>tunera subulata</i>, <i>cassia cobanensis</i>, <i>antigonon leptopus</i>). However, Syarimp 3 estate did not fully implemented the management plan as follows: <ul style="list-style-type: none"> (1) The targeted additional planting of beneficial plants was not achieved. (2) The seedlings in the nursery were not sufficient for the targeted plantings. 3.Rat baiting activity is progressively conducted in all the estates.	Major NC# NR-01
4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	IPM training conducted by for all those involved in IPM implementation, including smallholders. Training records for staff and workers on IPM implementation were available and was verified on-site to be satisfactory during field assessment.	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. The types of chemicals used: Glufosinate ammonium 13.5% a.i. had been used for circle spraying in immature palms due to its selective property.</p>	<p>Complied</p>
<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 a minimum of 5 years. Verified that records of monitoring were satisfactorily.</p>	<p>Complied</p>
<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>It had been the policy of the estates to minimize the use of pesticides in accordance with IPM plan. The pesticide reduction program is monitored on usage per hectare basis. Overall, there has been a decline in pesticide usage per hectare on a year to year basis. No prophylactic use of pesticides had been carried out at the estates for the period concerned.</p>	<p>Complied</p>
<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>1. Use of paraquat had been eliminated in accordance with IOI Group Policy. 2. First Aid Kits found to be available during pesticides spraying in the fields (4th Schedule). Portable signboard noted to be displayed at areas of spraying activity (5th Schedule).</p>	<p>Complied</p>
<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 (including the contractor's workers) have attended training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974. Appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls) have been provided and used by the pesticides operators. All precautions attached to the pesticides (MSDS) have been observed, applied and understood by the workers. Programme and training records verified to be satisfactory. 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 PMU has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE.</p>	<p>Complied</p>
<p>4.6.6 Storage of all pesticides shall be according to recognised best practices. All</p>	<p>1. Storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational</p>	<p>Complied</p>



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<p>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>Safety and Health Laws and Regulation 9 of the Pesticides Act 1974. 2. Emergency shower and eye wash are available near the pesticides store in case of accidents. Material Safety Data Sheets (MSDS) are available in the store. The MSDS are in English and Bahasa Malaysia (understood by the workers). 3. Chemical containers are reused as containers for spraying solutions. For disposal as scheduled waste, empty pesticide containers are triple rinsed and pierced at the bottom.</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. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off. Programme and training records verified to be satisfactory.</p>	<p>Complied</p>
<p>4.6.8 Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance</p>	<p>It is the policy of the company not to carry out aerial application of pesticides. This policy has been followed by the PMU.</p>	<p>Complied</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>The Annual Training Plan includes training on pesticides handling. All new pesticides operators were trained before being assigned to work with pesticides. In addition, based upon training needs, the existing pesticide operators (including the contractor's workers) attended continual training to enhance their knowledge and skills on pesticides handling. Information and safety precautions on the pesticides displayed on the notice board and next to the pesticides in the store.</p>	<p>Complied</p>
<p>4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance</p>	<p>Scheduled waste had been disposed of through Lagenda Bumi Mas. This company is a licensed contractor approved by DOE. Records of schedule waste verified to be in order.</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>1. Annual medical surveillance for all pesticide operators had been implemented and verified during audit. 2. It was verified that the CHRA recommendations has been satisfactorily followed. 3. Medical surveillance reports of individual sprayers were checked and no abnormalities reported by the Medical doctor. The medical reports showed that there was no case of low blood cholinesterase levels. Any worker with such health condition will be declared as unfit for work with pesticides. No such cases in the PMU as at the date of assessment. 4. 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. Besides the annual medical surveillance, clinical records were also monitored.</p>	<p>Complied</p>

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<p>4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance</p>	<p>Verified from records, field inspections and interviews that no pregnant or breast-feeding woman had been offered work as pesticide operator.</p>	<p>Complied</p>
<p>Criteria 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>The occupational health and safety plan shall cover the following: 4.7.1 An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance</p>	<p>1.Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory Machinery Act was documented and implemented. OSH Policy found to be clearly displayed at POM and in the estates office. Adequate posters, regulations, newsletters were prominently displayed on notice boards. Interviewed workers demonstrated awareness towards occupational safety and health. The Safety & Health Officer is in charge of safety and health planning, operation & coordination. Mill/Assistant Mill Managers and Estate Managers / Assistant Estate Managers are also directly involved. Records on training had been verified on the Palm Oil Mill and the Estates. Analysis on the understanding of training by the workers on the PMU had been verified.</p>	<p>Complied</p>
<p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance</p>	<p>1.Risk assessment carried out on operations where health and safety is an issue in order to determine the significant hazards. Significant hazards determined and documented include noise exposure, pesticides/ chemicals exposure, accident, fire. Procedures and actions implemented to mitigate the hazards. 2. It has been planned for the 2016 noise assessment levels in POM to be conducted in the middle of that year. Work areas previously identified with high noise levels are the boiler station, engine room and sterilization unit, where noise level exceeded 85 db. 3.Mill management have taken steps to reduce the noise levels by more frequent lubrication of machinery, reducing the exposure time to high noise and mandatory use of ear plugs and ear mufflers. 4.Annual audiometric test conducted for all mill staff and workers. The latest audiogram was carried out on 02 Nov 2015. The audiometric reports of some employees indicated as having hearing impairment and recommended to wear hearing protector. Next test will be in the 18 Nov 2016. 5.Baseline audiogram and occupational and medical history records of workers maintained. 6.The employees exposed to high noise levels were interviewed. The workers are aware of the danger of hearing loss due to prolonged exposure to high noise. 7.The workers knew about the complaints process and mechanism available. 8.“Permit to work” system applied at the POM. Staff and workers have been trained and certified by NIOSH for gas entrant and stand-by involving work in confined</p>	<p>Complied</p>

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	<p>space.</p> <p>9.Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear mufflers) verified to be provided to and being used by the workers. Associated training provided to address safety and health issues.</p> <p>10.Warning signs sighted at high noise areas and ear plugs and ear mufflers to be worn. There are also warning signs to use other PPE such as helmet and safety boots.</p> <p>11.An audit for determining compliance with the minimum standards had been conducted on all types of PPE used.</p> <p>12.Adequate fire extinguishers and hose reels found to be located at strategic locations, operational and maintained in good conditions. Location map of fire extinguishers is available.</p> <p>13.First Aid equipment was available at POM, estates and at worksites. Samples of First Aid box was 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>14.The POM and estates have established their accident reporting KPI and incident monitoring implemented.</p> <p>Yearly reporting of JKPP8 regulations was submitted to JKPP on time, i.e. in January of each year. The Safety & Health Officer maintains records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities captured to prevent mishaps.</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>Training programme planned for year 2016 includes training for all categories of workers.</p> <p>Appropriate trainings on safe working practices are planned for:</p> <ul style="list-style-type: none"> - workers exposed to machinery and high noise levels, - workers working in confined space, - harvesters - pesticides operators - manurers <p>The training programme included the various types of training such as fire fighting and fire drill, exposure to high noise levels and control measures for protection of hearing and audiometric tests, understanding MSDS/CSDS and first aid training.</p> <p>The above trainings were conducted for year 2015 and records were available. Evaluation carried out on each of the trainings to determine its effectiveness.</p>	<p style="text-align: center;">Complied</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>The responsible person (usually the Mandore or Headman) had been identified.</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>	<p style="text-align: center;">Complied</p>

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Major Compliance		
<p>4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>Minor Compliance</p>	<p>Accident and emergency procedures had been written 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> <p>Quarterly review on accident cases had been carried out during quarterly meeting of Environment, Safety, & Health (ESH)</p>	Complied
<p>4.7.6 All workers shall be provided with medical care, and covered by accident insurance.</p> <p>Minor Compliance</p>	<p>Mill and the estate workers covered by valid accident insurance policy (SOCISO). Foreign workers coverage are through Foreign workers Compensation Insurance Policy.</p>	Complied
<p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</p> <p>Minor Compliance</p>	<p>Records on Lost Time Accident (LTA) metrics had been verified to be satisfactory.</p>	Complied
<p>Criteria 4.8 All staff, workers, smallholders and contract workers are appropriately trained.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>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.</p> <p>Major Compliance</p>	<p>The formal training plan is documented for implementation for the year 2015 and the plan for year 2016 were viewed during audit at the mill and estates. The training programme is based on the training needs identified for various categories of staff and workers and their work formation.</p> <p>Training are conducted including a formal training programmes on all aspects of RSPO principles and criteria.</p>	Complied
<p>4.8.2 Records of training for each employee shall be maintained.</p> <p>Minor Compliance</p>	<p>Records of training for each employee were varied during audit.</p>	Complied

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

Criterion 5.1		
<p>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.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.1.1 An environmental impact assessment (EIA) shall be documented. Major Compliance</p>	<p>The Environmental Aspect and Impact Assessment of the PMU have been documented and updated on an annual basis. Documented aspects and impacts risk assessments including those raised through stake-holders' consultation were implemented.</p> <p>Management Action Plan and Continual Improvement Plans for the mill and estates have been reviewed. The review for the mill was on 06/01/2016. The reviews by the estate managers at Syarimo 3, 7 and 9 estates were on 15/01/2016, 18/01/2016 and 22/12/2015 respectively.</p> <p>The revised EIA documents had included the identification aspects that include washing of factory floor, smoke emission, noise pollution, scheduled wastes (e.g. spent lubricant & empty chemical containers), diesel, electricity, workshop activities, landfill, generator set, line site, new buildings/drainage, POME, EFB, fibre/shell/boiler ash, fertilizers, pesticides/herbicides spraying, FFB, domestic & recyclable wastes, road maintenance.</p>	Complied
<p>5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. Minor Compliance</p>	<p>The changes to any current practices and the resulting impacts and mitigation needed were identified.</p> <p>Management plans for mitigation of negative impacts and promotion of positive impacts, timeframe for action and responsible persons were identified and had been implemented progressively at the PMU.</p> <p>Negative impacts monitored by POM include the control of emissions of GHG.</p> <p>The mill manager and respective estate managers were identified as being responsible for the management plans.</p>	Complied
<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. Minor Compliance</p>	<p>The implementation and monitoring of the documented environmental improvement plans were reviewed on an annual basis. The review for the mill was on 06/01/2016. The reviews for Syarimo 3, 7 and 9 estates were on 15/01/2016, 18/01/2016 and 22/12/2015 respectively.</p> <p>The review had considered the mitigation of negative impacts and promotion of positive ones such as the maintenance of the fencing for the water ponds and signages.</p>	Complied
Criterion 5.2		
<p>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>		
Indicators	Findings and Objective Evidence	Compliance

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<p>5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>Major Compliance</p>	<p>The Internal "HCV & Conservation Areas" assessment report for the mill and estates had incorporated feedbacks provided by the various governmental agencies such as Department of Forestry, Sabah, Sabah Wildlife Department, Environmental Protection Dept and Dept of Irrigation and Drainage. The assessment made was in accordance with the recommended RSPO-'HCVF Toolkit'. This assessment report was reviewed on 28/12/2015.</p> <p>The overall landscape surrounding the PMU, that includes wildlife corridors, had been considered in the HCV assessment report.</p> <p>For each estate, the HCV areas were identified, e.g. river and tributaries/riparian buffer zones (HCV 4 & 5), worship area (HCV 6), bordering forest reserve (HCV1).</p> <p>At Syarimo 3 estate, the location of conservation areas such as the buffer zone along the tributaries of the Lamag River were adequately identified. Noted that the RiLeaf project ended on Dec 2015. There is also a church in this estate.</p> <p>During current assessment, it was verified that monitoring of identified conservation areas at Syarimo 7 and 9 estates which have boundaries adjacent to the Malua Forest Reserve has been implemented and maintained.</p>	<p style="text-align: center;">Complied</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>Overall, the recommendations and feedback provided by the various parties during their internal HCV consultation had been considered in the "HCV & Conservation Areas" management plans at the respective estates.</p> <p>The HCV report had reviewed the conservation needed for the wildlife identified such as proboscis monkeys, estuarine crocodiles, pygmy elephants, orang utan, long and short tailed macaque, white beaked hornbills and other wildlife which are protected under the Protection of Wildlife Act 1972 (Act 76) and Sabah Wildlife Conservation Enactment 1997 and IUCN Red List 2008.</p> <p>Updated posters as provided by the Sabah Wildlife Department were noted to have been displayed at the estates offices and copies pasted in the estate Patrol Log Books.</p> <p>Regular patrols on a weekly basis within the Syarimo PMU had been carried out and recorded by the respective estate executives to monitor the HCV and buffer areas. The occasional sightings of various types of wildlife encountered found to have been recorded.</p> <p>Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented. Large signages that prohibit hunting, fishing and water polluting activities were verified on-site and found to have been satisfactorily maintained.</p> <p>Feedback received from Forestry Dept, Sabah confirmed that in their periodic field visits, there has been no presence of any ERTs detected along the boundary with the IOI estates.</p>	<p style="text-align: center;">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 instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill</p>	<p>There is evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signages erected which prohibit such activities.</p> <p>A programme has been established with ongoing consultation with the local Wildlife authorities, to regularly educate the plantation workers and other workforce about the status of RTE species and the consequences in</p>	<p style="text-align: center;">Complied</p>

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these species. Minor Compliance	accordance with company rules and national laws of any infringement.	
5.2.4 Where an action plan has been created there shall be ongoing monitoring: <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. Minor Compliance	Management plans were established and monitoring outcomes were reviewed by the estate managers. Ongoing monitoring of the management plan on the status of HCV and RTE has been documented and evidence of reporting verified to be available.	Complied
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. Minor Compliance	It was verified that there are no local communities or villages at the Syarimo PMU. So far, there was no instance of HCV set-aside that conflicts with the rights of local communities. Thus negotiated agreement of such nature is not applicable.	Not applicable
Criterion 5.3		
Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.		
Indicators	Findings and Objective Evidence	Compliance
5.3.1 All waste products and sources of pollution shall be identified and documented. Major Compliance	The following waste products and sources of pollution have been identified and documented at the PMU: scheduled waste, domestic waste, clinical waste, recyclable wastes (metal, plastic, paper, glass) and mill wastes (EFB, carp fibre, boiler ash, POME). Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory. Proper areas were identified for the storage of the recyclable wastes at the estates and mill. All mill and estates also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Scheduled Waste such as spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers / drums (SW 409), used filters (SW 410), clinical waste (SW 404), used batteries (SW 102) were properly labeled and stored. Appropriate secondary containment was verified to be maintained at the scheduled waste storage areas. The scheduled waste storage area had restricted access to authorized personnel only. MSDS/CSDS instructions were available and adhered to.	Complied
5.3.2 All chemicals and their containers shall be disposed of responsibly. Major Compliance	All Scheduled Wastes have been disposed by licensed contractors within 180 days as stated. Disposal of scheduled wastes verified to be in compliance with EQ (Scheduled Waste) Regulation 2005. The last disposal of Scheduled Wastes were by Lagenda Bumimas (DOE registered) for SW 305, 306, 409 and 410. Clinical wastes (SW 404) collected and transferred to Hospital Kinabatangan for eventual disposal. It was verified on-site that the records, i.e. Consignment Notes and related documentation has been satisfactorily maintained at the mill and estates.	Complied

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<p>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. Minor Compliance</p>	<p>Waste management and disposal plans were documented and implemented at the POM and estates. Verified that the 5 years landfill location planning and maps were available. Sampled landfills physically verified on site at the estates. The designated landfill areas at Syarimo 3 and Syarimo 9 estates were verified to be at least 50 m away from any streams/water sources and housing/dwelling areas. Thus the risk of contamination has been observed to be avoided. Recycling of crop residues/biomass, i.e. EFB and POME had been implemented. Recycling bins of three different colour codes for specific recycle waste were available in the POM and estates and were used for solid waste segregation and recycling.</p>	<p>Complied</p>
<p>Criterion 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. Minor Compliance</p>	<p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where palm fiber and PK shells were used as renewable energy/fuel on a 80:20 ratio basis. Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product at the POM were available. For July 2014/June 2015, diesel usage was 10.86 liters per MT CPO. The construction of a bio-gas plant at the PMU has been approved and will be completed within 9 months.</p>	<p>Complied</p>
<p>Criterion 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
<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 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003. Major Compliance</p>	<p>The PMU had adhered to the IOI group policy of 'Zero open burning' for any replanting at the estates. No evidence of open burning was found during on-site inspection at the estates.</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 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003. Minor Compliance</p>	<p>The PMU has a 'zero burning' policy for replanting at the estates. Replanting at the PMU will only commence in year 2018. 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>Criterion 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>Annual review of environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land were carried out for the mill on</p>	<p>Complied</p>

<p>emissions and effluent (see Criterion 4.4). Major Compliance</p>	<p>06/01/2016. The reviews for Syarimo 3, 7 and 9 estates were on 15/01/2016, 18/01/2016 and 22/12/2015 respectively. Mill gas emissions as monitored online by DOE, Sandakan using the Continuous Emissions Monitoring System (CEMS) verified to be within the permissible limits of DOE. POME treatment, monitoring and land application were monitored, maintained and adhered to DOE regulations.</p>	
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance</p>	<p>The significant pollutants and greenhouse gas (GHG) emissions were identified, e.g. POME, diesel / fuel and fertilizer usage have been documented at the PMU. This has been verified on-site. The PMU has been monitoring the GHG emissions under their ISCC EU certification for sustainable biofuels production. Plans for the reduction or minimization of GHG is being formulated which will be directed from the IOI Group HQ.</p>	<p align="center">Complied</p>
<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. Minor Compliance.</p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are available. Dust emission monitoring was conducted by DOE registered consultant in Aug and Oct 2015 in accordance with the EQ (Clean Air) Reg.1978 – Std C. The average dust emission concentration is 0.090 g/Nm² and found to be within the permissible limit of 0.400 g/Nm². 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. It was verified that the POME is treated via ponding system, i.e. overall 16 ponds used. (7 ponds being aerobic and anaerobic ponds). Water samples were taken monthly and tested by mill environment officer in charge and analyzed to ensure compliance to DOE requirements at final discharge point. The discharged water is 100% used for land application into Syarimo 3 estate. Records are maintained and verified on-site to have met the permissible regulatory limits. The average BOD for Jan to Dec 2015 is 17.45 ppm, which is within the DOE permissible limit.</p>	<p align="center">Complied</p>

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

<p>Criterion 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance</p>	<p>At Syarimo 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. External stakeholders' consultation was held on 17 Dec 2015 at Syarimo</p>	<p align="center">Complied</p>

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	<p>Recreation Club. Attendance list was verified and 39 external stakeholders attended the consultation which include contractors, suppliers, government agencies, police, villagers, nearby plantations, etc.</p> <p>Internal consultations were held in each estate visited which involved the estate managements and their workers. This was conducted in Syarimo POM on 04 Jan 2016, in Syarimo 3 on 13 Jan. 2016 and in Syarimo 7 on 09 Oct 2015.</p> <p>Revision of the SIAs have been made at each estate audited, e.g. in Syarimo POM revision was made by Social Liaison Officer, Darwis Labaronko, AMM on 01 Oct 2015, while in Syarimo 7 estate revision was made by Social Liaison Officer, Davis Johnny on 15 Jan 2016.</p>	
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>Major Compliance</p>	<p>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.</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 and 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 implementations were in progress. Latest Social Plans sighted are for the period of May 2015-Jun 2016 at both estates and from Jan-Dec 2016 for Syarimo POM.</p> <p>For example in Syarimo PMU, poor drainage system at the linesite was brought up during the internal consultation and this was immediately included in the 2016 budget proposal for improvement.</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

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<p>6.2.1 Consultation and communication procedures shall be documented. Major Compliance</p>	<p>IOI's Group consultation and communication procedures are available via website link: http://www.ioigroup.com/Corporateresponsibility/environment_plantation.cfm The PMU has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. its workers, government agencies, contractors, neighbouring plantations by personal invitation to attend the internal and external stakeholders' consultation meetings. Main SIA reports for the POM and estates are still within valid period, i.e. within 5-year main revision period, thus no external stakeholders' consultation meetings have been organized.</p>	<p>Complied</p>
<p>6.2.2 A management official responsible for these issues shall be nominated. Minor Compliance</p>	<p>Nominated respective officers at the operating unit are responsible to represent the PMU Syarimo grouping when any relevant issues raised by local communities and other affected or interested parties. For example Darwis Labaronko, AMM is identified in the SIA as Social Liaison Officer for Syarimo POM and Davis Johny, AM in Syarimo 3 estate.</p>	<p>Complied</p>
<p>6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance</p>	<p>The maintenance of the list of stakeholders at the IOI Syarimo grouping is adequate and has ensured that the list is kept current. Noted that there are open and transparent methods for communication and consultation which has taken into consideration the local mechanisms including migrant workers and languages. The lists of stakeholders are updated on a monthly basis and records of meetings were maintained. List of stakeholders dated 15 Dec 2015 was sighted in Syarimo POM.</p>	<p>Complied</p>
<p>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.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. Major Compliance</p>	<p>All estates in Syarimo grouping have established complaints and grievances procedures and they were all well implemented. Complaints and Grievances logbooks were sighted in all audited estates and actively used by workers. Timelines for response to complaints and grievances are either through the logbook or ECC representatives are appropriately established and implemented. Generally respond time for minor requests will be within 2-3 days and up to one month for major requests. 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 the make the report personally or through nominated workers' representatives. It is verified during on-site interviews that there were no incidences of dispute or grievance of a serious nature. Since Feb 2014, IOI grouping had developed "Dasar Pemberi Maklumat (Whistleblowing)" which was approved by Jawatankuasa Audit dan Pengurusan Risiko.</p>	<p>Complied</p>

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<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available. Minor Compliance</p>	<p>The PMU have a system for handling compensation claim in an effective, timely and appropriate manner. So far there has not been any dispute raised which was verified during on-site interviews with the workers.</p>	<p>Complied</p>
<p>Criterion 6.4 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.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance</p>	<p>There were no borders at the estates audited in Syarimo grouping adjacent to any villages or native land. Therefore, there has been no records of any negotiation or compensation pertaining to this criteria. No changes in status as of audit day hence no negotiation or compensation pertaining to this criterion</p>	<p>Not applicable</p>
<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. 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 Syarimo PMU.</p>	<p>Complied</p>
<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. 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>	<p>Complied</p>
<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>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.5.1 Documentation of pay and conditions shall be available. Major Compliance</p>	<p>Offer letters and work contracts for new local staff are verified. Foreign workers also signed a contract which met the industry minimum standards including included extra pay under the statutory fringe benefits. Valid permit until 01 Jun 2016 for wage deduction from Labour Office was also verified. At Syarimo POM, a letter requesting permission for women workers to continue working the 7pm – 3 am shift to Labour Office was also verified.</p>	<p>Complied</p>
<p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment</p>	<p>In Syarimo grouping since Jan 2013 offer letter has been revised to reflect the new Minimum Wage Order 2012. The employment contracts used are approved by the Sabah</p>	



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<p>(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>Minor Compliance</p>	<p>Human Resources Department, i.e. Jabatan Tenaga Kerja Sabah. The passports, work permits, insurance, permits for allowable deduction and permits for workers are all in order in the estates visited. There are two insurance coverage for workers for each estate and the Syarimo POM, i.e. Foreign Workers Compensation Scheme [FWCS] and Workmen's Compensation Insurance, both are insured by MSIG and expired on 30 Sep 2016.</p> <p>The document covers all issues 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>At the estates audited, a number of field workers received less than RM800 as required in Minimum Wages Order. Main reasons provided by the management was either due to absent from work, long holidays or low productivity. These reasons were verified during the audit, e.g;</p> <p>Syarimo POM Herman Hasan RM318 Nov '15 1 mth holidays Bofan M. Pandi RM132 Dec '15 1 mth holidays</p> <p>Syarimo 3 estate Juliana Abdul RM417 Oct '15 1d absent, ↓ productivity Eric Abdul RM402 Nov '15 ↑ absent days Jumda Pasihur RM371 Dec '15 ↑ absent days</p> <p>These workers are required to sign on a separate sheet indicating they agreed with the payment and understood the reasons why they received the amount less than the minimum pay.</p> <p>Foreign as well as local workers hired by IOI and the contractors are provided with free housing and clean water supply, free electricity, medical benefits, insurance cover and basic amenities, that overall constitutes decent living for the employees.</p> <p>Deduction for passport is indicated in the payslip. Application for allowable deduction submitted to JTK in Oct 2015 by the Lahad Datu Region Office for the whole IOI Lahad Datu plantation groupings, i.e. Syarimo, Morisem, etc. Workers also signed an agreement for the deduction in a form titled "Perjanjian Potongan Gaji Pekerja. Permit for women to work in night shift had expired and a new application was submitted on 09 Nov 2015. The application was forwarded on 13 Nov 2015 to JTK KK by JTK Kota Kinabatangan. There is no further communication since then [JTK.H.IP600-14/1()].</p> <p>List of gazetted public holidays were not displayed in easily accessible locations in Syarimo 7 and 9 estates as required in Sabah Labour Ordinance, Section 103(2), i.e. "The employer shall exhibit conspicuously at the place of employment before the commencement of each calendar year a notice specifying the remaining ten gazetted public holidays..."</p>	<p>Minor NC # JMD-01</p>
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare</p>	<p>PMU Syarimo grouping has provided adequate housing, water supplies, medical, educational and welfare amenities in accordance with Local - Workers' Minimum Standard of</p>	<p>Complied</p>

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<p>amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>Minor Compliance</p>	<p>Housing and Amenities.</p> <p>Line sites are kept clean with adequate frequency of rubbish collection per week. New housing blocks were being built for Syarimo POM workers.</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 estate are provided with free electricity and treated pond water 24 hours daily.</p> <p><u>Schools</u></p> <p>The foreign workers' children received free education in a NGO-managed school, i.e. Humana. Maintenance of the school building, furniture, electric and water supplied is under the purview of the estate management. Furthermore, a number of foreign teachers originally from Indonesia are paid by the estate management as well.</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. The workers also go out to town once a month after pay day to buy sundries.</p> <p><u>Crèche (Rumah Asuhan Kanak-kanak)</u></p> <p>Creche is available in each estate and they are well maintained. The crèche ayahs are well trained on procedures of using the first aid kits. Depending on the estate management, some crèche are provided biscuits or chocolate drink.</p> <p><u>Medical clinics</u></p> <p>The clinic in Syarimo 2 estate also attended to patients from both Syarimo 2 and Syarimo 3 estates. The clinic in Syarimo 7 estate also attended to patients from both Syarimo 7 and Syarimo 9 estates. The Health Attendants at the clinics are also responsible for monitoring and maintaining acceptable living standard in the workers' quarters, e.g. building maintenance, rubbish collection, drainage system, children education, etc.</p>	
<p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>Minor Compliance</p>	<p>Syarimo PMU has ensured that the workers have access to adequate, sufficient and affordable food by providing the workers with local sundry shops within the group compound. It is verified that office staff were provided with transport to go shopping for sundry items in town at the end of each month, i.e. after pay day upon specific request.</p>	<p style="text-align: center;">Complied</p>
<p>Criterion 6.6</p> <p>The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>

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<p>6.6.1 A published statement in local languages recognising freedom of association shall be available. Major Compliance</p>	<p>The published policy statements which recognize the employee's freedom of association, were noted to be available in Bahasa Malaysia, English and some local native languages. Each estates audited in the PMU had formed the ECC as a mechanism to cater to the collective bargaining needs of the workers. Minutes of ECC meetings were documented and maintained.</p>	<p>Complied</p>
<p>6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance</p>	<p>Syarimo PMU grouping has displayed a statement (in local languages) recognizing freedom of association at the Palm Oil Mill office. Employee representation was through the Employees Consultative Council (ECC) which has representation from the different levels of workers who are elected by the workers. In all meeting minutes of ECC, list of attendance and photos of the session were kept in file showing evidence of participation of affected parties. ECC meetings were conducted four times a year. The latest meeting was on 22 Dec 2015 for the POM and on 19 Oct 2015 for Syarimo 3 estate.</p>	<p>Complied</p>
<p>Criterion 6.7 Children are not employed or exploited.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.7.1 There shall be documentary evidence that minimum age requirements are met. Major Compliance</p>	<p>There was no evidence of any child labor being used at the estates. The Child Labour policy adopted by estate management 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 proper education of the foreign (Indonesian) workers' children. Children at the appropriate age for secondary school are sent to the Indonesian school organised by Indonesian Consulate in Sabah. Inspections of the employment records including field trips in the estates confirmed that this criterion has been complied.</p>	<p>Complied</p>
<p>Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance</p>	<p>The policy statements which recognize Equal Job Opportunity were widely available and displayed in local languages and English. Interviews and examination of the employment records (including foreign workers), pay slips and deductions of wages (according to law) confirmed that this criteria has been maintained.</p>	<p>Complied</p>
<p>6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance</p>	<p>Based on interviews and feedback from the employees and foreign workers and review of ECC meeting minutes, it was verified that there has been no issue of discrimination at the PMU.</p>	<p>Complied</p>

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<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>Syarimo 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 on agents' recommendation. However, it was evident that no discrimination on promotion as both men and women, local and foreign workers have equal opportunity to be promoted.</p>	<p>Complied</p>
<p>Criterion 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>The established social policy has covered aspects on sexual harassment, gender and women reproductive rights.</p> <p>There was a documented procedure on the management of sexual harassment and one case reported in 2014 was handled with utmost confidentiality and fairness.</p> <p>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. One woman worker found voluntarily resigned from work due to her pregnancy during the audit.</p> <p>There are gender committees specifically to address areas of concern to women. These committees headed by the managers and members are representatives from all areas of work. The minutes of meetings were documented and maintained. For example, in the POM, latest GCC meeting was conducted on 19 Nov 2015.</p> <p>The policy statements which recognize sexual harassment, gender and women reproductive rights were widely available and displayed in local languages and English. Briefing sessions have been conducted in all estates audited as well at the POM for both male and female workers.</p>	<p>Complied</p>
<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>The established social policy has covered aspects on sexual harassment, gender and women reproductive rights.</p> <p>Meeting minutes of activities of the committee. Gender Consultative Committees (GCC) has been maintained and verified.</p>	<p>Complied</p>
<p>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.</p> <p>Minor Compliance</p>	<p>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 maintained.</p>	<p>Complied</p>
<p>Criterion 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>Minor Compliance</p>	<p>The POM and the estates do not have any dealings with smallholders.</p> <p>There was also no evidence to suggest of any unfair business practices with the local businesses.</p>	<p>Complied</p>
<p>6.10.2 Evidence shall be available that growers/millers have explained FFB</p>	<p>The PMU maintained records on current and past prices</p>	<p>Complied</p>

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<p>pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).</p> <p>Major Compliance</p>	<p>paid for FFB. Monthly prices are displayed at the POM office and FFB price data are available to the public upon request.</p>	
<p>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.</p> <p>Minor Compliance</p>	<p>Based on employee contracts and meeting minutes (between Syarimo management and employee) it is evidenced that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>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.</p>	<p style="text-align: center;">Complied</p>
<p>6.10.4 Agreed payments shall be made in a timely manner.</p> <p>Minor Compliance</p>	<p>The PMU has a policy to ensure agreed payments were made in a timely manner as per the contracts of agreement made. Payments are made on time according to common practice of 60-day grace period.</p>	<p style="text-align: center;">Complied</p>
<p>Criterion 6.11 Growers and millers contribute to local sustainable development where appropriate.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.</p> <p>Minor Compliance</p>	<p>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 independence to acquire proper travelling documents if they do not have any.</p> <p>With regards to HUMANA school, it was noticed that the management of Syarimo 2 estate is in progress of rebuilding the HUMANA school. In Syarimo 7 estate, the management has helped HUMANA to set up a higher education school for the older children of foreign workers.</p>	<p style="text-align: center;">Complied</p>
<p>6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity</p> <p>Minor Compliance</p>	<p>It was verified that there was no smallholders' scheme at this PMU.</p>	<p style="text-align: center;">Not applicable</p>
<p>Criterion 6.12 No forms of forced or trafficked labour are used.</p>		
<p>6.12.1 There shall be evidence that no forms of forced or trafficked labour are used.</p> <p>Major Compliance</p>	<p>Estate workers are sourced by the IOI appointed agents and handled via IOI Lahad Datu Region Office.</p> <p>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 was confirmed that there has been no occurrence of forced nor trafficked labour in the PMU.</p>	<p style="text-align: center;">Complied</p>
<p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred.</p> <p>Minor Compliance</p>	<p>No cases have been found and this is confirmed that during interviews with workers and contractors.</p>	<p style="text-align: center;">Complied</p>



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<p>6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.</p> <p>Major Compliance</p>	<p>A policy on Equal Opportunity was adopted and implemented by the PMU and verified to have covered all necessary aspects of foreign workers related issues.</p>	<p>Complied</p>
<p>Criterion 6.13 Growers and millers respect human rights.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).</p> <p>Major Compliance</p>	<p>The "Sustainability Policy Statement" dated Mar 2014 signed by Dato' Lee Yeow Chor has been implemented by the PMU and verified to have covered the necessary aspects of human rights related issues.</p>	<p>Complied</p>
<p>6.13.2 As long as children of plantation workers of Sabah and Sarawak are not secured a right to go to government school, the plantation companies should engage in a process to secure the children of the plantation workers access to education as a moral obligation.</p> <p>Minor Compliance</p>	<p>The PMU is in collaboration the Yayasan Peduli Pendidikan Anak Indonesia (YPPAI), which is an NGO, catering to the primary and secondary education needs of the children of Indonesian foreign workers.</p> <p>It was verified that free transport has been provided for children of the foreign workers and the PMU has maintained contribution to the monthly operation of the primary school.</p> <p>Inspections of the employment records including field visits to the estates of confirmed that this criterion has been complied.</p>	<p>Complied</p>

Principle 7: Responsible development of new plantings

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

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

<p>Criterion 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</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); 	<p>The PMU has identified the social and environmental impacts in the internal SEIA, which was verified to be implemented and monitored.</p> <p>The POM has identified and implemented the following Continual Improvement Action Plans:</p> <ol style="list-style-type: none"> 1. Buildings (futsal, workshop, store, biogas plant) 2. Machinery (underground tank, anaerobic mixer, screw ribbon conveyer). 3. Vehicle. 4. Lab equipment. 5. CCTV system. 6. Water and septic tank. 7. Fencing for effluent area. 	<p>Complied</p>



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<ul style="list-style-type: none">• 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 estates have identified and implemented the following Continual Improvement Action Plans:</p> <p><u>All estates</u></p> <ol style="list-style-type: none">1. To reduce the usage of pesticides.2. Increase growing of beneficial plants (<i>Tumera subulata</i>, <i>Cassia cobanensis</i>, and <i>Antigonon leptopus</i>) along main roads and field roads.3. Application of EFB on all frond heaps.4. Reuse fertilizer bags for loose fruit collections. Recycle the usage of pesticide containers for carrying pre-mixed pesticides for spraying.5. Increase the quality and yield of FFB. <p><u>Syarimo 3 estate</u></p> <ol style="list-style-type: none">1. Tile flooring for Syarimo 3 estate office,2. New signages,3. Additional diesel skid tank,4. Portable Data Bundle (PDB),5. Replace wooden bridge with metal bridge,6. Humana School (facility, maintenance, transport). <p><u>Syarimo 7 estate</u></p> <ol style="list-style-type: none">1. Surau2. Staff quarters,3. Community hall,4. Workers quarters,5. General store,6. Muslim cemetery,7. Warer flow meter, <p><u>Syarimo 9 estate</u></p> <ol style="list-style-type: none">1. New workers quarters,2. Signal booster,3. New safety sign,4. Palm top training. <p>Evidence of results was available for the above continuous improvement action plans.</p>	
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3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

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

Details of findings are as follows:

D.1 Definition		
Indicators	Findings and Objective Evidence	Compliance
<p>D.1.1</p> <p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>The POM only processed FFB from its own supply base (see Section 1.3). It was verified that there was no sources of FFB from any outgrowers or independent suppliers / smallholders.</p> <p>The CPO Mill is therefore applying the Identity Preserved (IP) module.</p>	Complied
D.2 Explanation		
Indicators	Findings and Objective Evidence	Compliance
<p>D.2.1</p> <p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report.</p> <p>This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual 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. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced has been recorded in each annual surveillance report (see Section 1.8.2 Table 6 and Section 1.8.3 Table 7).</p>	Complied
<p>D.2.2</p> <p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The POM meets all registration and reporting requirements for the appropriate supply chain through the RSPO Supply Chain managing organization (RSPO IT platform or book and claim).</p>	Complied
D.3 Documented procedures		
<p>D.3.1</p> <p>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>Documented procedure for IP Module is: RSPOSC/SOP/IP/3 issue 04, 02/01/2015.</p> <p>The procedure covered the implementation of all elements of IP Module.</p>	Complied

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<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 Identity Preserved (IP) Module D that include controlling the FFB receipt, processing, sales, CPO and PK dispatch, and records keeping.</p>	<p>Complied</p>
<p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>Mill manager, Mr. Genga Raj Chimmathiri (089-568700 sypom@yahoo.com) has the overall responsibility and authority for implementation and compliance with the documented procedure. He and other relevant staff (e.g. Asst. Mill Manager, Mr. Darwis Labaronko) under his charge demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard Module D requirements and its implementation. Interviews of the relevant staff confirmed their knowledge of the RSPO Supply Chain Certification requirements for the respective areas of operations.</p> <p>The Palm Oil Mill Organization Chart and job responsibilities of employees (Mill Manager, Assistant Manager, Engineers, Assistant Engineers, Technicians, Security Officer, Weighbridge Operator, Laboratory Chemist and clerks) have been suitably defined in the IOI Management System Manual.</p>	<p>Complied</p>
<p>D.3.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>For the period FY 2014/2015, the POM only received and processed FFB from the PMU estates. The PMU did not receive any non-certified FFB from other sources or suppliers.</p> <p>All supplies of FFB were subjected to verification of documents and quality checks by weighbridge personnel.</p> <p>The identification and documentation needed for supply and processing from the other sources or suppliers are adequately addressed under the procedure.</p> <p>The POM has 4 CPO storage tanks that stored the IP quantities.</p>	<p>Complied</p>
<p>D.4 Purchasing and goods in</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.4.1 The facility shall verify and document the tonnages and sources of certified and non-certified FFBs received.</p>	<p>The Mill had maintained record of tonnages and supply source of FFB from the respective estates at the weighbridge station, in the dispatch chit and weighbridge ticket and these are reported daily to the Lahad Datu Regional office and weekly to the Head Office at Putrajaya.</p>	<p>Complied</p>
<p>D.4.2 The facility shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>The Mill monitors FFB reception, CPO and PK production. IOI HQ and POM has an internal monitoring and reporting mechanism for advising</p>	<p>Complied</p>



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	the CB of production variations such as projected overproduction situation, when such issue arises. So far, there is no projected overproduction.	
D.5 Record keeping		
Indicators	Findings and Objective Evidence	Compliance
D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	The records and reports are available from the computerized system. Also, hard copies of records and reports are properly filed and readily accessible. Inspection of records and reports at the Mill confirmed these were accurate, complete and updated daily. As per the SOP, the records and reports are archived and stored in the Mill Office for a minimum period of 5 years.	Complied
D.6 Processing		
Indicators	Findings and Objective Evidence	
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.	Confirmed from records that the POM only received and processed certified FFB from its PMU estates for FY2014/2015. The processing facility has established and implemented a clear procedure and mechanism for the IP module. Review and on-site verification confirmed that the mechanism was implemented and in compliance with the module requirements at the mill, including transport and storage. Transaction documents and bookkeeping of FFB, CPO and PK are done daily and monthly summary submitted to Head Office. A volume balance recording system that shows FFB deliveries, CPO and PK production and dispatch is balanced every 3 months. The POM does not produce PKO. The PK is sold to IOI Edible Oil and there is no outsourcing of the PK crush to an independent palm kernel crusher.	Complied
D.6.2 The objective is for 100 % segregated material to be reached.	Documents and records provided documented evidence that the FFB receipt and processed, and CPO and PK produced are traceable to 100% certified material. The product type and supply chain module indicated as CSPO/IP and CSPK/IP on relevant documents.	

3.1.2 Status on Supply Chain on POM:

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

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3.1.3 Monitoring of CSPO and CSPK traded:

Trading of the CSPO and CSPK was monitored by the POM via RSPO eTrace including RSPO GreenPalm and ISCC. The records maintained at the POM relied on internal communications of the trading done by the HQ, Kuala Lumpur on the CSPO delivered to IOI Edible Oils Sdn Bhd (Refinery). The volumes of CSPO traded as verified during assessment are as follows:

	CSPO - Actual Jul 2013 / Jun 2014 (MT)	CSPK - Actual Jul 2013 / Jun 2014 (MT)	CSPO - Actual Jul 2014 / Jun 2015 (MT)	CSPK - Actual Jul 2014 / Jun 2015 (MT)
RSPO	49,379.15	0	77,404.66	10,450.00 (Nov 2014 - Jun 2015)
Book & Claim (Green Palm)	0	0	0	0
ISCC	26,387.97	0	14,051.95	0
Total Traded	75,767.12	0	91,456.61	0
Actual Produced	86,723.98	21,470.92	94,985.03	22,367.20

Notes:

- Based on records maintained at the POM, it was verified that the total tonnage of CSPO traded has not exceeded the annual certified quantity.
- The PK is entirely sold to IOI Edible Oil at Sandakan and there is no outsourcing of the PK crush to an independent palm kernel crusher.

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	2012	3 – Minor	1	All NCRs and OBS closed during ASA-01.
Annual Surveillance - 01	2014	Nil	1	All OBS closed during ASA-02.
Annual Surveillance - 02	2015	1 – Minor	6	NCR and OBS closed during ASA-03
Annual Surveillance - 03	2016	1- Major, 1- Minor	0	Next surveillance

3.2.1 Year 2015: ASA-02 (1 Minor NCR)

NCR	MYNI Indicator	Details of NCR
Minor CBK-01	4.2.2	<p>Date issued: 29/01/2015</p> <p>Nonconformance: Application of fertilisers (NK and RP) was noted to have been carried out at Syarimo 8 Estate according to Manuring Programme 2014 for Field No. 01D, 01F, 1G, 01H and 01L from Jul to Dec 2014. However, fertilizer application records e.g. Operation Cost Sheet: Manuring, for some of the months of 2014 (e.g. Jul, Sep and Nov) were inconsistently maintained.</p>

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	<p>Root Cause and Corrective Action:</p> <p>Root cause - The root cause of the issue was due to the frequent changes in the estate's management team in the previous years. The record were not properly monitored therefore there are a lot of gaps found within the record during the audit. Nonetheless, with the new and current estate management, as well as within the Syarimo plantation group itself, the team has started to stabilize and missing gaps which would include the preparation of the costing record, are progressively being closed,.</p> <p>Corrective Action - The fertilizer costing record has been prepared by the estate's field supervisor as well as the executive by referring and extracting the data from accounts, muster chit, checkroll record and stock book. The record will be continuously monitored by the estate executives to ensure the continuation of the preparation of the costing record.</p>		
	<p>Verification (Corrective Action):</p> <p>Corrective action plan with supporting evidence submitted is reviewed and has satisfactorily addressed the non-conformance.</p>		
	<table border="1"> <tr> <td>NC status verified by auditor: Closed by AL</td> <td>Date closed: 13/02/2015</td> </tr> </table>	NC status verified by auditor: Closed by AL	Date closed: 13/02/2015
	NC status verified by auditor: Closed by AL	Date closed: 13/02/2015	
	<p>Verification (for effective closure):</p> <p>Verified during ASA-03 that the corrective action taken was implemented effectively.</p>		
	<table border="1"> <tr> <td>NC status verified by auditor: OCL</td> <td>Date verified: 25/01/2016</td> </tr> </table>	NC status verified by auditor: OCL	Date verified: 25/01/2016
NC status verified by auditor: OCL	Date verified: 25/01/2016		

3.2.2 Year 2016 ASA-03: 2 NCRs (1 Major and 1 Minor)

NCR	MYNI Indicator	Details of NCR
Major NR-01	4.5.1	<p>Date issued: 28/01/2016</p> <p>Nonconformance: All the estates audited (i.e. Syarimo 3, 7 and 7) have a management plan for IPM that involved the establishment and maintenance of beneficial plants (<i>tunera subulata, cassia cobanensis, antigonon leptopus</i>). However, Syarimp 3 estate did not fully implemented the management plan as follows: (3) The targeted additional planting of beneficial plants was not achieved. (4) The seedlings in the nursery were not sufficient for the targeted plantings.</p>
		<p>Root Cause and Corrective Action:</p> <p><u>Root Cause:</u> The targeted planting of the beneficial plant was not achieved due to unavoidable complication such as lack of manpower specifically for the planting programme and the dry weather throughout the period of year 2015 which is not ideal for the planting to be carried out. Furthermore, the earlier planting programme were set quite high and a bit overambitious considering some of the field in the estate are prone to flash flood which may cause the plant in the area to die.</p> <p><u>Corrective Action:</u> As for the corrective action, the estate had set up a bigger nursery for the seedlings of the plants so that it will be able to meet up with the expectation in the planting programme in the estate. As the planting of the beneficial plant is more crucial along the main road and also to avoid overambitious planting programme, the planting of the plants for the field road has been limited to the area which is suitable and has a higher risk of the attack of the bagworms. The areas/fields which are prone to flooding are excluded in the planting programme to ensure the mortality rates of the planted seedlings are kept minimal. The programme and the planted beneficial plant will be monitored closely and to ensure the plant will be able to grow properly to be able keep up with the documented programme.</p>

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		<p>Verification (Corrective Action): Off-site verification carried out. Verified that the larger nursery as evidenced by submitted photos and the revised programme for beneficial plant are acceptable. The corrective action satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 20/02/2016</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 20/02/2016
NC status verified by auditor: Closed by OCL	Date closed: 20/02/2016			
		Verification (for effectiveness): At next ASA-04		

NCR	MYNI Indicator	Details of NCR		
Minor JMD-01	6.5.2	Date issued: 28/01/2016		
		<p>Nonconformance: List of gazetted public holidays were not displayed in easily accessible locations in Syarimo 7 and 9 estates as required in Sabah Labour Ordinance, Section 103(2), i.e. "The employer shall exhibit conspicuously at the place of employment before the commencement of each calendar year a notice specifying the remaining ten gazetted public holidays..."</p>		
		<p>Root Cause and Corrective Action: <u>Root Cause:</u> It was mostly an oversight from the estates management to ensure the list is properly displayed in strategic places/location due to the assumption that the workers already know the dates of the gazetted holiday which they are entitled to from the calendar as well as from the verbal briefing during the morning muster call. The list which is previously displayed only at the estates' office was thought to be sufficient in case the workers need to refer and confirm which dates of the gazetted public holidays that they entitled to.</p> <p><u>Corrective Action:</u> For corrective action, the management has displayed the list of gazetted public holiday at the rest of the strategic, easily accessible locations such as the Muster Ground, the Sundry/Grocery Shop, Mosque and all other available notice board available in the estate. The list will be monitored from time to time to ensure it will be in good condition for the reference of the workers.</p>		
		<p>Verification (Corrective Action): Off-site verification carried out. Verified that the list of gazette holidays were placed at numerous locations as evidenced from the submitted photos. The corrective action satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 20/02/2016</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 20/02/2016
		NC status verified by auditor: Closed by OCL	Date closed: 20/02/2016	
Verification (for effectiveness): At next ASA-04				

3.2.3 Year 2015: ASA-02: 6 Observations

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
AL-01	5.1.3	Syarimo 1 and Syarimo 8 estates	Monitoring of conservation areas such as water ponds for domestic cleaning use can be improved. E.g. Syarimo 1, main pond no.1, fencing to be repaired and siltation clean up	29 Jan 2015	28 Jan 2016	Closed

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			to be better monitored. Syarimo 8, signages at water pond to be redrawn.			
AL-02	5.2.4	Syarimo 6 and Syarimo 8 estates	Ongoing monitoring at estates with boundary areas near Forest Reserves i.e. weekly patrol adjacent to Lamag Forest Reserve should include some details such as types of wildlife sighted, with photographs attached (if any) and discussion details held occasionally with the Forestry officers and Wildlife Dept officers.	29 Jan 2015	28 Jan 2016	Closed
CBK-01	4.7.1	Hazardous Chemical Store at POM	Repair to the water supply pipeline of the emergency shower was not carried out in a timely manner.	29 Jan 2015	28 Jan 2016	Closed
CBK-02	4.7.3	Syarimo 8	Health and safety training and briefing session were frequently conducted. However, it was sighted during field visit some handlers of sickles had left them exposed while not in use.	29 Jan 2015	28 Jan 2016	Closed
JM-01	6.5.3	Syarimo Mill	The management is in the process of replacing expired and non-functional fire extinguishers as required by the law. Considering fire hazard is not a main threat at the quarters, the management remove majority of the fire extinguishers at the workers quarters and left only four in case of emergency. However, the said four fire extinguishers were also not kept in specific location for emergency use.	29 Jan 2015	28 Jan 2016	Closed
JM-02	6.5.3	Syarimo 6	Linesite inspection is conducted properly and in appropriate frequency. However, emergency exit route obstruction should also be included as an item in the inspection.	29 Jan 2015	28 Jan 2016	Closed

3.2.4 Year 2016 ASA-06: 0 Observations

3.2.5 Identified Positive Elements

- 1) IOI Syarimo is actively involved in the ongoing Malua Wildlife Conservation program.
- 2) IOI Corporation Berhad is one of the largest contributors to the Borneo Child Aid (HUMANA) organisation. Over 60 teachers in engaged under HUMANA are paid by IOI and another 20 teachers are paid by the Government of Indonesia. HUMANA has provided education assistance for more than 2000 children of estate migrant workers.
- 3) The PMU has provided proper infrastructure such as roads, housing and sport facilities.

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 Syarimo 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 (Surveillance Assessment ASA-02 – Year 2015)

Stakeholders' Feedback	PMU Response	Intertek verification / comment on further action (if any)	Further action from PMU (if any)
Government Agencies			
<p>Communication done via email on 24 Dec2014. See list under para 2.5.</p> <p>Feedback via letter dated 28 Jan 2015 from Forestry Dept Sabah. Contents include:</p> <ul style="list-style-type: none"> • Lamag FR and Malua FR are Class 1 Forest Reserve Areas • Buffer zone of 50m to be maintained along boundary of FR with Syarimo estates. • Riparian of 30m to be preserved along rivers and restoration done by planting of forest pioneer species eg Binuang and Laran • Illegal hunting is prohibited and to be monitored. • Open burning is prohibited at boundary near FR areas. 	<p>Requirements by Forestry Dept, Sabah will be adhered to. Ongoing consultations with the Forestry Dept, Sabah will be maintained.</p>	<p>Verified during on-site assessment that the PMU has been implementing the appropriate measures needed. See report details under P&C 4, 5, 6 & 8.</p>	<p>Measures taken and monitoring of implementation is adequate.</p>
Non-Governmental Organizations			
<p>Communication done via email on 24 Dec2014. See list under para 2.5. No feedback received.</p>	<p>No response needed</p>	<p>No response needed</p>	<p>Nil</p>
Local Communities			
<p>Stakeholder interviews were made during assessment from 26-29 Jan 2015 at the PMU</p> <p>Concerns and suggestions received during interviews and stakeholder consultations include:</p> <p>(1) Some sharp corners on the road between Syarimo 4 to the mill are dangerous for those unfamiliar with the area.</p>	<p>Signboard has been erected. Evidence of expenses for upkeep and making a new signboard was verified.</p>	<p>Measures have been implemented to make the road safer for the users, e.g. more signboards, widening of corners and reducing the height of some hills.</p>	<p>No further action required.</p>
<p>(2) Tree fronds towering the</p>	<p>Estate management agreed to</p>	<p>Action taken.</p>	<p>No further action</p>

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estate roads should be removed to expedite drying process during rainy season.	the suggestion.		required.
(3) Residents of Sangau Village should be exempted from paying toll at Syarimo 1 main entrance.	Reduction from RM10 to RM7.20 was made. Villagers requested for further reduction to RM5 during stakeholder consultation on 17 Dec 2015.	IOI management declined the request through a letter sent to the village head dated 4 Jan 2016. The reason stated that the toll imposed by the management is based on the cost incurred for road maintenance. The villagers are free to use the main gate during the weekend and public holidays	No further action required.
(4) Residents of Sangau Village should not be restricted on the use of Syarimo 1 main gate, if necessary during weekend and public holidays.	Estate management agreed to the suggestion.	Restriction on Sangau villagers has been lifted.	No further action required.
Other Interested parties			
Communication done via email on 24 Dec 2014. See list under para 2.5. No feedback received.	No response needed	No response needed	Nil

3.3.2 Feedback Raised by Stakeholders (Surveillance Assessment ASA-03 – Year 2016)

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
Government Agencies: Communication done via email on 07 Dec 2015. See list under para 2.5. No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Non-Governmental Organizations: Communication done via email on 07 Dec 2015. See list under para 2.5. No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Local Communities - Stakeholders' Consultation: At IOI Syarimo PMU, a total of 7 stakeholders were present at the Stakeholders Consultation, (one government agency, 2 transporters, 2 groceries shop owners and one hardware supplier). They were interviewed by the auditors without the presence of any of the PMU staff.			

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<p>Concerns and suggestions received during interviews and stakeholder consultations:</p> <ol style="list-style-type: none"> 1. More corners and dangerous hill slopes on the road between Syarimo 3 and Syarimo 9 estates. 2. Shoplot owners need further clarification on the responsibilities of the estate management and the shop owners on the maintenance of the shoplots. 3. Reduction of road toll for trucks transporting palm oil. 4. Workers are riding motorcycle on the main road in the estates with their family without wearing proper helmet. 	<p>The PMU will consider the concerns and suggestions from the stakeholders briefed by the auditors during the closing meeting.</p>	<p>To be followed up during the next Annual Surveillance Assessment.</p>	<p style="text-align: center;">-</p>
<p>Local Communities - Interviews: Interviews of sampled staff and workers were also conducted by the auditors during field visits from 26 to 29 Aug 2015 at the PMU:</p> <p>Staff/Workers sampling: POM = 15, Estates = 37 Field/sites visits = 29 No issues raised by the sampled staff and workers.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>
<p>Other Interested parties: No feedback received.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>

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4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

Based on the findings above, IOI Syarimo 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 (Nov 2014) for Palm Oil Mill.

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

Signed for and on behalf of
Intertek Certification International Sdn Bhd



Dr. Ooi Cheng Lee
Lead Assessor
Date: 10 Mar 2016

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. Peter Wong
Plantation Controller, Syarimo PMU
Date: 10 Mar 2016

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

Certificate No:	RSPO 928388
Original Issue date:	20 Mar 2013
New issue date (ASA-03):	20 Mar 2016
Expiry date:	19 Mar 2018
Organization	IOI Corporation Berhad
Address of Head Office:	Level 8, Two IOI Square, IOI Resort, 62502 Putrajaya, Malaysia
RSPO Membership No:	2-0002-04-000-00
Plantation Management Unit:	Syarimo Grouping
Address of POM:	KM23, Jalan Kinabatangan, Sg. Pin, Kinabatangan, Sabah
Standards:	RSPO Principles and Criteria (Apr 2013); Malaysian National Interpretation (MY-NI 2014); RSPO Supply Chain Certification Standards (Nov 2014) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernel
Supply Chain model for CPO & PK:	Identity Preserved (IP)

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	
Syarimo Palm Oil Mill (Capacity: 90 MT/hour)	KM23, Jalan Kinabatangan, Sg. Pin, Kinabatangan, Sabah	05°20.001'N	117°46.875'E	18,453
Syarimo 1 estate	Sg. Pin, Kinabatangan, Sabah	05°19.742'N	117°49.510'E	
Syarimo 2 estate	Sg. Pin, Kinabatangan, Sabah	05°19.642'N	117°47.077'E	
Syarimo 3 estate	Sg. Pin, Kinabatangan, Sabah	05°19.769'N	117°46.561'E	
Syarimo 4 estate	Sg. Pin, Kinabatangan, Sabah	05°23.041'N	117°45.877'E	
Syarimo 5 estate	Sg. Pin, Kinabatangan, Sabah	05°21.065'N	117°42.938'E	
Syarimo 6 estate	Sg. Pin, Kinabatangan, Sabah	05°18.919'N	117°45.707'E	
Syarimo 7 estate	Sg. Latangan, Kinabatangan, Sabah	05°17.792'N	117°42.124'E	
Syarimo 8 estate	Sg. Latangan, Kinabatangan, Sabah	05°19.235'N	117°41.489'E	
Syarimo 9 estate	Sg. Latangan, Kinabatangan, Sabah	05°15.714'N	117°42.546'E	

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

Syarimo POM	Annual Tonnages (MT)
Certified FFB	460,127
Certified CPO	94,985
Certified PK	22,367
Supply chain module	Identity Preserved (IP)

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Appendix A:

Qualifications of Lead Assessor and Assessment Team

Dr. Ooi Cheng Lee (OCL) Lead Assessor / Technical Expert

(Palm Oil Mill, Environment, OHSAS, Social, HCV, Land Use and Supply Chain)

- PhD in Welding, Cranfield University, UK
- M.Sc. (Engineering) in Metallurgy, University of Birmingham, UK
- B.App.Sc (Hons), Science University of Malaysia
- Diploma in Translation for Science and Technology, Malaysia Translation Society

Dr. Ooi Cheng Lee is an IRCA Lead Auditor and Lead Tutor for ISO 9001. He is also involved in auditing in other integrated management systems. He has successfully completed the RSPO Lead Assessor Course for Principles and Criteria (RSPO P&C) and the RSPO Supply Chain Certifications (RSPO SCC). He is currently involved in the management of all types of system and process/product certification in Intertek. He has more than 32 years work experience in product and process specifications, research & development, inspection and testing, quality assurance, engineering development, training, product certification, auditing and quality management system certification. He has conducted assessments of organizations in Malaysia, Singapore, Indonesia, Vietnam, Philippines, China, Myanmar, Cambodia and other regional countries. Assessments include those of rubber and oil palm plantations in Malaysia and Indonesia. His previous position as the General Manager of Lloyd's Register Quality Assurance (LRQA) Malaysia include the management of all types of systems certification, including that of environmental (ISO 14001), safety & health (OHSAS 18001) and Clean Development Mechanisms (CDM). He is currently the General Manager in Intertek Certification International Sdn. Bhd. He is a member of the Internal Review Panel for RSPO Assessment reports since May 2011. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2012.

Mr. N. Retnasabapathy (NR) – Assessor / Technical Expert

(Good Agriculture Practice and Integrated Pest Management)

– BSc in Agriculture

Mr. N. Retnasabapathy (NR) has over 25 years work experience in the plantation sector. He has held a Senior Management role in the estate field operations including GAP and IPM. He was a member of the Incorporated Society of Planters (ISP) and had implemented GAP, IPM and workers management system at various estates in Malaysia. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001:2008 and Intertek in House RSPO P&C MYNI Assessor course. He is a member of the RSPO CB Assessment team which audited several RSPO certified Plantation Management Units since 2009.

Mr. Jumat Majid – Assessor – Social Responsibility and Workers Welfare

– BSc (Social Science)

Mr Jumat Majid (JM) has over 13 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 Lead Assessor course. He has also successfully completed training programs in Organic Agriculture Development and had performed organic agriculture inspections and assessments for more than 6 years. He has been involved in NGO work in the areas of social impact assessments within the South East Asia region. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2010.

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Appendix B:

Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
25 Jan 16 Monday (Day 1)	8.00 am – 1.00 pm	Travel to Syarimo grouping Palm Oil Mill (POM) Office		
	1.00 pm - 2.00 pm	Lunch Break		
	2.00 pm – 2.30 pm	Opening Meeting and Briefing at Syarimo grouping POM Office (to be attended by representatives from the Estates as well)		
	2.30 pm – 5.00 pm	Document Review & Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM		
		OCL	NR	JMD
		Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & HCV • P8 Continual Improvement • SCC for POM 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Mill • P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	<ul style="list-style-type: none"> • Review of changes for compliance to revised RSPO P&C, MYNI and RSPO SCC • Verification of effectiveness of corrective actions for non-conformances • Review of Time Bound Plan • Verification for compliance with rules on partial certification 			
	5.00 pm – 6.00 pm	Travel to Hotel & Break		
6.00 pm – 7.00 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity		
		OCL	NR	JMD
26 Jan 16 Tuesday (Day 2)	8.30 am – 12.30 pm	Site assessment at Syarimo 3 estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Syarimo 3 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Syarimo 3 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 Syarimo 3 estate		
	5.00 pm – 6.00 pm	Travel to Hotel & Break		
	6.00 pm – 7.00 pm	Team Meeting and Discussion		

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Date	Time	Assessors and Assessment Activity		
		OCL	NR	JMD
27 Jan 16 Wednesday (Day 3)	8.30 am – 12.30 pm	Site assessment at Syarimo 7 estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Syarimo 7 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Syarimo 7 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 Syarimo 9 estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Syarimo 9 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Syarimo 9 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		
		OCL	NR	JMD
28 Jan 16 Thursday (Day 4)	8.30 am – 11.00 am	Site assessment at Syarimo Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P5 Environmental, Conservation & HCV • P8 Continual Improvement • SCC for POM 	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below): <ul style="list-style-type: none"> • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community • Settlers, in the case of independent and organized smallholders. <p>Notes</p> <p>1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders <u>prior</u> to the assessment.</p> <p>2. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement</p>	
	10.00 am – 12.30 pm	Site assessment at POM or estates to follow up on any specific criteria/areas		
	12.30 pm – 1.30 pm	Lunch Break		



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1.30 pm – 3.30 pm	Preparation for Closing Meeting
3.30 pm – 4.30 pm	Team Meeting and Discussions with Management Representative
4.30 pm – 5.30 pm	Closing Meeting & Briefing at Palm Oil Mill Office
5.30 pm – 6.30 pm	Travel to Hotel

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Appendix C-1:

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



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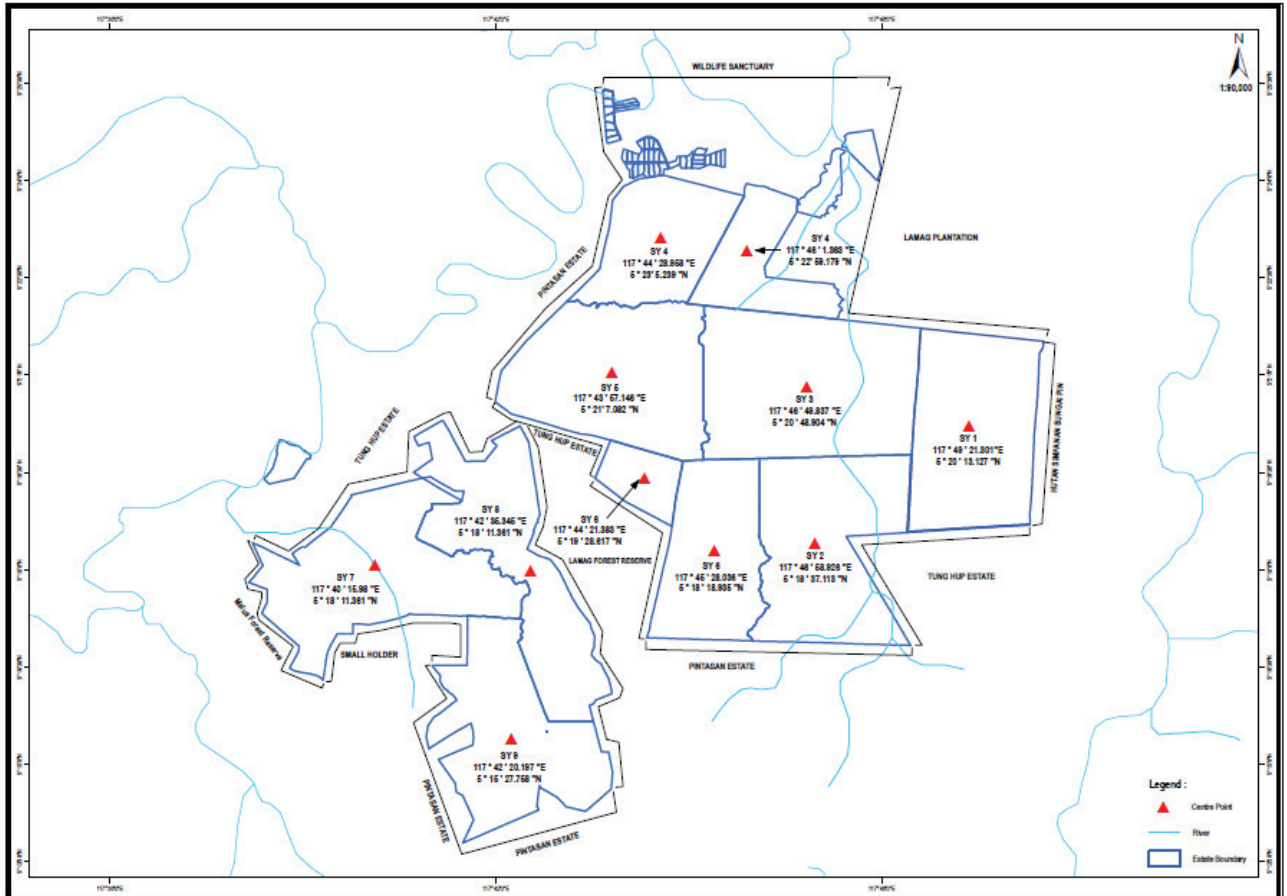
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Appendix C-2:

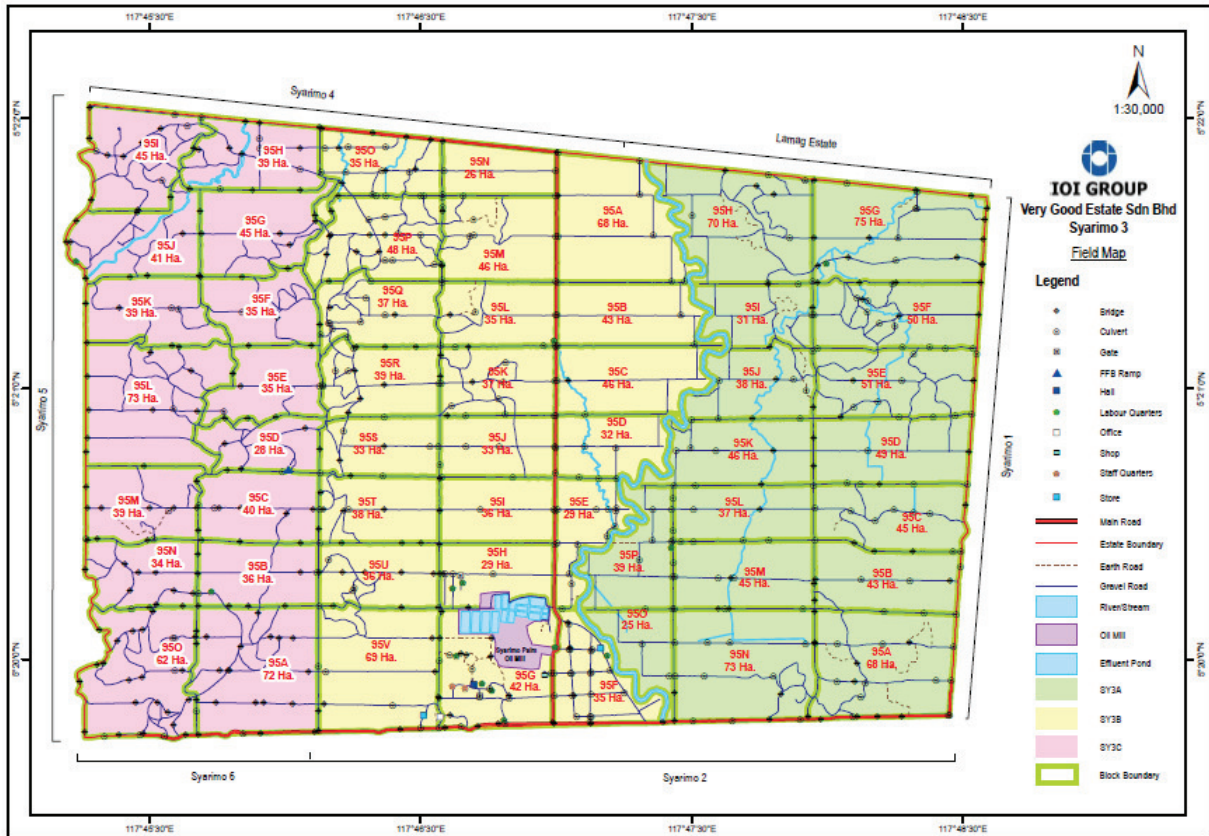
Location Map of IOI Syarimo Grouping (Estates), Kinabatangan, Sabah



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Appendix C-2-1: Map of Syarimo 3 estate



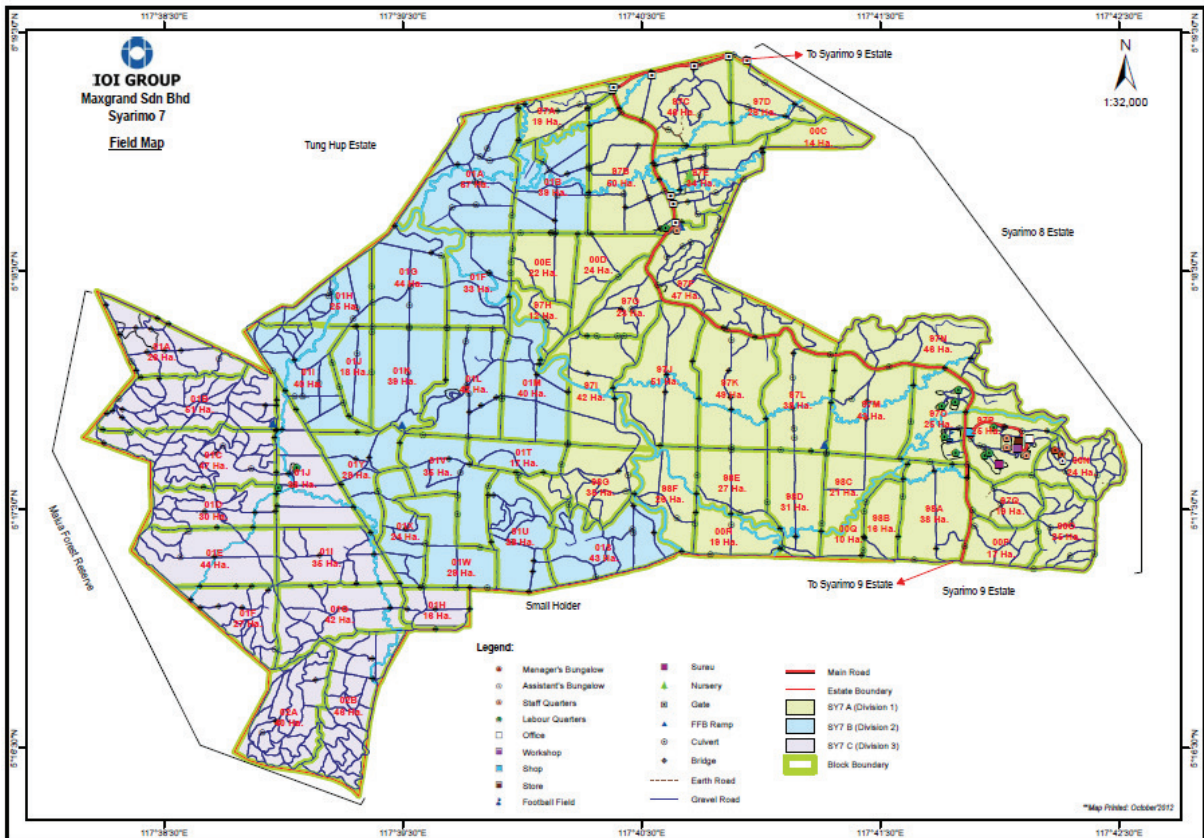
"Map Printed October 2012"

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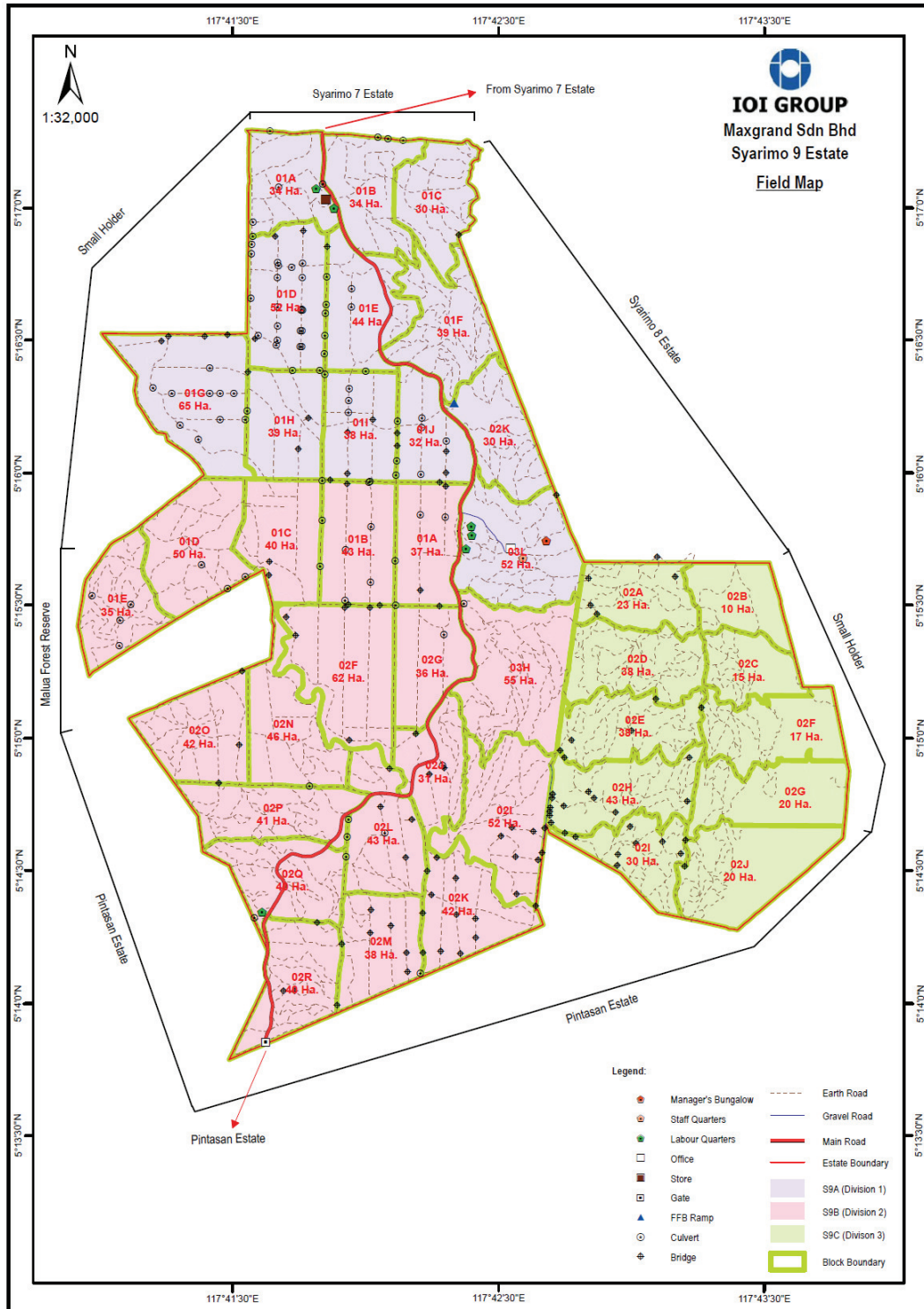
Appendix C-2-2: Map of Syarimo 7 estate



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Appendix C-2-3: Map of Syarimo 9 estate



**Map Printed: October 2012

Appendix D:

Photographs of Assessment findings at Syarimo PMU



Buffer zone at the tributary of Lamag river passing through Syarimo 3 estate.



Erected signage prohibiting hunting at Syarimo 7 estate at the boundary with the Malua Forest Reserve.



Creche at Syarimo 7 estate.



HUMANA School at Syarimo 7 estate.

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Appendix E:

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

No	PMU	Main Assessment	Certification Status	Current Status	Updated information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified units
1.	Pamol POM, Sabah	May 2008	Re-Certified in Feb 2014	ASA-01 planned in 2015.	No outstanding issues
2.	Sakilan POM	Nov 2008	Certified in Mar 2010	Re-Certification planned for 2015	No outstanding issues
3.	Pamol Kluang POM	Mar 2009	Certified in Mar 2010	Re-Certification planned for 2015	No outstanding issues
4.	Gomali POM,	Aug 2009	Certified in Aug 2010	Re-Certification planned for 2015	No outstanding issues
5.	Baturong POM	Sep 2009	Certified in Oct 2010	Re-Certification planned for 2015	No outstanding issues
6.	Bukit Leelau POM	Apr 2010	Certified in Nov 2010	Re-Certification planned for 2015	No outstanding issues
7.	Mayvin POM	Aug 2010	Certified in Dec 2010	Re-Certification planned for 2015	No outstanding issues
8.	Pukin POM Johor	Dec 2010	Certified in Jun 2012	ASA-04 completed for 2015.	No outstanding issues
9.	Leepang POM	Aug 2012	Certified in Dec 2013	ASA-02 planned for 2015.	No outstanding issues
10.	Syarimo POM	Sep 2012	Certified in Mar 2013	ASA-02 completed for 2015.	No outstanding issues
11.	Ladang Sabah POM	Oct 2012	Certified in Apr 2013	ASA-02 completed for 2015.	No outstanding issues
12.	Morisem POM, Sabah	Sep 2013	Certified in Dec 2013	ASA-02 completed for 2015.	No outstanding issues
13.	IOI-Pelita, Sarawak	Planned – 2019	Uncertified unit	New certification for IOI-Pelita (Sarawak) is pending resolution of land dispute and RSPO decision. No POM yet.	<p>Settlement Discussion and resolution with local community is presently still on-ongoing.</p> <p>RSPO has been briefed on the 17 Sept 2015 and 27 Oct 2015 about IOI Pelita's Mediation Plans.</p> <p>There has been 2 meetings between IOI Pelita and the LTK community since IOI's discussion with RSPO - on the 9 Nov 2015 and another on the 1 Dec 2015 - where RSPO had attended the latter as an observer together with local expert from Sarawak (Law Professor specializing in the Rights of Indigenous Community) during the discussions.</p> <p>Next Meeting dates are planned on 30 Dec 2015 or 12 Jan 2016 subject to receiving confirmation from all Parties.</p>
14.	Unico POM-1, Sabah	Planned – 2018	Uncertified unit	Acquired in 2014. Established OP plantation (before 2005). Supply base do consists of external / independent smallholders.	<p>Certification preparations in progress</p> <p>Delay is expected due to further monitoring of implementation of RSPO requirements with regards</p>

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