

# IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT

**Pamol (Sabah) Grouping**

Sandakan, Sabah, Malaysia



Valued Quality. Delivered.

## Assessment Report

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**INTERTEK CERTIFICATION INTERNATIONAL SDN BHD**

(188296-W)

**Report No.: R9309/16-1 IOI Corporation Berhad, Pamol (Sabah) Grouping:  
Annual Surveillance Assessment (ASA-01) cum Extension of Scope**

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**SURVEILLANCE ASSESSMENT CUM EXTENSION OF SCOPE  
REPORT  
ON RSPO CERTIFICATION**

**PUBLIC SUMMARY REPORT**

**IOI CORPORATION BERHAD**  
RSPO Membership No: 2-0002-04-000-00  
  
**PLANTATION MANAGEMENT UNIT**  
**Pamol (Sabah) Grouping**  
Sandakan, Sabah, Malaysia

**Certificate No:**

Issued date:

Expiry date:

**RSPO 930988**

30 Nov 2016

29 Nov 2021

**Assessment Type**

Initial Assessment

Annual Surveillance Assessment (ASA-01)  
cum Extension of Scope

Annual Surveillance Assessment (ASA-02)

Annual Surveillance Assessment (ASA-03)

Annual Surveillance Assessment (ASA-04)

Re-Certification

**Assessment Dates**

04-08 Oct 2016

11-15 Sep 2017

**Intertek Certification International Sdn Bhd**

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## 1.0 SCOPE OF ASSESSMENT

### 1.1 Introduction

This Annual Surveillance Assessment (ASA-01) cum Extension of Scope was conducted on the Plantation Management Unit (PMU) Pamol (Sabah) Grouping of IOI Corporation Berhad (hereafter abbreviated as IOI), from **11–15 Sep 2017**, to assess the organization's operations of the mill and its supply bases are in compliance against the RSPO Principles and Criteria (Apr 2013), Malaysian National Local Indicators (MYNI 2014) and the RSPO Supply Chain Certification Standard (Jun 2017) for Palm Oil Mill.

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).

The extension of scope during the ASA-01 assessment was for the inclusion of the Sugut Estate into the scope of approval for the Pamol (Sabah) Grouping.

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

The Pamol (Sabah) Grouping consists of one (1) palm oil mill, namely Pamol (Sabah) Palm Oil Mill and seven (7) estates as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estates. The 7 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
Pamol (Sabah) Palm Oil Mill (Capacity: 51 MT/hour)	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 06°0'8.75"	E 117°23'54.20"
1. Ulu Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 06°0'19.76"	E 117°23'44.70"
2. Bayok Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 05°59'46.50"	E 117°26'27.74"
3. Rungus Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 05°59'59.82"	E 117°20'33.04"
4. Tindakon Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 05°57'48.02"	E 117°20'54.78"
5. Nangoh Estate	Milik Berganda Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702 Sandakan, Sabah, Malaysia	N 05°57'19.48"	E 117°17'17.92"
6. Meliau Estate	Milik Berganda Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702 Sandakan, Sabah, Malaysia	N 05°56'4.49"	E 117°14'54.89"
7. Sugut Estate	Pamol Plantations Sdn Bhd, Mile 200, Nangoh Paitan Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 06°13'15.10"	E 117°29'41.82"

### 1.3 Description of supply base (fruit sources)

The supply base i.e. FFB sources to the POM at Pamol (Sabah) Grouping PMU are from the abovementioned 7 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 Pamol (Sabah) Grouping are as shown in Table 2 below.

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**Table 2: Estate Area Summary**

Estate	Area Summary (ha) – Previous (FY Jul 2016 / Jun 2017)		Area Summary (ha) – Current (FY Jul 2017 / Jun 2018)	
	Certified Area	Planted Area	Certified Area	Planted Area
1. Ulu Estate	1,836.93	1,680	1,836.93	1,680
2. Bayok Estate	2,209.93	1,874	2,209.93	1,874
3. Rungus Estate	2,598.22	2,467	2,598.22	2,467
4. Tindakon Estate	1,579.35	1,507	1,579.35	1,507
5. Nangoh Estate	2,279.35	1,860	2,279.35	1,860
6. Meliau Estate	2,998.65	2,677	2,998.65	2,677
7. Sugut Estate	Nil	Nil	1,792.34	1,506
<b>Total:</b>	13,502.43	12,065	15,294.77	13,571

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 reserves/zones and high conservation value areas.
3. Sugut Estate is added to the certified area and planted area in the Current FY Jul 2017 / Jun 2018 Area Summary during the Annual Surveillance Assessment ASA-01 cum Extension of Scope.

### 1.4 Summary of plantings and cycle

The 7 estates are currently in the 1<sup>st</sup> and 2<sup>nd</sup> cycle of planting for the oil palms and the age profile is as shown in Table 3.

**Table 3: Age Profile of Planted Oil Palm (FY Jul 2017 / Jun 2018)**

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total
1. Ulu Estate	1991, 1994, 1996, 1998	1 <sup>st</sup> Cycle	202	0	202
	2007, 2008, 2010, 2012, 2014, 2015	2 <sup>nd</sup> Cycle	1,257	221	1,478
2. Bayok Estate	1997, 1998, 1999	1 <sup>st</sup> Cycle	570	0	570
	2002, 2004, 2005, 2007, 2008, 2009, 2011, 2013	2 <sup>nd</sup> Cycle	1,304	0	1,304
3. Rungus Estate	1995, 1996, 1997, 1998, 2002, 2006, 2007, 2009	1 <sup>st</sup> Cycle	2,211	0	2,211
	2014	2 <sup>nd</sup> Cycle	256	0	256
4. Tindakon Estate	1995, 1998,	1 <sup>st</sup> Cycle	600	0	600
	2007, 2010, 2012, 2013, 2014, 2015	2 <sup>nd</sup> Cycle	590	317	907
5. Nangoh Estate	1993, 1996, 2000, 2001, 2004, 2005	1 <sup>st</sup> Cycle	1,349	0	1,349
	2014, 2015, 2017	2 <sup>nd</sup> Cycle	0	511	511
6. Meliau Estate	1993, 1994, 1995, 1996,	1 <sup>st</sup> Cycle	2,506	0	2,506



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	2014, 2015, 2017	2 <sup>nd</sup> Cycle	0	171	171
7. Sugut Estate	1997, 1998, 1999, 2002, 2008	1 <sup>st</sup> Cycle	1,506	0	1,506
		Total	<b>12,351</b>	<b>1,220</b>	<b>13,571</b>

Note: There has been no New Planting in any of the 7 estates at the certified areas.

### 1.5 Summary of Conservation and HCV Areas

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

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	FY 2016/17 Hectarage - Ha	FY 2017/18 Hectarage - Ha
<b>1</b>	<b>Planted Area (ha) – Oil Palm</b>		
	- Mature	9,987	12,351
	- Immature	2,078	1,220
	Total planted area:	12, 065	13, 571 (see note 1)
<b>2</b>	<b>Conservation Area (ha)</b>		
	- comprising riparian zone along streams and rivers, buffer zone for water ponds/catchments, hilly areas, swampy and unplatable areas.	27.7	1,051.63 (see note 2)
<b>3</b>	<b>HCV Area (ha)</b>		
	- comprising forest reserve area inside the plantation, burial & religious sites.	307.30	9.98 (see note 3)

#### Notes

1. The increase in planted area is due to the inclusion of Sugut Estate during this assessment.
2. The increase in conservation area is due to the inclusion of the hectarage of riparian zones and buffer zones.
3. The decrease in HCV area is due to the re-categorization of buffer zone at the boundary of the forest reserve as conservation area. The 9.98 ha stated is the swampy area in Tindakon Estate that is left as a habitat for proboscis monkey.

### 1.6 Other certifications held and Use of RSPO Trademarks

Currently, the other certification held by IOI Pamol (Sabah) Grouping PMU is the ISCC certification which is valid. The RSPO's trademarks and logo are not used by the PMU audited. Instructions for use were provided and acknowledged by the PMU through a signed Memorandum of commitment agreeing to adhere to the latest "RSPO Rules on Communications & Claims" during the assessment.

### 1.7 Organizational information / Contact Person

At Head Office:  
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Sustainability Coordinator,  
IOI Corporation Berhad  
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IOI Resort, 62502, Putrajaya  
Tel: 603-89478888  
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At Pamol (Sabah) Grouping - PMU:  
Mr. Leang Hon Wai  
Senior Plantation Controller,  
IOI Plantation Services Sdn Bhd,  
Sandakan Regional Office,  
Mile 45, Jalan Sandakan/Telupid,  
W.D.T.No 164, 90009 Sandakan, Sabah,  
Malaysia  
Tel: 089 509101/102  
Fax: 089 509100  
Email: [hwleang@ioigroup.com](mailto:hwleang@ioigroup.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 Pamol (Sabah) Grouping based on the actual tonnages for the FY indicated is as in Table 5 below:

**Table 5: Tonnages Verified for Certification (FY Jul 2016 / Jun 2017)**

#	Estate /Supplier	FFB Processed (MT)	Main Receiving Mill	Certified By
1.	Ulu Estate	31,920.31	Pamol (Sabah) POM	Intertek
2.	Bayok Estate	43,072.58	Pamol (Sabah) POM	Intertek
3.	Rungus Estate	46,666.56	Pamol (Sabah) POM	Intertek
4.	Tindakon Estate	25,379.04	Pamol (Sabah) POM	Intertek
5.	Nangoh Estate	34,284.39	Pamol (Sabah) POM	Intertek
6.	Meliau Estate	67,664.44	Pamol (Sabah) POM	Intertek
	Total (under PMU):	<b>248,987.32</b> (see note)		
7.	Sugut Estate	32,910.29	IJM Sabang 1 POM	Nil
	Other Suppliers:	0		

Note: The FFB from Sugut Estate are sent for processing at IJM Sabang 1 POM and are currently not processed at Pamol (Sabah) POM due to the long distance from Sugut Estate to Pamol (Sabah) POM. The FFB are therefore excluded from the total FFB processed by Pamol (Sabah) POM.

**1.8.2** Total annual volumes / tonnages of FFB supplied from the supply base to Pamol (Sabah) 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 2015 – Jun 2016 - Actual		FFB Processed in FY Jul 2016 – Jun 2017 - Actual		FFB Processed for FY Jul 2017 – Jun 2018 - Actual + Projected	
	MT	%	MT	%	MT	%
Pamol (Sabah) PMU Estates	239,794.73	100	248,987.32	100	265,000.00	100
Other Suppliers (non-certified)	0	0	0	0	0	0
Total	239,794.73	100	248,987.32	100	265,000.00	100
SCCS Model for POM	IP		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:

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**Table 7: Certified FFB Tonnes**

POM	FY Jul 2015 – Jun 2016 - Actual		FY Jul 2016 – Jun 2017 - Actual		FY Jul 2017 – Jun 2018 - Actual + Projected	
Total certified FFB Processed (MT)	239,794.73		248,987.32		265,000.00	
Total certified CPO Production (MT)	53,663.39	OER: 22.38%	53,998.21	OER: 21.69%	59,265	OER: 22.50%
Total certified PK Production (MT)	10,708.09	KER: 4.47%	10,770.89	KER: 4.33%	11,925	KER: 4.50%
SCCS Model for POM	IP		IP		IP	

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 PMUs have been certified with another 7 managed units still 'non-certified'.

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

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

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

IOI had conducted an internal audit on the uncertified units to determine its compliance against Clause 4.2.4 (Rules on Partial Certification). The Internal audit reports had identified the issues involved, on-going corrective actions and monitoring.

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

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

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





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### 1.10 Abbreviations Used

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



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## **2.0 ASSESSMENT PROCESS**

### **2.1 Assessment Methodology, Plan and Site Visits**

Since 09 Aug 2017, Intertek has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on the Pamol (Sabah) Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 11-15 Sep 2017, the Assessment team of Intertek conducted the Annual Surveillance Assessment (ASA-01) cum Extension of Scope in which 3 out of the 7 estates of Pamol (Sabah) Grouping, namely Ulu Estate, Tindakon Estate and Sugut Estate as well as the palm oil mill were assessed for compliance against the RSPO requirements. The Extension of Scope is to verify compliance for the inclusion of the additional Sugut Estate within the scope of approval. The sampling design applied for the assessment include the mill and a minimum sample of  $x$  estates, where  $x = (0.8\sqrt{y}) \times (z)$ , where  $y$  is the number of estates and where  $z$  is the multiplier defined by the risk assessment. A high risk multiplier of  $z=1.4$  is set for this PMU due to 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, hectareage development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance. The Assessment team covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment and other requirements. Stakeholders' interviews were conducted during the assessment and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

Pamol (Sabah) 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 (and an External Peer Review in the case of an Initial Assessment or Re-certification Assessment) 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 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) - HQ
20. Malaysian Palm Oil Board (MPOB) - Northern Region
21. Malaysian Palm Oil Board (MPOB) - Central Region
22. Malaysian Palm Oil Board (MPOB) - Southern Region
23. Malaysian Palm Oil Board (MPOB) - Eastern Region
24. Malaysian Palm Oil Board (MPOB) - Sarawak Region
25. Malaysian Palm Oil Board (MPOB) - Sabah Region
26. Malaysia Palm Oil Association Kuala Lumpur (MPOA)
27. Malaysia Palm Oil Association Sabah (MPOA)
28. National Union of Plantation Workers (NUPW)
29. UNION – AMESU

#### NGOs and others (by emails)

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



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

### Local community (On-site interviews)

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



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### 3.0 ASSESSMENT FINDINGS

#### 3.1 Summary of findings

##### Principle 1: Commitment to transparency

<b>Criterion 1.1</b> Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
Indicators	Findings and Objective Evidence	Compliance
<b>1.1.1</b> 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.  <b>Minor Compliance</b>	The PMU has established and implemented documented procedures (Stakeholder Request – Corporate Level, Stakeholder Request – POM Level, Stakeholder Request – Estate Level) for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.  IOI had provided a detailed response to the Greenpeace report "A Deadly Trade-Off" dated 27 Sep 2016 concerning policy violations in IOI's third-party supply chain – for more details, please refer to: <a href="http://ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=819">http://ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=819</a>  On 28 Apr 2017, Greenpeace announced their decision to suspend their campaign against IOI Corporation and re-engage with the company.  <a href="http://www.greenpeace.org/international/en/press/releases/2017/Palm-oil-giant-IOI-moves-to-eliminate-deforestation-and-human-rights-abuses-from-supply-chain/">(http://www.greenpeace.org/international/en/press/releases/2017/Palm-oil-giant-IOI-moves-to-eliminate-deforestation-and-human-rights-abuses-from-supply-chain/)</a> .  Date of public notification of this assessment of the PMU was made on 09 Aug 2017.	Complied
<b>1.1.2</b> Records of requests for information and responses shall be maintained.  <b>Major Compliance</b>	The PMU had established and maintained an updated site specific list of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, etc.  External stakeholders' consultation was conducted for the whole PMU grouping (except Sugut Estate) on 01/08/2017. The separate external stakeholders' consultation for Sugut Estate was conducted on 06/09/2017 due to its far distance from the POM and other estates.  The POM and estates have conducted their respective internal stakeholders' consultation as follows: POM on 06/08/2017. Sugut Estate on 21/06/2017. Ulu Estate on 16/07/2017. Tindakon Estate on 28/08/2017.  Records of participants, feedback given and response/actions by the POM and estates were maintained.	Complied
<b>Criterion 1.2</b> Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
Indicators	Findings and Objective Evidence	Compliance



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<p><b>1.2.1</b> Management documents that are made available to the public shall include, but are not necessarily limited to:</p> <p><b>Major Compliance</b></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.</p> <p>On 8 Aug 2016, IOI Corporation Berhad published a revised Group Sustainable Palm Oil Policy (SPOP) alongside a detailed Sustainability Implementation Plan (SIP) in consultation with a wide range of their stakeholders, both customers and civil society.</p> <p>IOI Corp. Bhd. further revised its Sustainable Palm Oil Policy (SPOP) and this was uploaded in the company website on 12 Jun 2017.</p> <p>(<a href="http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845">http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845</a>).</p> <p>During this current assessment at the PMU, it was found that this revised policy had been communicated to all levels of the workforce. Briefings were conducted as follows:</p> <p>POM on 20/08/2017 and 28/08/2017 for all staff and workers.</p> <p>Sugut Estate on 07/08/2017 for staff and field supervisors and on 24/08/2017 for all workers.</p> <p>Ulu Estate on 25/08/2017 for staff and field supervisors and on 24/08/2017 for all workers.</p> <p>Tindakon Estate on 08/09/2017 for staff and field supervisors and on 11/09/2017 for all workers.</p> <p>The following types of mandatory documents are available to the public upon request:</p> <ul style="list-style-type: none"> <li>• land titles/user rights,</li> <li>• occupational health and safety plan,</li> <li>• plans and impact assessments relating to environment and social impacts,</li> <li>• pollution prevention plans,</li> <li>• details of complaints &amp; grievances,</li> <li>• negotiation procedures,</li> <li>• continuous improvement plan,</li> <li>• Public summary of certification assessment report,</li> <li>• Human Rights Policy.</li> </ul> <p>These publicly available documents include key indicators of performance like waste management and disposal plans for the mill and estates.</p> <p>Also, Continual Improvement Action Plans include targets for waste reduction and pollution prevention.</p>	<p>Complied</p>
<ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> </ul>	<p>Copies of all land titles were available and have been maintained at the POM and Estates. HQ kept the original copies.</p>	<p>Complied</p>
<ul style="list-style-type: none"> <li>• Occupational health and safety plans (Criterion 4.7);</li> </ul>	<p>Policy and HIRAC documented for the POM and estates.</p> <p>The HIRAC was reviewed as follows:</p> <p>POM on 30/06/2017.</p> <p>Sugut Estate on 01/01/2017.</p> <p>Ulu Estate on 30/06/2017.</p> <p>Tindakon Estate on 01/01/2017.</p> <p>Detailed Safety Management Plans have been documented and updated by the Safety &amp; Health Manager and reviewed by the respective managers for the POM and estates as follows:</p>	<p>Complied</p>



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	<p>POM on 03/01/2017. Sugut Estate on 05/01/2017. Ulu Estate on 05/01/2017. Tindakon Estate on 05/01/2017. The Plans include the following:</p> <ul style="list-style-type: none"> <li>• Safety &amp; Health Committee meetings,</li> <li>• Annual medical surveillance,</li> <li>• Accident Reporting &amp; Investigation,</li> <li>• Workplace inspection,</li> <li>• CHRA assessment,</li> <li>• Air compressors annual inspection,</li> <li>• Warning signs,</li> <li>• Chemical Register,</li> <li>• SOP for safe work,</li> <li>• PPE usage,</li> <li>• MSDS/CSDS,</li> <li>• JKKP 8 reporting of accidents annually,</li> <li>• Emergency Response Plan (ERP),</li> <li>• Emergency drills,</li> <li>• 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),</li> <li>• Monthly KPI Report on HSE performance,</li> <li>• Monthly Safety inspection &amp; audit by Safety Officer.</li> </ul> <p>The CHRA for the POM and estates were conducted as follows: POM on 11/03/2015. Sugut Estate on 12/03/2015. Ulu Estate on 26/09/2016. Tindakon Estate on 29/09/2017. Next CHRA assessment due in 5 years' time. Programmes for protecting workers' health and safety were satisfactorily implemented.</p>	
<p>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</p>	<p>Environmental Impact Assessment for the POM and estates have been conducted and were reviewed for year 2017 as follows: POM on 11/09/2017. Sugut Estate on 01/07/2017. Ulu Estate on 01/03/2017. Tindakon Estate on 01/03/2017. Management Plan and Continual Improvement Plan documented and implemented. Social Impact Assessment for the POM and estates were conducted and reviewed in Aug 2017. Positive and negative impacts identified. Action plans were documented and implemented.</p>	<p>Complied</p>
<p>• HCV documentation (Criteria 5.2 and 7.3);</p>	<p>The Internal "HCV and Conservation Areas" Assessment for the POM and estates have been conducted and were reviewed for year 2017.</p>	<p>Complied</p>

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	The Management Action Plans were implemented and monitored at the respective estates.	
• Pollution prevention and reduction plans (Criterion 5.6);	<p>Pollution Prevention Management Plans were reviewed together in the Environmental Impact Assessment for the POM and estates.</p> <p>Action items include mitigation measures for pollution control (smoke emission, POME / effluent discharge), pesticides reduction, scheduled wastes (chemicals, drums, tyres, used PPE, hydraulic oil) and organic/domestic wastes disposal, reuse and recycling (paper, plastic, glass, scrap iron).</p>	Complied
• Details of complaints and grievances (Criterion 6.3);	<p>The mill and respective estates had maintained the Complaints and Grievances Logbook. Logbook entries were examined and found to be in order. Employees Consultative Council (ECC) representatives interviewed had confirmed that there were no serious issues.</p> <p>Refer to Appendix F (Summary of RSPO Complaints Panel Decisions and RSPO Case Tracking on IOI Group) concerning the following complaints against IOI:</p> <p>(1) RSPO Case Tracker on: PT SUKSES KARYA SAWIT (SKS), PT BERKAT NABATI SAWIT (PT BNS), PT BUMI SAWIT SEJAHTERA (PT BSS) SUBSIDIARY OF PT SAWIT NABATI AGRO (PT SNA), IOI Group  Weblink: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/80">http://www.rspo.org/members/complaints/status-of-complaints/view/80</a></p> <p>(2) RSPO Case Tracker on: IOI Pelita Sdn Bhd  Weblink: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/4">http://www.rspo.org/members/complaints/status-of-complaints/view/4</a></p>	Complied
• Negotiation procedures (Criterion 6.4);	<p>Presently, there is no new conflict/dispute requiring negotiation on compensation at this PMU. Negotiation procedure and flowchart was available and maintained.</p> <p>The status on the ongoing negotiations on land issues against IOI Group plantations in Sarawak and Kalimantan are accessible via website link:  <a href="http://www.rspo.org/members/status-of-complaints">http://www.rspo.org/members/status-of-complaints</a></p> <p>Refer also to details in <b>Section 1.9: Time Bound Plan</b>.</p>	Complied
• Continual improvement plans (Criterion 8.1);	Continual Improvements Plans in key operations for the mill and estates have been identified, documented and implemented.	Complied
• Public summary of certification assessment report;	Public summary of certification assessment reports are available from the company upon request.	Complied
• Human Rights Policy (Criterion 6.13).	<p>The Human Rights Policy has been documented and incorporated as part of the Sustainability Palm Oil Policy revised on 08 Aug 2016 and signed by the Group CEO. IOI Corp. Bhd. further revised its Sustainable Palm Oil Policy (SPOP) and this was uploaded in the company website on 12 Jun 2017.</p> <p>(<a href="http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845">http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845</a>) (see <b>Appendix F, item (3)</b>).</p>	Complied
<b>Criterion 1.3</b>		
Growers and millers commit to ethical conduct in all business operations and transactions.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
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	IOI Group has a documented policy "Code of Business Conduct and Ethics" signed by the CEO and Head of Sustainability (Malaysia/Indonesia) on 11 May 2015. The following are included:	Complied





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<p>communicated to all levels of the workforce and operations. <b>Minor Compliance</b></p>	<ul style="list-style-type: none"> <li>- Diversity and Respect in the workplace,</li> <li>- Equal Opportunity Employment,</li> <li>- Protecting the Environment,</li> <li>- Safety, Health and Security at Work,</li> <li>- Managing Documents,</li> <li>- Intellectual Property and Information,</li> <li>- Management and Security in our Computing Environment,</li> <li>- Data Privacy</li> <li>- Employee Privacy in the Communication and Computing Environment</li> <li>- Gifts, Benefits or Entertainment,</li> <li>- Bribes and Kickbacks,</li> <li>- Employment of Family Members and Relatives.</li> </ul> <p>Copies of the policy found to be displayed at prominent locations in the POM and estates.</p>	
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**Principle 2: Compliance with applicable laws and regulations**

<b>Criterion 2.1</b>		
There is compliance with all applicable local, national and ratified international laws and regulations.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>2.1.1</b> Evidence of compliance with relevant legal requirements shall be available. <b>Major Compliance</b></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.</p> <p>The relevant legislations identified and listed were among others regarding safety and health, environmental management, pollution management, chemical handling, usage &amp; storage, schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities.</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 &amp; Fertilizer, MPOB license, DOSH (Department of Occupational Safety and Health) Certificates, DOE (Department of Environment Permit, etc.) were renewed and evidenced to be valid.</p> <p>Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty chemical and lubricants containers collected at six monthly intervals by DOE licensed contractor.</p> <p>Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated.</p> <p>Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and electricians were noted to be with valid certificates from relevant authorities (DOSHS 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</p>	<p>Complied</p>



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	<p>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, 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><b>2.1.2</b> A documented system, which includes written information on legal requirements, shall be maintained. <b>Minor Compliance</b></p>	<p>The listing of all the relevant laws applicable included the international laws and conventions ratified by the Malaysian government are documented in the Legal register.</p> <p>The documented system for identifying, determining, reviewing and updating applicable legal and other requirements has been satisfactorily implemented.</p> <p>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 (Department of Irrigation and Drainage), Forestry Department and Wildlife Department were maintained.</p>	<p style="text-align: center;">Complied</p>
<p><b>2.1.3</b> A mechanism for ensuring compliance shall be implemented. <b>Minor Compliance</b></p>	<p>The mechanism for ensuring compliance involved updating (when necessary) and an annual review with the compliance status indicated in the Legal Register (Flowchart on mechanism of tracking) was implemented.</p> <p>The PMU had conducted internal audit on 01/06/2017 using the RSPO Generic Checklist for determining compliance of its operations with legal requirements and records were maintained.</p>	<p style="text-align: center;">Complied</p>
<p><b>2.1.4</b> A system for tracking any changes in the law shall be implemented. <b>Minor Compliance</b></p>	<p>Tracking of changes in the relevant laws are communicated and received from the IOI Group HQ. The PMU subsequently ensured that the changes were adequately updated.</p> <p>Based on the site observations, interviews and records updated, the system used is appropriate to the operations at the PMU.</p>	<p style="text-align: center;">Complied</p>
<p><b>Criterion 2.2</b> 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>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>2.2.1</b> 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</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 in Putrajaya. The legal use of the land confirmed to be for cultivation of oil palms and agricultural use.</p>	<p style="text-align: center;">Complied</p>

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actual legal use of the land shall be available. <b>Major Compliance</b>	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 assessment.	
<b>2.2.2</b> There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. <b>Minor Compliance</b>	It was verified that there has been no change to the stated land titles and designated use for cultivation of oil palm and agricultural crop of economic value.  Locations of several boundary stones and markers were visited and verified to be within the perimeters of the estates.  On-site verification confirmed that there has been no planting beyond the legal demarcated boundary areas of the mill and estates.	Complied
<b>2.2.3</b> 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). <b>Minor Compliance</b>	There has been no dispute on the land rights in this PMU. As such, the process of fair compensation and FPIC is currently not required to be applied.	Not applicable
<b>2.2.4</b> There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. <b>Major Compliance</b>	There were no land conflicts in this PMU.	Not applicable
<b>2.2.5</b> 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). <b>Minor Compliance</b>	No land disputes in this PMU. As such the process of participatory mapping is not applicable for verification of implementation.	Not applicable
<b>2.2.6</b> 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. <b>Major Compliance</b>	No evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.	Not applicable
<b>Criterion 2.3</b>		
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.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>2.3.1</b> 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). <b>Major Compliance</b>	The lands at the PMU are legally owned or leased by IOI 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 the PMU.  The lands are not encumbered by any customary lands or user rights and therefore the process of participatory mapping was not required.  <b>However, the Ulu Estate map did not clearly indicate the stretch of the Bonggaya Forest Reserve outside the north boundary that have been taken up by villagers and</b>	<b>Major NC# OCL-01</b>

	<b>Tabung Haji Plantation and changes in the landscape status with supporting evidence.</b>	
<p><b>2.3.2</b> Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p><b>Minor Compliance</b></p>	<p>The lands at the PMU are legally owned or leased by IOI. Records are available to show such land acquisition comply with legal requirements and does not infringe on any legal rights that require free, prior and informed consent (FPIC).</p>	Complied
<p><b>2.3.3</b> All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p><b>Minor Compliance</b></p>	<p>No cases of land claims in this PMU. As such this process is not applicable for verification.</p>	Not applicable
<p><b>2.3.4</b> Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p><b>Major Compliance</b></p>	<p>This process is not applicable during current assessment.</p>	Not applicable

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

<b>Criterion 3.1</b>		
There is an implemented management plan that aims to achieve long-term economic and financial viability.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>3.1.1</b> A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p><b>Major Compliance</b></p>	<p>Business Plans for 5 years (FY 2017/2018 to FY 2021/2022) for the PMU have been prepared by the Palm Oil Mill and estates.</p> <p>Details of the Business Plans include the following:</p> <p>(1) Staff and Labour requirements;</p> <p>(2) Crop projection; FFB yield/ha trends;</p> <p>(3) Mill extraction rates; OER trends;</p> <p>(4) Cost of Production; Cost/mt FFB trends;</p> <p>(5) Cost of Production; Cost/MT CPO trends;</p>	Complied



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	<p>(6) Financial indicators covering cost of labour, supervision, maintenance, depreciation, etc.).</p> <p>(7) Provisions for sustainability efforts and improvement programmes (environmental, social, Occupational Safety &amp; Health, training, etc.).</p> <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>There is evidence of monitoring of costs against budget to achieve specified targets.</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 HQ.</p>																						
<p><b>3.1.2</b> An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p><b>Minor Compliance</b></p>	<p>Annual replanting program had been prepared up to FY 2022/2023 for the audited estates as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;"><u>Ulu Estate:</u></th> <th style="text-align: left; padding: 2px;"><u>Tindakaon Estate:</u></th> <th style="text-align: left; padding: 2px;"><u>Sugut Estate:</u></th> </tr> </thead> <tbody> <tr><td style="padding: 2px;">2017/18 – 0 ha</td><td style="padding: 2px;">2017/18 – 0 ha</td><td style="padding: 2px;">2017/18 – 0 ha</td></tr> <tr><td style="padding: 2px;">2018/19 – 52 ha</td><td style="padding: 2px;">2018/19 – 207 ha</td><td style="padding: 2px;">2018/19 – 0 ha</td></tr> <tr><td style="padding: 2px;">2019/20 – 86 ha</td><td style="padding: 2px;">2019/20 – 215 ha</td><td style="padding: 2px;">2019/20 – 47 ha</td></tr> <tr><td style="padding: 2px;">2020/21 – 0 ha</td><td style="padding: 2px;">2020/21 – 178 ha</td><td style="padding: 2px;">2020/21 – 28 ha</td></tr> <tr><td style="padding: 2px;">2021/22 – 0 ha</td><td style="padding: 2px;">2021/22 – 0 ha</td><td style="padding: 2px;">2021/22 – 0 ha</td></tr> <tr><td style="padding: 2px;">2022/23 – 0 ha</td><td style="padding: 2px;">2022/23 – 0 ha</td><td style="padding: 2px;">2022/23 – 0 ha</td></tr> </tbody> </table> <p>A replanting cycle of 25 years has been adopted by the group.</p>	<u>Ulu Estate:</u>	<u>Tindakaon Estate:</u>	<u>Sugut Estate:</u>	2017/18 – 0 ha	2017/18 – 0 ha	2017/18 – 0 ha	2018/19 – 52 ha	2018/19 – 207 ha	2018/19 – 0 ha	2019/20 – 86 ha	2019/20 – 215 ha	2019/20 – 47 ha	2020/21 – 0 ha	2020/21 – 178 ha	2020/21 – 28 ha	2021/22 – 0 ha	2021/22 – 0 ha	2021/22 – 0 ha	2022/23 – 0 ha	2022/23 – 0 ha	2022/23 – 0 ha	<p>Complied</p>
<u>Ulu Estate:</u>	<u>Tindakaon Estate:</u>	<u>Sugut Estate:</u>																					
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**Principle 4: Use of appropriate best practices by growers and millers**

<b>Criteria 4.1</b> Operating procedures are appropriately documented, consistently implemented and monitored.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>4.1.1</b> Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p><b>Major Compliance</b></p>	<p>POM has documented SOPs for its processes, including that of Supply Chain Certification System requirements for the mill.</p> <p>Examples of SOPs for the POM are:</p> <ul style="list-style-type: none"> <li>- SOP for FFB Receiving Station</li> <li>- SOP for Loading Ramp</li> <li>- SOP for Steriliser</li> <li>- SOP for Threshing Station</li> <li>- SOP for Pressing Station</li> <li>- SOP for Depericarperzation Station</li> <li>- SOP for Oil Room Station</li> <li>- SOP for Boiler Station</li> <li>- SOP for Engine Room Station</li> <li>- SOP for Laboratory</li> <li>- SOP for Water Treatment Plant</li> <li>- SOP for Shovel</li> <li>- SOP for Threshing Station</li> </ul>	<p>Complied</p>



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	<ul style="list-style-type: none"> <li>- SOP for Effluent Treatment Plant</li> <li>- SOP for Workshop</li> </ul> <p>The estates have the following documented SOPs:</p> <ul style="list-style-type: none"> <li>- SOP for Oil Palm DxP Seed Production</li> <li>- SOP for Oil Palm Planting Density</li> <li>- SOP for Pre Nursery Seedlings</li> <li>- SOP for Large Polybag Nursery</li> <li>- SOP for Land Clearing</li> <li>- SOP for Land Preparation for new planting and replanting</li> <li>- SOP for Tidal Gates</li> <li>- SOP for Oil Palm Planting Technique</li> <li>- SOP for Planting Leguminous cover plant</li> <li>- SOP for Manuring</li> <li>- SOP for Weeding</li> <li>- SOP for Pest and disease</li> <li>- SOP for Harvesting</li> <li>- SOP for road maintenance</li> <li>- SOP for workshop</li> <li>- SOP for buffalo healthcare</li> <li>- SOP for foliar sampling</li> <li>- SOP for POME application</li> <li>- SOP for Fertilizer sampling for analysis</li> </ul> <p>Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.</p>	
<p><b>4.1.2</b> A mechanism to check consistent implementation of procedures shall be in place. <b>Minor Compliance</b></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 are checked by the Assistant Manager and the Manager regularly. These records had been verified to indicate satisfactory implementation during the visit.</p>	<p style="text-align: center;">Complied</p>
<p><b>4.1.3</b> Records of monitoring and any actions taken shall be maintained and available, as appropriate. <b>Minor Compliance</b></p>	<p>Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estates. Overall, these records verified to be satisfactory.</p> <p>Daily Muster Chits were available at estates and actual field activities were verified during on-site field inspection.</p> <p>Verified that spraying, manuring and harvesting activities were carried out as stated in the Muster Chits.</p>	<p style="text-align: center;">Complied</p>
<p><b>4.1.4</b> The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). <b>Major Compliance</b></p>	<p>The Pamol mill did not source any FFB from third-party. The entire crop was supplied by the estates from certified PMUs of IOI Group.</p> <p>The FFB from the Sugut estate is currently sent to IJM Sabang 1 POM due to the distance from Sugut estate to POM at Pamol.</p>	<p style="text-align: center;">Complied</p>
<p><b>Criteria 4.2</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>

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<p><b>4.2.1</b> 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. <b>Minor Compliance</b></p>	<p>Annual fertilizer inputs had been monitored through fertilizer recommendations made by Agronomist of IOI Research Centre, Sabah.</p> <p>Good Agricultural Practice (GAP) for minimization of soil erosion and maintenance of soil fertility are maintained via the frond stacking and fertilizer application as per the recommendations provided by the Agronomist.</p> <p>These had been verified through the records for fertilizer application. Estates provided the evidence of GAP and was verified during the audit.</p> <p>Soil sampling and leaf sampling records provided guide for the fertilizer application and all recommendations had been properly followed at estate levels.</p>	<p>Complied</p>
<p><b>4.2.2</b> Records of fertiliser inputs shall be maintained. <b>Minor Compliance</b></p>	<p>Records of fertilizer application at the estates were maintained and had been verified to be satisfactory.</p>	<p>Complied</p>
<p><b>4.2.3</b> There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. <b>Minor Compliance</b></p>	<p>Leaf sampling and analysis had been carried out annually and soil sampling and analysis on a 5 year cycle to determine the nutrient levels.</p> <p>Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long term soil fertility and nutrient efficiency.</p> <p>Records of the sampling and analysis had been verified to be satisfactory.</p>	<p>Complied</p>
<p><b>4.2.4</b> 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. <b>Minor Compliance</b></p>	<p>Geotubes used to filter the solid from the POME and the solid would be used by the estates for field application as fertilizer.</p> <p>There was no application of POME at the estates.</p> <p>All the EFB from the POM are delivered to the estates as evidenced by the "Daily/Monthly Summary Report of EFB" maintained by the POM.</p> <p>EFB Mulching Application Programme and field maps indicate the amounts and locations of EFB application in the estates.</p> <p>During field visits to the estates, it was observed that EFB mulching had been carried out in mature area along the inter-row, and around the circle in the immature palms. The EFB were spread 1 layer thick.</p> <p><b>Hence, the minor NC# OCL-01 had been adequately addressed.</b></p>	<p>Complied</p>
<p><b>Criteria 4.3</b> Practices minimise and control erosion and degradation of soils.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>4.3.1</b> Maps of any fragile/marginal soils shall be available. <b>Major Compliance</b></p>	<p>Estate soils show no fragile or marginal soil existence. Soil types as indicated in soil maps are as follows: Ulu Estate: Tuaran, Kinabatangan, Sapi, Klias, Brantian, Silabukan, Dalit, Dalit Tindakan Estate: Brantian, Tuaran, Kinabatangan, Dalit Sugut Estate: Lokan, Brantian, Croker, Maliau, Dalit.</p>	<p>Complied</p>
<p><b>4.3.2</b> A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. <b>Minor Compliance</b></p>	<p>Planting terraces constructed on land with slope more than 6° as indicated in the Terrace and New Road Map by Block.</p> <p>Best Management Practices are followed to control and minimize soil erosion and degradation during replanting or any activities involving earth disturbance.</p> <p>Steps taken for erosion control are soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth</p>	<p>Complied</p>

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	entering waterways. There was no soil erosion noted during the field visit. Leguminous cover crop, <i>macuna bracteata</i> was well established.	
<b>4.3.3 A road maintenance programme shall be in place. Minor Compliance</b>	Estate roads were maintained in good and satisfactory condition. Road maintenance programme verified to be established and implemented.	Complied
<b>4.3.4</b> Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. <b>Major Compliance</b>	It was confirmed during assessment on site that there is no peat soil in the estates.	Complied
<b>4.3.5</b> 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. <b>Minor Compliance</b>	There was no peat soil in the estates as confirmed by auditor's on-site assessment	Not Applicable
<b>4.3.6</b> A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). <b>Minor Compliance</b>	Based on the estate soil maps and visit to the estates, there were no other fragile and problematic soils on these estates.	Not Applicable
<b>Criteria 4.4</b> Practices maintain the quality and availability of surface and ground water.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>4.4.1</b> An implemented water management plan shall be in place. <b>Minor Compliance</b>	Documented Water Management Plan verified to be in place for the palm oil mill and estates. Rainfall data found to be monitored as part of the water management plan. Rain water is also harvested.  The plan includes steps such as soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways.  Water is extracted from rivers passing through the estates. Water samples collected and analysis carried out at least twice a year. The water for domestic use meets all the required parameters, including that of bacterium count (WHO Specification for Drinking Water Quality).	Complied
<b>4.4.2</b> 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. <b>Major Compliance</b>	Buffer zones had been maintained on both sides of streams in the estates as verified during on-site field inspection. No evidence of spraying around palms marked as boundary for the buffer zones.  Appropriate signages were placed with demarcation of buffer zone area. Workers are aware of the non-usage of chemicals within the buffer zone,  There are rivers passing through Tindakon and Ulu estates audited (Sg. Labuk and Sg. Kimansi). There was no construction of bunds/ weirs/dams across the rivers or waterways passing through the estates.	Complied
<b>4.4.3</b> 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). <b>Minor Compliance</b>	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.	Complied



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	<p>BOD levels had been in the range of 23 to 34 mg/l for the period June to August 2017. The current allowable upper limit specified by D.O.E. Sabah is 100 mg/l (max.).</p> <p>Analysis results meet the following DOE limits specified for the period 01 Jul 2016 to 30 Jun 2017:</p> <ul style="list-style-type: none"> <li>• BOD &lt; 100 mg/l,</li> <li>• Total Suspended Solids &lt; 400 mg/l,</li> <li>• Oil &amp; Grease &lt; 50 mg/l,</li> <li>• Ammoniacal Nitrogen &lt; 150 mg/l,</li> <li>• Total Nitrogen &lt; 200 mg/l,</li> <li>• pH = 5 to 9,</li> <li>• Temperature &lt; 45°C</li> </ul>	
<p><b>4.4.4</b> Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. <b>Minor Compliance</b></p>	<p>Water usage in the mill from Jul 2016 to Jun 2017 ranged from 1.40 to 1.88 m<sup>3</sup>/tonne FFB with an average usage of 1.56 m<sup>3</sup>/tonne FFB. The level of water usage is slightly higher than the industry norm of 1.2 to 1.5 m<sup>3</sup>/tonne FFB.</p>	Complied
<p><b>Criteria 4.5</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>4.5.1</b> Implementation of Integrated Pest Management (IPM) plans shall be monitored. <b>Major Compliance</b></p>	<p>IPM Plan includes the planting of beneficial plants and control of damage by rodents.</p> <p>Records on planting of beneficial plants had been verified on the estates. Pest infestation was noted to be minimal at the estates.</p> <p>Programme for planting of beneficial plants such as <i>Cassia cobanensis</i>, <i>Turnera subulata</i>, and <i>Antigonon leptopus</i> and records on areas planted had been verified together with the respective maps to be satisfactory.</p> <p><b>At Tindakon Estate, the programmes for planting beneficial plants such as <i>Cassia cobanensis</i>, <i>Tunera Subuleta</i> and <i>Antigonon leptopus</i> were established for FY2016/2017 and 2017/2018.</b></p> <p><b>However, there had been no planting during FY2016/2017 and only 16 chains of Antigonon were planted from Jul to Sep 2017. Noted that the planting of beneficial plants had not been implemented according to the established programmes but there were no reasons given for the programmes being not implemented accordingly.</b></p> <p>Rat baiting would be carried out only should rat damage exceed 5 % on FFB. For areas exceeding 5% on FFB, rat baiting were carried out.</p> <p>Treatment was carried out until return result had shown the acceptance rate of between 10% and 17% which was within the criteria set i.e. below 20%.</p>	<p><b>Major NC# CBK-01</b></p>
<p><b>4.5.2</b> Training of those involved in IPM implementation shall be demonstrated. <b>Minor Compliance</b></p>	<p>Training records for staff and workers on IPM implementation were available and was verified on-site to be satisfactory during field assessment.</p>	Complied
<p><b>Criteria 4.6</b> Pesticides are used in ways that do not endanger health or the environment.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>4.6.1</b> Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease</p>	<p>Guidance Procedure for written justification in the use of agrochemicals had been reviewed and found acceptable.</p>	Complied

<p>and which have minimal effect on non-target species shall be used where available. <b>Major Compliance</b></p>	<p>The PMU has an Approved List of Pesticides registered under the Pesticide Board of Malaysia. The types of chemicals used are as follows: (1) Glyphosate isopropyl amine (41% a.i.) (2) Metsulfuron methyl (20% a.i.) (3) Triclopyr butoxy ethyl ester (32.1% a.i.) (4) Glufosinate ammonium (13.5% a.i.) Specific pesticides had been used to deal with the respective target pest, weed, or disease.</p>	
<p><b>4.6.2</b> 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. <b>Major Compliance</b></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>	Complied
<p><b>4.6.3</b> 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. <b>Major Compliance</b></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>	Complied
<p><b>4.6.4</b> 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). <b>Minor Compliance</b></p>	<p>Use of paraquat had been eliminated since 31 Dec 2011 in the IOI Group Estates. Alternatives such as Round up (Glyphosate Isopropylamine), Ally (Metsulfuron Methyl), and Starane (Floroxyr) had been used to replace paraquat.</p>	Complied
<p><b>4.6.5</b> 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). <b>Major Compliance</b></p>	<p>All pesticide operators 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. First Aid Kits found to be available during pesticides spraying in the fields (4<sup>th</sup> Schedule). Portable signboard noted to be displayed at areas of spraying activity (5<sup>th</sup> Schedule). 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.</p>	



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	<p>The emergency shower and eye wash were verified to be available and in proper working order at the pesticide mixing area. The PMU has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE.</p> <p><b>At Ulu Estate and Tindakon Estate, the changing rooms are not suitable for the fertilizer and weedicide/pesticide workers. There are insufficient shower booths for the groups of workers.</b></p>	<p><b>Major NC# CBK-02</b></p>
<p><b>4.6.6</b> Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. <b>Major Compliance</b></p>	<p>Storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974. Emergency shower and eye wash are available near the pesticides store 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).</p> <p>Used chemical containers were either reused as containers for spraying solution. For disposal, empty pesticide containers are triple rinsed and pierced at the bottom and disposed of by a contractor approved by the Department of Agriculture, Malaysia.</p>	<p>Complied</p>
<p><b>4.6.7</b> Application of pesticides shall be by proven methods that minimise risk and impacts. <b>Minor Compliance</b></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. Warning notice displayed in the area being sprayed with pesticides Programme and training records verified to be satisfactory.</p>	<p>Complied</p>
<p><b>4.6.8</b> 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. <b>Major Compliance</b></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><b>4.6.9</b> 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). <b>Minor Compliance</b></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 attended continual training to enhance their knowledge and skills on pesticides handling. There are no contractor's workers in the PMU.</p> <p>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><b>4.6.10</b> Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). <b>Minor Compliance</b></p>	<p>Scheduled waste of palm oil mill had been disposed of through a DOE licensed scheduled waste contractor.</p> <p>The scheduled wastes from the estates are sent to the POM for disposal.</p> <p>Empty pesticide containers are triple rinsed and pierced for disposal as scheduled waste.</p> <p>Records of scheduled waste collection at the mill verified to be satisfactory.</p>	<p>Complied</p>



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<p><b>4.6.11</b> Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. <b>Major Compliance</b></p>	<p>Annual medical surveillance for all pesticide operators had been implemented. Latest medical surveillance on 22 Aug 2017 for Ulu Estate workers, on 25 Jul 2017 for Tindakan Estate workers and 27 Jul 2017 for Sugut Estate Workers. It was verified that the CHRA recommendations has been satisfactorily followed.</p> <p>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 is unfit for work with pesticides. No such case was reported in the PMU as at the date of assessment. 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.</p> <p>Besides the annual medical surveillance, clinical records were also monitored.</p> <p><b>At Sugut Estate, the two workers (Nensi Marani and Sainab Sarra), who were applying glyphosate at Field Block 02A had not undergone the annual medical surveillance for more than 12 months.</b></p>	<p align="center"><b>Major NC# CBK-03</b></p>
<p><b>4.6.12</b> No work with pesticides shall be undertaken by pregnant or breast-feeding women. <b>Major Compliance</b></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 align="center">Complied</p>
<p><b>Criteria 4.7</b> An occupational health and safety plan is documented, effectively communicated and implemented.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>The occupational health and safety plan shall cover the following: <b>4.7.1</b> 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. <b>Major Compliance</b></p>	<p>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 &amp; Health Officer is in charge of safety and health planning, operation &amp; coordination. Mill/Assistant Mill Managers and Estate Managers / Assistant Estate Managers are also directly involved.</p>	<p align="center">Complied</p>
<p><b>4.7.2</b> 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. <b>Major Compliance</b></p>	<p>Risk assessments were 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. There was an assessment of noise levels in the POM on 14/02/2011 as seen in the Consultant Report. Work areas previously identified with high noise levels are the boiler station, engine room and sterilization unit where noise level exceeded 85 db. Additional noise level monitoring showed noise level increase to be minimum. 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.</p>	<p align="center">Complied</p>



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	<p>Annual audiometric test conducted for all mill staff and workers. The latest audiogram was carried out on 10/03/2017. The audiometric reports of some employees indicated as having mild to moderate hearing impairment and recommended to wear hearing protector. Baseline audiogram and occupational and medical history records of workers maintained.</p> <p>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. The workers knew about the complaints process and mechanism available.</p> <p>“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 space.</p> <p>Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear muffers) verified to be provided to and being used by the workers. Associated training provided to address safety and health issues.</p> <p>Warning signs sighted at high noise areas and ear plugs and ear muffers to be worn. There are also warning signs to use other PPE such as helmet and safety boots.</p> <p>An audit for determining compliance with the minimum standards had been conducted on all types of PPE used.</p> <p>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>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>The POM and estates have established their accident reporting KPI and incident monitoring implemented. Yearly reporting of JKKP8 regulations was submitted to JKKP on time, i.e. in January of each year. The Safety &amp; 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><b>4.7.3</b> 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. <b>Major Compliance</b></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"> <li>- workers exposed to machinery and high noise levels,</li> <li>- workers working in confined space,</li> <li>- harvesters</li> <li>- pesticides operators</li> <li>- manurers</li> </ul> <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>Complied</p>

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	The above trainings were conducted and records were available. Evaluation carried out on each of the trainings to determine its effectiveness. Appropriate PPE (safety helmets) had been provided to FFB harvesters and loaders at the place of work to cover all potentially hazardous operations.	
<b>4.7.4</b> 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. <b>Major Compliance</b>	The responsible persons for safety were the Manager of the Mill and Estate Managers. Records of regular meetings between the responsible persons and workers to discuss about health and safety had been verified to be satisfactory. <b>At Pamol Palm Oil Mill, the accident case dated 27 Apr 2017 had not been reviewed or discussed by the Safety Committee.</b>	<b>Major NC# CBK-04.</b>
<b>4.7.5</b> 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. <b>Minor Compliance</b>	Accident and emergency procedures had been written and briefed to staff, workers, contractors and visitors. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents had been verified to be maintained satisfactorily. Quarterly review on accident cases had been carried out during quarterly meeting of Environment, Safety, & Health (ESH) Committee. <b>At all the estates audited, the Emergency Response Plan in the event of fire need to be tested for effectiveness at the estate office and the workers' living quarters.</b>	<b>OBS# CBK-01</b>
<b>4.7.6</b> All workers shall be provided with medical care, and covered by accident insurance. <b>Minor Compliance</b>	Medical care had been provided to all the workers. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with MSIG Insurance.	Complied
<b>4.7.7</b> Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. <b>Minor Compliance</b>	Records on Lost Time Accident (LTA) metrics had been verified to be satisfactory.	Complied
<b>Criteria 4.8</b> All staff, workers, smallholders and contract workers are appropriately trained.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>4.8.1</b> 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. <b>Major Compliance</b>	A formal training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System have been established and implemented. Training for various categories of operators, including all field and office staff, with regards to their duties and training needs had been reviewed and found acceptable.	Complied
<b>4.8.2</b> Records of training for each employee shall be maintained. <b>Minor Compliance</b>	Records of training for each employee, including new employees were maintained.	Complied

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

<b>Criteria 5.1</b> 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.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>



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<p><b>5.1.1</b> An environmental impact assessment (EIA) shall be documented. <b>Major Compliance</b></p>	<p>The Environmental Impact Assessment for the POM and estates were conducted and documented according to requirements. The assessment had included the identification of aspects from activities covering fertilizing, spraying, transportation of FFB, replanting (if any), workshop, line site, garbage disposal, mill operations, etc.</p> <p>The assessment had also included the action plans to mitigate the negative effects and to promote the positive ones such as relevant conservation activities applicable to the PMU.</p> <p>The assessment includes issues raised through relevant stakeholders' consultations.</p>	<p align="center">Complied</p>
<p><b>5.1.2</b> Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons. <b>Minor Compliance</b></p>	<p>There were no major changes to the identified impacts since the establishment of the documents above.</p> <p>Impacts such as smoke emissions, noise levels, POME and EFB management were verified at the POM.</p> <p>Environmental Management Action Plan include potential impacts, measures to mitigate negative impacts, timeframe for action and responsible persons identified.</p> <p>The plan had been implemented by the Mill and Estate Managers.</p> <p>The water for the POM and domestic use is sourced from the Tungud River that passes though Ulu Estate.</p> <p>Analysis of the non-treated water sample and treated water sample carried out twice a year. The results as seen in the Certificate of Analysis of the non-treated water sample and treated water sample dated 05/07/2017 verified to meet all the required parameters (pH, colour, turbidity, Al, Ammoniacal Nitrogen, As, Cd, Cr, Cl, Cu, cyanide, Fl, Fe, Pb, Mn, Zn, Hg, nitrate, sodium, sulphates, Total Dissolved Solids, Total hardness, zinc, E. Coli count, Coliform count (Drinking Water Quality Standard).</p> <p><b>(1) There are two water ponds (one large pond and another smaller pond) located near to the housing area at block 05M and block 97A in Sugut Estate. The ponds have been identified as conservation areas (0.12 ha and 1.9 ha) as they are the sources of water for domestic use after treatment. There is an appropriate signboard near the pump house and also perimeter fencing had been erected around part of the ponds. However, the perimeter fencing is not complete and also the palm trees within the buffer zone of the ponds were not demarcated to indicate that no spraying and manuring are allowed in the buffer zone. Also, additional signboards are required at more locations around the ponds.</b></p> <p><b>(2) There is a water pond located in block 15C at Tindakon Estate. The pond has been identified as a conservation area (0.2 ha) as it is a source of water for domestic use after treatment. The water supply is from the nearby Sungai Kimansi. Currently, the pond is being extended to increase its capacity. Noted that the perimeter fencing is not in a state of disrepair. The extension of the pond has caused palm trees to be within the buffer zone and noted that demarcation of the zone where spraying and manuring are not allowed has not been done.</b></p> <p><b>As a Minor NC# SH-01 had been raised against the same requirement in the previous assessment, this finding is now upgraded to Major NC as it is a recurring non-conformance.</b></p> <p>The water source for domestic use at Sugut Estate and Tindakon Estate are the water ponds. Analysis of the non-treated water</p>	<p align="center">Major NC# OCL-02</p>



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	<p>sample and treated water sample carried out twice a year and the results dated 05/07/2017 verified to meet all the required parameters of the Drinking Water Quality Standard. In addition, water samples taken at the upstream and downstream of Kimansi river meet the DOE requirements (pH, BOD, COD, TSS, Ammoniacal Nitrogen, Oil &amp; Grease, Nitrate, Phosphate, turbidity) of the National Water Quality Standard Malaysia.</p>	
<p><b>5.1.3</b> 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. <b>Minor Compliance</b></p>	<p>The Environmental Impacts Assessment for the POM, Sugut Estate, Ulu Estate and Tindakon Estate have been reviewed by the Environmental Liaison Officer and approved by the respective Mill/Estate Manager on 11/09/2017, 01/07/2017, 01/03/2017 and 01/03/2017 respectively.</p> <p><b>The Management Plan/Action Plan for the Environmental Impact Assessment (EIA) had included the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of riparian zone, clearing of overgrown natural vegetation and debris along the streams.</b></p> <p><b>At Block 10F in Ulu Estate, there is a stream flowing into sedimentation pond (identified as Sedimentation Pond No.2) that is connected to the Labuk river. It was found that the palm trees in the riparian zone along the stream were not demarcated to indicate that no spraying and manuring are allowed in the riparian zone.</b></p>	<p><b>Minor NC# OCL-01</b></p>
<p><b>Criteria 5.2</b> The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). <b>Major Compliance</b></p>	<p>The Internal "HCV and Conservation Areas" Assessment for the POM and estates have been conducted and were reviewed as follows: Sugut Estate on 10/09/2017. POM and Ulu Estate on 01/09/2017. Tindakon Estate on 01/09/2017.</p> <p>The HCV assessment had incorporated feedbacks provided by the various governmental agencies such as Department of Forestry, Sabah, Department of Irrigation and Drainage, Sabah Wildlife Department and Environmental Protection Department. The assessments made were in accordance with the recommended RSPO-'HCVF Toolkit'.</p> <p>The overall landscape surrounding the PMU had been considered in the HCV assessment reports. The HCV assessment has taken into consideration all aspects of environmentally sensitive areas such as ponds, streams, wildlife boundaries, swampy areas and steep hills.</p>	<p>Complied</p>





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	<p>Although there was no HCV area found inside the plantation area, conservation areas/environmentally sensitive areas had been identified and being monitored in the various estates.</p> <p>Sites visits confirmed that the following:</p> <p>Sugut Estate is an undulating terrain surrounded by other oil palm plantations (Wilmar, Sawit Kinabalu, Great Pines and IJM). The estate had maintained a buffer zone to an identified potential HCV-1 area (forest) located inside IJM plantation but outside Sugut Estate boundary. The other conservation areas are two water ponds located at block 05M and block 97A and the steep hills (left unplanted) adjacent to block 8G. There is no river passing through Sugut Estate.</p> <p>Ulu Estate is a largely flat terrain surrounded by Bayok Estate to the east, Rungus Estate to the west, Tindakon Estate to the south and Tabung Haji oil palm plantation in the north. The estate had maintained a buffer zone to an identified potential HCV-1 area (<b>Bonggaya Forest Reserve</b>) outside the estate boundary. The Tungud river passes along the west boundary of the estate and join the Labuk river at the south boundary of the estate. Riparian zones maintained along these rivers.</p> <p>Tindakon Estate is a largely flat terrain surrounded by Ulu Estate to the east, Rungus Estate to the north, Sabah Palm (other oil palm plantation) to the south and villages to the south. The conservation areas are a swamp (9.98 ha, left unplanted) located at block 12E, a water pond (0.2 ha) located at block 15C and the riparian zones maintained along Tungud river on the north east boundary of the estate and the smaller Kimansi river passing through near the estate office.</p> <p>The respective HCV maps of the estates indicated the locations of the conservation areas.</p>	
<p><b>5.2.2</b> 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><b>Major Compliance</b></p>	<p>Overall, the recommendations and feedback provided by the various parties during the HCV consultation has been considered in the Internal "HCV and Conservation Areas" Assessment management plans at the respective estates.</p> <p>The Management Action Plans were implemented and monitored at the respective estates with specific actions to be taken by the Estate Manager / Assistant Manager for the identified conservation/HCV areas.</p> <p>The action plans included the following:</p> <p>(1) Conservation needed for the wildlife identified such as orangutan, long and short tailed macaque 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>(2) Monitoring and control of any illegal hunting, fishing or collecting activities was also carried out by the patrolling activities conducted.</p> <p>(3) Regular patrols on a regular basis (weekly or twice a month) to monitor the buffer zones and riparian zones have been carried out and findings recorded by the respective Estate Executives / Field Supervisors. The patrol logbooks include entries such as any sighting of wildlife, no erosion at the banks of the streams, no sign of spraying or manuring within the buffer zone / riparian zone, condition of sign boards, red marking at oil palm trees demarcating the buffer zone / riparian zone and condition of river bank soft vegetation. Examples of wildlife sighted are:</p> <p>(a) the orangutan at the potential HCV-1 area at the boundary of Sugut Estate,</p>	<p>Complied</p>

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	<p>(b) proboscis monkey, long and short tailed macaque, hornbill at Ulu Estate and Tindakan Estate,</p> <p>(4) 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>(5) Also, signages that prohibit hunting, fishing and water polluting activities were verified on-site at all estates visited and found to have been satisfactorily maintained.</p> <p>(6) Water sampling and analysis of streams</p> <p>(7) Analysis of effluent for land application (there is no discharge of effluent into water courses in the PMU).</p>	
<p><b>5.2.3</b> There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. <b>Minor Compliance</b></p>	<p>There was evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signage erected around the affected areas which prohibited such activities.</p> <p>The PMU had conducted a program to educate the workforce and community about the status of RTE species and the consequences in accordance with company rules and national laws of any infringement.</p> <p>Training programmes on HCV/Conservations Area/RTE conducted by Sugut Estate, Ulu Estate and Tindakan Estate on 03/03/2017, 09/09/2017 and 01/08/2017 respectively and attended by staff, workers and stakeholders.</p> <p>Training on riparian zones and its importance were also conducted for the field workers by Sugut Estate, Ulu Estate and Tindakan Estate on 27/06/2017, 18/04/2017 and 13/06/2017 respectively.</p>	Complied
<p><b>5.2.4</b> Where an action plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the action plan.</li> </ul> <p><b>Minor Compliance</b></p>	<p>Management action plans were established and monitoring of the mill and estates operations that may affect the status of HCV and RTE species were documented and reported by the Estate Managers. The outcomes of monitoring were taken into consideration during the review of the management action plans.</p>	Complied
<p><b>5.2.5</b> 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. <b>Minor Compliance</b></p>	<p>It was verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estates visited.</p> <p>Thus negotiated agreement of such nature is not applicable.</p>	Not applicable
<p><b>Criteria 5.3</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>5.3.1</b> All waste products and sources of pollution shall be identified and documented. <b>Major Compliance</b></p>	<p>Following waste products and sources of pollution were identified and documented:</p> <p>Scheduled waste, domestic waste, clinical waste and recyclable waste (such as metal, plastic, paper, glass) and mill wastes (EFB, shell, POME).</p> <p>Stack emissions and boiler ashes were monitored at the POM.</p> <p>Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers/drums (SW 409), used filters (SW 410), clinical waste (SW 404), used batteries (SW 102), expired welding rods (SW 104) and fertilizer liners (SW 409).</p>	Complied



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<p><b>5.3.2</b> All chemicals and their containers shall be disposed of responsibly. <b>Major Compliance</b></p>	<p>Inventory of chemicals and their containers is available. At the mill, the disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned.</p> <p>Stores for scheduled waste were inspected. MSDS/CSDS instructions were displayed and found to be followed.</p> <p>The mill has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.</p> <p>Disposal of scheduled wastes by licensed contractor (Legenda Bumimas Sdn Bhd) within 180 days verified to be in compliance with EQ (Scheduled Waste) Regulation 2005. The latest disposal was done on 30/08/2017. It was verified on-site that the records, i.e. Consignment Notes and related documentation has been satisfactorily maintained at the mill and estates.</p>	<p align="center">Complied</p>
<p><b>5.3.3</b> A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. <b>Minor Compliance</b></p>	<p>The waste management and disposal plan were in place at both the POM and estates. It has been documented and implemented as required.</p> <p>Secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be appropriate.</p> <p>Segregation of wastes, i.e. general wastes and scheduled wastes, was verified to be satisfactory in all the estates visited. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill. Records on the usage and disposal were recorded and documented.</p> <p>The solid waste management and disposal plan using landfills was also available at the estates. Verified that the 5 years landfill location planning and maps were available. The designated landfill areas (block 02A in Sugut Estate, block 15D at Ulu Estate and block 95A at Tindakon Estate) 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.</p> <p>Recycling of crop residues / biomass, i.e. EFB and POME had been implemented. Management on EFB application plans and progress reports were verified to be satisfactory.</p> <p>Recycling bins of three different colour codes for specific recycle waste were available in both POM and estates and were used for solid waste segregation and recycling.</p>	<p align="center">Complied</p>
<p><b>Criteria 5.4</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>5.4.1</b> A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. <b>Minor Compliance</b></p>	<p>The use of energy from both renewable and non-renewable sources were monitored monthly to optimise the use of renewable energy. Electricity generation was through steam turbine using diesel and boiler where palm fiber and PK shells were used as renewable energy/fuel.</p> <p>Monthly records of energy consumption of non-renewable fuel (diesel) and renewable fuel (palm fiber and PK shell) per metric tonne of palm product at the POM were available.</p> <p>For FY Jul 2016/Jun 2017, diesel usage was 11.14 liters per mt CPO (ranged from 4.76 to 20.23 liters per mt CPO).</p> <p>FY Jul 2016/Jun 2017 Boiler Fuel Monitoring records indicated an average of 29.26 kW/mt FFB and 134.93 kW/mt CPO.</p>	<p align="center">Complied</p>

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	<p>FY Jul 2016/Jun 2017 Diesel Consumption Monitoring records for POM indicated an average of 0.13 kW/mt FFB and 5.33 kW/mt CPO.</p> <p>Summary of diesel usage in the estates was recorded for a period of 5 years' and data was available for comparison.</p>	
<p><b>Criteria 5.5</b> 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>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>5.5.1</b> There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. <b>Major Compliance</b></p>	<p>IOI Group had observed the policy of 'Zero open burning' for replanting, if any, at the estates.</p> <p>Field inspections made at estates showed no evidence of open burning.</p>	Complied
<p><b>5.5.2</b> Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. <b>Minor Compliance</b></p>	<p>The estates adhered to the 'zero burning' policy for replanting at the estates. Also, there was no evidence of any burning of domestic waste at the housing line sites and at the sanitary landfills of the estates during on site field assessment.</p>	Complied
<p><b>Criteria 5.6</b> Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>5.6.1</b> An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). <b>Major Compliance</b></p>	<p>Environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land were reviewed annually for the POM and estates.</p> <p>Monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS). Verified that the emission is within the permissible limits of Department of Environment.</p> <p>POME treatment, monitoring and land application were monitored, maintained and adhered to Department of Environment regulations.</p>	Complied
<p><b>5.6.2</b> Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. <b>Major Compliance</b></p>	<p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done, e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at the POM and estates.</p> <p>The GHG emissions calculation has been compiled for FY 2016/2017 using PalmGHG v3.0.1 and submitted to RSPO Secretariat on 11/09/2017.</p>	Complied
<p><b>5.6.3</b> 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. <b>Minor Compliance</b></p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are available.</p> <p>Tools and systems used include the Department of Environment online CEMS monitoring for air emissions, PalmGHG, water quality at discharge points as per Department of Irrigation and Drainage regulations and SW disposal were adhering to Department of Environment regulations.</p> <p>Dust emission monitoring indicated average dust emission concentration of 0.3902 g/Nm<sup>2</sup> to be within the permissible limit of 0.400 g/Nm<sup>2</sup> of EQ (Clean Air) Reg.1978 – Std C.</p>	Complied



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	<p>It was verified that the POME is treated via ponding system, i.e. overall 7 ponds used. (4 aerobic ponds, one anaerobic pond, one cooling pond and one facultative pond).</p> <p>In this PMU, there is no discharge of effluent into water courses. Land application of POME to the field carried out in Ulu Estate. Water samples taken every month and analysed to DOE requirements. Records were maintained and verified on-site to have met the permissible regulatory limits (pH 8.5, BOD 37.4, COD 180, Ammoniacal Nitrogen 2, Total Nitrogen 14.7, Oil &amp; Grease &lt;2, Suspended Solids 103, Total Solids 1,115).</p>	
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**Principle 6: Responsible consideration of employees, and of individuals and communities affected by growers and mills.**

<b>Criterion 6.1</b>		
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.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. <b>Major Compliance</b></p>	<p>Social impacts in IOI Pamol Grouping operations were assessed through a mixture of consultations, meetings, respond forms and interviews.</p> <p>Social impact assessment [SIA] for the year 2017 for IOI Pamol Grouping has been conducted together with relevant external and internal stakeholders. External stakeholders' consultation was conducted for the whole grouping on 1 Aug 2017 and the consultation was properly documented. 45 participants attended the external stakeholders' consultation, including suppliers, contractors, government agencies and NGOs. Taking into consideration the distance from the POM, a separate stakeholder consultation was conducted on 6 Sep 2017 in Sugut Estate to ensure that all relevant stakeholders were covered.</p> <p>Internal stakeholders' consultations however conducted separately in each operating unit, e.g. in Sugut Estate it was conducted on 21 June 2017, in Ulu Estate it was on 16 July 2017 and in Pamol POM on 26 Aug 2017. Internal stakeholders' consultations in each operating unit were attended by different categories of workers, e.g. different scope of work, gender, nationalities and levels. These consultations were also very well documented.</p> <p>In each SIA for each operating unit audited it was verified that all potential impacts were included, e.g. access and use rights to individual passports and travelling documents, sufficient and on time monthly pay, schools and health clinics, etc.</p>	Complied
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. <b>Major Compliance</b></p>	<p>Each consultation and meeting conducted was verified to have involved relevant stakeholders affected by the operations of the group. Participants in external and internal stakeholder consultations were already mentioned above [6.1.1]. Participants in meeting such as Employee Consultative Committee [ECC] involved workers representatives from different categories of workers such as general workers, sprayers, manuring workers, harvesters, drivers both locals and foreign workers. Participants in Gender Consultative Committee [GCC] mainly are women workers attended by Social Liaison Officer who are mostly male Assistant Manager acting as representatives for male workers.</p> <p>During external and internal stakeholder consultation respond forms were distributed for written inputs, however, verbal inputs were recorded in the meeting minutes. Meeting minutes were also maintained for other meetings mentioned above, i.e. ECC and GCC meetings. Attendance lists and photos for stakeholders' consultations and meetings conducted were also verified.</p> <p>Examples of issues brought up during the external stakeholders' consultation were request for main gate duplicate key from neighbouring estates, clearing of palm</p>	Complied

	fronds in the river, etc. Meanwhile examples of issues brought up during of internal stakeholders consultation are related to line site maintenance, reduced deduction rate for passport and work permit, etc.	
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. <b>Major Compliance</b>	Based on the inputs received from the consultation, meetings, respond forms, etc. IOI Pamol Grouping developed a social action plan which also stated the time frame and responsible person.	Complied
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.  There shall be evidence that the review includes the participation of affected parties. <b>Minor Compliance</b>	The plans are reviewed annually together with affected parties as mentioned above. For example in Pamol POM latest revision was on Sep 2017 by the Social Liaison Officer. The workers especially are regularly consulted through the ECC meetings, safety meeting, daily morning muster and individual reports made in the Grievance Books.  Actions taken to address the concerns raised by the stakeholders were verified during the audit and these actions are updated as necessary in the social action plan.	Complied
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). <b>Minor Compliance</b>	No smallholders in IOI Pamol Grouping, thus this criteria is not applicable.	Not applicable
<b>Criterion 6.2</b>		
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
6.2.1 Consultation and communication procedures shall be documented. <b>Major Compliance</b>	Procedure related to communication and consultation with the parties mentioned is available at IOI group website via the link stated below: <a href="https://www.ioigroup.com/Content/S/PDF/30 sept 2016 Grievance Mechanism FINAL.pdf">https://www.ioigroup.com/Content/S/PDF/30 sept 2016 Grievance Mechanism FINAL.pdf</a>  The group has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. its workers, government agencies, contractors, by personal invitation to attend the internal and external stakeholders' consultation.  At IOI Pamol Grouping level, the procedure mentioned above is available in English and Bahasa Malaysia and made public to all workers. Furthermore the procedures were also explained carefully to all level of workers and this was verified through individual interviews with sampled workers during the audit. This procedures were also socialized with external stakeholders during the consultation session and personal interviews conducted by the management.	Complied
6.2.2 A management official responsible for these issues shall be nominated. <b>Minor Compliance</b>	In most cases, nominated person responsible as social liaison officers are the Assistant Managers of the operating units. Social liaison officers are responsible in handling relevant social related issued either raised by local communities, workers, government agencies or other interested parties. For	Complied



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	<p>example Mr. Rene Ulysses, AM is identified in the SIA as Social Liaison Officer for Sugut Estate, Mr. Hardiman Karading, AM in Ulu Estate and Mr. Ridwan Mohd Isa, AM in Pamol POM.</p> <p>Names of these nominated officers are made public to the workers through grievance procedures available in the public notice boards as well as through announcements made during meetings and morning musters. Interviewed conducted with workers during the audit verified that the workers especially have easy access to these social liaison officers.</p>	
<p>6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p><b>Minor Compliance</b></p>	<p><b>Except for Meliau Estate, the stakeholders' lists in all the other estates found to be incomplete as names and contact details of the neighbouring estates and smallholders were not clearly stated. In most cases only names and contact details of representatives from nearby villages are listed, which might not necessary be the owners of any oil palm smallholdings neighbouring to the estates within the Pamol (Sabah) PMU.</b></p>	<p><b>Minor NC# JMD-01</b></p>
<p><b>Criterion 6.3</b></p> <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p><b>Major Compliance</b></p>	<p>It was verified during the audit that a system to deal with complaints and grievances for all affected parties have been established and well implemented in IOI Pamol Grouping. Among others, the affected parties have several options to register their complaints and grievances, e.g. Grievance Book, annual stakeholder consultation, morning muster, during ECC, GCC and Safety meetings.</p> <p>Procedures on how to register complaints are available in public notice boards and in languages understood by the workers. Main person responsible in handling the complaints and grievances received from stakeholders in each operating unit is the Social Liaison Officers who in most cases are the Assistant Managers. Training and explanation on how to utilised this system were given and verified by the auditor.</p> <p>The system in place is verified to be effective in ensuring that complaints and grievance are addressed or resolved in timely and appropriate manner. Actions taken to address the complaints and grievances received are recorded appropriately.</p> <p>The system also allows the workers to register their complaints against their immediate supervisor as in most cases Social Liaison Officers are normally in higher position than the supervisors. The workers also allowed to elect their own representatives in the ECC as opposed to the representatives being dictated by the management.</p> <p>Complaints and grievances are investigated, addressed and resolved based on their severity. Minor complaints will normally be resolved within 2-3 working days, whilst major complaints and grievances will be resolved based on priority and budget availability. No complaints related to sexual harassment received so far, but the procedures stated such issues will be handled with the utmost privacy and confidentiality by the GCC.</p>	<p>Complied</p>



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	<p>It is verified during on-site interviews that there were no incidences of dispute or grievance of a serious nature but since Feb 2014 IOI grouping had adopted "<b>Whistleblowing Policy</b>" [<a href="https://www.ioigroup.com/Content/CI/PDF/Corp_WhistleblowingPolicy.pdf">https://www.ioigroup.com/Content/CI/PDF/Corp_WhistleblowingPolicy.pdf</a>] which was approved by Audit and Risk Management Committee in Feb 2013. It was also evident that if no mutual resolution found between the complainants, esp. external stakeholder, the issue will be brought to RSPO and the local authorities.</p>	
<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available. <b>Major Compliance</b></p>	<p>All complaints and grievances received are documented either in the form of log book as in the Grievance Book, meeting minutes for the ECC, GCC, Safety meetings and annual stakeholder consultations or respond forms. Decisions and action as responds to the complaints and grievances received also very well documented with sufficient supporting documents as proofs. For example latest entry in the Grievance Book in Sugut Estate received on 8 Sep 2017 requesting extension of electricity supply on 9-10 Sep 2017. Other example in Tindakon Estate, latest entry in grievance book was on 15 Jul 2017 from Salamat Iskandar. The requests were approved and attended to in timely manner. Other than reports made to the gender representatives, all other complaints and grievances are accessible to public.</p>	<p>Complied</p>
<p><b>Criterion 6.4</b> 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><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></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. <b>Major Compliance</b></p>	<p>There are some borders at the operating units audited in IOI Pamol Grouping immediately adjacent to villages. However, there has been no records of any negotiation or compensation pertaining to this criteria.  No changes in status to date, hence no negotiation or compensation that fall under this criterion.</p>	<p>Complied</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. <b>Minor Compliance</b></p>	<p>IOI as a group has a generic procedure for calculating and distributing compensation which was available for verification during the audit. However, to date, there has been no dispute by any parties reported at the IOI Pamol Grouping.</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. <b>Major Compliance</b></p>	<p>To date, there has been no report on major dispute with any parties. Therefore the process and outcome of compensation could not be observed.</p>	<p>Complied</p>



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<b>Criterion 6.5</b>		
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.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p>6.5.1 Documentation of pay and conditions shall be available.</p> <p><b>Major Compliance</b></p>	<p>In IOI Pamol Grouping, most of the workers in the plantation, as stated in the workers contract, are considered as “general workers” with piece rated pay. In Pamol POM however, the workers are paid with daily rate. These pay conditions and other benefits are sufficiently spelt in the workers contract. Decision on workers’ wages were based on a memorandum dated 20 June 2016 to all IOI groups in Sabah including Pamol. According to this memorandum monthly minimum wages had to be RM920/month or RM35.38/day, provided that all qualifying conditions are satisfactory fulfilled. Foreign workers are mostly from Indonesia who have no problem in understanding the local language.</p>	<p>Complied</p>
<p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p><b>Major Compliance</b></p>	<p>Pay conditions are clearly detailed in the workers contracts which include pay system used, working hours, overtime, holiday entitlements, etc. List of deductions made were verified as signed by the workers and clearly dated. These deductions are allowed by Jabatan Tenaga Kerja [JTK] with latest permit dated 24 Jan 2017.</p> <p>Workers contract is in Bahasa Malaysia which could be understood with no difficulty by the foreign workers who are mostly Indonesian.</p> <p>Based on interviews with the workers and sampled pay slips in each operating unit audited, it was verified that the pay and conditions as stated in Sabah Labour Ordinance, Minimum Wages Order 2016 and other relevant regulations are satisfactorily complied with. Issue raised when there are still a group of workers who received below minimum wages. However, through available records, it was verified these occurred mainly due to non-attendance without prior permission and/or failure to achieve daily target set by the management. JTK Sandakan and JTK Kunak, consulted by IOI Sustainability team and verified by the auditor, confirmed that these group of workers are not covered under the Minimum Wages Order 2016. Thus it is not require by the law for the management to top up the wages of workers who are having these issues.</p> <p>Currently wages in IOI Pamol Grouping are paid by issuing cheques. In order to cash the cheques the workers will acquire the assistance from sundry shops owners in the group. An issue was raised that the sundry shops are charging 2% per cheque for this service. During the audit it was found no records of any complaint from the workers on high service charge for cashing the cheques.</p> <p>To date, JTK have never received any complaints from local nor foreign workers against IOI Pamol Grouping with regards to unjust pay and working conditions. There was also no complaint raised during any meeting and stakeholder consultation nor recorded in any Grievance Book.</p> <p>However, there were some non-compliances and observations as listed below;</p> <p><b>1) According to Sabah Labour Ordinance, Section 103(4),</b></p>	





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	<p>HUMANA are mainly for children between 6-13 year old and for children older than that Community Learning Centre [CLC] is available.</p> <p>School children, both local and foreigners, are transported with no charge from the operating units in suitable vehicles. A number of school buses sighted were used to transport the school children.</p> <p>Specifically for Sugut Estate approval for HUMANA school building budget dated 18 Jul 2017 was verified during the audit. The budget approved for the school was RM185,000. Expected completion date will be by end of the year. Currently the management is in the process of hiring a contractor. It is expected around 30 students will be attending the school based on survey conducted by the management. Until the completion of new school workers dependents are not attending any school. Invitation were extended to nearby estates to send the dependents of their workers to attend the HUMANA school.</p> <p><b><u>Sundry shops</u></b></p> <p>Sundry shops are available outside at each operating unit audited. From interviews with the workers 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><b><u>Crèche (Rumah Asuhan Kanak-kanak)</u></b></p> <p>Creche is available in each operating unit and they are well maintained. The crèche caretakers are well trained on procedures of using the first aid kits. Depending on the operating unit management, some crèche are provided biscuits or chocolate drink. During the audit, children were found in good health and surrounding. No overcrowded crèche found and ratio between caretakers with children are well balanced.</p> <p><b><u>Medical clinics</u></b></p> <p>Clinics are located in within the vicinity of the estates and the POM. Together with the staff, the Health Attendance [HA] are also responsible on monitoring and maintaining acceptable living standard in the line sites, e.g. buildings maintenance, rubbish collection, drainage system, children education, etc. Inspection by the staff conducted weekly, whilst inspection by HA conducted monthly. VMO make a monthly visit to the audited estates and check upon a few areas, e.g. the clinics, line sites, crèche.</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><b>Minor Compliance</b></p>	<p>IOI Pamol Grouping 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.</p> <p>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>Complied</p>
<p><b>Criterion 6.6</b></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><b>Indicators</b></p>		<p><b>Compliance</b></p>



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<p>6.6.1 A published statement in local languages recognising freedom of association shall be available. <b>Major Compliance</b></p>	<p>A policy on “<b>Equal Opportunity Employment &amp; Freedom of Association Policy</b>” is adopted by IOI Group including IOI Pamol. This policy is available in public notice boards in languages understood by the workers, i.e. Bahasa Malaysia and English.</p> <p>As an alternative to workers union, IOI Pamol Grouping formed the ECC in each operating unit. This committee serve as a medium for workers to collectively bargain with the management. Members of ECC are representatives elected by the workers including both local and foreigners. ECC meetings are scheduled quarterly and each meeting is minuted. It was verified that issues raised during the meetings are resolved in appropriate and timely manner. However, from sampled ECC meeting minutes, there was no major issue raised by the workers. Meeting minutes selected for verification was for Ulu Estate latest ECC meeting was conducted on 22 Feb 2017 and for Tindakon Estate on 28 Jul 2017.</p> <p>Sabah Labour Ordinance as the main regulation covering labour issues in Sabah is available in each operating units and accessible to all workers. Workers contract is in Bahasa Malaysia understood by all workers including the Indonesian. It was also verified that before signing the contract, the management of each operating unit in IOI Pamol Grouping still carefully explained the contract to the workers.</p>	<p>Complied</p>
<p>6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. <b>Minor Compliance</b></p>	<p>ECC as an alternative to workers union is scheduled to conduct their meeting quarterly. It was verified that each meeting is properly documented and filed complete with photographic evidence. Participants in ECC meetings normally involved workers representatives from different categories of workers such as general workers, sprayers, manurers harvesters, drivers both locals and foreign citizens.</p> <p>The meeting minutes are accessible to all members in the ECC and other workers as well. In each meeting, the meeting started with approval of previous meeting minutes and evaluate the status of issues raised.</p>	<p>Complied</p>
<p><b>Criterion 6.7</b> Children are not employed or exploited.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>6.7.1 There shall be documentary evidence that minimum age requirements are met. <b>Major Compliance</b></p>	<p>The Child Labour Policy adopted by estate managements had stated that the minimum age of workers is 19 years. Site inspection of the employment records in all estates confirmed that this has been complied.</p> <p>HUMANA schools and ‘crèche’ were established to cater to the need for proper education of the foreign workers children. Children at the appropriate age for secondary school attended the Community Learning Centre (CLC) which is also managed by HUMANA but was built with the help of the PMU.</p> <p>Inspection of the employment records including site visit to the estates confirmed that this criterion has been complied with.</p>	<p>Complied</p>
<p><b>Criterion 6.8</b> 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><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>



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<p>6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p><b>Major Compliance</b></p>	<p>The “<b>Equal Opportunity Employment &amp; Freedom of Association Policy</b>” was displayed in local language and English. This policy clearly state that IOI Group including IOI Pamol prohibits and will actively prevent any discrimination based on race, nationality, religion, or gender. Similar statements also mentioned in “<b>IOI Sustainable Palm Oil Policy</b>” [<a href="https://www.ioigroup.com/Content/S/PDF/Sustainability%20Palm%20Oil%20Policy.pdf">https://www.ioigroup.com/Content/S/PDF/Sustainability Palm Oil Policy.pdf</a>]</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.</p> <p><b>Major Compliance</b></p>	<p>Through interviews with workers in the operating units audited as well as checking of relevant records it was found this criteria has been well complied with. Examples of non-discriminatory practices are as below;</p> <ol style="list-style-type: none"> <li>1. All piece rated workers will be paid based on the tasks completed with main target is to achieve the minimum wages per day.</li> <li>2. IOI Pamol Grouping provided schools and transportation for both children of foreign workers, HUMANA, and provide transport for children of the local staff to schools located within the vicinity of the PMU.</li> <li>3. No restriction for any Muslim or Christians to perform their religious obligations, mosques and churches are available within the group.</li> <li>4. Both gender are given equal opportunity to be a Mandore in the field, provided that the person shows sufficient skills on the tasks assigned and serve as good examples for his/her group members.</li> </ol> <p>To date, JTK have never received any complaints from local nor foreign workers against IOI Pamol Grouping with regards to discrimination issues. There was also no complaint raised during any meeting and stakeholder consultation nor recorded in any Grievance Book.</p>	<p>Complied</p>
<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><b>Minor Compliance</b></p>	<p>All operating units audited in IOI Pamol Grouping kept and maintained records of their workers, including credentials and medical history. Credentials for foreign workers are mostly referring to the travel documents, whilst credentials for local staff have more details. However, records of medical history for both local and foreign workers are considerably comprehensive kept in the medical clinics within the group.</p> <p>IOI Group “<b>Equal Opportunity Employment &amp; Freedom of Association Policy</b>” and “<b>IOI Sustainable Palm Oil Policy</b>” are available widely to the public for reference. The gist of these policies were also well explained to all workers through regular meetings, briefing at muster ground and notices at the public boards. These policies are reviewed as and when necessary by IOI Group.</p> <p>Recruitment and promotion are verified based on skills, capabilities, qualities, and medical fitness necessary for the job. Before hiring, each new foreign workers are required to pass FOMEMA medical check-up as required by law and probation period to evaluate level of skills and the workers attitude towards the new surroundings.</p>	<p>Complied</p>
<p><b>Criterion 6.9</b> There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>6.9.1 A policy to prevent sexual and all other forms of harassment and</p>	<p>IOI Group adopted “<b>Policy on Prevention &amp; Eradication of Sexual Harassment in the Workplace</b>” and it was displayed</p>	<p>Complied</p>

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<p>violence shall be implemented and communicated to all levels of the workforce.</p> <p><b>Major Compliance</b></p>	<p>publicly in Bahasa Malaysia and English. Through formation of GCC and minutes of stakeholders' consultation, it was evident that this policy is very well implemented and communicated to all level of workforce.</p> <p>GCC members interviewed, e.g. Ms. Amnah Abd Salam, GCC Chairperson in Tindakon Estate, it was verified that there is a clear and understandable protocol on receiving complaints or grievances related to sexual harassment. Apart from briefing on the policy mentioned above in muster ground to all workers and during stakeholder consultations, GCC meetings were also conducted in each operating unit audited. Examples are in Ulu Estate, latest GCC meeting was on 9 Jul 2017 and in Tindakon Estate was on 18 Aug 2017. Briefing sessions for male workers were also conducted, for examples in Ulu Estate latest session was on 10 Jul 2017 by Mr. Hazizi Jaffar, Estate Manager.</p> <p>Meeting minutes of GCC was reviewed during the audit and concerns related to women was clearly covered including especially on sexual harassment and domestic violence.</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><b>Major Compliance</b></p>	<p>Pregnant and breastfeeding women were exempted from work associated with potentially hazardous chemicals. Medical checkup is conducted monthly on workers handling chemicals and this process ensure that pregnant workers are identified as early as possible. However, in most cases based on the advice from the management and the HA, female workers found to be voluntarily resigned from work due to their pregnancies until they have completed weaning their babies.</p>	Complied
<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><b>Minor Compliance</b></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 kept.</p>	Complied
<p><b>Criterion 6.10</b></p>		
<p>Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p><b>Minor Compliance</b></p>	<p>All estates in the PMU have no dealings with smallholders. No changes with regards to dealing with smallholders since last year and no evidence to suggest of any unfair business practices with the local businesses.</p>	Complied
<p>6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).</p> <p><b>Major Compliance</b></p>	<p>The PMU maintained records on current and past prices paid for FFB. Monthly prices are displayed at the POM office and FFB price data are available to the public upon request.</p>	Complied
<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><b>Minor Compliance</b></p>	<p>Based on employee contracts and meeting minutes (between the PMU managements and employees) it is evidenced that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>Interviews with parties concerned confirmed that business practices with local businesses are conducted in a fair and</p>	Complied



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	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.	
6.10.4 Agreed payments shall be made in a timely manner. <b>Minor Compliance</b>	The PMU has a policy to ensure agreed payments were made in a timely manner as per the contracts of agreement made. Payments are made on time according to common practice of 60-day grace period.	Complied
<b>Criterion 6.11</b>		
Growers and millers contribute to local sustainable development where appropriate.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. <b>Minor Compliance</b>	<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 independents to acquire proper travelling documents if they do not have any.</p> <p>With regards to HUMANA, the PMU has been replacing old HUMANA buildings with the new ones for the past few years. The Community Learning Centre (CLC) was also built by the PMU in collaboration with HUMANA management in order to provide children completing primary school to still acquire necessary education suitable for their age. These HUMANA schools are not only for children within the PMU only but also open for children from surrounding areas. Free transport are provided by the office management for children to the schools. Annually IOI also donated school bags and stationery to HUMANA students. Whilst in government schools, high achievers were given cash rewards.</p> <p>Clinics are available in the line sites of both estates audited. From the interviews with the Medical/Health Assistant as well as the teachers from HUMANA schools, the clinics do provide treatment to the school children if it is really necessary especially during emergency.</p> <p>As IOI Pamol Grouping is flood prone area including the villages nearby, occasional requests from were received from the villagers for assistance. For example, villagers from Kimansi villare requested assistance to remove fallen trees which disconnect the power line. Approval for the work issued on 5 Sep 2017. Village Head from Kimansi Village also request assistance from the group to repair damaged road due to flooding. Approval for repair work issued on 18 Aug 2017.</p>	Complied
6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity <b>Minor Compliance</b>	There is no scheme smallholder in the PMU.	Not applicable
<b>Criterion 6.12</b>		
No forms of forced or trafficked labour are used.		
6.12.1 There shall be evidence that no forms of forced or trafficked labour are used. <b>Major Compliance</b>	<p>Estate workers are sourced by the IOI appointed agents and handled via IOI Sandakan Region office [SRO].</p> <p>All procedures of bringing in foreign workers are with the approval from the Immigration Office. Based on records</p>	Complied



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	<p>verified and interviews with some of the workers, it is confirmed that there has been no occurrence of forced nor trafficked workers in IOI estates.</p> <p>In fact, IOI through its newly revised SPOP has been releasing the passports back to the workers throughout the group. The workers however were reminded they are responsible should untoward incidents happened with the passport in their custody. The management however, would still assist the workers to monitor the passport and work permit expiry dates, sending them for FOMEMA test until collecting work permit from the Immigration.</p>	
<p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred.</p> <p><b>Minor Compliance</b></p>	<p>No issue of contract substitution has been found and this was confirmed through interviews with external stakeholders.</p>	<p>Complied</p>
<p>6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.</p> <p><b>Major Compliance</b></p>	<p>A policy on Equal Opportunity was adopted and implemented by the PMU and verified to have covered all necessary aspects of migrant workers related issues.</p>	<p>Complied</p>
<p><b>Criterion 6.13</b> Growers and millers respect human rights.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<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><b>Major Compliance</b></p>	<p>Clauses pertaining to Human Rights Policy were stated in the Equal Opportunity and Non-Discrimination Policy. Adoption of the Special Labour Policy and Procedures especially covering migrant workers on 01 Mar 2016 covers majority of the principles in the UN Guiding Principles on Business &amp; Human Rights 2011.</p>	<p>Complied</p>
<p><b>6.13.2</b> 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><b>Minor Compliance</b></p>	<p>The "Sustainability Policy Statement" recently adopted and implemented by the PMU verified to have covered the necessary aspects of human rights related issues, including access to education for the children of foreign workers.</p>	<p>Complied</p>

### Principle 7: Responsible development of new plantings

Todate, the PMU has not carried any new plantings after Nov 2005 which may be applicable under requirements of the RSPO New Planting Procedure. The requirements of Principle 7 were verified to be 'Not applicable' to this PMU during this assessment.

It was verified during current on-site assessment that the PMU has declared and submitted its Land Use Change details for analysis for its plantings since Nov 2005 as per the calculations specified in the RSPO PalmGHG v 3.0.1. The GHG Calculation Report was submitted to RSPO Secretariat on 11 Sep 2017.

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



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

<b>Criterion 8.1</b>		
<p>Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p><b>8.1.1</b> 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"> <li>• Reduction in use of pesticides (Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Encourage optimising the yield of the supply base.</li> </ul> <p><b>Major Compliance</b></p>	<p>The PMU had planned and progressively implemented continual improvement activities in the POM and estates:</p> <p><u>Continual improvements for the POM:</u></p> <ol style="list-style-type: none"> <li>1. Biogas plant – construction to start in Oct 2017.</li> <li>2. Jet aerator.</li> <li>3. New multipurpose court.</li> </ol> <p><u>Continual improvements for Estates:</u></p> <p><u>Sugut Estate -</u></p> <ol style="list-style-type: none"> <li>1. Water treatment plant.</li> <li>2. Increase the acreage of beneficial plants.</li> <li>3. Skid tank bund containment.</li> <li>4. New concrete fertilizer store.</li> <li>5. One block x 2 units of staff quarters.</li> <li>6. Three blocks x 6 units of workers quarters.</li> </ol> <p><u>Tindakon Estate –</u></p> <ol style="list-style-type: none"> <li>1. One unit concrete workshop.</li> <li>2. One unit of passenger trailer.</li> </ol> <p><u>Ulu Estate –</u></p> <ol style="list-style-type: none"> <li>1. New water treatment plant for workers quarters to meet increasing demand for clean water.</li> <li>2. Workers quarters (concrete structure).</li> </ol> <p><u>Social aspects</u></p> <ol style="list-style-type: none"> <li>1. Kimansi villare requested assistance to remove fallen trees which disconnect the power line. Approval for the work issued on 5 Sep 2017.</li> <li>2. Village Head from Kimansi Village also requested assistance from the PMU to repair damaged road due to flooding. Approval for repair work issued on 18 Aug 2017.</li> <li>3. New HUMANA school building in Sugut Estate.</li> </ol> <p>Evidence of results was available for the above continuous improvement action plans.</p>	<p>Complied</p>

**3.1.1 Supply Chain Certification Standards Findings - on CPO Mill**

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

Details of findings are as follows:

<b>D.1 Definition</b>		
Indicators	Findings and Objective Evidence	Compliance
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own</p>	<p>The POM only processed FFB from its own supply base (see <b>Section 1.3</b>). It was verified that there was no sources of FFB from any outgrowers or independent suppliers / smallholders.</p>	<p>Complied</p>

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<p>supply base certified to the RSPO Principles and Criteria (RSPO P&amp;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 CPO Mill is therefore applying the Identity Preserved (IP) module.</p>	
<p><b>D.2 Explanation</b></p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>D.2.1 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&amp;C certification 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 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 report (see <b>Section 1.8.2 Table 6 and Section 1.8.3 Table 7</b>).</p>	<p>Complied</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</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>	<p>Complied</p>
<p><b>D.3 Documented procedures</b></p>		
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p>	<p>Documented procedure for IP Module is: RSPOSC/SOP/IP/3 Rev. No. 05, 01/08/2017. Latest revision to take into consideration the changes to the RSPO Supply Chain Certification Standard Jun 2017: (1) a written procedure (RSPOSC/SOP/IA/1 Rev. No. 01, 01/08/2017) to conduct annual internal audit. (2) contractor used for processing or physical handling of RSPO certified oil products. (3) RSPO Market Communication and Claims. The procedure covered the implementation of all elements of IP Module.</p>	<p>Complied</p>
<p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements</p>	<p>The documented procedure and its implementation confirmed to have complied with all the specified requirements of Identity Preserved (IP) Module D that include controlling the FFB receipt, processing, sales, CPO and PK dispatch, and records keeping.</p>	<p>Complied</p>



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<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. Edmund Norbert has the overall responsibility and authority for implementation and compliance with the documented procedure. He and other relevant staff (e.g. Asst. Mill Managers, Mr. Ram Surendra Prakash and Mr. Ridwan bin Mohd. Isa) under his charge demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard Module D requirements and its implementation. Interviews of the relevant staff confirmed their knowledge of the RSPO Supply Chain Certification requirements for the respective areas of operations. The Palm Oil Mill Organization Chart and job responsibilities of employees (Mill Manager, Assistant Manager, Engineers, Assistant Engineers, Technical Executive, Supervisor, Weighbridge Operators Laboratory Chemist and clerks) have been suitably defined in the IOI Management System Manual. <b>RSPO SCCS training for relevant POM employees conducted on 08/09/2017. However, the subcontractors' workers for the barge transportation of CPO and lorry transportation of PK were not present for the said training as evident from the attendance list.</b></p>	<p style="text-align: center;"><b>Major NC# OCL-03</b></p>
<p>D.3.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>The POM only received and processed FFB mainly from the PMU estates and some FFB from other certified IOI PMUs estates. The PMU did not receive any non-certified FFB from other sources or suppliers. All supplies of FFB were subjected to verification of documents and quality checks by weighbridge personnel. The identification and documentation needed for supply and processing from the other sources or suppliers are adequately addressed under the procedure. The POM has 4 CPO storage tanks that stored the IP quantities.</p>	<p style="text-align: center;">Complied</p>
<p><b>D.4 Purchasing and goods in</b></p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></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 Regional Office and weekly to the Head Office at Putrajaya.</p>	<p style="text-align: center;">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 the CB of production variations such as projected overproduction situation, when such issue arises. So far, there is no projected overproduction.</p>	<p style="text-align: center;">Complied</p>
<p><b>D.5 Record keeping</b></p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>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.</p>	<p>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 2 years.</p>	<p style="text-align: center;">Complied</p>
<p><b>D.6 Processing</b></p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	

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<p>D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.</p>	<p>Confirmed from records that the POM only received and processed certified FFB from its own estates and estates in other certified IOI PMUs. 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.</p>	<p>Complied</p>
<p>D.6.2 The objective is for 100 % segregated material to be reached.</p>	<p>Documents and records provided documented evidence that the FFB receipt and processed, and CPO and PK produced are traceable to 100% certified material. The product type and supply chain module indicated as CSPO/IP and CSPK/IP on relevant documents.</p>	<p>Complied</p>

### 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 2017/2018.

### 3.1.3 Monitoring of CSPO and CSPK traded:

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

	CSPO - Actual Jul 2015 / Jun 2016 (MT)	CSPK - Actual Jul 2015 / Jun 2016 (MT)	CSPO - Actual Jul 2016 / Jun 2017 (MT)	CSPK - Actual Jul 2016 / Jun 2017 (MT)
<b>RSPO certified</b>	<b>19,865.47</b>	<b>8,496.01</b>	<b>19,672.67</b>	<b>10,527.64</b>
<b>Book &amp; Claim</b>	0	0	0	0
<b>ISCC</b>	<b>10,668.76</b>	-	<b>19,815.22</b>	-
<b>Total Traded</b>	<b>30,534.23</b>	<b>8,496.01</b>	<b>39,487.89</b>	<b>10,527.64</b>
<b>Actual Produced</b>	<b>53,663.39</b>	<b>10,708.10</b>	<b>53,998.21</b>	<b>10,770.89</b>

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.



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### 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
Initial Assessment	2016	2 Minor	1	Actions taken on the NC and OBS verified to be effective during ASA-01 except for the Minor NC# JMD-01 (which is upgraded to Major NC because of reoccurrence).
Annual Surveillance - 01	2017	10 (8 Major, 2 Minor)	3	Next assessment

#### 3.2.1 Year 2016 Initial Assessment: 2 Minor NCRs

NCR	MYNI Indicator	Details of NCR	
Minor OCL-01	4.2.4	Date issued: 08/10/2016	
		Nonconformance: There were workers applying EFB among the young oil palms at the replanted areas (Block 16D) in Nangoh Estate. During the field visit to Bayok Estate, it was found that there were two heaps of EFB at Block 011C awaiting for application among the oil palms. Action should be taken to ensure that there is no delay in the application.	
		Root Cause and Corrective Action: <u>Root Cause:</u> Delay of EFB levelling programme due to the breakdown of the excavator used to do EFB levelling.	
		<u>Corrective Action:</u> <ol style="list-style-type: none"> <li>1. Immediate EFB levelling was conducted at inter-row using the excavator borrowed from sister estate.</li> <li>2. Refreshment training on EFB application procedure to Assistant Manager, staff in-charge and workers involved in EFB Application operation.</li> <li>3. Manual labour to do the EFB levelling will be planned as a contingency plan in future, in case of machinery breakdown occur.</li> </ol>	
		Verification (Corrective Action): Off-site verification was carried out. Verified that the corrective actions for the EFB application are acceptable. The corrective actions satisfactorily addressed the non-conformance.	
		<b>NC status verified by auditor: Closed by OCL</b>	
		<b>Date closed: 08/11/2016</b>	
Verification (for effectiveness): In ASA-01 Assessment: Verified that the implementation of the corrective action is effective as observed during field inspection.			
<b>Effectiveness verified by auditor: Accepted by OCL</b>			
<b>Date verified: 15/09/2017</b>			

NCR	MYNI Indicator	Details of NCR	
Minor	5.1.2	Date issued: 08/10/2016	

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<b>SH-01</b>		<p>Nonconformance:</p> <p>It was found that there was no clear demarcation on the extent of the buffer zone for the following areas:</p> <ol style="list-style-type: none"> <li>(1) At Nangoh Estate – a swampy area located in the middle of the estate. Also, this swampy area need to be identified as a conservation area and included in the estate map.</li> <li>(2) At Bayok Estate –             <ol style="list-style-type: none"> <li>(a) swampy areas near Sungai Labuk</li> <li>(b) Stretches of Sungai Wan Yang</li> </ol> </li> </ol>		
		<p>Root Cause and Corrective Action:</p> <p><u>Root Cause:</u> Inadequate marking along the stretches of river and swamp.</p> <p><u>Corrective Action:</u></p> <ol style="list-style-type: none"> <li>1. Immediate demarcation mark along the stretches of river and swamp.</li> <li>2. Additional signage indicating Conservation Area was erected at another strategic location near the swamp and river.</li> <li>3. As a continuous management and monitoring plan, a refresher training on HCV and Conservation Area will be given to Environment Liaison Officer, Honorary Wildlife Warden, Honorary Forest Ranger and patrolling in-charge to enhance monitoring system practice at estate.</li> </ol>		
		<p>Verification (Corrective Action):</p> <p>Off-site verification was carried out. Verified that the corrective actions for the demarcation of buffer zone at the river and swamp and refresher training are acceptable. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 30%;"><b>Date closed: 08/11/2016</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 08/11/2016</b>
<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 08/11/2016</b>			
		<p>Verification (for effectiveness):</p> <p>In ASA-01 Assessment: Verified that the implementation of the corrective action is <b>NOT</b> effective in as observed during field inspection in Sugut Estate and Tindakan Estate.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Effectiveness verified by auditor: Upgraded to Major NC# OCL-01</td> <td style="width: 30%;">Date verified: 15/09/2017</td> </tr> </table>	Effectiveness verified by auditor: Upgraded to Major NC# OCL-01	Date verified: 15/09/2017
Effectiveness verified by auditor: Upgraded to Major NC# OCL-01	Date verified: 15/09/2017			

### 3.2.2 Year 2017: Surveillance Assessment ASA-01: 10 NCRs (8 Major and 2 Minor)

NCR	MYNI Indicator	Details of NCR
<b>Major CBK-01</b>	<b>4.5.1</b>	Date issued: 15/09/2017
		<p><b>Nonconformance:</b></p> <p><b>At Tindakan Estate, the programmes for planting beneficial plants such as <i>Cassia cobanensis</i>, <i>Tunera Subuleta</i> and <i>Antigonan leptopus</i> were established for FY2016/2017 and 2017/2018.</b></p> <p><b>However, there had been no planting during FY2016/2017 and only 16 chains of Antigonan were planted from Jul to Sep 2017. Noted that the planting of beneficial plants had not been implemented according to the established programmes but there were no reasons given for the programmes being not implemented accordingly.</b></p>



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		<p>Root Cause and Corrective Action(s):</p> <p><b>Root Cause:</b> Lack of awareness on the new SOP Beneficial Plant information and implementation. The program also was establish without consider the weather condition which the reason the programme not being implemented.</p> <p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>i. To revised IPM programme of Beneficial Plan. There is no minimum plan to plant beneficial plant in the flood prone area.</li> <li>ii. To conduct refresher training on SOP Beneficial Plants.</li> <li>iii. To provide a new format record of Beneficial Plant with remark/justification area/column.</li> </ul>		
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: Revised IPM program indicating the planned and actual planting, to date area plated and remarks column. Records of training conducted on 20/09/2017 and SOP. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1"> <tr> <td><b>NC status verified by auditor: Closed by OCL</b></td> <td><b>Date closed: 27/10/2017</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 27/10/2017</b>
<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 27/10/2017</b>			
		<p>Verification (for effectiveness): At next Assessment ASA-02</p>		

NCR	MYNI Indicator	Details of NCR
Major CBK-02	4.6.5	Date issued: 15/09/2017
		<p><b>Nonconformance:</b> <b>At Ulu Estate and Tindakon Estate, the changing rooms are not suitable for the fertilizer and weedicide/pesticide workers. There are insufficient shower booths for the groups of workers.</b></p>
		<p>Root Cause and Corrective Action(s):</p> <p>Changing rooms were provided but inadequate to cater the number of the agrochemical applicator.</p> <p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>i. To add new building with adequate rooms to cater the needs to have a shower cleanse of the agrochemical applicators after work.</li> <li>ii. The construction start on middle of October 2017 and estimate to be complete on middle of November 2017</li> <li>iii. SPO department will issue NC letter for estate which not have sufficient shower room and need to prepare action plan.</li> </ul>
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: Approved capital expenditure for the new building with adequate shower rooms and photos of construction in progress. The corrective actions satisfactorily addressed the non-conformance.</p>
		<table border="1"> <tr> <td><b>NC status verified by auditor: Closed by OCL</b></td> <td><b>Date closed: 27/10/2017</b></td> </tr> </table>
<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 27/10/2017</b>	
		<p>Verification (for effectiveness): At next Assessment ASA-02</p>

NCR	MYNI Indicator	Details of NCR
Major	4.6.11	Date issued: 15/09/2017





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<b>CBK-03</b>		<p><b>Nonconformance:</b>  <b>At Sugut Estate, the two workers (Nensi Marani and Sainab Sarra), who were applying glyphosate at Field Block 02A had not undergone the annual medical surveillance for more than 12 months.</b></p>	
		<p>Root Cause and Corrective Action(s):  <b>Root Cause:</b>                      -The two workers applied for leave from 10<sup>th</sup> May 2017 until 2<sup>nd</sup> September 2017 to go back to their domiciled country. Both workers came back to Sugut estate sometime on the second week of August.                      -Medical surveillance for Pamol group is usually conducted on the third week of July. As such, these two workers were unable to attend as they were away from Sugut estate.                      -The field staff in charge of these two workers, failed to notify the assistant manager when they reported for work sometime on the third week of August. As a result, the medical surveillance was erroneously not conducted.</p>	
		<p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>i. The two workers were sent for medical surveillance at Klinik Elupora Sdn Bhd on 13<sup>th</sup> September 2017.</li> <li>ii. Sugut manager will raised the medical surveillance requirements during the estate management meeting. EHA, Field Staff and assistant manager will be the responsible persons to ensure affected workers are sent for the medical surveillance when it is due.</li> <li>iii. Reminder letter to EHA, Field Staff and Assistance manager on this issue to make sure no recurrence of the issue.</li> </ul>	
		<p>Verification (Corrective Action):                      Off-site verification carried out confirmed the following evidences submitted:                      The two workers sent for medical surveillance on 13/09/2017 and certified fit for work with pesticides. Minutes of Safety Meeting on 18/09/2017. The corrective actions satisfactorily addressed the non-conformance.</p>	
		<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 27/10/2017</b>
<p>Verification (for effectiveness): At next Assessment ASA-02</p>			

NCR	MYNI Indicator	Details of NCR
<b>Major CBK-04</b>	<b>4.7.4</b>	Date issued: 15/09/2017
		<p><b>Nonconformance:</b>  <b>At Pamol Palm Oil Mill, the accident case dated 27 Apr 2017 had not been reviewed or discussed by the Safety Committee.</b></p>



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		<p>Root Cause and Corrective Action(s):</p> <p><b>Root Cause:</b>                      -The accident case that happened on 27<sup>th</sup> April 2017, was discussed during the meeting. However, the secretary did not to pick up and record it.                      -The minutes of meeting dated 25.7.2017 is not a final document. Its contents are still subject to changes. The minutes of meeting will only be final after it has been proposed, seconded and accepted by the committee during the next safety and Health committee meeting. The next meeting is expected to be conducted on the fourth week of October.</p> <p><b>Corrective Action:</b></p> <ol style="list-style-type: none"> <li>i. An extract of the relevant minute of meeting where the accident case was discussed is attached. This will be further deliberated during the next meeting.</li> <li>ii. SPO and HSE Team will continuously monitor whether the accident cases have been minute in the meeting</li> <li>iii. A second person will be appointed during the meeting to record agendas discuss.</li> <li>iv. Mill Manager will issue the letter to safety committee regarding appointed seconded minute taker.</li> </ol>		
		<p>Verification (Corrective Action):                      Off-site verification carried out confirmed the following evidences submitted:                      Recorded for the case to be further deliberated at next meeting. Letter of appointment dated 05/10/2017.                      . The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 30%;"><b>Date closed: 27/10/2017</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 27/10/2017</b>
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		<p>Verification (for effectiveness): At next Assessment ASA-02</p>		

NCR	MYNI Indicator	Details of NCR
<b>Major OCL-01</b>	<b>2.3.1</b>	Date issued: 15/09/2017
		<p><b>Nonconformance:</b>  <b>The Ulu Estate map did not clearly indicate the stretch of the Bonggaya Forest Reserve outside the north boundary that have been taken up by villagers and Tabung Haji Plantation and changes in the landscape status with supporting evidence.</b></p>
		<p>Root Cause and Corrective Action(s):</p> <p><b>Root Cause:</b>  <b>Estate overlooked the current situation at field which should be inform to GIS department for preparing update map.</b></p> <p><b>Corrective Action:</b></p> <ol style="list-style-type: none"> <li>1. Estate to request update map from GIS Department based on latest verification.</li> <li>2. GIS to conduct survey and aerial verification on the ground</li> <li>3. GIS to prepare update latest details map and image of the affected area.</li> <li>4. Management to issue the letter to estate on map verification.</li> </ol>
		<p>Verification (Corrective Action):                      Off-site verification carried out confirmed the following evidences submitted:                      Latest map of Ulu Estate updated to indicate the current landscape at the north boundary.</p>
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 30%;"><b>Date closed: 14/11/2017</b></td> </tr> </table>
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		<p>Verification (for effectiveness): At next Assessment ASA-02</p>



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<b>Major OCL-02</b>	<b>5.1.2</b>	Date issued: 15/09/2017
		<p><b>Nonconformance:</b></p> <p>(1) There are two water ponds (one large pond and another smaller pond) located near to the housing area at block 05M and block 97A in Sugut Estate. The ponds have been identified as conservation areas (0.12 ha and 1.9 ha) as they are the sources of water for domestic use after treatment. There is an appropriate signboard near the pump house and also perimeter fencing had been erected around part of the ponds. However, the perimeter fencing is not complete and also the palm trees within the buffer zone of the ponds were not demarcated to indicate that no spraying and manuring are allowed in the buffer zone. Also, additional signboards are required at more locations around the ponds.</p> <p>(2) There is a water pond located in block 15C at Tindakon Estate. The pond has been identified as a conservation area (0.2 ha) as it is a source of water for domestic use after treatment. The water supply is from the nearby Sungai Kimansi. Currently, the pond is being extended to increase its capacity. Noted that the perimeter fencing is not in a state of disrepair. The extension of the pond has caused palm trees to be within the buffer zone and noted that demarcation of the zone where spraying and manuring are not allowed has not been done.</p> <p><b>As a Minor NC# SH-01 had been raised against the same requirement in the previous assessment, this finding is now upgraded to Major NC as it is a recurring non-conformance.</b></p>
		<p>Root Cause and Corrective Action(s):</p> <p><b>Root Cause:</b> (1) and (2) Inadequate marking along the stretches of the pond.</p> <p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>i. Immediate demarcation marks along the stretches of the pond.</li> <li>ii. Additional signage indicating Conservation Area to be erected near the pond.</li> <li>iii. As a continuous management and monitoring plan, a refresher training on HCV and Conservation Area will be given to estate relevant personnel to enhance monitoring system practice at estate.</li> </ul>
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: Photos showing signboard and demarcation for the ponds in both estates. Training conducted for sprayers and manurers at Sugut Estate and Tindakon Estate on 14/10/2017 and 17/10/2017 respectively with training materials, attendance lists and photos. The corrective actions satisfactorily addressed the non-conformance.</p>
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 30%;"><b>Date closed: 27/10/2017</b></td> </tr> </table>
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<b>Major</b>		Date issued: 15/09/2017



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<b>OCL-03</b>	<b>RSPO SCCS D.3.1 (b)</b>	<p><b>Nonconformance:</b> RSPO SCCS training for relevant POM employees conducted on 08/09/2017. However, the subcontractors' workers for the barge transportation of CPO and lorry transportation of PK were not present for the said training as evident from the attendance list.</p>		
		<p>Root Cause and Corrective Action(s):</p> <p><b>Root Cause:</b> Absence of training programme to external party related to the mill product despatch.</p> <p><b>Corrective Action:</b></p> <ol style="list-style-type: none"> <li>i. To revise the SCC training programme to include the external transporter.</li> <li>ii. To conduct a training on the new SCCS requirement for the external transporter for year 2017.</li> <li>iii. To send letter of invitation on annual SCCS training.</li> </ol>		
		<p>Verification (Corrective Action):</p> <p>Off-site verification carried out confirmed the following evidences submitted: Training conducted on 20/09/2017 with attendance list and photo. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 30%;"><b>Date closed: 27/10/2017</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 27/10/2017</b>
<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 27/10/2017</b>			
		<p>Verification (for effectiveness): At next Assessment ASA-02</p>		

NCR	MYNI Indicator	Details of NCR
<b>Major JMD-01</b>	<b>6.5.2</b>	<p>Date issued: 15/09/2017</p> <p><b>Nonconformance:</b></p> <p>(1) According to Sabah Labour Ordinance, Section 103(4), any employee who is absent from work on the working day immediately before and/or after any public holiday without prior consent of his employer, shall not be entitled to any holiday pay, unless he has a reasonable excuse for such absence. However, in Ulu Estate and Tindakon Estate, it was found that some harvesters who turned up for work immediately before and after some public holidays were not paid with necessary payments. Some of the public holidays involved were National Day on 31 Aug 2016, Labour Day on 1 May 2017, Harvest Festival on 30-31 May 2017 and Hari Raya Puasa 25-26 Jun 2017.</p> <p>(2) It was found that in Sugut Estate and Ulu Estate, there was one case each that the field staff entered incorrect attendance codes for two general workers in the workers' check-roll. In the case that occurred in Sugut Estate, the code given by the field staff could impact the eligibility of the worker for the Vacation Leave Pay at the end of the year. In the case that occurred in Ulu Estate, the code given by the field staff could reduce the number of annual leave that the worker is still entitled for the year 2017.</p>



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		<p>Root Cause and Corrective Action (s):</p> <p><b>Root Cause:</b>            (1) Technicality cause due to lack of awareness given to the clerk responsible in payroll through the PinfoPalm system for harvester records.            (2) Absence of law necessity understanding for compliance.</p> <p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>(i). To extract the list of person affected workers (not paid for a gazetted Public Holiday) from August 2016 until August 2017 according to the Public Holiday Schedule for the year 2016 and 2017 approved for Ulu and Tindakon estate.</li> <li>(ii). Proof of payment for the affected workers. Sample made on few workers.</li> <li>(iii). Briefing to all workers for awareness on the Public Holiday payment eligibility in accordance to Sabah Labour Ordinance under Section 103 (4).</li> <li>(iv). Training for payroll clerk and field staff (at least twice a year) on the correct usage of Pinfosys code to be entered into system reflecting attendance and task carried out on daily basis.</li> </ul>		
		<p>Verification (Corrective Action):            Off-site verification carried out confirmed the following evidences submitted:            List of names and proof of payments for both estates. Training conducted on 17/10/2017 with training materials, attendance list and photo.            The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 40%;"><b>Date closed: 27/10/2017</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 27/10/2017</b>
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		<p>Verification (for effectiveness): At next Assessment ASA-02</p>		

NCR	MYNI Indicator	Details of NCR
<b>Minor OCL-01</b>	<b>5.1.3</b>	Date issued: 15/09/2017
		<p><b>Nonconformance:</b>  <b>At Block 10F in Ulu Estate, there is a stream flowing into sedimentation pond (identified as Sedimentation Pond No.2) that is connected to the Labuk river. It was found that the palm trees in the riparian zone along the stream were not demarcated to indicate that no spraying and manuring are allowed in the riparian zone.</b></p>
		<p>Root Cause and Corrective Action(s):</p> <p><b>Root Cause:</b>            The palm not demarcated in the earlier because the area not consider as riparian reserve/buffer zone. The area only manmade drain to flow out the water from estate field and lack of awareness on no spraying closely to drain which lead to the stream.</p> <p><b>Corrective Action:</b></p> <ul style="list-style-type: none"> <li>i. To provide a clear demarcation marking at the riparian zone.</li> <li>ii. To conduct training on prohibition activity at riparian zone.</li> </ul>
		<p>Verification (Corrective Action):            Off-site verification carried out confirmed the following evidences submitted:            Photo of demarcation of palms. Training conducted on 13/10/2017 with training materials, attendance list and photo.            The corrective actions satisfactorily addressed the non-conformance.</p>
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 40%;"><b>Date closed: 27/10/2017</b></td> </tr> </table>
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NCR	MYNI Indicator	Details of NCR	
<b>Minor JMD-01</b>	<b>6.2.3</b>	Date issued: 15/09/2017	
		<b>Nonconformance:</b> Except for Meliau Estate, the stakeholders' lists in all the other estates found to be incomplete as names and contact details of the neighbouring estates and smallholders were not clearly stated. In most cases only names and contact details of representatives from nearby villages are listed, which might not necessary be the owners of any oil palm smallholdings neighbouring to the estates within the Pamol (Sabah) PMU.	
		Root Cause and Corrective Action(s): <b>Root Cause:</b> Absence of a standardize format for stakeholder listing form.  <b>Corrective Action:</b> i. A standardized format of stakeholder listing form will be prepared by SPO Department in due course. ii. To provide an updated stakeholder list using the new standardized format form.	
		Verification (Corrective Action): Off-site verification carried out confirmed the following evidences submitted: Stakeholders list of standard format. Revised stakeholders lists distributed on 03/10/2017. The corrective actions satisfactorily addressed the non-conformance.	
		<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 27/10/2017</b>
		Verification (for effectiveness): At next Assessment ASA-02	

### 3.2.3 Year 2016 Initial Assessment: 1 Observation

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Follow up remarks (if any)
OBS # OCL-01	D2.1 Supply Chain Certificati on Standard	POM	All CPO produced at Pamol (Sabah) POM are delivered to IOI Edible Oils Sdn Bhd (Refinery) at Sandakan. Sales of RSPO CSPO and ISCC certified CPO are made by IOI HQ at Putrajaya. There is internal communications of the trading of CSPO and delivery documents (e.g. delivery order and shipment dry certificate) are stamped as RSPO CSPO/IP or EU-ISCC. Records of sales of CSPO from Pamol (Sabah) POM are available from eTrace. The certification of all PMUs under IOI Corporation Berhad was suspended by RSPO for the period 04 Apr – 07 Aug 2016. At the point of suspension, the PMUs were allowed to deliver the balance of RSPO CSPO. Examination of records did not indicate any non-compliance with the conditions of the suspension. <b>However, the PMU should have a mechanism to</b>	08 Oct 2016	15 Sep 2017	Closed

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			determine the stock balance of CSPO.
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### 3.2.4 Year 2017 Surveillance Assessment ASA-01: 3 Observations

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Follow up remarks (if any)
OBS# CBK-01	4.7.5	Sugut, Ulu and Tindakon Estates	The Emergency Response Plan in the event of fire need to be tested for effectiveness at the estate office and the workers' living quarters.	15 Sep 2017	-	At next assessment
OBS# JMD-01	6.5.2	Pamol POM	It was found that the mill management has been deducting the wages of the workers for saving purposes at the rate RM70/worker/month. The practice is not covered in the allowable deduction permit issued by Labour Office. During the SPO internal audit, this practice was found and instruction to stop and return the amount deducted has been issued.	15 Sep 2017		At next assessment
OBS# JMD-02	6.5.2	Pamol POM	It was found that 2016 vacation leave for one worker was not paid accordingly. During the SPO internal audit, the issue was raised and the payment will be included in Sep 2017 payslip.	15 Sep 2017		At next assessment

### 3.2.3 Identified Positive Elements

- 1) The PMU has contributed towards the education of children of estate migrant workers. IOI Corporation has provided has education assistance for more than 2000 children under the HUMANA programme.
- 2) The PMU has contributed towards the local economy and provided proper infrastructure such as roads, housing 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 Pamol (Sabah) 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 (Initial Assessment – Year 2016)

Communication done via email on 19 Aug 2016 to various categories of stakeholders (see list under **para 2.5**):





Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
<b>Government Agencies:</b> Feedback via email dated 05 Sep 2016 from Environment Protection Department, Kota Kinabalu, Sabah. This	The PMU had taken actions on the issues required by the Environment Protection	Verified during on-site assessment that the PMU	No further action required.

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<p>feedback is concerning the status of compliance of the PMU on the conditions relating to the approval of the EIA report. Details of the feedback are in the attached document below:</p>  <p>Comment IOI Pamol Initial Certn_ EPD (Sab</p> <p>Feedback via email dated 23 Aug 2016 from Sabah Forestry Department, Sandakan, Sabah. This feedback gave suggestions on environmental protection, biodiversity conservation, employment opportunities, community development and fully supported the PMU to be certified. Details of the feedback are in the attached document below:</p>  <p>Comment IOI Pamol Initial Certn_ Sabah Fc</p>	<p>Department, Kota Kinabalu, Sabah:</p>  <p>Actions by PAMOL.pdf</p> <p>The PMU had identified the actions required: see attachment "Actions by Pamol (Sabah)".</p>  <p>Actions by PAMOL.pdf</p>	<p>had implemented the corrective actions.</p> <p>Verified during on-site assessment that action plans are available. Also actions had been taken on some of the suggestions/ comments.</p>	<p>Follow up on progress of implementation of action plans at next Annual Surveillance Assessment.</p>
<p><b>Non-Governmental Organizations:</b> No feedback received.</p>	<p>Ongoing consultations will be maintained. No response needed.</p>	<p>Verified during on-site assessment that no response needed.</p>	<p>Nil</p>
<p><b>Local Communities - Stakeholders' Consultation:</b> Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 07 Oct 2016. A total of 15 stakeholders (consisting of Contractors/FFB transporters, Teacher, Village Heads, Suppliers, Hospital Assistant) were present at the consultation. They were interviewed by the auditors without the presence of any of the PMU staff. Concerns and suggestions received during interviews and stakeholder consultations: 1. Positive comments given by the stakeholders 2. No negative comments 3. Suggestion by the police for the PMU management to</p>	<p>The PMU will communicate the suggestion to the managers.</p>	<p>To be followed up during the next Annual Surveillance Assessment.</p>	<p>-</p>



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remind the managers to extend full cooperation by reporting to the police on any undesirable/criminal activities.			
<p><b>Local Communities - Interviews:</b> Interviews of sampled staff and workers were also conducted by the auditors during field visits from 04 to 08 Oct 2015 at the PMU:</p> <p>Staff/Workers sampling: POM = 18 males, 11 females Estate Offices = 21 males, 13 females Field/sites visit = 18 males, 45 females</p> <p>No issues raised by the sampled staff and workers.</p>	No response needed.	No response needed.	Nil
<p><b>Other Interested parties:</b> No feedback received.</p>	No response needed.	No response needed.	Nil

**3.3.2 Feedback Raised by Stakeholders (Surveillance Assessment ASA-01 – Year 2017)**

Communication done via email on 09 Aug 2017 to various categories of stakeholders (see list under para 2.5):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
<p><b>Government Agencies:</b> Feedback via email letter dated 16 Aug 2017 from the Department of Environment, Sandakan, Sabah. This feedback stated that the Pamol (Sabah) Grouping complied with all the requirements specified in the license no. 004842 issued by the Department and the Environmental Quality Act 1974. Comment made regarding the requirements for workshop to comply with the Environmental Quality Regulations (Scheduled Waste) 2005. Details of the feedback are in the attached document below:</p> <p align="center"> Feedback - Jabatan Alam Sekitar Cawang</p> <p>Feedback via email letter dated 24 Aug 2017 from the Malaysian Palm Oil Board (MPOB). The Director General of MPOB stated that MSPO certification</p>	<p>The PMU responded to the feedback and comments via letter (attached below).</p> <p align="center"> Reply to DOE Sandakan.tif</p>	<p>The response by the PMU verified to be satisfactory.</p>	<p>Nil</p> <p>Nil</p>

<p>has been made mandatory by 31 Dec 2019 and asked what are the actions taken by IOI Pamol group to ensure all IOI Pamol estates and mill are certified with MSPO. Details of the feedback are in the attached document below:</p>  <p>Comment from Director General of M</p>	<p>The PMU responded to the comments via letter (attached below).</p>  <p>Reply to MPOB.tif</p>	<p>The response by the PMU verified to be satisfactory.</p>	
<p><b>Non-Governmental Organizations:</b> No feedback received.</p>	<p>Ongoing consultations will be maintained. No response needed.</p>	<p>Verified during on-site assessment that no response needed.</p>	<p>Nil</p>
<p><b>Local Communities - Stakeholders' Consultation:</b> Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 14 Sep 2017. A total of 8 stakeholders (2 Humana school, 3 Village Heads, 1 Villager, 1 church and 1 school) were present at the consultation. They were interviewed by the auditors without the presence of any of the PMU staff. Concerns and suggestions received during interviews and stakeholder consultations:</p> <ol style="list-style-type: none"> <li>1. Estate roads bordering the villages (Talungan, Bayok &amp; Mengkaniok) had not been maintained.</li> <li>2. Roads not passable during flood near Gate E (Rancangan Cocos). Request IOI to raise the level of road for length of about 300 chains.</li> <li>3. Gate E is opened from 6 am to 6 pm. Request for extension till 8 pm.</li> <li>4. Humana School now has 239 pupils. Request for IOI to contribute to construct additional classrooms.</li> <li>5. There are accident cases where villagers were hit by vehicles at the village areas.</li> </ol>	<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 Assessment.</p>	<p>-</p>



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<p>6. Access into the villages through IOI area require a sticker that is to be displayed on the windshield. This sticker is charged at RM5.00 per motorbike and RM10.00 per car. Request a waiver for the villagers.</p> <p>7. Villagers inform they were issued summons by JPJ because the stickers were not registered with JPJ.</p> <p>8. Additional living quarters for Humana teachers requested.</p>			
<p><b>Local Communities - Interviews:</b> Interviews of sampled staff and workers were also conducted by the auditors during field visits from 11 to 15 Sep 2017 at the PMU:</p> <p>Staff/Workers sampling: POM = 10 males, 12 females Estate Offices = 20 males, 26 females Field/sites visit = 25 males, 41 females</p> <p>No issues raised by the sampled staff and workers.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>
<p><b>Other Interested parties:</b> 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 Pamol (Sabah) Grouping had been able to demonstrate its compliance with the RSPO Principles and Criteria (Apr 2013), Malaysian National Interpretation (MY-NI 2014) and the RSPO Supply Chain Certification Standard (Jun 2017) for Palm Oil Mill.

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

Signed for and on behalf of  
Intertek Certification International Sdn Bhd

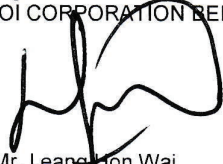


Dr. Ooi Cheng Lee  
Lead Assessor  
Date: 16 Nov 2017

**4.1 Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings**

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

Signed for and on behalf of  
IOI CORPORATION BERHAD



Mr. Leang Hon Wai  
Senior Plantation Controller,  
Date: 16 Nov 2017

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### 4.2 INTERTEK- RSPO P&C Certificate details for Pamol (Sabah) Grouping

Certificate No:	RSPO 930988
Original Issue date:	30 Nov 2016
New issue (License) date	30 Nov 2017
Expiry date:	29 Nov 2021
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:	Pamol (Sabah) Grouping
Address of POM:	Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.
Standards:	RSPO Principles and Criteria (Apr 2013); Malaysian National Interpretation (MY-NI 2014); RSPO Supply Chain Certification Standards (Jun 2017) for 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	
Pamol (Sabah) Palm Oil Mill (Capacity: 51 MT/hour)	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 06°0'8.75"	E 117°23'54.20"	15,294.77
1. Ulu Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 06°0'19.76"	E 117°23'44.70"	
2. Bayok Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 05°59'46.50"	E 117°26'27.74"	
3. Rungus Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 05°59'59.82"	E 117°20'33.04"	
4. Tindakan Estate	Pamol Estates (Sabah) Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 05°57'48.02"	E 117°20'54.78"	
5. Nangoh Estate	Milik Berganda Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702 Sandakan, Sabah, Malaysia	N 05°57'19.48"	E 117°17'17.92"	
6. Meliau Estate	Milik Berganda Sdn Bhd, Mile 122, Sandakan/Telupid Road, P.O Box 203, 90702 Sandakan, Sabah, Malaysia	N 05°56'4.49"	E 117°14'54.89"	



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7. Sugut Estate	Pamol Plantations Sdn Bhd, Mile 200, Nangoh Paitan Road, P.O Box 203, 90702, Sandakan, Sabah, Malaysia.	N 06°13'15.10"	E 117°29'41.82"	
-----------------	---	-------------------	--------------------	--

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

Pamol (Sabah) POM	Annual Tonnages (MT)
Certified FFB	265,000
Certified CPO	59,625
Certified PK	11,925
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. Chin Bit Kee (CBK) – Assessor / Technical Expert**

(Good Agriculture Practice, Integrated Pest Management and Social)

– Degree in Food Technology from University of Reading, United Kingdom

Mr. Chin Bit Kee has more than 5 years working experience in the oil palm plantation, agriculture & social (worker welfare) related field. He has successfully participated in RSPO training conducted internally by Intertek on 17 April 2014 and completed a supervised period of training in practical auditing in agriculture industry and related field, with more than 15 days audit experience in at least 3 audits at different organizations. He has adequate knowledge on Palm Oil sector such as industry fundamentals sustainability, social and OHS issues (e.g. worker welfare issues and social matters such as employment terms, gender issues, worker welfare etc.), environmental matters (e.g. pollution control, conservation of resources). He is a member of the RSPO CB Assessment team which audited several RSPO certified Plantation Management Units since 2014.

##### **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 (Note 3)	Assessors and Assessment Activity		
		Assessment Team		
11 Sep 2017 Monday  (Day 1)	8.00 am – 1.00 pm	Travel to Pamol Palm Oil Mill		
	1.00 pm – 2.00 pm	Lunch Break		
	2.00 pm – 2.30 pm	<b>Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)</b>		
	2.30 pm – 5.00 pm	Document Review and Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM		
		<b>OCL</b>	<b>JMD</b>	<b>CBK</b>
		<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> <li>• SCC for POM</li> </ul>	<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P4 Best Practices at Mill</li> <li>• P8 Continual Improvement</li> </ul>
		<ul style="list-style-type: none"> <li>• Verification of effectiveness of corrective actions for non-conformances</li> <li>• Review of Time Bound Plan</li> <li>• Verification for compliance with rules on partial certification</li> </ul>		
	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	JMD	CBK
12 Sep 2017 Tuesday  (Day 2)	8.30 am – 12.30 pm	<b>Site assessment at Sugut Estate</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Sugut Estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Sugut Estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P4 Best Practices at Estates</li> <li>• P7 New Plantings</li> <li>• P8 Continual Improvement</li> </ul>
		Lunch Break		
	1.30 pm - 5.30 pm	<b>Continue site assessment at Sugut Estate</b>		
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
	6.30 pm – 7.30 pm	Team Meeting and Discussion		





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Date	Time	Assessors and Assessment Activity		
		OCL	JMD	CBK
13 Sep 2017 Wednesday  (Day 3)	8.30 am – 12.30pm	<b>Site assessment at Ulu Estate</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Ulu Estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Ulu Estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P4 Best Practices at Estates</li> <li>• P7 New Plantings</li> <li>• P8 Continual Improvement</li> </ul>
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Ulu Estate		
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
	6.30 pm – 7.30 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity		
		OCL	JMD	CBK
14 Sep 2017 Thursday  (Day 4)	8.30 am – 12.30pm	<b>Site assessment at Tindakan Estate</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Tindakan Estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Tindakan Estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P4 Best Practices at Estates</li> <li>• P7 New Plantings</li> <li>• P8 Continual Improvement</li> </ul>
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Tindakan Estate		
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
	6.30 pm – 7.30 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity		
		OCL	JMD	CBK
15 Sep 2017 Friday  (Day 5)	8.30 am – 11.00 am	<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P5 Environmental</li> </ul>	<b>Stakeholders' Consultation on the following categories (see Notes 1 and 2 below):</b> <ul style="list-style-type: none"> <li>• Contractors</li> <li>• Suppliers</li> <li>• Transporters</li> <li>• NGOs</li> <li>• Government Department / Agencies</li> <li>• Local Community</li> </ul>	
		<b>Notes:</b> 1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each		



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		, Conservation & HCV • P8 Continual Improvement • SCC for POM	applicable category and contact number) on the stakeholders prior to the assessment. 2. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement
	11.00 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	
	1.30 pm – 3.30 pm	Preparation for Closing Meeting	
	3.30 pm – 4.30 pm	Team Meeting and Discussions with POM Management Representative	
	4.30 pm – 5.30 pm	<b>Closing Meeting &amp; Briefing at Palm Oil Mill Office</b>	
	5.30 pm – 6.30 pm	Travel to Hotel	

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**Appendix C-1:**

**Location Map of IOI Pamol (Sabah) Grouping, Sandakan, Sabah**



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**Appendix C-1-1: Map of Ulu Estate (amended as at 14 Nov 2017)**



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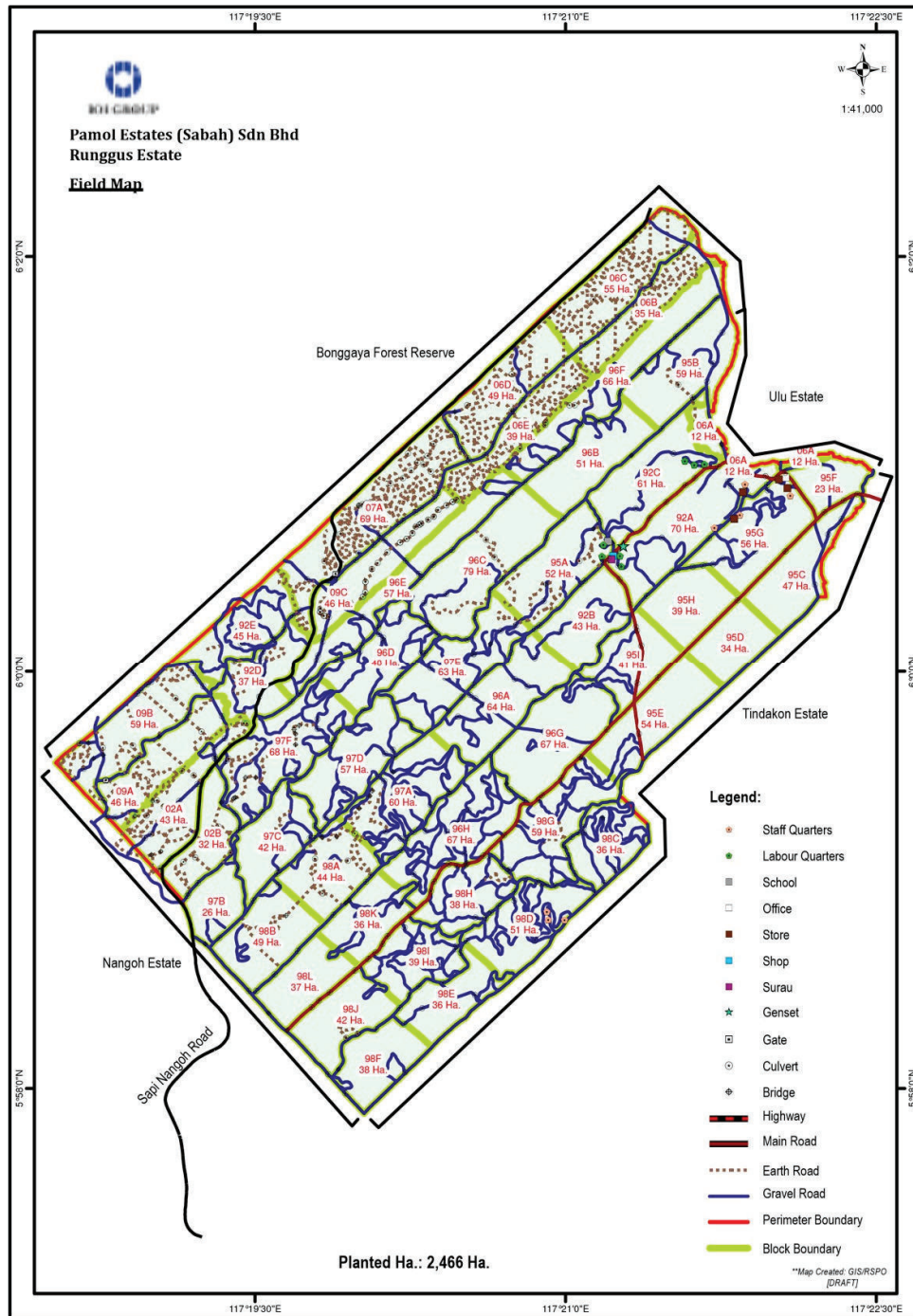
**Appendix C-1-2: Map of Bayok Estate**



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**Appendix C-1-3: Map of Rungus Estate**

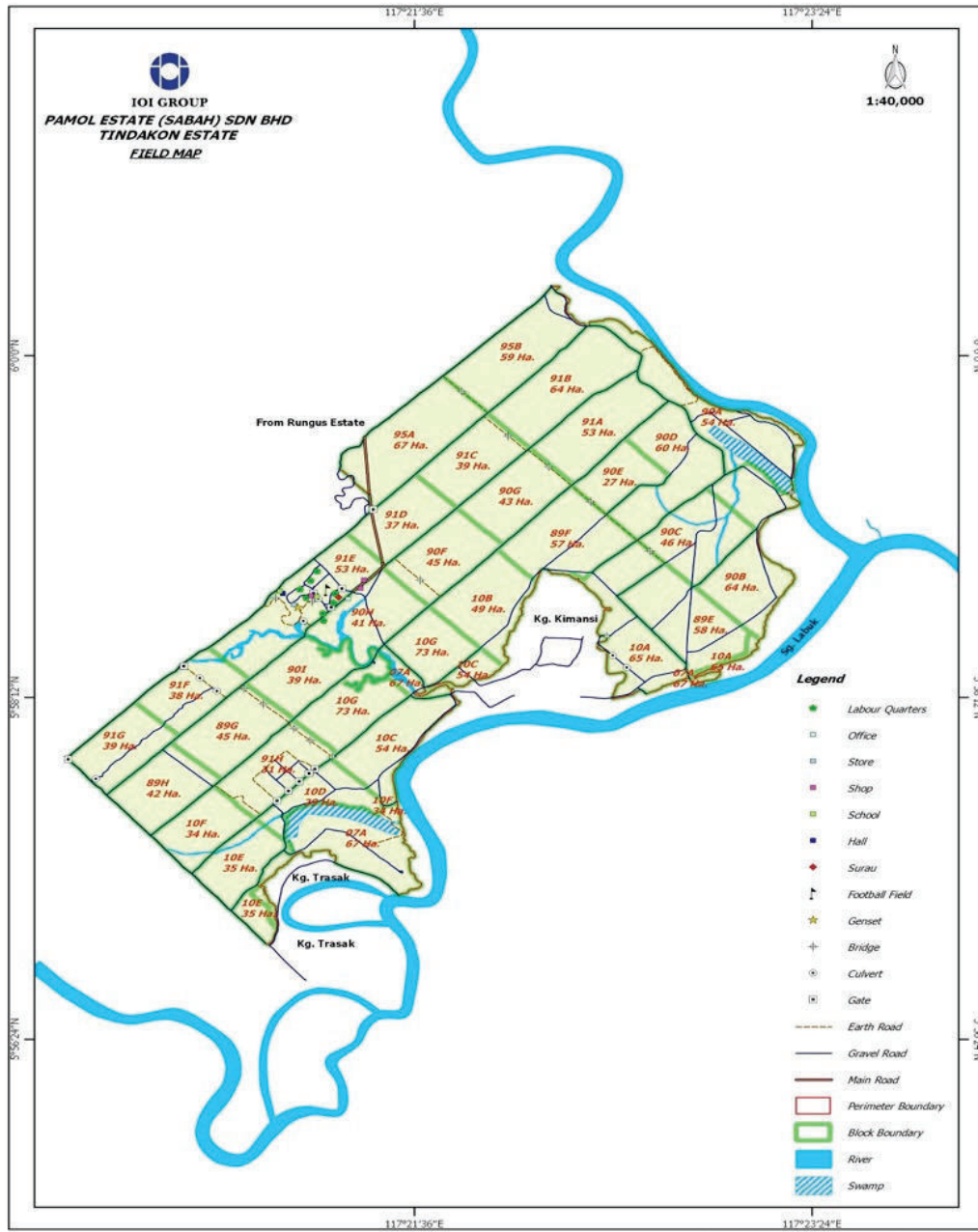


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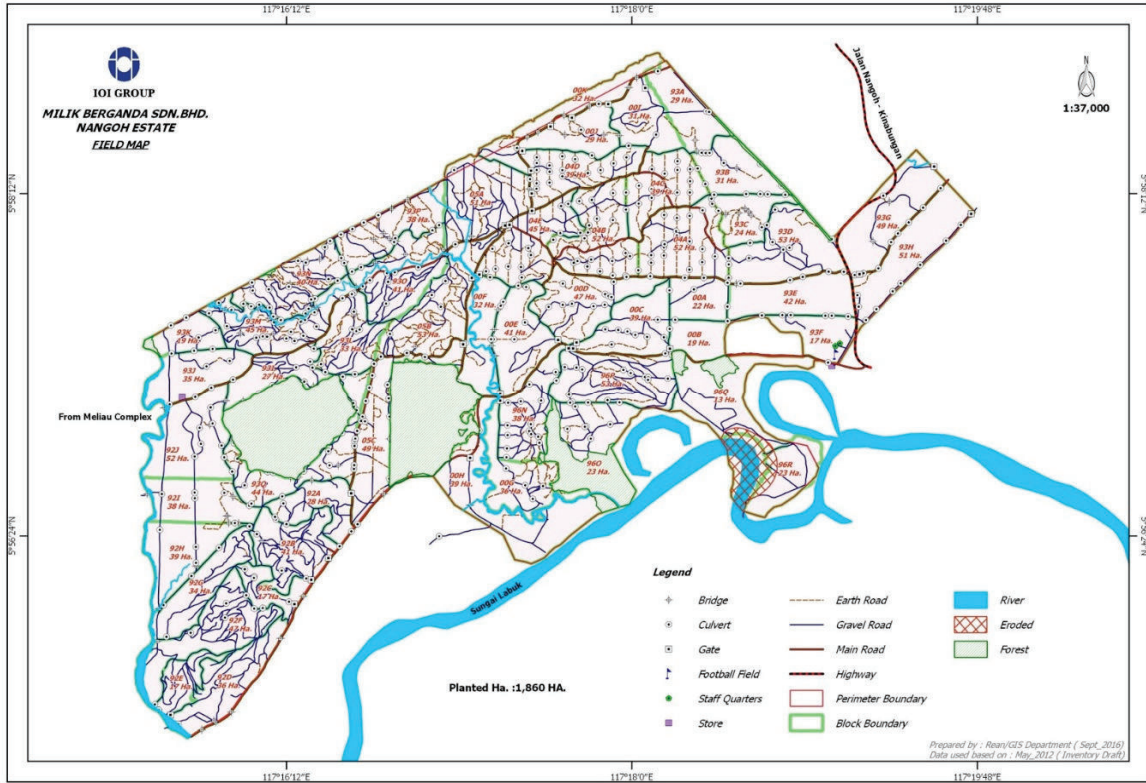
## Appendix C-1-4: Map of Tindakon Estate



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**Appendix C-1-5: Map of Nangoh Estate**



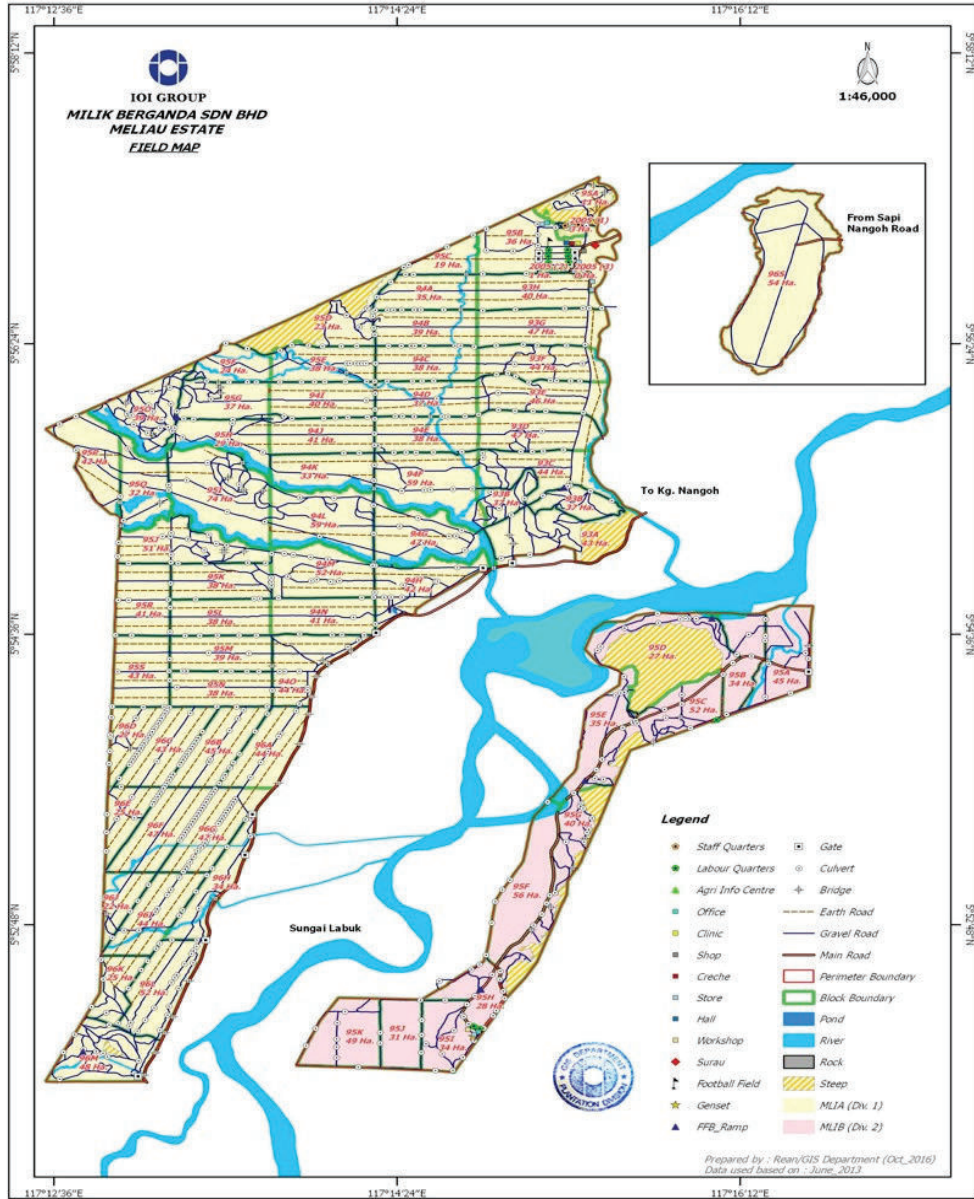


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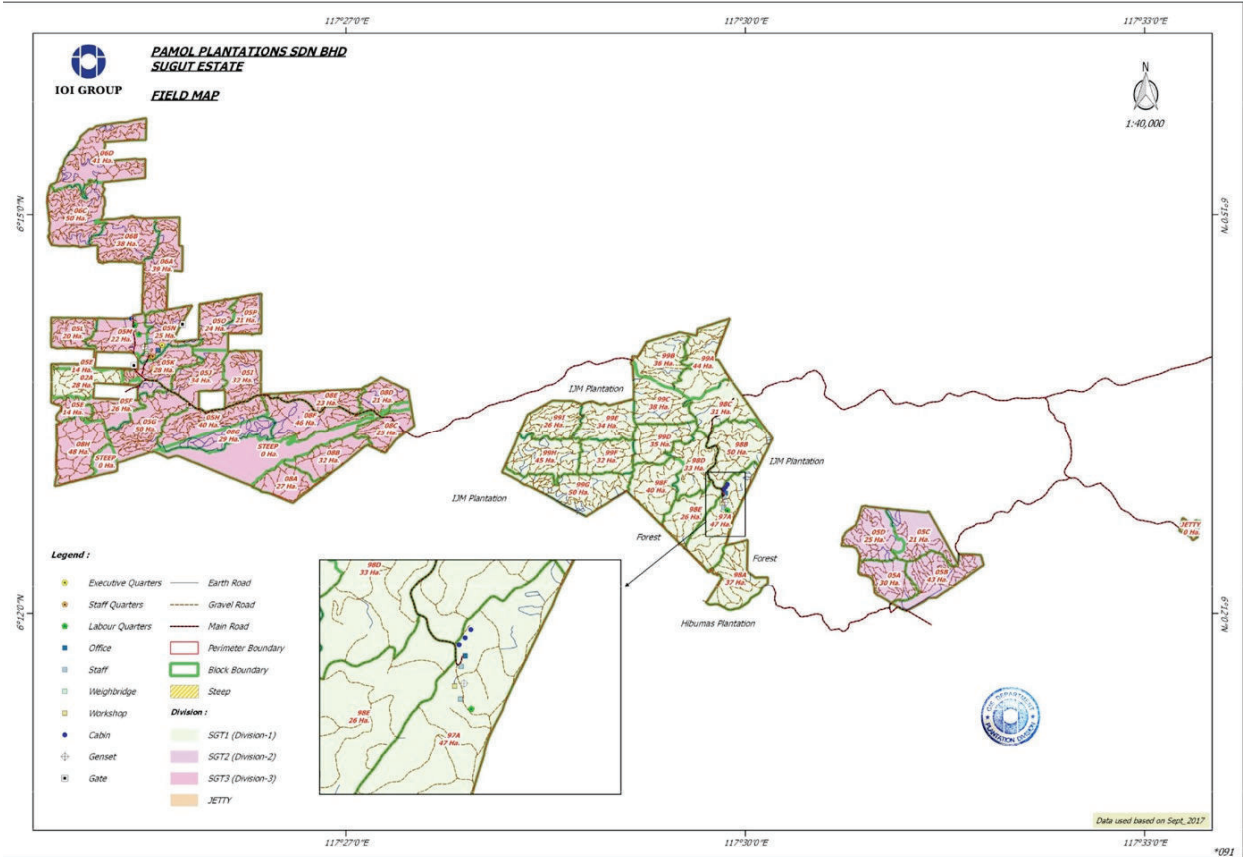
## Appendix C-1-6: Map of Meliau Estate



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**Appendix C-1-7: Map of Sugut Estate**



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## Appendix D:

### Photographs of Assessment findings at Pamol (Sabah) PMU

<p>.Buffer zone at forest boundary of Sugut Estate, Block 05O.</p>	<p>Unmarked palm trees in the riparian zone of water pond in Sugut Estate, Block 05M.</p>
<p>Signboards at buffer zone at Bonggaya forest boundary of Ulu Estate, Block 98A.</p>	<p>Signboards at riparian zone of swampy area in Block 12E Ulu Estate that has been kept as conservation area.</p>
<p>Water pond at Tindakon Estate, Block 15C with perimeter fencing in a disrepair state and requiring clear demarcation of the riparian zone.</p>	<p>Riparian zone with signboard and clear demarcation at Sungai Tingund passing along the boundary of Tindakon Estate Block 12E.</p>

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### Appendix E:

#### Time Bound Plan

Details of Time Bound Plan as submitted by IOI Plantation Services Sdn Bhd (August 2017)

No	PMU	Main Assessment	Certification Status	Status	Updated Information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified Units
1.	Pamol (Sabah) POM, Sabah	May 2008	Re-Certified in December 2016	Initial Assessment completed in October 2016.  To included Sugut Estate as an additional supply base through the scope of certification extension in September 2017 RSPO ASA-01.	No outstanding issues
2.	Sakilan POM	Nov 2008	Re-Certified in Mar 2015	ASA-02 completed in December 2016.	No outstanding issues
3.	Pamol Kluang POM	Mar 2009	Re-Certified in Mar 2015	ASA-02 completed in Dec 2016	No outstanding issues
4.	Gomali POM	Aug 2009	Re-Certified in Aug 2015	ASA-02 completed in June 2017	No outstanding issues
5.	Baturong POM	Sept 2009	Re-Certified in Oct 2015	ASA-02 completed in July 2017	No outstanding issues
6.	Bukit Leelau POM	Apr 2010	Re-Certified in Nov 2015	ASA-02 completed in September 2017	No outstanding issues
7.	Mayvin POM	Aug 2010	Re-Certified in Dec 2015	ASA-01 completed for 2016	No outstanding issues
8.	Pukin POM, Pahang	Dec 2010	Re-certified in June 2016	ASA-01 completed in March 2017	No outstanding issues
9.	Leepang (Sabah) POM	Aug 2012	Certified in Dec 2013	ASA-03 completed for 2016	No outstanding issues
10.	Syarimo POM	Sept 2012	Certified in Mar 2013	ASA-03 completed for 2016	No outstanding issues
11.	Ladang Sabah POM	Oct 2012	Certified in Apr 2013	ASA-04 completed for 2017	No outstanding issues
12.	Morisem POM, Sabah	Sept 2013	Certified in Dec 2013	ASA-04 completed in September 2017	No outstanding issues
13.	IOI – Pelita, Sarawak	Planned - 2019	Uncertified Unit	New certification for IOI – Pelita (Sarawak) is pending resolution of land dispute and RSPO decision. No POM yet.	Settlement Discussion with local community is presently still ongoing.  A Dialogue and Mediation session with LTK Community was held on the 5 <sup>th</sup> August 2016. Ms. Oi Soo Chin from RSPO attended as an observer. Some preliminary agreements between the parties have been reached. Meeting notes are being finalized.  On 1 <sup>st</sup> December 2016, a draft agreement which gives the native community land use right was

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					presented to the LYK A and LTK B communities. It was followed by a meeting for the terms of the settlement agreement on 20 <sup>th</sup> December 2016. Additional terms were included (by request of the committee) and agreement was formally sent to Miri Residence (mediator) office before 30 <sup>th</sup> December 2016.
14.	Unico POM-1, Sabah	Planned - 2018	Uncertified Unit	Acquired in 2014. Established OP plantation (before 2005). Supply base do consist of external / independent smallholders.	Certification preparations in progress.
15.	Unico Desa POM-2, Sabah	Planned - Dec 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 - 2017	Uncertified Unit	Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental 'Hak Guna Usaha' (HGU) application in progress	<p>Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5<sup>th</sup> August 2016 has lifted the Suspension effective 8<sup>th</sup> August 2016.</p> <p>Landscape approach been initiated with our stakeholder, regency and local government and Aidenvironment on 27-28 July 2017), as a part of recommendation by RSPO verification team.</p> <p>Training for following areas has been done to estate and SNA top management.</p> <ul style="list-style-type: none"> <li>(a) Sustainable Peatland Management including peat measurements, monitoring and protection.</li> <li>(b) Management of HCV areas and buffer zones</li> <li>(c) Water management</li> <li>(d) Fauna and flora monitoring</li> <li>(e) Fire Prevention and Control</li> </ul> <p>The training has been conducted by GEC, Flora Fauna Institute (FFI) in July 2017 centralized at PT.SKS</p>



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No	PMU	Main Assessment	Certification Status	Status	Updated Information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified Units
					Certification preparations in progress. Pending issuance of HGU.
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.	<p>Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5<sup>th</sup> August 2016 has lifted the Suspension effective 8<sup>th</sup> August 2016.</p> <p>Landscape approach been initiated with our stakeholder, regency and local government and Aidenvironment on 27-28 July 2017), as a part of recommendation by RSPO verification team.</p> <p>Training for following areas has been done to estate and SNA top management.</p> <ul style="list-style-type: none"> <li>(a) Sustainable Peatland Management including peat measurements, monitoring and protection.</li> <li>(b) Management of HCV areas and buffer zones</li> <li>(c) Water management</li> <li>(d) Fauna and flora monitoring</li> <li>(e) Fire Prevention and Control</li> </ul> <p>The training has been conducted by GEC, Flora Fauna Institute (FFI) in July 2017 centralized at PT.SKS</p> <p>Certification preparations in progress. Pending issuance of HGU.</p>
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.	<p>Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5<sup>th</sup> August 2016 has lifted the Suspension effective 8<sup>th</sup> August 2016.</p> <p>Landscape approach been initiated with our stakeholder, regency and local government and Aidenvironment on 27-28 July 2017), as a part of recommendation by RSPO verification team.</p>



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No	PMU	Main Assessment	Certification Status	Status	Updated Information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified Units
					<p>Training for following areas has been done to estate and SNA top management.</p> <ul style="list-style-type: none"> <li>(a) Sustainable Peatland Management including peat measurements, monitoring and protection.</li> <li>(b) Management of HCV areas and buffer zones</li> <li>(c) Water management</li> <li>(d) Fauna and flora monitoring</li> <li>(e) Fire Prevention and Control</li> </ul> <p>The training has been conducted by GEC, Flora Fauna Institute (FFI) in July 2017 centralized at PT.SKS</p> <p>Certification preparations in progress. Pending issuance of HGU.</p>
19.	PT KPAM, Indonesia	Planned - 2020	Uncertified Unit	Acquired in 2010 (new concession land). No POM planned yet, all necessary permits are up to date.	<p>HCV report has been sent to HCVRN for second peer review. Expected to be completed by Q4 2017.</p> <p>The NPP will be conducted upon completion of all reports and will be posted on the RSPO for Public Consultation.</p>
20.	Sugut Estate, Sabah	Planned – Sept 2017	Uncertified Unit	<p>Acquired in 2003 from Unilever.</p> <p>Certification extension is planned for Sugut Estate and to be included as addition of supply base to Pamol (Sbah) POM during RSPO-ASA 01.</p>	Certification preparations in progress, no outstanding issue.

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### Appendix F:

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

- 1) Updated RSPO Announcement on IOI – Suspension of IOI's RSPO certificates is lifted by the RSPO Board of Governors effective 8 August 2016  
Weblink: <http://www.rspo.org/news-and-events/announcements/update-on-the-status-of-ioi-groups-certification>

- 2) Monitoring by RSPO Complaints Panel (CP)  
Weblink: <http://www.rspo.org/members/status-of-complaints?keywords=IOI&country=&category=>

RSPO Case Tracker on: PT SUKSES KARYA SAWIT (SKS), PT BERKAT NABATI SAWIT (PT BNS), PT BUMI SAWIT SEJAHTERA (PT BSS) SUBSIDIARY OF PT SAWIT NABATI AGRO (PT SNA), IOI Group  
Weblink: <http://www.rspo.org/members/complaints/status-of-complaints/view/80>

Updates (according to RSPO complaint case tracker) as follows:

**26 May 2017** Complaints Panel's Decision on IOI Ketapang (PT BSS, PT SKS and PT BNS) Complaints

**20 Jun 2017** IOI submitted an updated Action Plan and response to the Complaints Panel's decision letter

- 3) Updated IOI Group Newsletters  
IOI Launches Revised Palm Oil Sustainability Policy and Sustainability Implementation Plan (8 Aug 2016)  
Weblink: <http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=813>

IOI Corporation further updates its Sustainability Palm Oil Policy

**12/06/2017**, Corporate Communications

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

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

- (a) policy commitment by Third-Party Suppliers,
- (b) committed to apply the newly revised High Carbon Stock Approach (HCSA) methodology and its associated social requirements.
- (c) further enhanced commitments in the area of Human Rights and Workplace which include amongst others, no recruitment fees charged to workers at any stage in the recruitment process, in both receiving and sending countries, payment of monthly minimum wage in accordance with the current labour regulations, access of trade unions to workers and to adopt both the Free and Fair Labor Principles and UN Guiding Principles on Business and Human Rights. IOI is also committed to return all passports to our migrant workers by year end.

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