

**RSPO PRINCIPLE AND CRITERIA –  
Recertification Assessment  
Public Summary Report**

<b>IOI Corporation Berhad</b>
Head Office: <b>IOI Corporation Berhad Level 8, Two IOI Square, IOI Resort 62502 Putrajaya, Malaysia</b>
Certification Unit: <b>Ladang Sabah Sdn Bhd Ladang Sabah Palm Oil Mill</b>
Location of Certification Unit: <b>Mile 45, Sandakan/ Telupid Road, W.D.T 164, 90009 Sandakan, Sabah, Malaysia.</b>

<b>TABLE of CONTENTS</b>	<b>Page No</b>
Section 1: Scope of the Certification Assessment.....	4
1. Company Details .....	4
2. Certification Information .....	4
3. Other Certifications.....	5
4. Location(s) of Mill & Supply Bases .....	5
5. Description of Supply Base .....	5
6. Plantings & Cycle.....	6
7. Certified Tonnage of FFB (Own Certified Scope) .....	6
8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *.....	7
9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable .....	7
10. Certified Tonnage .....	7
11. Actual Sold Volume (CPO) (Jan – Dec 2017).....	7
12. Actual Sold Volume (PK) (Jan – Dec 2017) .....	7
13. Actual Group certification Claims .....	8
Section 2: Assessment Process .....	8
2.1 Assessment Methodology, Programme, Site Visits.....	8
2.2 BSI Assessment Team: .....	10
2.3 Assessment Plan .....	11
Section 3: Assessment Findings .....	13
3.1 Details of audit results are provided in the following Appendix: .....	13
3.2 Progress against Time Bound Plan.....	13
3.3 Progress of scheme smallholders and/or outgrowers .....	15
3.4 Details of findings .....	15
3.4.1 Status of Nonconformities Previously Identified and Observations .....	17
3.4.2 Summary of the Nonconformities and Status.....	23
Formal Signing-off of Assessment Conclusion and Recommendation .....	26
Appendix A: Summary of Findings .....	27
Appendix B: Approved Time Bound Plan.....	67
Appendix C: GHG Reporting Executive Summary .....	70
Appendix D: General Chain of Custody Requirements for the Supply Chain.....	72
Appendix E .....	82
: CPO Mill Supply Chain Assessment Report (Module D - CPO Mills: <i>Identity Preserved</i> ).....	82
Supply Chain Declaration.....	84

**RSPO Public Summary Report  
Revision 6 (December /2017)**

Appendix F: Location Map of Ladang Sabah Palm Oil Mill Certification Unit and Supply bases..... 86  
Appendix G: Estates Field Map ..... 87  
Appendix H: List of Smallholder Sampled..... 90  
Appendix I: List of Abbreviations ..... 91

**Section 1: Scope of the Certification Assessment**

1. Company Details			
<b>RSPO Membership Number</b>	2-0002-04-000-00	<b>Membership Approval Date</b>	17/05/2004
<b>Parent Company Name</b>	IOI Corporation Berhad		
<b>Address</b>	Two IOI Square, IOI Resort, 62502, Putrajaya, Malaysia		
<b>Subsidiary (Certification Unit Name)</b>	Ladang Sabah Sdn Bhd Ladang Sabah Palm Oil Mill		
<b>Address</b>	IOI Plantation Services Sdn Bhd, Sandakan Regional Office, Mile 45, Sandakan Telupid Road, WDT 164, 90009, Sandakan, Sabah, Malaysia.		
<b>Contact Name</b>	Mr. Leang Hon Wai (Sr. Plantation Controller, IOI Sandakan Region, Sabah) Dr. Raymond Alfred (Sustainability Manager, IOI HQ) Mr. Agos Bin Atan (Manager - Sustainability (Sabah)) Mr. P. Kalaiselvan (Mill Manager, Ladang Sabah POM) Mdm. Veronica Abel (Assistant Manager, SPO Department Sandakan Region, Sabah)		
<b>Website</b>	<a href="http://www.ioigroup.com">www.ioigroup.com</a>	<b>E-mail</b>	<a href="mailto:hwleang@ioigroup.com">hwleang@ioigroup.com</a> <a href="mailto:raymond.alfred@ioigroup.com">raymond.alfred@ioigroup.com</a> <a href="mailto:agos@ioigroup.com">agos@ioigroup.com</a> <a href="mailto:kalaiselvan@ioigroup.com">kalaiselvan@ioigroup.com</a> <a href="mailto:veronica.abel@ioigroup.com">veronica.abel@ioigroup.com</a>
<b>Telephone</b>	+603-89478888 (Head Office) +6089-509101 (Regional Office) +6089-568908 (Ladang Sabah POM)	<b>Facsimile</b>	+603-89432266 (Head Office) +6089-509100 (Regional Office) +6089-568909 (Ladang Sabah Palm Oil Mill)

2. Certification Information			
<b>Certificate Number</b>	RSPO 687135	<b>Date of First Certification</b>	03/04/2013
		<b>Certificate Start Date</b>	03/04/2018
		<b>Certificate Expiry Date</b>	02/04/2023
<b>Scope of Certification</b>	Production of Crude Palm Oil and Palm Kernel		
<b>Applicable Standards</b>	1) RSPO Principle & Criteria MYNI-2014 2) RSPO Supply Chain Certification Standard: June 2017 relevant module for CPO Mills		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-ID218-20170072	ISCC EU	PT INTERTEK UTAMA SERVICES	10.08.2018

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location	GPS Coordinates	
		Latitude	Longitude
Ladang Sabah Palm Oil Mill	Mile 45, Sandakan / Telupid Road, WDT 164, 90009 Sandakan, Sabah	05°43'47.96" N	117°34'39.90" E
Bimbingan 1 Estate	Mile 45, Sandakan / Telupid Road, WDT 164, 90009 Sandakan, Sabah	05°38'3.91" N	117°28'35.18" E
Bimbingan 2 Estate	Mile 45, Sandakan / Telupid Road, WDT 164, 90009 Sandakan, Sabah	05°37'0.41" N	117°26'3.55" E
Labuk Estate	Mile 45, Sandakan / Telupid Road, WDT 164, 90009 Sandakan, Sabah	05°42'45.99"N	117°29'40.91"E
Laukin Estate	Mile 45, Sandakan / Telupid Road, WDT 164, 90009 Sandakan, Sabah	05°46'29.35" N	117°32'2.47" E
Luangmanis Estate	Mile 45, Sandakan / Telupid Road, WDT 164, 90009 Sandakan, Sabah	05°45'30.28" N	117°35'52.66" E
Moynod Estate	Mile 45, Sandakan / Telupid Road, WDT 164, 90009 Sandakan, Sabah	05°43'56.46" N	117°35'54.28" E
Terusan Baru Estate	Mile 45, Sandakan / Telupid Road, WDT 164, 90009 Sandakan, Sabah	05°46'50.56" N	117°34'36.01" E
Sungai Sapi Estate	Mile 45, Sandakan / Telupid Road, WDT 164, 90009 Sandakan, Sabah	05°48'18.29" N	117°29'28.21" E

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Bimbingan 1 Estate	1,795.00	0.00	179.20	1,974.20	90.92
Bimbingan 2 Estate	1,735.00	0.00	183.80	1,918.80	90.42
Labuk Estate	2,367.00	133.82	167.68	2,668.50	88.70
Laukin Estate	1,975.00	0.00	153.00	2,128.00	94.47
Luangmanis Estate	2,500.00	0.00	213.29	2,713.29	92.14
Moynod Estate	2,777.00	0.00	266.71	3,043.71	91.24

## RSPO Public Summary Report Revision 6 (December /2017)

Terusan Baru Estate	2,247.00	76.73	179.80	2,503.53	89.75
Sungai Sapi Estate	1,220.00	33.70	45.60	1,299.30	93.90
<b>Total</b>	<b>16,616.00</b>	<b>244.25</b>	<b>1,389.08</b>	<b>18,249.33</b>	<b>91.00</b>

### 6. Plantings & Cycle

Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Bimbingan 1 Estate	0	0	0	1,795	0	1,795	0
Bimbingan 2 Estate	158	0	0	1,577	0	1,577	158
Labuk Estate	0	679	759	929	0	2,367	0
Laukin Estate	48	0	0	1,927	0	1,927	48
Luangmanis Estate	153	0	0	1,944	403	2,347	153
Moynod Estate	414	0	1,547	816	0	2,363	414
Terusan Baru Estate	890	88	156	1,113	0	1,357	890
Sungai Sapi Estate	0	0	225	995	0	1,220	0
<b>Total (ha)</b>	<b>1,663</b>	<b>767</b>	<b>2,687</b>	<b>11,096</b>	<b>403</b>	<b>14,953</b>	<b>1,663</b>

### 7. Certified Tonnage of FFB (Own Certified Scope)

Estate	Tonnage / year		
	Estimated (Jan – Dec 2017)	Actual (Jan – Dec 2017)	Forecast (Jan – Dec 2017)
Bimbingan 1 Estate	41,678.00	32,959.93	34,898
Bimbingan 2 Estate	43,897.00	34,708.60	38,712
Labuk Estate	74,154.00	60,661.58	65,540
Laukin Estate	55,735.00	45,651.99	50,875
Luangmanis Estate	69,863.00	58,212.11	57,806
Moynod Estate	73,329.00	60,620.55	62,941
Terusan Baru Estate	42,516.00	31,408.41	43,360
Sungai Sapi Estate	37,207.00	30,325.26	33,694
<b>Total</b>	<b>438,379</b>	<b>354,548.43</b>	<b>387,826</b>

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

<b>8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *</b>			
Estate	Tonnage / year		
	Estimated (Jan – Dec 2017)	Actual (Jan – Dec 2017)	Forecast (Jan – Dec 2017)
Linbar 1 Estate	NA	753.88	NA
Linbar 2 Estate	NA	786.23	NA
Sakilan Estate	NA	1,064.28	NA
<b>Total</b>	<b>NA</b>	<b>2,604.39</b>	<b>NA</b>

<b>9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable</b>			
Independent FFB Supplier	Tonnage / year		
	Estimated (Jan – Dec 2017)	Actual (Jan – Dec 2017)	Forecast (Jan – Dec 2017)
N/A			
<b>Total</b>			

<b>10. Certified Tonnage</b>			
	Estimated (Jan – Dec 2017)	Actual (Jan – Dec 2017)	Forecast (Jan – Dec 2017)
	FFB	FFB	FFB
<b>Mill Capacity:</b> 90 MT/hr	438,379.00	357,152.82	387,826.00
<b>SCC Model:</b> IP	CPO (OER: %)	CPO (OER: %)	CPO (OER: %)
	96,729.00 (22.07 %)	73,615.12 (20.61%)	83,382.00 (21.5%)
	PK (KER: %)	PK (KER: %)	PK (KER: %)
	25,868.00 (5.90%)	19,370.42 (5.42%)	21,848.00 (5.75%)

<b>11. Actual Sold Volume (CPO) (Jan – Dec 2017)</b>					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
<b>CPO (MT)</b>	16,206.67	25,133.37	-	24,649.49	65,989.53

<b>12. Actual Sold Volume (PK) (Jan – Dec 2017)</b>					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		

<b>PK (MT)</b>	14,350	-	-	-	14,350
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<b>13. Actual Group certification Claims</b>		
	<b>Credit</b>	<b>Physical Volume (MT)</b>
<b>IS-CSPO</b>	-	-
<b>IS-CSPKO</b>	-	-
<b>IS-CSPKE</b>	-	-

## Section 2: Assessment Process

### Certification Body:

BSI Services Malaysia Sdn Bhd,  
 (ASI Accreditation Number: RSPO-ACC-067)  
 Unit 3, Level 10, Tower A  
 The Vertical Business Suites, Bangsar South  
 No. 8, Jalan Kerinchi  
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BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK’s National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Singapore, Jakarta, Bangkok and Australia which involve in RSPO Certification Program.

### 2.1 Assessment Methodology, Programme, Site Visits

The on-site initial assessment was conducted from 23-26/1/2018. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The audit programmes are included in Section 2.3.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criteria 2013 and RSPO Supply Chain Certification Standard 2017 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment where the stakeholder notification was made on 2nd October 2017 through BSI website as per following link: [https://www.bsigroup.com/globalassets/localfiles/en-my/rspo/Public%20Notification/2018/public-notification-for-recertification-assessment\\_ioi\\_ladang-sabah-and-supply-base-english\\_v1-2.pdf](https://www.bsigroup.com/globalassets/localfiles/en-my/rspo/Public%20Notification/2018/public-notification-for-recertification-assessment_ioi_ladang-sabah-and-supply-base-english_v1-2.pdf)



**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base.

- The estates sample were determined based on formula  $N = 0.8\sqrt{y}$  where y is the number of estates (*Note: This is applicable until 30<sup>th</sup> June 2018*).
- The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula  $N = (0.8\sqrt{y}) \times (z)$  where y is the number of estates and where z is the multiplier defined by risk assessment.
- As for the smallholders, the sample were determined following the RSPO Management System Requirements and Guidance for Group Certification of FFB Production (2016). The sampling of smallholders were based on the formula  $(0.8\sqrt{y}) \times (z)$ ; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix I.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.5.

One of the previous minor non-conformities was escalated to major due to insufficient evidence to close it. The assessment findings for the initial assessment/annual surveillance assessment are detailed in Section 3.4.

This report is structured to provide a summary of assessment finding as attached in the Appendix A. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

For Re-certification assessment, the report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

**The following table would be used to identify the locations to be audited each year in the 5 year cycle**

<b>Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1 (Recertification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
Ladang Sabah Palm Oil Mill	✓	✓	✓	✓	✓
Moynod Estate		✓			
Luangmanis Estate	✓			✓	
Laukin Estate		✓			

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Sg Sapi Estate	✓			✓	
Labuk Estate			✓		✓
Terusan Baru Estate		✓		✓	
Bimbingan 1 Estate			✓		✓
Bimbingan 2 Estate	✓		✓		✓

**Tentative Date of Next Visit: January 21, 2019 - January 24, 2019**

**Total No. of Mandays: 12**

**2.2 BSI Assessment Team:**

<b>Team Member Name</b>	<b>Role</b>	<b>Qualifications</b> <i>(Short description of the team members)</i>
Valence Shem (VS)	Audit Team Leader	He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since 2009 in various companies in Malaysia. During this assessment, he assessed on the aspects of legal, environmental & biodiversity, agriculture best practices and the supply chain element. Able to communicate in Bahasa Malaysia and English.
Mohd Hidhir Bin Zainal Abidin (MHZ)	Audit Team Member	He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers & stakeholders consultation.

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

<p>Hafriazhar Bin Mohd Mokhtar (HMM)</p>	<p>Audit Team Member</p>	<p>Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&amp;C and SCCS standards and recently completed his RSPO P&amp;C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea, Solomon Islands and Gabon. During assessment, he covered the legal issues, social issues, worker’s welfare and stakeholder consultation. He is fluent in Bahasa Malaysia and English languages.</p>
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**Accompanying Persons:**

No.	Name	Role
	N/A	

**2.3 Assessment Plan**

The Assessment plan was sent to the client prior to the assessment (attached assessment plan).

Date	Time	Subjects	VS	MHZ	HMM
<p>Tuesday 23/01/2018</p> <p><b>Ladang Sabah POM</b></p>	0830-0900	<p>Opening meeting:</p> <ul style="list-style-type: none"> <li>Opening presentation by audit team leader</li> <li>Confirmation of assessment scope and finalize audit plan</li> </ul>	✓	✓	✓
	0900-1230	<p><b>Ladang Sabah POM</b>            Inspection: FFB receiving, warehouse, workshop, wastes management &amp; Landfill, Effluent Ponds, OSH &amp; ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders.</p>	✓	✓	✓
		<p>RSPO Supply Chain for CPO mill, weighbridge and storage area.</p>	✓		
	1230-1330	Lunch	✓	✓	✓
1330-1630	<p><b>Ladang Sabah POM</b>            Visit to laboratory, weighbridge and palm product storage area.            Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP &amp; implementation.            Verify previous nonconformities.</p>	✓	✓	✓	

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

	1630-1700	Interim closing briefing	✓	✓	✓
Wednesday 24/01/2018  <b>Sg Sapi Estates</b>	0900-1230	<b>Sg Sapi Estates</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill.	✓	✓	✓
	1230-1330	Lunch break	✓	✓	✓
	1330-1630	<b>Sg Sapi Estates</b> Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation).	✓	✓	✓
		<b>Stakeholder consultations:</b> Consultations of various categories of stakeholders such as government agencies/enforcers, NGO, contractors, suppliers, surrounding communities (e.g. neighboring estates, smallholders, villages).			
	1630-1700	Interim closing briefing	✓	✓	✓
Thursday 25/01/2018  <b>Bimbingan 2 Estate</b>	0900-1230	<b>Bimbingan 2 Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill.	✓	✓	✓
	1230-1330	Lunch break	✓	✓	✓
	1330-1630	<b>Bimbingan 2 Estate</b> Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation).	✓	✓	✓
	1630-1700	Interim closing briefing	✓	✓	✓
Friday 26/01/2018  <b>Luangmanis Estate</b>	0900-1230	<b>Luangmanis Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill.	✓	✓	✓
	1200-1400	Lunch break and Friday prayer	✓	✓	✓
	1400-1600	<b>Luangmanis Estate</b> Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production &	✓	✓	✓

		monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation).			
	1600-1630	Audit team discussion and report preparation	✓	✓	✓
	1630-1700	Closing meeting	✓	✓	✓

### Section 3: Assessment Findings

#### 3.1 Details of audit results are provided in the following Appendix:

- IOI Corporation Bhd Time Bound Plan
- RSPO Supply Chain Certification Checklist November 2014, revised 14 June 2017
- RSPO P&C MY-NIWG 2014 Checklist

#### 3.2 Progress against Time Bound Plan

Time Bound Plan		
Requirement	Remarks	Compliance
<b>Summary of the Time Bound Plan</b>		
Does the plan include all subsidiaries, estates and mills?	Yes.	Complied
Is the time bound plan challenging? <ul style="list-style-type: none"> <li>• Age of plantations.</li> <li>• Location.</li> <li>• POM development</li> <li>• Infrastructure.</li> <li>• Compliance with applicable law.</li> </ul>	Yes.	Complied
Have there been any changes since the last audit? Are they justified?	Sugut Estate was included as part of the Pamol Sabah POM supply base and has been audited by certification body, Intertek on 12 <sup>th</sup> September 2017.  Unico Desa POM-2 Sabah scheduled to undergo its first RSPO audit in 11 <sup>th</sup> – 15 <sup>th</sup> December 2017.	Complied
If there have been changes, what circumstances have occurred?	RSPO certification for Sugut Estate has been successfully granted being of November 2017.	Complied
Have there been any stakeholder comments?	No	Complied

**RSPO Public Summary Report  
Revision 6 (December /2017)**

Have there been any newly acquired subsidiaries?	No	Complied
Have there been any isolated lapses in implementation of the plan?	No	Complied
<b>Un-Certified Units or Holdings</b>		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	IOI has conducted an Internal audit on Uncertified Units to determine its compliance against clause 4.2.4 (Partial certification). The Internal audit reports had identified the issues involved, on-going corrective actions and monitoring.	Complied
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	PT KPAM Indonesia which is a new concession land sent HCV assessment report to HCVRN and received letter of satisfactory from HCVRN on 25 <sup>th</sup> November 2017. Currently undergoing peer review for HCS report. The NPP will be conducted upon completion of all reports and will be posted on the RSPO for Public Consultation. The other three uncertified units under new concession land are PTSKS, PTBNS & PTBSS Indonesia still pending with the acquisition of Governmental 'Hak Guna Usaha' application which is still in progress. Besides, update on the RSPO Suspension and complaint by Aidenvironment, IOI has submitted progress reports and RSPO has lifted	Complied
Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	PT KPAM Indonesia which is a new concession land sent HCV assessment report to HCVRN and received letter of satisfactory from HCVRN on 25 <sup>th</sup> November 2017. Currently undergoing peer review for HCS report. The NPP will be conducted upon completion of all reports and will be posted on the RSPO for Public Consultation. The other three uncertified units under new concession land are PTSKS, PTBNS & PTBSS Indonesia still pending with the acquisition of Governmental 'Hak Guna Usaha' application which is still in progress.	Complied
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	New certification for IOI Pelita (Sarawak) is pending resolution of land dispute and RSPO decision. A settlement has not been reached on the issue, but progress is being made through continued engagement conducted by IOI Pelita, IOI Group and the Miri Residents' Office to reach an amicable settlement. In addition, IOI has proactively engaged further with grassroots and RSPO to ensure free and informed consent process when discussion with community is taking place. To further enhance our community engagement, a community communication officer has been appointed and is responsible to meet regularly with	Complied

**RSPO Public Summary Report  
Revision 6 (December /2017)**

	wider community and individual households to communicate and disseminate information.	
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	In IOI Sustainable Palm Oil Policy under section 7 on transparency and wider engagement, we are committed to resolve complaints and conflicts effectively and responsibly through open transparent process upon agreed by affected stakeholders. Where internal grievance is submitted through estate green book.	Complied
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	IOI has conducted an Internal audit on Uncertified Units to determine its compliance against clause 4.2.4 (Partial certification). The Internal audit reports had identified the issues involved, on-going corrective actions and monitoring.	Complied
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	None.	Complied

**3.3 Progress of scheme smallholders and/or outgrowers**

<b>Progress of scheme smallholders or outgrowers towards compliance with relevant standards</b>		
<b>Requirement</b>	<b>Remarks</b>	<b>Compliance</b>
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?	NA	NA

**3.4 Details of findings**

The nonconformity is listed below. The summary report of the assessment by criteria is listed in Appendix A.

During the Certification Assessment there were one (1) Major & one (1) Minor nonconformities raised. The Ladang Sabah Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment.

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Summary of Total Number of Nonconformity			
Nonconformity			
<b>NCR Ref #</b>	1582202-201801-M1	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 4.1.2 (Major)
<b>Date Issued</b>	26/1/2018	<b>Due Date</b>	25/3/2018
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	25/3/2018
<b>Statement of Nonconformity:</b>	The agreed corrective actions between IOI Ladang Sabah and Intertek to close the previous minor NCR was not effectively implemented.		
<b>Requirement Reference:</b>	A mechanism to check consistent implementation of procedures shall be in place.		
<b>Objective Evidence:</b>	<p>At the Estates, the process implemented was not able to adequately ensure that:</p> <ul style="list-style-type: none"> <li>a) FFB contractor’s drivers have the necessary driving licenses</li> <li>b) FFB contractor’s lorries have the valid road taxes and are insured</li> <li>c) The FFB contractor pay their drivers promptly</li> <li>d) The FFB contractors provide proper PPEs to their drivers</li> </ul> <p>The evidence of implementation of the previous CAP which reads “Joint meeting to be held in quarterly basis between IOI regional management, respective estate and contractors in purpose to deliver the objective of the monitoring implementation mechanism according to legal requirement and as a monitoring mechanism form”, was not available.</p>		
<b>Corrections:</b>	To held a joint meeting between the regional, estate representative and contractors in purpose of to discuss on sustainability requirements. The agenda includes the sustainability compliance requirement (RSPO, ISCC, MSPO and other relevant applicable standards & laws) for the contractors to comply.		
<b>Root Cause Analysis:</b>	<p>Insufficient monitoring efforts to ensure contractors are abided with compliances with legal requirements.</p> <p><i>[Note: One of the agreed corrective action statement to close the previous minor NCR issue was discovered as an overcommitted statement since individual respective estates’ contractors are located afar from the regional area and a frequent meeting is consider not practicable.]</i></p>		
<b>Corrective Actions:</b>	The meeting frequency will be reschedule to an annual basis meeting. The compliance monitoring will be carried out by respective estate on a regular basis.		
<b>Assessment Conclusion:</b>	A meeting between the management and the all contractors was held on 13/3/2018. One of the agenda was on the FFB transporter contractors must have valid license for their lorry drivers and valid road tax. The minutes of meeting, pictorial evidence of the meeting and presentation material were presented to the auditor for verification. Based on verification, the evidence was found to be adequate to close the NCR.		

Nonconformity			
<b>NCR Ref #</b>	1582202-201801-N1	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 5.3.3 (Minor)
<b>Date Issued</b>	26/1/2018	<b>Due Date</b>	25/1/2019
<b>Closed (Yes / No)</b>	No	<b>Date of nonconformity Closure</b>	NA
<b>Statement of Nonconformity:</b>	The waste management plan to avoid or reduce pollution was not effectively implemented.		



**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

<b>Requirement Reference:</b>	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.
<b>Objective Evidence:</b>	Luangmanis Estate a) The effectiveness of the oil trap at the diesel tank was not adequately demonstrated due to the error of design and its outlet flow was not traceable. b) Observed at vehicle parking area, no dripping/containment tray placed below the parked vehicle (as written in the EIA action plan) with evidence of contaminated soil. c) Domestic waste and other type of waste was found scattered next to fence beside workshop area.
<b>Corrections:</b>	a) To build the oil trap according to the new modified design. b) Not applicable. c) To collect the scattered wastes and dispose accordingly.
<b>Root Cause Analysis:</b>	a) The final outlet design of the oil trap was submerged in soil causing it to be not visible on the surface level. b) The drip tray mentioned in the EIA was for the breakdown/ under maintenance vehicle parked in the workshop. The vehicle observed at the parking area surround the workshop vicinity was in a good condition as confirmed based on the daily vehicle inspection made. It was parked at the vicinity for security during the estate's off day. Thus, no drip tray was provided by the estate management. c) The coverage scope of inspection was not clearly defined in the current workplace inspection checklist.
<b>Corrective Actions:</b>	a) To seek the final outlet and to modified the design in accordance to the practicable oil trap design. b) Not applicable. c) To expand the coverage scope of inspection at the workplace. A training awareness will be given to the workshop personnel, Field Supervisor in-charge and the Environmental Liaison Officer.
<b>Assessment Conclusion:</b>	The corrections and corrective actions are acceptable. The effectiveness of implementation shall be verified in the next surveillance assessment.

Opportunity for Improvements	
OFI #	Description
OFI 1	Nil

Positive Findings	
PF #	Description
PF 1	Generally, stakeholders gave positive feedbacks.
PF 2	Wastes (domestic, recyclable and toxic) were appropriately managed.
PF 3	Good cooperation from the management team.

**3.4.1 Status of Nonconformities Previously Identified and Observations**

Non-Conformity			
NCR Ref #		Clause & Category (Major / Minor)	Indicator 4.1.2 (Minor)
	Intertek's CBK-01		

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

<b>Closed (Yes / No)</b>	No	<b>Date of nonconformity Closure</b>	Upgraded to Major
<b>Statement of Nonconformity:</b>	Not available in Intertek's format.		
<b>Requirement Reference:</b>	A mechanism to check consistent implementation of procedures shall be in place.		
<b>Objective Evidence:</b>	<ol style="list-style-type: none"> <li>At Laukin Estate, it is specified in the Contract Agreement (No. AT/002/2016-2017) with contractor (ATN) for the transport of EFB, FFB and gravel dated 1<sup>st</sup> July 2016, that the load limit of transporting FFB is up to 18 metric tonne. On two occasions, this load limit of 18 MT was exceeded. The Estate FFB Despatch Chits and LSPOM WB ticket showed:             <ol style="list-style-type: none"> <li>net weights of 19,740kg and 19,520kg respectively on 13<sup>th</sup> December 2016</li> <li>net weights of 20,990kg and 21,100kg respectively on 6<sup>th</sup> February 2017</li> </ol> </li> <li>At the Estates, the process implemented was not able to adequately ensure that:             <ul style="list-style-type: none"> <li>FFB contractor's drivers have the necessary driving licenses</li> <li>FFB contractor's lorries have the valid road taxes and are insured</li> <li>the FFB contractor pay their drivers promptly</li> <li>the FFB contractors provide proper PPEs to their drivers</li> </ul> </li> </ol>		
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>To revise the existing contract agreement term and condition on the weight limitation as to sync with the current practices made. Limitation of height of FFB imposed.</li> <li>Joint meeting to be held in quarterly basis between IOI regional management, respective estate and contractors in purpose to deliver the objective of the monitoring implementation mechanism according to legal requirement and as a monitoring mechanism form.</li> <li>To create a checklist as a form of monitoring mechanism to be implemented by estate management.</li> </ol>		
<b>Assessment Conclusion:</b>	<p><b>Verification by Intertek:</b>            The submitted revised documentation and supporting records included new checklists for monitoring on the issues for the POM and Estates. The additional photographic submitted as evidence of progressive implementation was reviewed and considered to be acceptable for closure.            The corrective action has satisfactorily addressed the non-conformance.</p> <p><b>Verification during Recertification Assessment:</b>  <u>For issue # 1:</u>            The term and condition in the contract agreement have been revised where the limitation based on weight is no longer stated, but 2-layer arrangement of FFB loaded in the lorry bucket was imposed instead.</p> <p><u>For issue # 2:</u>            There was no evidence that the joint meetings have been held on quarterly basis between IOI regional management, respective estate and contractors. Therefore, this non-conformity is reissued as major.</p>		

Non-Conformity			
<b>NCR Ref #</b>	Intertek's AL-01	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 4.4.2 (Major)
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	26/1/2018

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

<b>Statement of Nonconformity:</b>	Not available in Intertek’s format.
<b>Requirement Reference:</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>Objective Evidence:</b>	Maintenance and monitoring of Buffer zones were not effectively done as follows: At Bimbingan 1 Estate (Block – 96O), Moynod estate (Field 96B), it was found that there was spraying activities at the buffer zone area and at the palms marked near the buffer zones next to water courses. Moynod estate Field 97K) Buffer signages are below eye level and marking on palms were faded. At Labuk estate (Field 98F) buffer markings were not available for stream passing through. Patrolling records maintained at the estates did not indicate any signage of ‘over spraying’ in the buffer zone areas.
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>1. To conduct on the job training for field staff on buffer zone management.</li> <li>2. To increase the frequency need on the internal training to manure and sprayer to 4 months once.</li> <li>3. Topic about stream buffer zone to be delivered during the muster briefing on monthly basis.</li> <li>4. Sprayed buffer zone are to be left untouched to let the soft grasses/vegetation to grow back naturally at the area.</li> <li>5. Grass cutting to be done on the buffer zone when required.</li> <li>6. Signages at the buffer zone to be erected on appropriate height up to eye level.</li> <li>7. Buffer zone marking is to follow the legal requirement.</li> <li>8. Comprehensive patrolling checklist will be created and the internal training on the documentation checklist will be delivered to the patrollers.</li> </ol>
<b>Assessment Conclusion:</b>	<p><b>Verification by Intertek:</b></p> <p>The submitted documentation and supporting records including training done and photographic evidences of new signages and buffer zone markings were reviewed and accepted. Sample of Patrolling checklists for monitoring on the issues at the Estates submitted as evidence of progressive implementation was reviewed and considered to be acceptable for closure.</p> <p>Based on the evidences submitted, it was decided that further On-site Verification was not required on this Major NC at this PMU. The actions taken todate are considered to be have satisfactorily addressed the NC and consistent with actions taken and Management plans made for all the certified PMUs under the IOI Group for Sabah region, as was verified and reported on another PMU i.e. IOI Syarimo grouping done on 9-10 Mar 2017.</p> <p><b>Date closed: 25/3/2017</b></p> <p><b>Verification during Recertification Assessment:</b></p> <p>No recurrence of herbicide spraying at the visited buffer zone observed. Buffer zone signage found to be well maintained and patrolling checklists were utilized accordingly by the PIC.</p>

Non-Conformity			
<b>NCR Ref #</b>	Intertek’s CBK-02	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 4.6.7 (Minor)
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	26/1/2018

**RSPO Public Summary Report  
Revision 6 (December /2017)**

<b>Statement of Nonconformity:</b>	Not available in Intertek’s format.
<b>Requirement Reference:</b>	Application of pesticides shall be by proven methods that minimise risk and impacts.
<b>Objective Evidence:</b>	At Labuk and Bimbingan 1 Estates, the emergency showers at the weedicide premix areas, the water pumps need to be switched on and water taps to be turned on in order to be functional. The instructions for switching on the pump and for turning on water taps before carrying out pre-mixing activities was not available. There was no documentary evidence that briefing or training for the needed steps/instructions at the said area and for the workers.
<b>Corrective Actions:</b>	To provide a documented instruction using language understood by the workers at the premix area and to conduct an internal training to workers on the documented instruction.
<b>Assessment Conclusion:</b>	<b>Verification by Intertek:</b> The submitted revised documentation and supporting records including training done and additional instruction and photographic evidence on the issue at the Estates was reviewed and considered to be acceptable for closure. The corrective action has satisfactorily addressed the non-conformance.  <b>Verification during Recertification Assessment:</b> All the visited emergency showers were found to be functioning well. Interview with workers confirmed that they understood the need to switch on the water pumps.

Non-Conformity			
<b>NCR Ref #</b>	Intertek’s AL-02	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 5.2.4 (Minor)
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	26/1/2018
<b>Statement of Nonconformity:</b>	Not available in Intertek’s format.		
<b>Requirement Reference:</b>	Where a management plan has been created there shall be ongoing monitoring: <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 management plan.</li> </ul>		
<b>Objective Evidence:</b>	At Moynod Estate. Ongoing monitoring of conservation areas (near Forest reserves) and buffer areas was not adequately done as follows: <ol style="list-style-type: none"> <li>a) clearer identification of types of wildlife and outcomes for actions needed by the management</li> <li>b) training for the personnel monitoring the environment related issues</li> </ol>		
<b>Corrective Actions:</b>	To conduct a wildlife identification training to the Environment Liaison Officer and patrollers. Comprehensive patrolling checklist will be created and internal training on the documentation checklist will be delivered to the patrollers.		
<b>Assessment Conclusion:</b>	<b>Verification by Intertek:</b> The submitted revised documentation and supporting records including training done and additional instruction, checklist for monitoring and photographic evidence on the on the issue at the Estates was reviewed and considered to be acceptable for closure. The corrective action has satisfactorily addressed the non-conformance.		

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

	<p><b>Verification during Recertification Assessment:</b>  Types of wildlife had been included in the patrolling checklist. Interview with the patrolling staff confirmed that their knowledge of identifying types of wildlife was satisfactory.</p>
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Non-Conformity			
<b>NCR Ref #</b>	Intertek's AL-03	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 5.3.3 (Minor)
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	26/1/2018
<b>Statement of Nonconformity:</b>	Not available in Intertek's format.		
<b>Requirement Reference:</b>	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.		
<b>Objective Evidence:</b>	At Labuk Estate, near landfill (Field 07B), there was an old machinery, crusher equipment, container said to be abandoned by Work Contractors which has not been removed.		
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>Estate management with the assistant from SPO Department to review and revise the internal EIA on the identification and management action plan needed.</li> <li>In the meantime, the area to be barricaded on site and prohibition signage to be erected pending estate management decision after consultation with the concerned contractor.</li> </ol>		
<b>Assessment Conclusion:</b>	<p><b>Verification by Intertek:</b>  The submitted revised documentation i.e. Waste Management Plan for Estates which included the management of old machinery, equipment, recyclable and non-recyclable materials for progressive monitoring and photographic evidence on the on the issue at the said location was reviewed and considered to be acceptable for closure.  The corrective action has satisfactorily addressed the non-conformance.</p> <p><b>Verification during Recertification Assessment:</b>  Management of recyclable wastes especially the scrap iron found to be appropriate. On normal practice, scrap iron would be placed centrally and when the amount is enough to be disposed, recycle vendor will be assigned to collect the wastes. Transaction receipts of scrap iron were available at the visited operating units for verification.</p>		

Non-Conformity			
<b>NCR Ref #</b>	Intertek's JMD-01	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 6.5.2 (Major)
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	26/1/2018
<b>Statement of Nonconformity:</b>	Not available in Intertek's format.		
<b>Requirement Reference:</b>	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) shall be		

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

	available in the languages understood by the workers or explained carefully to them by a management official.
<b>Objective Evidence:</b>	In Bimbingan 1 Estate, it was found the Estate management offered insufficient jobs to at least 5 workers in December 2016 which along with other factors had led to the workers not being able to achieve the minimum wages in the said month.
<b>Corrective Actions:</b>	To conduct an internal training on the legal requirement for the executive and field staff at Bimbingan 1 Estate. Implementation of Minimum Wages monitoring form by field staff & counter check by management executive level. Analysis of the data of minimum wage that able to explain the factors of minimum wage not achieved by some workers.
<b>Assessment Conclusion:</b>	<p><b>Verification by Intertek:</b>          The submitted documentation i.e. Data and Analysis of achievement and non-achievement levels of Minimum Wages at the Estates including records of training done for progressive monitoring on the issue was reviewed and considered to be acceptable for closure.          Based on the evidences submitted, it was decided that further On-site Verification at the PMU was not required on this Major NC. The action taken todate are considered to have satisfactorily addressed the NC and consistent with the actions taken and Management plans made for all the certified PMUs under the IOI Group for Sabah region, as was verified and reported on another PMU i.e. Syarimo grouping done on 9-10 Mar 2017.  <b>Date closed: 25/3/2017</b></p> <p><b>Verification during Recertification Assessment:</b>          The implementation of corrective action found to be effective. No recurrence found.</p>

Non-Conformity			
<b>NCR Ref #</b>	Intertek's JMD-02	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 6.7.1 (Major)
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	26/1/2018
<b>Statement of Nonconformity:</b>	Not available in Intertek's format.		
<b>Requirement Reference:</b>	There shall be documentary evidence that minimum age requirements are met.		
<b>Objective Evidence:</b>	In Laukin estate, it was found that a local worker short of four months before his 18th birthday was already employed without properly fulfilling the requirements set in Sabah Labour Ordinance for employing young person.		
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>To revise the existing workers recruitment procedure to include the terms and conditions for hiring of age group under young persons (age 16 to 18) as per the Sabah Labour Ordinance requirement.</li> <li>To conduct an internal training to all estates management level on the revised company procedure.</li> </ol>		
<b>Assessment Conclusion:</b>	<p><b>Verification by Intertek:</b>          The submitted documentation i.e. revised recruitment procedure including the terms and conditions for hire of the young persons for the Estates at Sabah State including records of training done for progressive monitoring on the issue was reviewed and considered to be acceptable for closure.</p>		

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

	<p>Based on the evidences submitted, it was decided that further On-site Verification at the PMU was not required on this Major NC. The actions taken todate are considered to have satisfactorily addressed the NC and consistent with the actions taken and Management plans made for all the certified PMUs under the IOI Group for Sabah region, as was verified and reported on another PMU i.e. Syarimo grouping done on 9-10 Mar 2017.</p> <p><b>Date closed: 25/3/2017</b></p> <p><b>Verification during Recertification Assessment:</b>          The implementation of corrective action found to be effective. No recurrence found.</p>
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Opportunity for Improvement	
OFI#	Description
NIL	

**3.4.2 Summary of the Nonconformities and Status**

CAR Ref.	CATEGORY (MAJOR/ MINOR)	ISSUED	STATUS & DATE (Closure)
1582202-201801-M1 - 4.1.2	Major	26/1/2018	Closed on 25/3/2018
1582202-201801-N1 - 5.3.3	Minor	26/1/2018	Open

**3.5. Stakeholders Consultation**

BSI initiated the stakeholder consultation by announcing an invitation for feedback in the RSPO website on 15/12/2017 and it was available on the website prior to the audit for one month. Telephone contact numbers, emails, facsimiles or postal address were made available in the announcement so that stakeholders can give their comments or feedbacks before the assessment is performed.

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Ladang Sabah Palm Oil Mill Certification Unit’s environmental and social performance, legal and any known dispute issues.

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. Any comment which is not complying with the RSPO P&C requirements have been incorporated as an assessment finding.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as below.



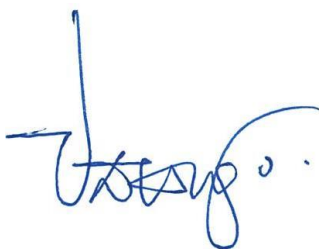

List of Stakeholders Contacted	
<b>Internal Stakeholders</b> <ul style="list-style-type: none"> <li>Mill employees – lab assistant, electrical supt., workshop, ETP operators</li> <li>Estates employees – harvesters, maintenance workers, staff</li> </ul>	<b>Union/Contractors/Local Communities</b> <p>Estate’s sundry shop owner</p> <p>Nearby school representatives</p>
<b>Government Departments</b> <p>Malaysia Immigration</p> <p>Human Resource Department</p>	<b>NGO</b> <p>Humana representative</p>

Issues raised by Stakeholders	
IS #	Description
1	<p><b>Issues:</b> Sundry shop:</p> <ul style="list-style-type: none"> <li>Owner reported to management on groceries purchased in-debt by workers sometime not being paid for long. Management cooperate well on highlighting the issues to workers.</li> <li>Owner seek for clarification on whether outside retailer can do business in estate without any license as of illegal competitors</li> </ul> <p><b>Management Responses:</b></p> <ul style="list-style-type: none"> <li>Management always remind workers not to overspend to avoid high debt and would consider to cooperate with estate retailer to deduct salary in case of too high debt not settle for long</li> <li>Management never allow any outside/external retailers to do business within company’s premise without valid license and agreement with company – auxiliary police always guard at all estate gate</li> </ul> <p><b>Audit Team Findings:</b></p> <p>Issues were known to both party i.e. company management and stakeholder (retailer) and been communicated from time to time in case of any serious case. No further issue.</p>
2	<p><b>Issues:</b> School headmaster/teachers</p> <ul style="list-style-type: none"> <li>Bus service to send pupil to SK Sg. Nangka and SM Laban, Bestari was often late arrived at school. Issue was discussed with estate management</li> <li>Road condition in front of SK Moynod was quite bad with dust during dry season and mud in wet season. Better to tarmac the road</li> <li>Sometime it was sighted that tractor was being used to transport the pupil</li> <li>IOI management always respond to any request with regards to school programs. Often help on school facility/building repair as well</li> </ul> <p><b>Management Responses:</b></p> <ul style="list-style-type: none"> <li>The school bus service was provided by external provider engaged by company on contractual basis for staff children schooling outside of estate. The service was being monitored its performance according to contract terms. Contract will be review or terminate if provider unable to fulfil the terms and conditions</li> <li>Road maintenance programs always implemented according to season however no plan to tarmac the road yet. This will be discuss further with company’s top management</li> <li>Tractor was only use during flood season to transport children to internal school only (SK Moynod) and only the workers/passenger carriage tractor being use for this purpose</li> <li>School programs were part of contributions by company</li> </ul> <p><b>Audit Team Findings:</b></p>



	All issues were well managed by company with acknowledgement by the stakeholders. No further issue.
<b>3</b>	<p><b>Issues:</b> Humana representative</p> <ul style="list-style-type: none"> <li>- Company provide very good facility to cater a total of 141 Humana students in Moynod 1 Estate</li> <li>- Communicated with estate management to assist in the population census to ensure all foreign workers' children to go to school</li> </ul> <p><b>Management Responses:</b></p> <ul style="list-style-type: none"> <li>- Humana facilities were maintained as per budget</li> <li>- Management will assist in actual population census for schooling age children among the foreign workers' dependents. Management also kept reminding them to send their children to school.</li> </ul> <p><b>Audit Team Findings:</b> Positive comments by stakeholder.</p>

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

<b>Formal Signing-off of Assessment Conclusion and Recommendation</b>	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that Ladang Sabah Palm Oil Mill Certification Unit has complied with the RSPO P&amp;C 2013 (MY-NI 2014), RSPO Supply Chain Certification Standard (June 2017) and audit criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of Ladang Sabah Palm Oil Mill Certification Unit is continued.</p>	
<b>Report prepared by</b>	<b>Acceptance of Assessment Conclusion</b>
<b>Name:</b> Valence Shem	<b>Name:</b> Leang Hon Wai
<b>Company Name:</b> BSI Services Malaysia Sdn Bhd	<b>Company Name:</b> IOI Corporation Berhad Ladang Sabah Palm Oil Mill & Supply Base
<b>Title:</b> Lead Auditor	<b>Title:</b> Sr. Plantation Controller Sandakan Region
<b>Signature:</b> 	<b>Signature:</b> <i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i> 
<b>Date:</b> 26/6/2018	<b>Date:</b> 26/6/2018

**Appendix A: Summary of Findings**

Criterion / Indicator	Assessment Findings	Compliance	
<b>PRINCIPLE 1: COMMITMENT TO TRANSPARENCY</b>			
<p><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.</p>			
1.1.1	<p>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>- Minor compliance -</p>	<p>Information on environmental, social and legal issues relevant to RSPO Criteria was made available to relevant stakeholders for effective participation in decision making. Stakeholder listing was maintained and updated as necessary at each operating units with support by the regional sustainability team.</p>	Complied
1.1.2	<p>Records of requests for information and responses shall be maintained.</p> <p>- Major compliance -</p>	<p>Ladang Sabah continued to respond and maintain the records of request from its stakeholders. Among the records verified were: DOE visit at the mill on 16/11/17 – checking on compliance with SW Regulations 2005 and maintenance of trenches, signage at ETP- DOSH visit at the mill – annual inspection 22/5/17 17/1/18 – DOSH investigation on permanent disability case and OSH audit at Luangmanis Estate.</p> <p>Estate’s corrective action: i) Re-training of established procedure; ii) Procedure for Coupling and de-coupling of trailer, IOI OSH 3.2.2, rev:1 dated 30/1/17. Training carried out after accident occurrence dated 18/11/17 iii) HIRARC review, 9/10/17 on “Coupling and securing pin lock (lock mechanism)”</p> <p>The latest HOD meeting has discussed on the matter raised by DOSH during OSH audit. Official reply is still in progress. OHSMS IOI Corporation Berhad (Plantation Division), SOP, doc ref# IOI-OSH 3.2.2, rev:2 dated 12/8/17. Under harvesting and loose fruit collection SOP, harvesting tools must be carry separately using trailer.</p> <p>Apart from that, requests were also recorded in IOI Group Complaint/Grievance/Request Book. E.g.: <u>Bimbingan 2 Estate:</u> - Request of Transport by Community Learning Centre (CLC) 4 Sapi 2 for student report presentation event dated 15/12/2017 - approved - Request for extension of electrical supply installation for wedding event dated 13/1/2018 – approved</p>	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>Job order been issued by Operation Unit managers for request from the book as following sample:</p> <ul style="list-style-type: none"> <li>- Job order serial no.: 22609; date: 18/1/2018; To: Engineering Department (Electrical works)</li> <li>- Job order serial no.: 22616; date: 24/1/2018; To: Engineering Department (Carpentry &amp; Plumbing works)</li> </ul>	
<p><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.</p>			
1.2.1	<p>Publicly available documents shall include, but are not necessarily limited to:</p> <ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> <li>• Occupational health and safety plans (Criterion 4.7);</li> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> <li>• Details of complaints and grievances (Criterion 6.3);</li> <li>• Negotiation procedures (Criterion 6.4);</li> <li>• Continual improvement plans (Criterion 8.1);</li> <li>• Public summary of certification assessment report;</li> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> <p>- Major compliance -</p>	<p>Details of complaints and grievances recorded in IOI Group Complaint/Grievance Book.</p> <p><u>Ladang Sabah POM:</u></p> <p>Complaint/Grievance Book; Operating Centre: Ladang Sabah Palm Oil Mill grievances been updated in the book with latest grievance recorded on date 13/6/2017; Serial no.: 036; Resolved on 20/6/2017.</p> <p>Ladang Sabah Palm Oil Mill DOE Log Book; Latest Field Citation record dated 16/11/2017</p> <p>Ladang Sabah Palm Oil Mill Bomba Log Book; Latest Inspection for Sijil Perakuan Bomba record dated 26/5/2017</p> <p>Documented as IOI Group Social Impact Assessment – Management Action Plans &amp; Continuous Improvement Plans – Ladang Sabah Palm Oil Mill; Date prepared: January 2018; Date next review: January 2019</p> <p>Sighted the Policy Statement for No Child Labour; dated 5/11/2009, IOI Group shall not engage, exploit and employ individual below 16 years in its core business and supply chain, shall abide and support within the Children and Young Persons (Employment) Act 1966 (Act 350).</p> <p>Sighted also the Respecting Human Rights Policy which specified that IOI Group uphold the right of freedom of association and eliminate all forms of forced and child labour; dated 11/5/2015.</p>	Complied
<p><b>Criterion 1.3:</b>            Growers and millers commit to ethical conduct in all business operations and transactions.</p>			
1.3.1	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>- Minor compliance -</p>	<p>Established as Code of Business Conduct &amp; Ethics; Signed by Head Sustainability (Malaysia/Indonesia); Date: 11/5/2015. Specifying all details:</p> <ul style="list-style-type: none"> <li>- A respect for the fair conduct of business;</li> <li>- A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources;</li> <li>- A proper disclosure of information in accordance with applicable regulations and accepted industry practices</li> </ul>	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator	Assessment Findings	Compliance
	Sighted the IOI Group Annual Report 2017 – Staying Resilient & Responsive stated the Accountability and Effective Audit managed by the Audit and Risk Management Committee (ARMC) through the Audited Financial Statements for the financial year ended 30 June 2017 verified by external auditor i.e. BDO Malaysia.	
<b>PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS</b>		
<b>Criterion 2.1</b> There is compliance with all applicable local, national and ratified international laws and regulations.		
2.1.1	Evidence of compliance with relevant legal requirements shall be available. - Major compliance –  Evidence of compliance with relevant legal requirements were demonstrated for IOI Ladang Sabah Certification Unit. Sighted sample of permits and licenses:  <u>Ladang Sabah POM</u> <ul style="list-style-type: none"> <li>• MPOB license, 500264104000 valid until 30/06/18 with processing capacity of 390,000 mt.</li> <li>• DOE Compliance schedule, license number 003445 with maximum capacity of 90 mt/hr, validity period: 1/7/17 to 30/6/18, ref# JPKKS/12/003445</li> <li>• Trading License, under Ordinance no.16 1948 (license ID, BLN/2016/788 valid until 31/12/2018.</li> <li>• Labour Department permit, under Section 118, Labour Ordinance (Sabah BAB 67) to employ non-resident workers, valid until 30/10/18.</li> <li>• Jabatan Tenaga Kerja Sabah Permit Potongan Daripada Gaji Pekerja Seksyen 113 (4), Ordinan Buruh (Sabah Bab 67); Serial no.: 11(0954)SDK; Validity period: 24/1/2017 – 23/1/2018 - Renewal application made as per letter ref.: IOI/SR/HRD/17-914; Date: 20/12/2017 and received by JTK on 26/12/2017</li> <li>• Jabatan Tenaga Kerja Sabah Permit Pendahuluan Gaji Seksyen 102 (1) Had Pendahuluan Gaji; Serial no.: 06(0291)SDK; Validity period: 23/1/2017 – 22/1/2018 - Renewal application made as per letter ref.: IOI/SR/HRD/17-914; Date: 20/12/2017 and received by JTK on 26/12/2017</li> <li>• Jabatan Tenaga Kerja Sabah Permit Wanita Bekerja Malam Seksyen 75 Ordinan Buruh (Sabah Bab 67); Serial no.: 05(0011)SDK; Validity period: 7/6/2016 – 6/7/2017 – Renewal application made as per letter ref.: IOI/SR/HRD/18 – 010; dated 19/6/2017; followed-up letter sent on 4/1/2018</li> <li>• Energy Commission license, under Electric Supply Act 1990, license# LP12/1/9/1818 for maximum generating capacity of 7.79 MW valid until 6 June 2026</li> <li>• Diesel Permit, Ref# PPDNK.SDK.16/2002 (SK) PERMIT: S010511 for total quantity of 20,000 liter valid until 9/12/17. Sighted application for renewal of permit dated 30/11/17 and pending for approval.</li> </ul>	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator	Assessment Findings	Compliance																					
	<ul style="list-style-type: none"> <li>Fire Certificate, ref# JBPM: SB/7/276/2016, serial number 297595 valid until 6/12/17. Inspection was done on 14/12/17 for renewal and pending for issuance from Fire Department. Refer to payment receipt dated 20/12/17.</li> <li>Permit for salary deduction, serial# 11(0954)SDK valid until 23/1/2018.</li> <li>Certificate of fitness for Unfired Pressure Vessel (UPV) and Steam Boiler (SB) sampled:               <ul style="list-style-type: none"> <li>PMD 10547 (steam boiler) valid until 16/7/18</li> <li>SB PMD 180 (steam boiler) valid until 21/8/18</li> <li>SB PMT 10587 (steam receiver) valid until 21/8/18</li> <li>PMT 105391 (sterilizer) valid until 16/7/18</li> <li>PMT 105392 (sterilizer) valid until 16/7/18</li> </ul> </li> </ul> <p><u>Competent Person</u></p> <table border="1" data-bbox="659 925 1235 1574"> <thead> <tr> <th>Competency</th> <th>License/Certificate</th> <th>Expiry</th> </tr> </thead> <tbody> <tr> <td>AGT</td> <td>NW-NSDK-AGT-R-0063-M MW-NSDK-AGT-R-0024-M</td> <td>16/3/18</td> </tr> <tr> <td>AESP</td> <td>NW-NSDK-AE-R-0170 NW-NSDK-AE-R-0166</td> <td>2/5/19</td> </tr> <tr> <td>CePPOME</td> <td>CePPOME/15049</td> <td>-</td> </tr> <tr> <td>Electrical Chargeman, A4</td> <td>PJ-T-4-H-0001-2005</td> <td>-</td> </tr> <tr> <td>Steam Engineer (1<sup>st</sup> grade)</td> <td>170/2013, S/N:7249</td> <td>-</td> </tr> <tr> <td>Engine driver (1<sup>st</sup> grade)</td> <td>H/ED/145/92, S/N:16014</td> <td></td> </tr> </tbody> </table> <p><u>Sq Sapi:</u></p> <ul style="list-style-type: none"> <li>Diesel permit # S010512, license holder: Ladang Sabah Sdn Bhd, validity 16/12/16 to 17/12/17, 18,200 lt, application of renewal has been made and the status at BLESS showed "final approval"</li> <li>MPOB license # 501728102000, validity 1/5/2017 to 30/4/2018, 8,924 Ha, <i>Menjual dan Mengalih FFB</i>, license holder Ladang Sabah Sdn Bhd</li> <li>Trading License, under Ordinance no.16 1948 (license ID, BLN/2018/342 valid until 31/12/18</li> <li>Labour Department permit, under Section 118, Labour Ordinance (Sabah BAB 67) to employ non-resident workers, valid until 13/11/18. Ref# JTK.H.SDK.600-4/01261/003867</li> </ul>	Competency	License/Certificate	Expiry	AGT	NW-NSDK-AGT-R-0063-M MW-NSDK-AGT-R-0024-M	16/3/18	AESP	NW-NSDK-AE-R-0170 NW-NSDK-AE-R-0166	2/5/19	CePPOME	CePPOME/15049	-	Electrical Chargeman, A4	PJ-T-4-H-0001-2005	-	Steam Engineer (1 <sup>st</sup> grade)	170/2013, S/N:7249	-	Engine driver (1 <sup>st</sup> grade)	H/ED/145/92, S/N:16014		
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**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>• Energy Commission license, under Electric Supply Act 1990, license#2017/01062 for generating capacity of 84 kW valid until 31/12/18. .</li> <li>• Certificate of fitness, air receiver tank; SB PMR 10359 valid until 16/4/18</li> </ul> <p><u>Bimbingan 2:</u></p> <ul style="list-style-type: none"> <li>• Diesel permit # S014144, License holder: Palmco Plantations (Sabah) Sdn Bhd, validity 9/12/17 to 10/12/18, 12,500 lt</li> <li>• MPOB license # 503278702000, validity 1/1/2018 to 31/12/2018, 3,530 Ha, <i>Menjual dan Mengalih FFB</i>, license holder Palmco Plantations (Sabah) Sdn Bhd, Bimbingan Estate</li> <li>• <i>Perakuan Penentuan Timbang dan Sukat</i>, (according to Weights &amp; Measures Act 1972 – <i>peraturan-peraturan Timbang dan Sukat 1981 (Peraturan 16, 28A dan 45)</i>), #B1199886, valid for 1 year from 17/10/2017</li> <li>• Energy Commission license, under Electric Supply Act 1990, license#2017/03648 for generating capacity of 360 kW valid until 31/12/18.</li> <li>• Certificate of fitness, air compressor; SB PMT 10368 valid until 16/6/18</li> </ul> <p><u>Luangmanis:</u></p> <ul style="list-style-type: none"> <li>• Diesel permit # S010583, License holder: Ladang Sabah Sdn Bhd, validity 20/1/17 to 20/1/18, 10,000 lt – application sent to KPDNKK by Sadakan Regional Office on 2/1/2018</li> <li>• MPOB license # 501728102000, validity 1/5/2017 to 30/4/2018, 8,924 Ha, <i>Menjual dan Mengalih FFB</i>, license holder Ladang Sabah Sdn Bhd</li> <li>• Energy Commission license, under Electric Supply Act 1990, license#2017/02755 for generating capacity of 980 kW valid until 31/12/18.</li> <li>• Certificate of fitness, air compressor; SB PMT 9198 valid until 22/6/18</li> </ul>	
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance –</p>	Complied
2.1.3	<p>A mechanism for ensuring compliance shall be implemented.</p> <p>- Minor compliance –</p>	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>Ladang Sabah POM conducted on 23/11/2017 – reported findings: Absence of valid permit “sekatan kerja lebih masa” (overtime permit) and “permit wanita kerja malam” (permit for women working at night)</li> <li>Bimbingan 2 conducted on 23/11/2017 – reported findings: Diesel permit has expired</li> </ul>	
2.1.4	<p>A system for tracking any changes in the law shall be implemented.</p> <p>- Minor compliance –</p>	<p>Tracking system was available for all the visited management units which include the identification of changes in the relevant regulations through head office; website information, MPOA and the information are communicated from the IOI Group Head Office. Interviews with office personnel and records indicate that the system is appropriate to the operations and is being recorded accordingly. Further evidence of verification was reviewed in the legal registers at all the 3 sites. The legal register was last updated in January for all the operating units.</p>	Complied
<p><b>Criterion 2.2</b></p> <p>The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>			
2.2.1	<p>Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available.</p> <p>- Major compliance -</p>	<p>Each of the visited estates were able to demonstrate its right to use lands through copy of land titles. Below were the land titles verified at the each estates:</p> <p>Land title #CL085317497 – Moynod and Luangmanis Estates</p> <p>Land title #CL08522578 – Sungai Sapi Estate</p> <p>Land title #CL085326790 – Bimbingan 1 &amp; Bimbingan 2 Estates</p>	Complied
2.2.2	<p>Legal boundaries shall be clearly demarcated and visibly maintained.</p> <p>- Minor compliance –</p>	<p>Although only some of the boundary stones were managed to be found by the company, the demarcation of boundaries at the visited estates using wooden pegs painted with blue and white was very obvious, especially at the boundaries with third parties</p>	Complied
2.2.3	<p>Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>- Minor compliance –</p>	<p>There has been no dispute on the land rights in Ladang Sabah Plantation Management Units (PMU). Hence, the process of fair compensation and FPIC is not required to be applied.</p>	Complied
2.2.4	<p>There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>- Minor compliance –</p>	<p>There were no land conflicts within Ladang Sabah PMU. The process for conflict resolution verified to be publicly available on company website:  <a href="http://www.ioigroup.com/Content/S/S_Community">http://www.ioigroup.com/Content/S/S_Community</a></p>	Complied



**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). - Minor compliance –	No land disputes within Ladang Sabah PMU. Thus, the process of participatory mapping is not applicable for verification of implementation.	Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. - Major compliance -	No evidence that the palm oil operations in Ladang Sabah PMU have instigated violence in maintaining peace and order in their current and planned operations.	Complied
<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.			
2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance –	The lands at the Ladang Sabah PMU are legally owned by IOI Plantation Group and it was verified that there was no other user or affected party in the land areas. There is no dispute on the land rights in this PMU. The SOP of FPIC was last revised on 25/1/2016. The lands are not encumbered by any customary lands or user rights and therefore the process of participatory mapping was not required.	Complied
2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold	The lands were acquired in 1980's from private plantation owners. Records are available to show land acquisition comply with legal requirements and does not infringe on any legal rights that require free, prior and informed consent (FPIC).	Complied

**RSPO Public Summary Report  
Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
	<p>their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>- Minor compliance –</p>		
2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>- Minor compliance –</p>	No conflict or dispute over the lands in Ladang Sabah PMU. Hence, this process is not available for verification.	Complied
2.3.4	<p>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>- Major compliance -</p>	No conflict or dispute over the lands in Ladang Sabah PMU. Hence, this process is not available for verification.	Complied
<b>PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY</b>			
<b>Criterion 3.1</b>			
There is an implemented management plan that aims to achieve long-term economic and financial viability.			
3.1.1	<p>A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>- Major compliance -</p>	<p>Annual budget and management plan were documented with five years projection includes FFB production, CPO, OER, and KER, costs of production, CAPEX and OPEX. There is no scheme smallholder within the supply base. Ladang Sabah POM 5 Years Business Plan dated 25/1/2018 for financial year period from 2016/17 until 2020/21 Sighted CAPEX for FY2017/2018 for mill operation and safety and compliance with the environmental regulations.</p> <ul style="list-style-type: none"> <li>Boiler emission control system – Clean Air Regulation 2014 compliance.</li> <li>Surface aerator - improve ETP performance</li> <li>Biogas burner opening modification for boiler – renewable energy utilization (biogas)</li> <li>Slope protection for biogas engine room and flare – safety operation</li> </ul> <p>Business plans for the estates were reflected through annual budget. Budgets for the current year (2017/18) and</p>	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance												
		the three years projection i.e. 2018/19 to 2020/21 were available for verification system. Among the information available in the annual budget was production cost (per Ha and per mt of FFB/CPO/PK), forecasted yields (FFB, CPO & PK), financial allocation for all the operations i.e. harvesting and evacuation, replanting and field maintenance. The estates operational cost for all the visited estates were between RM130 to RM280/mt FFB.													
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.  - Minor compliance –	All of the visited estates have established their replanting programme with 5 years projection. Table below is some examples of the programme: <table border="1"> <thead> <tr> <th></th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> </tr> </thead> <tbody> <tr> <td>Sg Sapi</td> <td>0</td> <td>238</td> <td>258</td> </tr> <tr> <td>Bimbangan 2</td> <td>231</td> <td>184</td> <td>161</td> </tr> </tbody> </table>		2018/19	2019/20	2020/21	Sg Sapi	0	238	258	Bimbangan 2	231	184	161	Complied
	2018/19	2019/20	2020/21												
Sg Sapi	0	238	258												
Bimbangan 2	231	184	161												
<b>PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS</b>															
<b>Criterion 4.1</b> Operating procedures are appropriately documented, consistently implemented and monitored.															
4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented.  - Major compliance -	Standard Operating Procedures (SOPs) for estates and mills are documented and maintained. Set of procedures for mill operation detailed out under Group Standard Operating Procedures (StOPs) for Palm Oil Mill, document reference number, IOI/StOP/A, issue:2 dated 1/7/17. On safety practices, guided procedure titled, Occupational Safety and Management System IOI Corporation Berhad (Plantation Division) dated 1 August 2012. List of procedures checked: 1.0 FFB Reception 2.0 FFB Handling 3.0 Sterilizer 4.0 Threshing 5.0 Digestion and Pressing 6.0 Oil Room 7.0 Depericarper 8.0 Nut and Kernel Plant 9.0 Product Storage and Despatch 10.0 Laboratory 11.0 Effluent Treatment Plant 12.0 Biogas Plant 13.0 Polishing Plant 14.0 Water Treatment Plant 15.0 Boiler 16.0 Engine Room 17.0 Workshop and Shovel  Additional procedure for biogas plant (bio-scrubber system 24/7/16, biogas, generator 1/6/15, biogas flare 1/6/15 and biogas tank farm 1/6/15) established for the operation.	Complied												

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>For Good Agricultural Practices, two types of procedures used i.e.:</p> <ol style="list-style-type: none"> <li>1) Good Agricultural Practice,</li> <li>2) Group Standard Operating Procedure (StOPs) for Estate Operation, dated 5/12/2007</li> </ol> <p>Among the topics covered are:</p> <ul style="list-style-type: none"> <li>• Planting density</li> <li>• Nursery</li> <li>• Land clearing and preparation</li> <li>• Planting technique</li> <li>• Leguminous cover plant</li> <li>• Manuring</li> <li>• Weeding</li> <li>• Pest and disease</li> <li>• Harvesting</li> <li>• Road maintenance</li> <li>• Foliar Sampling</li> <li>• Management and monitoring of existing cultivation of oil palm on peat (newly added in July 2017)</li> <li>• Planting of beneficial plants in estate (newly added in July 2017)</li> </ul>	
<p>4.1.2</p>	<p>A mechanism to check consistent implementation of procedures shall be in place.</p> <p>- Minor compliance –</p> <p>Mechanism to check consistent implementation of procedures carried out by sustainability and safety team on annual basis. The latest sustainability audit was carried out in the month of December 2017 for the Ladang Sabah POM management unit. Total of 2 major and 4 minor raised during audit and the status are now closed. Audit criteria are based on RSPO P&amp;C MYNI 2014 as well as company policies and procedures.</p> <p>Safety audit was done on 26/12/17 by safety officer in-charge. Refer to audit report, LSPOM/HSE/inspection/2017-01. Specific checklist was used on the documentation and on-site safety requirement and legal compliance at all respective sites. Follow-up audit was carried out on 5/1/18 for verification on previous non-compliance/finding raised. Based on the audit report, the NC was closed effectively during follow up visit.</p> <p>On top of sustainability and safety audit, operation audit done by mill controller. Visit frequency is not fixed as and when necessary based on criticality and performance of the mill. Latest visit was done on 31/7/17.</p> <p>For the estates, various mechanisms of checking were applied, e.g.:</p> <ul style="list-style-type: none"> <li>• Manuring – report from R&amp;D, frequency based on manuring programme ~10 days/month (verified 18/11/17, 17/11/17, 16/11/17)</li> <li>• Harvesting – Portable Data Recorder (PDR) – a device to record FFB quality</li> <li>• Operation – SPC report – verified latest 2 reports dated 1/3/2017 and 21/8/2017. Report title is "Senior Plantation Controller Field Visit to Sg Sapi Estate"</li> </ul>	<p>Major nonconformance</p>

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
		Despite all that, verification of previous minor NCR raised by the previous CB showed that the evidence of implementation of the corrective action which reads "Joint meeting to be held in quarterly basis between IOI regional management, respective estate and contractors in purpose to deliver the objective of the monitoring implementation mechanism according to legal requirement and as a monitoring mechanism form", was not available. Thus, the minor NCR was escalated to major.	
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance –	Records of monitoring and the actions taken are maintained at the mill and estates. Regular visits by GM, PC, Safety and Sustainability team were well maintained accordingly. Visit purpose varies i.e. to monitor operating unit performance as well as conducting water quality, safety and environmental monitoring based on the established management plan.  All monitoring activities required under the DOE license were being reported through the Online Environmental Reporting (OER) and Quarterly Return Form.	Complied
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).  - Major compliance -	Records of FFB origins were available at the mill in various formats such as delivery order, weighbridge tickets and production summary. Quantity of total FFB received by the mill is detailed in Table A.	Complied
<b>Criterion 4.2:</b>			
Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.  - Minor compliance –	The soil fertility management at all the estates was guided by the IOI group StOP, Section 8.0: Manuring and Section 15.0: Foliar sampling. The practices consistently monitored by estate operation management and estate inspectorate. The recommendations for improvements are given to maintain the sustainable practices.	Complied
4.2.2	Records of fertiliser inputs shall be maintained.  - Minor compliance –	Fertilizer inputs were recorded in Operation Cost Sheet. The book has information about field no., scheduled month, hectare done (actual vs. program), mandays, type of fertiliser, dosage, and cost. Verification of the book showed that the fertiliser application at the field was in line with the recommendation from IOI's agronomist at Research Centre. Fertilisers used were of straight and mixture types at dosage range from 9.50 to 11.85 kg/palm/year. Sampled blocks 95C and 95D at Sg Sapi: it was observed that the fertiliser issued from the store as recorded in the Sg Sapi Fertiliser Stock Book were tally with agronomist's recommendation.	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance –	Leaf nutrient status report for 2017 by IOI’s agronomist was available. Among the nutrients content analysed were N, P, K, Mg, Ca, B. Soil analysis was last done in November 2015 [ref.: Soil analysis results, IOI Research Centre].	Complied
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance –	Those estates nearby the mill were also applying EFB in the field as nutrient recycling strategy. EFB application was recorded in EFB application record. E.g., based on the records, Sg Sapi has applied a total of 1,187.66 mt of EFB in 2017.	Complied
<b>Criterion 4.3</b> Practices minimise and control erosion and degradation of soils.			
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	Verification of soil map at all the estates showed that there was no fragile soils exist. E.g., soil composition at Sg Sapi Estate were mainly of Kretam series (ferric and orthic acrisols), Lokan series (orthic acrisols) and Rumidi series (Gleyic, ferric and orthic acrisols). At Bimbingan 2, soil composition is mainly of Lokan series (orthic acrisols – sandstone and mudstone).	Complied
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance –	Planting on slopes is guided by StOP for Land Preparation for New Planting and Replanting, dated Sep 2007, clause 5.2 construction of terrace at slops >10°. Based on site visits, it was observed that terraces were constructed at the hilly terrain.	Complied
4.3.3	A road maintenance programme shall be in place. - Minor compliance –	Road maintenance program for 2017/18 is available for all the visited estates. Among the activities for the road maintenance are roadside pruning, grading and resurfacing, roadside pit (to divert flow of water) and bridges maintenance. Based on the site visit, generally the field road condition was good and accessible.	Complied
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Major compliance –	Based on the soil map and observation during the site visit, there was no peat soil.	Complied
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the longterm viability of the necessary drainage for oil palm growing. - Minor compliance –	Based on the soil map and observation during the site visit, there was no peat soil.	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance															
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance –	Based on the soil map and observation during the site visit, there was no peat soil or problematic soil.	Complied															
<b>Criterion 4.4</b>																		
Practices maintain the quality and availability of surface and ground water.																		
4.4.1	An implemented water management plan shall be in place. - Minor compliance –	<p>Sustainability department has developed the water management plan for Ladang Sabah Grouping dated 6 January 2018. Water management plan has included the availability of resources based on rain fall data and water abstraction, water consumption monitoring and POME monitoring. Frequency of monitoring planned as per the following:</p> <table border="1"> <thead> <tr> <th>Type of monitoring</th> <th>Frequency</th> <th>Requirements</th> </tr> </thead> <tbody> <tr> <td>Drinking water analysis</td> <td>6 monthly</td> <td>National Drinking Water Quality Standard</td> </tr> <tr> <td>POME analysis</td> <td>Monthly</td> <td>Compliance schedule, 003445</td> </tr> <tr> <td>Rainfall data</td> <td>Daily</td> <td>Estate best practice/GAP</td> </tr> <tr> <td>River water analysis (upstream and downstream)</td> <td>Monthly</td> <td>Compliance schedule, 003445</td> </tr> </tbody> </table> <p>The average rainfall data for 2017 recorded at 2437 mm. High rainfall recorded in the month of June 17 and September 2017 ranging from 400-530 mm respectively.</p> <p>Drinking water analysis was carried out by 3rd party accredited laboratory, Dynakey Laboratories Sdn Bhd. The analysis was done twice per year as per required frequency at treated water point. Refer to certificate of analysis (COA)# 20170317-04B-0 dated 3/5/17 and 20170920-16-0 dated 31/10/17. The results shown all parameters were complied with Drinking Water Quality Standard.</p> <p>River water monitoring of upstream and downstream of Sungai Muanad was conducted on monthly basis as per Compliance Schedule, JPKKS/12/003445. The latest 3 consecutive month analysis results were checked (COA# 20171221-02-0 dated 29/12/17, COA# 20171118-01-0 dated 24/11/17 and COA# 20171017-02-0 dated 25/10/17. All parameter tested are within limit as stipulated in mill's compliance schedule.</p>	Type of monitoring	Frequency	Requirements	Drinking water analysis	6 monthly	National Drinking Water Quality Standard	POME analysis	Monthly	Compliance schedule, 003445	Rainfall data	Daily	Estate best practice/GAP	River water analysis (upstream and downstream)	Monthly	Compliance schedule, 003445	Complied
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4.4.2	Protection of water courses and wetlands, including maintaining and	Patrolling is done once a week by Environment Liaison Officer and report is recorded in "Senarai Semakan Rekod	Complied															

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
	restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -	Pemantauan di Kawasan Konservasi Zone Penampunan Riparian Reserve". Among the criteria checked were signboards/signage in good conditions, any sign of restricted activities (spraying, manuring, soil erosion), road bridges in good conditions, waterways smooth and no obstruction, no rubbish, reserve zones (red paint on palm trunks) – last conducted January 2018.  Water sampling analysis was also done by Kiwiheng – Luangmanis (1 point), Bimbingan 2 (1 point), Sg. Sapi (1 point). Among the parameters checked were TSS, OG, Nitrate, Phosphate and Turbidity at frequency of 3 times a year.	
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance –	Ladang Sabah palm oil mill’s effluent discharge is in compliance with DOE license requirement of below 20mg/L for treated effluent discharge in relation to stipulate limit under mill compliance schedule. DOE quarterly report for the 3 by Dynakey Laboratories Sdn. Bhd. Refer to latest 3 consecutive months (COA# 20171221-02-0 dated 29/12/17, COA# 20171118-01-0 dated 24/11/17 and COA# 20171017-02-0 dated 25/10/17 and found that all parameters are within the stipulate limit of mill’s compliance schedule.  Quarterly return 1st quarter (Jan – Mar 2017) submission date: 5/4/17  Quarterly return 2nd quarter (Apr – June 2017)submission date: 12/7/17  Quarterly return 3rd quarter (July – Sept 2017) submission date: 6/10/17  Quarterly return 4th quarter (Oct – Dec 2017) submission date: 14/1/18	Complied
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance –	Mill has maintained monitoring of water usage for processing FFB which recorded every month. Water for processing is abstracted from water catchment by using pump. An average of 1.83 m <sup>3</sup> water is used to process per mt of FFB which is more than the targeted value of 1.2 – 1.5Mt/FFB Mt for financial year July – December 2017.	Complied
<b>Criterion 4.5</b>			
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.			
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	IPM program mainly on planting beneficial plant – recorded in “planting program and record of beneficial plant”. Among the types of beneficial plants to be planted are Tunera sp (3 ch), Cassia cobenensis (9 ch), antiginon (3 ch). To-date, 19% progress – expected to complete by December 2018.	Complied



**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

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		Leaf eating case at the estate is very rare. There have been no case of attack since more than 5 years ago.																					
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance –	Training of those involved in IPM implementation was adequately demonstrated through training plan and records. E.g., at Bimbingan 2 Estate, training on planting and maintenance of beneficial plant in accordance to “StOP for Planting of beneficial Plant” last conducted on 18/5/2017 – attended by 2 workers.	Complied																				
<b>Criterion 4.6</b>																							
Pesticides are used in ways that do not endanger health or the environment.																							
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	<p>Justification of pesticides applied is available in the agriculture policies. Refer to Agricultural Policies, Section 6.0: Weeding-Weed Control and Section 9.0: Pest and Disease. The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species.</p> <table border="1"> <thead> <tr> <th>Chemical name</th> <th>Target species</th> </tr> </thead> <tbody> <tr> <td>Glyphosate Isopropyl Amine (41% w/w)</td> <td>Tough grasses (<i>imperata cylindrica, pennisetum sp., Ischaemum sp.</i>)</td> </tr> <tr> <td>2,4-D methyl amine (60% w/w)</td> <td><i>Asystassia sp.</i></td> </tr> <tr> <td>Metsulfuron methyl ( 20% w/w)</td> <td>Woodies and broad leaves weeds</td> </tr> <tr> <td>Triclopyr butoxy ethyl ester (32.1%)</td> <td>Woodies control and used as aboricides</td> </tr> <tr> <td>Fluoxypyr 1-methyl hepthyl (29/6%)</td> <td><i>Mikani micranta</i> control</td> </tr> <tr> <td>Brodifacoum (0.003%)</td> <td>Rodenticide @ rat control (2<sup>nd</sup> generation)</td> </tr> <tr> <td>Floucoumafen (0.005%)</td> <td>As alternative chemical control for Rodenticide @ rat control (2<sup>nd</sup> generation)</td> </tr> <tr> <td>Cypermethrin</td> <td>Fungicides control (rhinoceros beetles)</td> </tr> <tr> <td>Sodium Chlorate</td> <td>Voluntary Oil Palm (VOP) control</td> </tr> </tbody> </table>	Chemical name	Target species	Glyphosate Isopropyl Amine (41% w/w)	Tough grasses ( <i>imperata cylindrica, pennisetum sp., Ischaemum sp.</i> )	2,4-D methyl amine (60% w/w)	<i>Asystassia sp.</i>	Metsulfuron methyl ( 20% w/w)	Woodies and broad leaves weeds	Triclopyr butoxy ethyl ester (32.1%)	Woodies control and used as aboricides	Fluoxypyr 1-methyl hepthyl (29/6%)	<i>Mikani micranta</i> control	Brodifacoum (0.003%)	Rodenticide @ rat control (2 <sup>nd</sup> generation)	Floucoumafen (0.005%)	As alternative chemical control for Rodenticide @ rat control (2 <sup>nd</sup> generation)	Cypermethrin	Fungicides control (rhinoceros beetles)	Sodium Chlorate	Voluntary Oil Palm (VOP) control	Complied
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**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

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4.6.2	<p>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.</p> <p>- Major compliance -</p>	Records of pesticides used (including active ingredients used and area treated, amount of active ingredients applied per ha and number of applications) were established and monitored. The records of weeding programme and herbicide master list was sighted.			Complied	
			FY16/17	FY17/18 (updated Dec 17)		
		<b>Sg Sapi Estate</b>	<b>Ai/ha</b>	<b>Ai/ha</b>		
		Metsulfuron Mthyl	34.1479	11.107		
		Glyphosate	1.986	0.784		
		Triclopyr Butoxy Ethyl Esther	0.109	0.054		
		2,4-D Dimethyl Amine (60%)	0.009	0.004		
		<b>Bimbingan 2 Estate</b>	<b>Ai/ha</b>	<b>Ai/ha</b>		
		Metsulfuron Mthyl	18.187	9.891		
		Glyphosate	0.804	0.588		
		Triclopyr Butoxy Ethyl Esther	0.098	0.049		
		Sodium Chlorate	0.073	0.325		
		<b>Luangmanis Estate</b>	<b>Ai/ha</b>	<b>Ai/ha</b>		
		Metsulfuron Mthyl	0.032	0.022		
		Glyphosate	1.527	1.002		
		Triclopyr Butoxy Ethyl Esther	0.03	0		
Floroxyr 29.6%	0.003	0				
4.6.3	<p>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 national Best Practice guidelines.</p> <p>- Major compliance -</p>	The management encourage establishing biological control as per IPM plan. The implementation in the field is consistent with the Group Standard Operating Procedure (StOP) and IOI Oil Palm Agricultural Policies. No prophylactic use of pesticides found at visited operating units.			Complied	

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

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4.6.4	<p>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 national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance –</p>	<p>There are no Class 1A and Class1B at the all visited estates during this assessment. Based on chemical register dated 30/12/17, only class III and IV chemical used in the estates.</p>	Complied																												
4.6.5	<p>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).</p> <p>- Major compliance -</p>	<p>Pesticides were handled, used or applied by trained workers applied in accordance with the product label. Latest training for pesticides handler was conducted on 13/7/17. Appropriate safety and application equipment were provided and used, i.e 3M 3200/3200F, anti-fog goggles, apron and wellington boots. Sample of chemical safety data sheet (SDS) checked and available during site visit:</p> <table border="1"> <thead> <tr> <th>Chemical /trade name</th> <th>Active ingredient</th> <th>Chemical Class</th> <th>Revision</th> </tr> </thead> <tbody> <tr> <td>Challenge</td> <td>Glyphosate Isopropyl Amine (41% w/w)</td> <td>III</td> <td>12/7/17</td> </tr> <tr> <td>Activator</td> <td>Alcohol Ethoxylate</td> <td>III</td> <td>9/5/16</td> </tr> <tr> <td>Arakus</td> <td>Brodifacoum</td> <td>III</td> <td>19/10/17</td> </tr> <tr> <td>Storm</td> <td>Flocumafen</td> <td>III</td> <td>4/12/14</td> </tr> <tr> <td>Polywett</td> <td>Polyglycol ether</td> <td>IV</td> <td>1/5/16</td> </tr> <tr> <td>Cyperact 16.0 FC</td> <td>Cypermethrin 16% (w/w)</td> <td>III</td> <td>29/10/15</td> </tr> </tbody> </table> <p>All precautions attached to the products (SDS and notice boards) were properly observed, applied, and understood by workers based on the interview with staff and workers at visited estates.</p>	Chemical /trade name	Active ingredient	Chemical Class	Revision	Challenge	Glyphosate Isopropyl Amine (41% w/w)	III	12/7/17	Activator	Alcohol Ethoxylate	III	9/5/16	Arakus	Brodifacoum	III	19/10/17	Storm	Flocumafen	III	4/12/14	Polywett	Polyglycol ether	IV	1/5/16	Cyperact 16.0 FC	Cypermethrin 16% (w/w)	III	29/10/15	Complied
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4.6.6	<p>Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not</p>	<p>The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted</p>	Complied																												

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance																
	used for other purposes (see Criterion 5.3). - Major compliance -	that all the remaining pesticides are kept in the store and securely locked and comply with regulation.																	
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance –	<p>The quantity of agrochemicals required for various field conditions are documented and justified in Agricultural Policies, Section 6.0: Weeding-Weed Control and Section 9.0: Pest and Disease. The implementation in the field is consistent with the Agriculture Manual.</p> <table border="1"> <thead> <tr> <th>Chemical /trade name</th> <th>Active ingredient</th> <th>Chemical Class</th> <th>Revision</th> </tr> </thead> <tbody> <tr> <td>Challenge</td> <td>Glyphosate Isopropyl Amine (41% w/w)</td> <td>III</td> <td>12/7/17</td> </tr> <tr> <td>Activator</td> <td>Alcohol Ethoxylate</td> <td>III</td> <td>9/5/16</td> </tr> <tr> <td>Arakus</td> <td>Brodifacoum</td> <td>III</td> <td>19/10/17</td> </tr> </tbody> </table>	Chemical /trade name	Active ingredient	Chemical Class	Revision	Challenge	Glyphosate Isopropyl Amine (41% w/w)	III	12/7/17	Activator	Alcohol Ethoxylate	III	9/5/16	Arakus	Brodifacoum	III	19/10/17	Complied
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4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	Aerial spraying of pesticides is not practiced by this certification unit.	Complied																
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance –	<p>There is no associated smallholder at Ladang Sabah POM Management Unit. Training records for staff and workers on chemical handling was made available as per the following table:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>23/2/17</td> <td>Spraying</td> <td>Assistant Manager</td> <td>Sg Sapi Estate</td> </tr> <tr> <td>26/7/17</td> <td>Manuring application</td> <td>Assistant Manager</td> <td>Sg Sapi Estate</td> </tr> </tbody> </table>	Date	Training Topic	Trainer	Estate	23/2/17	Spraying	Assistant Manager	Sg Sapi Estate	26/7/17	Manuring application	Assistant Manager	Sg Sapi Estate	Complied				
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4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance –	The management dispose the empty containers per schedule waste regulation. Proper disposal of waste material in accordance to company procedures and understood by workers and managers. Interview with management team and employees reveal that proper disposal of waste material is understood. There is no any issue of burning of waste materials observed at visited line sites (Sg Sapi, Bimbingan 1 and Luangmanis Estate).	Complied																

**RSPO Public Summary Report  
Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance																														
		Waste recycling programme (3R) and recyclable and domestic waste promoted by the management.																															
4.6.11	<p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance -</p>	<p><u>Sg Sapi Estate</u></p> <p>Medical surveillance was last done on 19/6/17 and 15/1/2018 for workers from chemical sprayer, generator set operator, water treatment, workshop and store keeper by OHD DOSH Reg. No. JKPP HQ/08/DOC/00/167 under DAB OH Sdn Bhd. Sampled workers for spraying gang at field 97G.</p> <table border="1"> <thead> <tr> <th>Employee number</th> <th>Health Status</th> <th>Pregnancy Status</th> </tr> </thead> <tbody> <tr> <td>SSP 2361</td> <td>Fit</td> <td>UPT-negative</td> </tr> <tr> <td>SSP 2448</td> <td>Fit</td> <td>UPT-negative</td> </tr> <tr> <td>SSP 0037</td> <td>Fit</td> <td>UPT-negative</td> </tr> <tr> <td>SSP 3744</td> <td>Fit</td> <td>Not applicable</td> </tr> <tr> <td>SSP 2794</td> <td>Fit</td> <td>Not applicable</td> </tr> <tr> <td>SSP 0666</td> <td>Fit</td> <td>Not applicable</td> </tr> <tr> <td>SSP 2829</td> <td>Fit</td> <td>Not applicable</td> </tr> <tr> <td>SSP 2922</td> <td>Fit</td> <td>Not applicable</td> </tr> <tr> <td>SSP 2933</td> <td>Fit</td> <td>Not applicable</td> </tr> </tbody> </table> <p><u>Bimbingan 2 Estate</u></p> <p>The management of estate has sent 2 batch of sprayers/workshop/store keeper/water treatment operator for medical check-up on 6/6/17 and 22/12/17 and the result from OHD DOSH Reg. No. JKPP HQ/08/DOC/00/167 under DAB OH Sdn Bhd. Result of the medical examinations found to be normal without any health detrimental issues.</p> <p><u>Luangmanis Estate</u></p> <p>The management of estate has sent 1 batch of sprayers/workshop/store keeper/water treatment operator for medical check-up on 2/1/18 by OHD DOSH Reg. No. JKPP HQ/08/DOC/00/167 under DAB OH Sdn Bhd. Result of the medical examinations found to be normal without any health detrimental issues.</p>	Employee number	Health Status	Pregnancy Status	SSP 2361	Fit	UPT-negative	SSP 2448	Fit	UPT-negative	SSP 0037	Fit	UPT-negative	SSP 3744	Fit	Not applicable	SSP 2794	Fit	Not applicable	SSP 0666	Fit	Not applicable	SSP 2829	Fit	Not applicable	SSP 2922	Fit	Not applicable	SSP 2933	Fit	Not applicable	Complied
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**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

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4.6.12	<p>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p> <p>- Major compliance –</p>	<p>There are women sprayers working at all visited estate. For those who were still within reproductive age, urine pregnancy test (UPT) was conducted by EHA to confirm and check the pregnancy status for those who exposed to chemical i.e store keeper, chemical mixer and sprayer. Refer to summary of medical check-up as at December 2017 as per the following:</p> <table border="1"> <thead> <tr> <th>Employee /passport number</th> <th>Health Status</th> <th>Pregnancy Status</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>SSP 2361</td> <td>Fit</td> <td>UPT-negative</td> <td rowspan="3">Sg Sapi Estate</td> </tr> <tr> <td>SSP 2448</td> <td>Fit</td> <td>UPT-negative</td> </tr> <tr> <td>SSP 0037</td> <td>Fit</td> <td>UPT-negative</td> </tr> <tr> <td>AS375088</td> <td>Fit</td> <td>UPT-negative</td> <td rowspan="3">Bimbinga n 2 Estate</td> </tr> <tr> <td>**0*2*-12-5*5*</td> <td>Fit</td> <td>UPT-negative</td> </tr> <tr> <td>AS375092</td> <td>Fit</td> <td>UPT-negative</td> </tr> </tbody> </table>	Employee /passport number	Health Status	Pregnancy Status	Estate	SSP 2361	Fit	UPT-negative	Sg Sapi Estate	SSP 2448	Fit	UPT-negative	SSP 0037	Fit	UPT-negative	AS375088	Fit	UPT-negative	Bimbinga n 2 Estate	**0*2*-12-5*5*	Fit	UPT-negative	AS375092	Fit	UPT-negative	Complied
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<p><b>Criterion 4.7</b>            An occupational health and safety plan is documented, effectively communicated and implemented.</p>																											
4.7.1	<p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>Occupational Safety and Health Policy was established which has been signed by Group Plantation Director of IOI Corporation Berhad dated 11/7/2011. Safety Management plans for 2018 dated 5/1/2018 has been established. The Safety Management plans comprises of OSH legal compliance, emergency response plan (ERP), OSH management system, risk assessment, safety training, safety inspections and safety committee activities. Sample of OSH management system activities as follows:</p> <p>i) Medical Surveillance</p> <p>3 batches of workers were sent for medical surveillance for 2017 on 23/1/17, 4/9/17 and 28/11/17. For 2018, 11 new workers were sent for check on 3/1/18. 1 worker was found to be unfit based on USECHH 4 report. Furthermore, medical removal protection (MRP) was issued by OHD based on USECHH 5i dated 15/1/18. Refer to medical surveillance report by registered OHD, HQ/10/DOC/00/167 under DAB OH Sdn Bhd (Dr Mohd Azizan B. Abdul Aziz). All the workers were found fit to work except for 1 worker and verified MRP issued by Ladang Sabah Mill Manager on 15/1/18. The said worker was re-locate to general work (maid/housekeeping).</p> <p>New engine driver transferred from other IOI certified management unit's (Pamol Sabah POM) on 8/1/17. He was</p>	Complied																								

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>sent for medical surveillance immediately on 25/1/17 to registered OHD, HQ/10/DOC/00/167 under DAB OH Sdn Bhd (Dr Mohd Azizan B. Abdul Aziz). Medical result will be further verified in the next audit.</p> <p>ii) Audiometric Testing</p> <p>Audiometric testing was conducted on 24/10/16 by DAB OH Sdn Bhd (Dr Mohd Azizan-HQ/10/DOC/00/167). Total of 109 workers sent for testing. 10 workers reported to be affected with hearing impairment and 4 workers with STS. Retest was done on 17/8/17 for 4 affected workers and 1 worker found to be still affected with STS. Based on another retest report dated 17/11/17, OHD has concluded that the said worker has suffered hearing impairment and submitted the JKKP 7 from to DOSH on 17/11/17.</p> <p>iii) LEV inspection and Testing</p> <p>Local Exhaust Ventilation (LEV) Monitoring was conducted on 6/6/2017 by DYNAKEY Laboratories Sdn Bhd (JKKP HIE 127/171-3/2(144). Refer to report ref# IHT(II)/2017/0601/LSPOM. Result of monitoring shown that face and travel velocity was within ACGIH recommended rate. The scheduled preventive maintenance program was established based on the recommendation from the assessor. The monthly inspection for Laboratory Fume Hood was conducted accordingly, last inspection was conducted on 15/1/18.</p> <p>iv) Personal Chemical Exposure Monitoring (PCEM)</p> <p>PCEM was last carried out on 3/7/13 to monitor exposure of hexane and Isopropyl Alcohol (IPA). Based on the conclusion by assessor, level of exposure is undetected (&lt;10% of PEL), hence further chemical exposure monitoring is not required.</p>	
4.7.2	<p>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.</p> <p>- Major compliance -</p> <p>Hazard protection and control measures (HIRARC form) review date 2/1/18. New building construction identified in the register. Recommended control measures was seen on site for the new multi-purpose hall construction.</p> <p><u>Chemical Health Risk Assessment (CHRA)</u>  Re-assessment of CHRA for Ladang Sabah POM was conducted on 17/1/2018 by competent DOSH assessor, JKKP KIM 127/453/6(30) for 5 specific work units water treatment plant, laboratory, mechanical fitter, engine driver and driver. Report dated 22/1/18 was made available during assessment. Action plan has yet to be developed and submitted to DOSH within 30 days from the date of receipt. This will be further verified in the next assessment.</p>	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator	Assessment Findings	Compliance																												
<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Major compliance -</p>	<p>Training Programme for the year 2017 was established. Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE. Sample of training carried out in 2017:</p> <table border="1" data-bbox="659 674 1273 999"> <thead> <tr> <th>Training</th> <th>Date of Training</th> <th>Trainer</th> </tr> </thead> <tbody> <tr> <td>SDS Training</td> <td>22/9/17</td> <td>Mill Assistant</td> </tr> <tr> <td>SOP chemical store training</td> <td>29/10/17</td> <td>Mill Assistant</td> </tr> <tr> <td>Confined Space Training</td> <td>13/10/17</td> <td>Mill Assistant</td> </tr> <tr> <td>First Aid Training</td> <td>8/8/17</td> <td>Mill Assistant</td> </tr> <tr> <td>Working at Height</td> <td>18-23/10/17</td> <td>Mill Assistant</td> </tr> </tbody> </table> <p>Records were available of PPE issued to individual workers and contractors, including signatures to confirm receipt. PPE standard is based on CHRA assessor's recommendation as per the following:</p> <table border="1" data-bbox="659 1149 1273 1686"> <thead> <tr> <th>Activity/work unit</th> <th>PPE recommendation</th> </tr> </thead> <tbody> <tr> <td>Spraying</td> <td>Half face respirator (3M 3311K-55) Rubber nitrile gloves Chemical goggles Body apron</td> </tr> <tr> <td>Manuring/fertilizer</td> <td>Dust mask 3M 9010 N95 Rubber/cotton gloves</td> </tr> <tr> <td>Workshop</td> <td>Ventilation fan/ Natural ventilation Dusk mask 3M 9010 N95 Safety boots Welding gloves</td> </tr> <tr> <td>Laboratory</td> <td>Double cartridge organic vapor respirator Rubber glove Apron Goggle</td> </tr> </tbody> </table>	Training	Date of Training	Trainer	SDS Training	22/9/17	Mill Assistant	SOP chemical store training	29/10/17	Mill Assistant	Confined Space Training	13/10/17	Mill Assistant	First Aid Training	8/8/17	Mill Assistant	Working at Height	18-23/10/17	Mill Assistant	Activity/work unit	PPE recommendation	Spraying	Half face respirator (3M 3311K-55) Rubber nitrile gloves Chemical goggles Body apron	Manuring/fertilizer	Dust mask 3M 9010 N95 Rubber/cotton gloves	Workshop	Ventilation fan/ Natural ventilation Dusk mask 3M 9010 N95 Safety boots Welding gloves	Laboratory	Double cartridge organic vapor respirator Rubber glove Apron Goggle	<p>Complied</p>
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<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>OSH Committees meeting conducted quarterly and meeting minutes includes issues raised and action taken form workplace inspection report. The discussion on the accident review, workplace inspection, safety improvement plan, issues from workers, training, complaints has been discussed and action to be taken. There was no major issue.</p> <p><b>Ladang Sabah POM</b>            SHC organization chart for 2017 dated November 2017            i) Chairman – Mill manager            ii) Secretary – Mill assistant</p>	<p>Complied</p>																												



**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>Meeting minutes checked for 2017 : #4: 21/12/17, #3: 12/10/17, #2: 14/7/17, #1: 15/4/17)</p> <p><b>Sg Sapi Estate</b>            SHC organization chart for 2017 dated October 2017.            i) Chairman – Estate manager            ii) Secretary – Estate assistant            Meeting minutes checked for 2017 : #4: 15/10/17, #3: 15/06/17, #2: 23/3/17, #1: 20/1/17)</p> <p><b>Bimbingan 2 Estate</b>            SHC organization chart for 2018 dated January 2018            i) Chairman – Estate manager            ii) Secretary – Estate assistant            Meeting minutes checked for 2017 : #4: 29/12/17, #3: 18/10/17, #2: 21/6/17, #1: 15/3/17)</p> <p><b>Luangmanis Estate</b>            SHC organization chart for 2018            i) Chairman – Estate manager            ii) Secretary – Estate assistant            Meeting minutes checked for 2017 : 5#16/11/17 (accident investigation meeting) #4: 16/11/17, #3: 27/7/17, #2: 15/5/17, #1: 23/2/17)</p> <p>Workplace inspection was carried out prior to safety committee meeting. Verified quarterly workplace inspection based on the checklist, "<i>Laporan Pemeriksaan Tempat Kerja Oleh Jawatankuasa Keselamatan &amp; Kesihatan Pekilangan</i>"</p>	
<p>4.7.5</p>	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance –</p>	<p>Complied</p>

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance																							
		<p>biogas plant) and harvesting/spraying/manuring block. The sampled first aid equipment has been replenished and checked on monthly basis. All items were as per 4<sup>th</sup> schedule of Factory Machinery Act, Safety Health and Welfare Regulations 1970. No expired item found in the first aid box.</p> <p>Records on all accidents kept and summary sent to Head Office. Quarterly review on accident cases carried out during OSH quarterly meeting. All operating units keeping all the JKKP 6 &amp; 8 forms and available for viewing.</p>																								
4.7.6	<p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance –</p>	<p>Medical care is provided to all the employees. Local workers are covered under SOCSO scheme while foreign workers are covered under foreign workers compensation scheme. Sample of FWCS policy and SOCSO checked:</p> <table border="1"> <thead> <tr> <th>Insurance Policy/SOCSO</th> <th>Validity</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>DL-09884276-FWC</td> <td>1/10/17-30/9/18</td> <td rowspan="2">Ladang Sabah POM</td> </tr> <tr> <td>SOCSO (local workers)</td> <td>Payment schedule, 8A for December 2017</td> </tr> <tr> <td>DL-09884174-FWC</td> <td>1/10/17-30/9/18</td> <td rowspan="2">Sg Sapi Estate</td> </tr> <tr> <td>SOCSO (local workers)</td> <td>Payment schedule, 8A for December 2017</td> </tr> <tr> <td>DL-09884233-FWC</td> <td>1/10/17 – 30/9/18</td> <td rowspan="2">Bimbingan 2 Estate</td> </tr> <tr> <td>SOCSO (local workers)</td> <td>Payment schedule, 8A for December 2017</td> </tr> <tr> <td>DL-09884442-FWC</td> <td>1/10/17 – 30/9/18</td> <td rowspan="2">Luangmanis Estate</td> </tr> <tr> <td>SOCSO (local workers)</td> <td>Payment schedule, 8A for December 2017</td> </tr> </tbody> </table>	Insurance Policy/SOCSO	Validity	Remark	DL-09884276-FWC	1/10/17-30/9/18	Ladang Sabah POM	SOCSO (local workers)	Payment schedule, 8A for December 2017	DL-09884174-FWC	1/10/17-30/9/18	Sg Sapi Estate	SOCSO (local workers)	Payment schedule, 8A for December 2017	DL-09884233-FWC	1/10/17 – 30/9/18	Bimbingan 2 Estate	SOCSO (local workers)	Payment schedule, 8A for December 2017	DL-09884442-FWC	1/10/17 – 30/9/18	Luangmanis Estate	SOCSO (local workers)	Payment schedule, 8A for December 2017	Complied
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4.7.7	<p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance –</p>	<p>Records on Lost Time Accident (LTA) metrics was maintained and based on JKKP 6, 7 &amp; 8. Sample of accident statistic as shown below:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ladang Sabah POM</th> <th>Sg Sapi Estate</th> <th>Bimbingan 2 Estate</th> <th>Luangmanis Estate</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Year	Ladang Sabah POM	Sg Sapi Estate	Bimbingan 2 Estate	Luangmanis Estate						Complied													
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**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings					Compliance
		2017	8 cases (70 LTA)	25 cases (12 LTA)	1 case (0 LTA)	9 cases (18 LTA)	
		2018	0 case	0 case	0 case	0 case	
* LTA is equivalent with lost man days @ number of MC							
<b>Criterion 4.8</b> All staff, workers, smallholders and contract workers are appropriately trained.							
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.  - Major compliance –	Ladang Sabah Certification Unit continued their training needs identification and programmes for the fiscal year 2017/18. Trainings were either conduct internally by its own staff or externally by other department within IOI Group or by consultant. Training records observed were updated and maintained. In general the identified trainings covered the aspects of safety, environment, best practices and social.					Complied
4.8.2	Records of training for each employee shall be maintained.  - Minor compliance –	Records of training were well maintained at the visited operating units. E.g. of some sighted records at Ladang Sabah POM: <ul style="list-style-type: none"> <li>• SDS training – 22/9/17</li> <li>• SOP chemical store training – 22/10/17</li> <li>• SOP confined space – 13/10/17</li> <li>• Noise Induced Hearing Loss Training – 12 &amp; 19/8/17</li> <li>• First Aid Training – 8/8/17</li> <li>• Working at Height Training – 18 &amp; 23/10/2017</li> </ul>					Complied
<b>PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY</b>							
<b>Criterion 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.							
5.1.1	An environmental impact assessment (EIA) shall be documented.  - Major compliance -	Assessment conducted by the EIA Management Plan and Continuous Improvement Plan Joint Committee of IOI SPO Team, Mill Management and IOI GIS Department. Sighted the latest review available i.e. Environment Impact Assessment Management Action Plans & Continuous Improvement Plan; Ladang Sabah Palm Oil Mill; Date reviewed: January 2018; Prepared by Environmental Liaison Officer (Mill AM) and approved by Mill Manager. Estate replanting EIA was available for proposed replanting area of 16.688 Ha, dated 8/9/2011, by Kiwiheng Wood and Environmental Consultants – Akujanji was signed on 9/4/2012 by Yeap Su Jean (Sustainability Manager) and Director of EPD [JPAS/PP/02/600-1/11/1/117]. Environmental Impact Assessment for other activities were also available and Management Action Plans & Continuous Improvement Plan were established thereafter. Last review was in Jan 2018 where the assessment covered all estate’s activities and compiled in a table form which has the info about: <ul style="list-style-type: none"> <li>• Identification of source of wastes/pollutants</li> <li>• Potential environmental impact</li> <li>• Action plans, monitoring and continuous improvement programme</li> </ul>					Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>• Monitoring documents</li> <li>• Management reviews and comments</li> </ul>	
5.1.2	<p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.</p> <p>- Minor compliance –</p>	Complied
5.1.3	<p>Environmental Management Plan (EMP) has been revised and updated on annual basis. EMP document dated 2/1/18 was verified and approved Mill Processing Controller. Each on every significant location (ETP, POME discharge, boiler, WTP, CPO dispatch, chemical store, Scheduled Waste, EFB evacuation and power room has been identified and incorporated in the improvement plan. New project such as biogas plant is now in progress and 70% completion as at 31/12/16. In a preparation of Clean Air Regulation 2014 compliance by 2019, CAPEX has been allocated for the new boiler flue gas scrubber system for 2017.</p> <p>Environmental Performance Monitoring Committee (EPMC) is the one who in charge on the environmental compliance and monitoring and chaired by mill manager.</p> <p>Monitoring of final discharge, scheduled waste movement, decanter plant operation, polishing plant performance and boiler stack emission.</p> <p>At the estates, Environmental Compliance Report (ECR) is to be conducted quarterly by the Sabah’s EPD authorised consultant. Last 3 reports were available covering the following inspection periods:</p> <ul style="list-style-type: none"> <li>• 13-16/3/2017</li> <li>• 8-10/8/2017</li> <li>• 7-9/11/2017</li> </ul> <p>Among the Environmental Compliance Condition assessed were:</p> <ul style="list-style-type: none"> <li>• Control of the proposed replanting area</li> <li>• Control of soil erosion and pollution of river water quality</li> <li>• Control of disposal of bio-mas, solid waste and effluent</li> <li>• Control of fertiliser and agrochemical usage</li> <li>• Control of oil-based material usage and scheduled wastes</li> <li>• Control of ecological disturbance</li> <li>• Control of impact from completion of project</li> </ul>	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
		At Bimbingan estate, only one non-compliance reported i.e. 2 blocks located in 50 m buffer zone. Recommended by consultant – relocate or appeal to EPD to reduce 50m to 30m zone.	
<p><b>Criterion 5.2</b></p> <p>The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>			
5.2.1	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>Internal HCV &amp; Conservation Areas Management Action Plans &amp; Continuous Improvement Programme for IOI Ladang Sabah was annually reviewed by: Environment Liaison Officer. The assessment has also involved the relevant stakeholder such as the Sabah Forest Department and Sabah Wildlife Department. Based on the assessment, it has covered the certification unit’s landscape level. Among the conservation identified includes natural waterways (river and tributaries), forest reserves (Luangmanis and Segaliud Lokan) and steep terrain areas.</p>	Complied
5.2.2	<p>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 a management plan.</p> <p>- Major compliance -</p>	<p>Among the measures taken to maintain and enhance the HCV and potential RTE presence include the installation of electrical fencing, erection of no hunting and no trespassing signboards, markings and regular patrol by estate AP. Additional measures also included the continuous programme such as maintenance of markings at the conservation areas and training of HCV awareness to all employees. For example at Bimbingan 2 Estate, patrolling is done once a week by Environment Liaison Officer – report in “<i>Senarai Semakan Rekod Pemantauan di Kawasan Buffer Zone HCV 1 – Hutan Simpar</i>”. Among the criteria checked were signboards/signage, any sign of restricted activities (illegal hunting, spraying, manuring, open burning, logs extraction, any illegal structure), wildlife sighting (to report if it is RTE), buffer zones demarcation (red paint on pegs) – last conducted January 2018.</p>	Complied
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance –</p>	<p>Among the programmes implemented in order to educate the workforce about conservation were awareness training on HCV, restriction of agrochemical usage at riparian zones and erection of signage to restrict hunting and collecting. Training records were well maintained at the estates’ offices.</p>	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance																						
5.2.4	<p>Where a management 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 management plan.</li> </ul> <p>- Minor compliance –</p>	<p>On-going monitoring of the management plan on the status of any RTE species at the plantation areas was regularly conducted. Reports were collated and reviewed by the compliance team for the operating units situated within the region. The updated reports available indicated that there have been no sightings of any RTE species at the operating units.</p>	Complied																						
5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance –</p>	<p>Based on the HCV assessment report, there was no area that needs to be set aside for local communities. Therefore, special agreement is not necessary.</p>	Complied																						
<p><b>Criterion 5.3</b>  Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>																									
5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance –</p>	<p>Ladang Sabah operating unit have established Waste Management Action Plan For 2017. Few type of waste has been identified i.e. Scheduled Waste, Domestic Waste and Industrial Waste. The source of these wastes were mainly located at mechanical/electrical workshop, chemical store, scheduled waste store, line site, office, mill effluent pond. Type of scheduled waste generated was verified through 2nd schedule @ notification to DOE. Refer to notification number 2017113018GDV8ON dated 30/11/17 submitted by appointed CePSWaM.</p>	Complied																						
5.3.2	<p>All chemicals and their containers shall be disposed of responsibly.</p> <p>- Major compliance -</p>	<p>Inventory of scheduled waste @ 5th Schedule has been updated on monthly basis via ESWiS. Refer to inventory for the month of December 2017. Refer to inventory number 1221H2114397112018 submitted on 31/12/17. Disposal of scheduled waste as per below:</p> <table border="1"> <thead> <tr> <th>Type of SW</th> <th>Consignment number</th> <th>Disposal date</th> <th>Disposal contractor</th> </tr> </thead> <tbody> <tr> <td>SW409</td> <td>A026305</td> <td rowspan="8">18/1/2018</td> <td rowspan="8">Legenda Bumimas Sdn Bhd</td> </tr> <tr> <td>SW417</td> <td>A026302</td> </tr> <tr> <td>SW109</td> <td>A026301</td> </tr> <tr> <td>SW104</td> <td>A026300</td> </tr> <tr> <td>SW102</td> <td>A026299</td> </tr> <tr> <td>SW305</td> <td>A026303</td> </tr> <tr> <td>SW429</td> <td>A026308</td> </tr> <tr> <td>SW410</td> <td>A026307</td> </tr> </tbody> </table>	Type of SW	Consignment number	Disposal date	Disposal contractor	SW409	A026305	18/1/2018	Legenda Bumimas Sdn Bhd	SW417	A026302	SW109	A026301	SW104	A026300	SW102	A026299	SW305	A026303	SW429	A026308	SW410	A026307	Complied
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**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>- Minor compliance –</p>	<p>Waste management and disposal plan has been included in the environmental management plan. All operating units have Pollution Prevention Plan which incorporated with documented Environmental Impacts Identification and Improvement Plan.</p> <p>However, at Luangmanis Estate some lapses were observed as follows:</p> <ul style="list-style-type: none"> <li>• The effectiveness of the oil trap at the diesel tank was not adequately demonstrated due to the error of design and its outlet flow was not traceable.</li> <li>• Observed at vehicle parking area, no dripping/containment tray placed below the parked vehicle (as written in the EIA action plan) with evidence of contaminated soil.</li> <li>• Domestic waste and other type of waste was found scattered next to fence beside workshop area.</li> </ul> <p>Thus a minor NCR was assigned.</p>	Minor nonconformance
<p><b>Criterion 5.4</b>            Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>			
5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>- Minor compliance –</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>Based on record of monitoring of renewable energy usage for financial year 2016/2017, the following were derived:            Average shell usage: 30%            Average fibre usage: 70%            Average fossil fuel (diesel): 4.45 liter/mt CPO produced compared to June – Dec 2017 (3.34 litre/ mt CPO).            Reduction of diesel consumption is due to the operation of biogas engine since 2015.</p>	Complied
<p><b>Criterion 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>			
5.5.1	<p>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.</p> <p>- Major compliance -</p>	<p>There was no evidence of burning for the purpose of land preparation.</p>	Complied



**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.  - Minor compliance –	No evidence that fire has been used for preparing land. Palms that were felled during replanting were shredded, windrowed and left to decompose in the field.	Complied
<b>Criterion 5.6</b>			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).  - Major compliance -	Based on the assessment of all polluting activities as of the Environment Aspect and Impact assessment, identified source was boiler chimney. Current monitoring was through online boiler smoke density and alarm and six-monthly boiler stack monitoring for dust particulate. Sampled Boiler stack sampling records: Boiler no.2 – 1st half 2017, ref# RS/STACK/17-021 date of sampling 15/5/17: result 0.311 g/Nm3. Boiler no. 3 – 1st half 2017, ref# RS/STACK/17-044 date of sampling 20/7/17: result 0.375 g/Nm3. Boiler no. 3 – 2nd half 2017, ref# RS/STACK/17-090 date of sampling 11/12/17: result 0.379 g/Nm3.	Complied
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.  - Major compliance -	Main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH4) emission through POME treatment. The company have plans to construct methane capture facilities in POME treatment pond. Project arrangement handled by HQ and the project expected to complete the construction before 2019. Other less significant GHG emissions identified including COx, SOx and NOx from various sources including fossil fuel, chemical and fertilizer consumptions.	Complied
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.  - Minor compliance –	Monitoring of GHG done at operating units and monitored data compiled and calculated through PalmGHG V3 Calculator by sustainability (SPO) personnel. Reporting to RSPO Secretariat GHG Working Group was done on 12/12/2017 via email and acknowledgement reply received from RSPO on 18/12/2017.	Complied
<b>PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS</b>			
<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.			



**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	Documented as IOI Group Social Impact Assessment – Management Action Plans & Continuous Improvement Plans – Ladang Sabah Palm Oil Mill; Date prepared: January 2018; Date next review: January 2019. Review meeting conducted through a forum with relevant stakeholders on 24/10/2017. Social Impact Assessment Management Action Plans & Continuous Improvement Plans Bimbingan 2 Estate; Date prepared: January 2018; Date next review: January 2019. Social Impact Assessment Management Action Plans & Continuous Improvement Plans Luangmanis Estate; Date prepared: January 2018; Date next review: January 2019.	Complied
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Based on the Minit Mesyuarat; Forum Penilaian Impak Sosial dan Kawasan Konservasi Bernilai Tinggi Bagi Kumpulan Ladang Sabah 2017 – Pelaksanaan Persijilann-persijilan (RSPO, MSPO & ISCC); dated 24/10/2017 at Training School, IOI Plantation Services Sdn. Bhd., Sandakan Region	Complied
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. - Major compliance -	As the outcome of the forum with relevant stakeholders, all existing relevant social aspects were continuously maintained its Management Action Plans and Continuous Improvement Plans for both negative impacts as well as positive impacts. The plans have also been developed for few new social aspects discussed during the forum. Among aspects discussed with stakeholders including IOI’s concerned on children education with the contribution and construction of Humana and CLC school. Promotional plans also established to continue the cooperation with both Humana and CLC on such matters. Plans established as Appendix 3: SIA and Time Bound Action Plans (Internal Stakeholder), Appendix 3(A): Summary and Status of Stakeholder Communication from Complaint Form for June 2017 – December 2017, Appendix 3(B): Summary and Status of Stakeholder Communication Grievance Book from Feb 2017 – Jan 2017 and Time Bound Internal Stakeholder specifying the Aspects, Action Plans, Period, comments of PIC and SI factor. Plans established as Appendix 4: SIA and Time Bound Action Plans (External Stakeholder), Appendix 3(A): Summary and Status of Stakeholder Communication from Complaint Form for June 2017 – December 2017, Appendix 3(B): Summary and Status of Stakeholder Communication Grievance Book from Feb 2017 – Jan 2017 and Time Bound Internal Stakeholder specifying the Aspects, Action Plans, Period, comments of PIC and SI factor.	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	Plan was reviewed annually. Sighted the latest Ladang Sabah POM Social Plan for year 2017/2018 Appendix 2A of the Group Social Impact Assessment & Management Action Plans (Guidance Document) Plantation Division July 2007 – June 2012. Bimbingan 2 Estate review of SIA meeting conducted on 28/12/2017 while Luangmanis Estate on 8/1/2018 as per minutes of meetings sighted. Relevant internal stakeholders participated in the meeting	Complied

**RSPO Public Summary Report  
Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
	that the review includes the participation of affected parties. - Minor compliance –	to discuss all positive and negative social aspects and impacts identified. External stakeholder meeting was conducted on 24/10/2017 to discuss on SIA with participation by all relevant stakeholders accordingly.	
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance –	No smallholder schemes involved and included in the supply base of IOI Ladang Sabah group.	Complied
<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.			
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	Established as per Group Social Impact Assessment & Management Action Plans (Guidance Document) Plantation Division July 2007 – June 2012; Section 9 Stakeholder Request Procedures, Section 10.0 Grievance Procedures for Land Owner Issues. Approved by Group Plantation Director dated January 2008.	Complied
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	In mill, Assistant Manager, Mr. Jackcarry Suati has been appointed as the Social Liaison Officer as per letter of appointment by the Mill Manager dated 20/3/2017. The letter also specifies the role and responsibilities of Social Liaison Officer appointed which amongst all shall attend to the issues/requests by stakeholders within 5 working days. In Luangmanis Estate, Assistant Manager, Mr. Nathaniel Leo Lasih Uging was appointed as Social Liaison Officer as per letter of appointment by Estate Manager dated 18/8/2017.	Complied
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	Stakeholders list has been updated as of January 2018 includes all relevant stakeholders of each operating units within IOI Ladang Sabah Group. Records of actions taken were properly maintained in the form of minutes of meeting, grievances book and SIA Management Action Plans as well as Continuous Improvement Plans.	Complied
<b>Criterion 6.3</b>			
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.			
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	As per guideline provided through the online website IOI Group Whistleblowing Channels <a href="http://www.ioigroup.com/Content/CI/Corp_Whistleblowing">http://www.ioigroup.com/Content/CI/Corp_Whistleblowing</a> . Report can be fill in through <a href="http://whistleblowing.ioigroup.com/">http://whistleblowing.ioigroup.com/</a> or email through <a href="mailto:whistleblowing@ioigroup.com">whistleblowing@ioigroup.com</a> . Report also through Fax at (603) 8948 8233. Whistleblowing Secretariat – Group Internal Audit, Tel: (603) 8947 8888 (General line or in-	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
		person to the respective Head of Business/Operating Unit, or its Head of Human Resource or in writing to one or more of the following persons as appropriate at: IOI Group, Level 10, Two IOI Square, IOI Resort, 62502 Putrajaya, Malaysia i.e. Chairman of Audit and Risk Management Committee, Head of Group Internal Audit, Executive Chairman, Chief Executive Officer, Senior General Manager, Plantation and Executive Director, Oleochemicals.	
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	There's a flowchart under the SIA Management Action Plans and Continuous Improvement Plans i.e. Appendix F: Staff Grievances Standard of Procedures specifying Stage 1 – Grievance submission for Acknowledge; Stage 2: Preliminary investigation for Investigate and Stage 3: Further investigation/meeting with complainant process of grievances.	Complied
<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.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance –	The procedure has been established as per section 12.0: Grievance Procedure for Land Owner of the SIA Management Action Plans and Continuous Improvement Plans dated January 2018.	Complied
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance –	As per the procedure has established in section 12.0: Grievance Procedure for Land Owner of the SIA Management Action Plans and Continuous Improvement Plans dated January 2018. Fair calculating and distributing of compensation mostly through negotiations.	Complied
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.	To date, there has been no report on any major dispute with any party within Ladang Sabah PMU. Hence the process and outcome of compensation could not be observed.	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
<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.			
6.5.1	Documentation of pay and conditions shall be available. - Major compliance -	Documentation of pay and conditions sighted available as per sample sighted. LSPOM Sampled for following workers: 1) Employee ID: LSM0631; Nationality: Malaysia; Start work date: 14/9/2017; Post: Crane Operator 2) Employee ID: LSM0519; Nationality: Indonesia; Start work date: 9/1/2015; Post: Kernel Polishing Plant 3) Employee ID: LSM0093; Nationality: Indonesia; Start work date: 1/7/2016; Post: Workshop Fitter 4) Employee ID: LSM0614; Nationality: Indonesia; Start work date: 6/4/2017; Post: Cleaning Team 5) Employee ID: LSM0641; Nationality: Indonesia; Start work date: 4/12/2017; Post: Capstan 6) Employee ID: LSM0604; Nationality: Indonesia; Start work date: 1/7/2016; Post: Crane Operator Employee ID: LSM0631: Shift work: Dec 2017: 4 <sup>th</sup> – 10 <sup>th</sup> ; 18 <sup>th</sup> – 24 <sup>th</sup> ; Nov 2017: 6 <sup>th</sup> – 12 <sup>th</sup> ; 20 <sup>th</sup> – 26 <sup>th</sup> ; Oct 2017: 9 <sup>th</sup> – 15 <sup>th</sup> ; 23 <sup>rd</sup> – 29 <sup>th</sup> Employee ID: LSM0604: Shift work: Dec 2017: 4 <sup>th</sup> – 10 <sup>th</sup> ; 18 <sup>th</sup> – 24 <sup>th</sup> ; Nov 2017: 6 <sup>th</sup> – 12 <sup>th</sup> ; 20 <sup>th</sup> – 25 <sup>th</sup> ; Oct 2017: 9 <sup>th</sup> – 15 <sup>th</sup> ; 23 <sup>rd</sup> – 29 <sup>th</sup> Sg. Sapi Estate Sampled for following workers: 1) Employee ID: SSP2844; Nationality: Indonesia; Start work date: 19/10/2016; Post: Harvester 2) Employee ID: SSP2728; Nationality: Indonesia; Start work date: 1/5/2014; Post: Harvester 3) Employee ID: SSP2259; Nationality: Indonesia; Start work date: 2/5/2014; Post: General Worker - Manuring Bimbingan 2 Estate Sampled for following workers: 1) Employee ID: BB22640; Nationality: Indonesia; Start work date: 19/9/2016; Post: Harvester 2) Employee ID: BB22199; Nationality: Indonesia; Start work date: 27/7/2015; Post: Harvester 3) Employee ID: BB21795; Nationality: Indonesia; Start work date: 18/8/2015; Post: General Worker – Harvester 4) Employee ID: BB21117; Nationality: Indonesia; Start work date: 23/8/2017; Post: General Worker – General - Upkeep Luangmanis Estate Sampled for following workers: 1) Employee ID: LMN0643; Nationality: Indonesia; Start work date: 18/8/2015; Post: Harvester 2) Employee ID: LMN0748; Nationality: Indonesia; Start work date: 1/7/2016; Post: Sprayer	Complied
6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of	IOI Ladang Sabah has established the IOI Plantation Minimum Wages & Leave Pay In Malaysia Policies; Approved by Plantation Director on October 2017.	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
	<p>employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>		
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>- Minor compliance –</p>	<p>Both mill and estates within Ladang Sabah PMU provide adequate housing, water supplies, medical, educational and welfare amenities necessary although the Workers Minimum Housing and Amenities Act 446 was not applicable in Sabah. Monitoring of drinking water also conducted as per sample sighted:</p> <ul style="list-style-type: none"> <li>- Drinking Water Quality Standard Bimbingan 2 Estate; Cert. no.: 20170920-11C-0; Sampling date: 15/9/2017; Report date: 31/10/2017; Sample mark: Bimbingan 2 Estate – Air Hujan; E.Coli: Nil</li> <li>- Drinking Water Quality Standard Bimbingan 2 Estate; Cert. no.: 20170920-11B-0; Sampling date: 15/9/2017; Report date: 31/10/2017; Sample mark: Bimbingan 2 Estate – Air Kolam; E.Coli: Nil</li> </ul>	Complied
6.5.4	<p>Growers and millers shall make demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>Both mill and estate under Ladang Sabah PMU made demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food with provision of sundry shop and canteen within its premises. It was sighted in Bimbingan 2 Estate that there’s a construction works involved an upgrading of sundry shop on-going.</p>	Complied
<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>			
6.6.1	<p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance –</p>	<p>IOI Ladang Sabah has established the IOI Plantation Equal Opportunity Employment &amp; Freedom of Association Policies; October 2017 which specifies no employees, including migrant, trans-migrant workers and/or contracted workers were being prevented from forming or joining associations and/or participating in collective bargaining, within the limits of national legislation. The workers have their right to form an association or union. IOI implemented the Employee Consultative Committee (ECC) as medium for collective bargaining and Joint Consultative Committee (JCC) for workers negotiated their rights with management at each operating unit.</p>	Complied
6.6.2	<p>Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>- Minor compliance –</p>	<p>LSPOM:            Latest ECC Meeting records: Minutes of Meeting 6<sup>th</sup> ECC 2017 dated 22/12/2017; Venue: LSPOM Meeting room            Latest JCC Meeting records: Minutes of Meeting 2<sup>nd</sup> ECC 2017 dated 29/12/2017; Venue: LSPOM Meeting room</p>	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
		<p>Bimbingan Estate: ECC Meeting records: Minutes of Meeting 4<sup>th</sup> ECC 2017 dated 28/12/2017. Venue: Bimbingan 2 Estate meeting room – issues raised recorded in the Information Collection Form</p> <p>Luangmanis Estate: ECC Meeting records: Minutes of Meeting 5<sup>th</sup> ECC 2017 dated 11/10/2017. Venue: Luangmanis Estate office – issues raised recorded in the Information Collection Form then discussed in the following JCC meeting conducted on the same day</p>	
<p><b>Criterion 6.7</b>            Children are not employed or exploited.</p>			
6.7.1	<p>There shall be documentary evidence that minimum age requirements are met.</p> <p>- Major compliance –</p>	<p>Based on the previous audit findings, the submitted documentation i.e. revised procedure including the terms and conditions for hire of the young persons for the Estate in Sabah State and records of training done for progressive monitoring on the issue was reviewed. Further verification conducted including interview and employee records check indicated the any evidence that minimum age requirements are met.</p>	Complied
<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>			
6.8.1	<p>A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p>- Major compliance –</p>	<p>IOI Ladang Sabah has established the IOI Plantation Equal Opportunity Employment &amp; Freedom of Association Policies; October 2017 which specifies no employees, including migrant, trans-migrant workers and/or contracted workers were being prevented from forming or joining associations and/or participating in collective bargaining, within the limits of national legislation. The workers have their right to form an association or union. IOI implemented the Employee Consultative Committee (ECC) as medium for collective bargaining and Joint Consultative Committee (JCC) for workers negotiated their right at each operating unit. Records of both ECC and JCC meeting kept at each operating unit.</p>	Complied
6.8.2	<p>Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.</p> <p>- Major compliance –</p>	<p>Interview conducted with female workers and gender committee could not find any evidence of discrimination. Evidence of fair offering of overtime demonstrated that the company is not bias towards any particular group of workers.</p>	Complied
6.8.3	<p>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>The recruitment process is based on skills, capabilities and medical fitness necessary. Medical records on employee fitness are kept at the operating units. Interview with workers and relevant stakeholders could not identify any evidence of unfair hiring.</p>	Complied



**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance –		
<b>Criterion 6.9</b>			
There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance –	Established as the IOI Group Policy on the Prevention and Eradication of Sexual Harassment In The Workplace; DFLC/av/07-m30; signed by Group Plantation Director; dated 6/12/2006. Trainings on Prevention of Sexual Harassment at Work Place were conducted to all women employees on 12/8/2017.	Complied
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. - Major compliance –	Communicated through various methods including direct communications as per meeting as per record Minit Mesyuarat Perundingan Wanita (Nur Kasih) latest dated 23/12/2017. Bimbingan 2 Estate Gender Committee meeting conducted on 20/1/2-18. Luangmanis Estate Gender Committee meeting conducted on 19/5/2017.	Complied
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance –	The sexual grievance mechanism is separated from the general grievance. The sexual grievances mechanism is provided in the Sexual Harassment Procedure – Chapter 8 of Group Social Impact Assessment & Management Action Plans (Guidance Document) Plantation Division July 2007 – June 2012 dated January 2008 is available. During interview with female workers, it was confirmed that the channel of the grievance/complaint with regards to sexual related is as per the Sexual Harassment Procedure. The flowchart on how to launch a complaint on sexual harassment is available in public notice board.	Complied
<b>Criterion 6.10</b>			
Growers and millers deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance –	There is no purchase of FFB from smallholders. However it was sighted that current price available as of 31 Dec 2017 onwards FFB price: RM 487/mt; Past price ending 31/12/2017: RM 554/mt	Complied
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation) - Major compliance -	There is no purchase of FFB from smallholders.	Complied
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that	There is no purchase of FFB from smallholders. However, other business or contractual dealings records were available to show that all parties understand the agreements they enter into with clear terms written.	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator		Assessment Findings	Compliance
	contracts are fair, legal and transparent. - Minor compliance -		
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	Sample of other than FFB purchase transactions payment: Low Seow Weng Development Co.; Payment voucher serial no.: 05857; date: 21/12/2017; Project title: Replanting PR17A (158ha); Invoice no.: LSWDCO0012/09/17	Complied
<b>Criterion 6.11</b>			
Growers and millers contribute to local sustainable development where appropriate			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	Contributions were made based on results of consultation with affected stakeholders. Sighted the sample of contributions made: - Donation Humana fee – invoice no: 1709/089; date: 15/9/2017 - Donation paint for SK Moynod Program Ekosistem Kondusif Sektor Awam (EKSA); 21/8/2017 Donation to family member of passed away worker	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. - Minor compliance –	There are no scheme smallholders in the certification.	Complied
<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. - Major compliance -	No force labour has been observed in the estate. Document verification on the workers permit and identification showed that the legal workers are employed for the estate works. Interview with workers also proven that the workers are fully aware on their pay, contract agreement, job function in the estate and they agree with the condition implement by the estates. There is no evidence found that the company is withholding the passport of the workers and request worker to guarantee the company with money if they would want to return to home country for holidays.	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Major compliance –	The workers are directly contracted by IOI. The intermediate agent that source of the workers are required to inform show the working contract of IOI to the workers at their home country. Interview with workers confirmed that they are away that they will be working in plantations prior coming to Malaysia.	Complied
6.12.3	Where temporary or migrant workers are employed, a special	The policy and procedures were established and implemented as per IOI Plantation Foreign Workers	Complied



Criterion / Indicator		Assessment Findings	Compliance
	labour policy and procedures shall be established and implemented. - Minor compliance –	Recruitment Guideline & Procedures in Malaysia as approved by Plantations Director; Effective October 2017.	
<b>Criterion 6.13</b> Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	The Policy on Respecting Human Rights dated 11/05/2015 signed by Too Heng Liew, the Head of Sustainability in both English and Bahasa Malaysia is available and had communicated to all workers. The policy has been continuously briefed to workers during morning briefing. The policy is also published on public notice board at the operating units. Interview feedback from workers confirmed the policy has been communicated to workforce.	Complied
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. - Minor compliance -	In collaboration with the NGO, IOI Ladang Sabah provided both Humana School and CLC for foreign workers' children. IOI is a contributor to Humana Child Aid Society Sabah. Humana provides basic education to foreign workers' children that are not eligible to enter the Malaysia National school. The basic education provided to the children includes Mathematics, Moral, Science and Bahasa Malaysia. The Humana school is located within the vicinity of the plantations.	Complied
<b>PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS</b>			
Ladang Sabah Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this annual surveillance. The immature areas are replanted area. It was confirmed and verified through their planting history and also land title.			
<b>PRINCIPLE 8: COMMITMENT TO CONTINUAL IMPROVEMENT IN KEY AREAS OF ACTIVITY</b>			
<b>Criterion 8.1</b> Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			
8.1.1	The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.  As a minimum, these shall include, but are not necessarily be limited to: <ul style="list-style-type: none"> <li>Reduction in use of pesticides (Criterion 4.6);</li> </ul>	Continual improvement implementation observed; <u>Ladang Sabah POM</u> <ul style="list-style-type: none"> <li>NIR machine for laboratory analysis – eliminate the use of solvent (hexane) during extraction process</li> <li>Hoarding installation for construction activities – commitment towards BOWEC compliance</li> <li>Safety and health – acoustic room (rest area for those who exposed to high noise &gt; 85dba)</li> <li>Safety and health – noise insulation at kernel plant (PTFE liner installation inside polishing drum)</li> <li>Process improvement – replacement of chemical pump using diaphragm pump for boiler and domestic water quality</li> </ul>	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> <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>• Optimising the yield of the supply base;</li> </ul> <p>- Major compliance –</p>	<ul style="list-style-type: none"> <li>• Environment safety and health – the use of Bio-Tube for continuous desludging system</li> <li>• Environmental Safety &amp; Heath – biogas project (methane capture, glare, gas engine operation) GHG reduction and maximize renewal energy utilization for mill operation</li> </ul> <p><u>Bimbingan 2 Estate</u>            Improvement and upgrading of facilities.</p> <ul style="list-style-type: none"> <li>• New fertilizer store – 1 unit</li> <li>• New generator house – 1 unit</li> <li>• New ramp – 2 units</li> <li>• New staff quarters – 1 blocks x 2 units</li> <li>• New HUMANA school</li> <li>• New labour quarters – 1 blocks x 2 units</li> </ul> <p><u>Luangmanis Estate</u></p> <ul style="list-style-type: none"> <li>• Sundry shop construction</li> <li>• New workers housing construction – block H</li> </ul>	

**RSPO Public Summary Report  
Revision 6 (December /2017)**

**Appendix B: Approved Time Bound Plan**

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 November 2016	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-03 completed in December 2017.	No outstanding issues
3.	Pamol Kluang POM	Mar 2009	Re-Certified in Mar 2015	ASA-03 completed in December 2017.	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-02 completed in October 2017	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-04 completed in October 2017.	No outstanding issues
10.	Syarimo POM	Sept 2012	Certified in Mar 2013	ASA-04 completed in January 2017.	No outstanding issues
11.	Ladang Sabah POM	Oct 2012	Certified in Apr 2013	ASA-04 completed in February 2017.  Recertification is planned on January 2018.	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.	A settlement has not yet been reached on the issue, but progress is being made through continued engagement conducted by IOI-Pelita, IOI Group and the Miri Resident's Office to reach an amicable settlement. In addition, IOI has proactively engaged further with Grassroots and RSPO to ensure free, prior and informed consent process when discussion with community is taking place.  Statement in regards of divestment of its 70% equity & IOI commitments on the resolution for the Pelita case can be accessed at <a href="http://www.ioigroup.com">www.ioigroup.com</a>

## RSPO Public Summary Report Revision 6 (December /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
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.	Scheduled to undergo its first RSPO Audit in (11 <sup>th</sup> – 15 <sup>th</sup> December 2017)
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 IOI 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>Quarterly report on the progress action plan as recommended by RSPO Complain Panel has been sent to RSPO on October 2017. Final verification by RSPO CP is expected to be conducted in end of January 2018.</p> <p>Certification preparations in progress.</p> <p>Pending issuance of HGU.</p> <p>For more information, please refer to <a href="https://www.rspo.org/members/complaints/status-of-complaints/view/80">https://www.rspo.org/members/complaints/status-of-complaints/view/80</a></p>
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>Quarterly report on the progress action plan as recommended by RSPO Complain Panel has been sent to RSPO on October 2017. Final verification by RSPO CP is expected to be conducted in end of January 2018.</p> <p>Certification preparations in progress.</p> <p>Pending issuance of HGU.</p> <p>For more information, please refer to <a href="https://www.rspo.org/members/complaints/status-of-complaints/view/80">https://www.rspo.org/members/complaints/status-of-complaints/view/80</a></p>
18.	PT BSS, Indonesia	Planned 2019	- Uncertified Unit	Acquired in 2009 (new concession land).	Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress

**RSPO Public Summary Report  
Revision 6 (December /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
				No POM yet, still in development phase. Governmental 'Hak Guna Usaha' application in progress.	<p>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>Quarterly report on the progress action plan as recommended by RSPO Complain Panel has been sent to RSPO on October 2017. Final verification by RSPO CP is expected to be conducted in end of January 2018.</p> <p>Certification preparations in progress.</p> <p>Pending issuance of HGU.</p> <p>For more information, please refer to <a href="https://www.rspo.org/members/complaints/status-of-complaints/view/80">https://www.rspo.org/members/complaints/status-of-complaints/view/80</a></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 Assessment report has been sent to HCVRN on 20<sup>th</sup> November 2017. Received Letter of Satisfactory from HCVRN on 25<sup>th</sup> November 2017</p> <p>Currently undergo peer review for HCS report.</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	Certified in November 2017	<p>Sugut estate was included as part of the Pamol Sabah POM supply base and has been audited by Certification Body, Intertek on 12<sup>th</sup> Sept 2017.</p> <p>RSPO certification has been successfully granted beginning November 2017.</p>	No outstanding issue.

**Appendix C: GHG Reporting Executive Summary**

The GHG emissions that were produced in **2017** (raw data FY2016/2017) for **Ladang Sabah Palm Oil Mill** and supply base was calculated using the PalmGHG Calculator version 3.0.1. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

- i. Estates area planted data
- ii. Fuel consumed
- iii. Mill data include CPO produced, PKO Produced and FFB Processed
- iv. Fertilizer consumed data for both estates and smallholders.

The summary of the Net GHG emitted in **2017** (FY2016/2017) for **Ladang Sabah Palm Oil Mill** and supply base are as following:

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	-0.01
PKO	-0.01

Extraction	%
OER	20.98
KER	5.23

Production	t/yr
FFB Process	355,317
CPO Produced	74,557.33
PKO Produced	18,576.89

Land Use	Ha
OP Planted Area	23,025
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	0
<b>Total</b>	<b>23,025</b>

**Summary of Field Emission and Sink**

	Own Crop*		Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB
<b>Emission</b>								
Land Conversion	80,483.25	0.11	2,092.26	0.77	-	-	82,575.51	0.88
CO <sub>2</sub> Emission from fertilizer	13,742.96	0.02	135.12	0.05	-	-	13,878.08	0.07
NO <sub>2</sub> Emmision	14,727.86	0.02	118.63	0.04	-	-	14,846.49	0.06
Fuel Consumption	2,876.44	0	21.74	0.01	-	-	2,898.18	0.01
Peat Oxidation	0	0	0	0	-	-	0.00	0
<b>Sink</b>								
Crop Sequestration	-131,169.92	-0.19	-1,117.90	-0.41	-	-	-132,287.82	-0.60

**RSPO Public Summary Report  
Revision 6 (December /2017)**

Conservation Sequestration	0	0	0	0	-	-	0	0
<b>Total</b>	<b>-19,339.41</b>	<b>-0.04</b>	<b>1,249.85</b>	<b>0.46</b>	-	-	-18,089.56	0.42

**Summary of Mill Emission and Credit**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emission</b>		
POME	13,934.5	0.04
Fuel Consumption	905.41	0
Grid Electricity Utilization	2,610.67	0.01
<b>Credit</b>		
Export of Grid Electricity	-386.06	0
Sales of PKS	0	0
Sales of EFB	0	0
<b>Total</b>	<b>17,064.53</b>	<b>0.05</b>

**Summary of Kernel Crusher Emission and Credit (if applicable)**

Emissions	tCO <sub>2</sub> e
PK from own mill	-204.32
PK from other source	0
Fuel Consumptions	0
<b>Total Crusher emissions</b>	<b>0</b>

\*This mill has no kernel crusher operation.

<b>Palm Oil Mill Effluent (POME) Treatment:</b>	
Divert to Compost (%)	-
Divert to anaerobic diversion (%)	100%

<b>POME Diverted to Anaerobic Digestion:</b>	
Divert to anaerobic pond (%)	13.14
Divert to methane captured (flaring) (%)	52.74
Divert to methane captured (energy generation) (%)	34.12

**Appendix D: General Chain of Custody Requirements for the Supply Chain**

<b>5.1 Applicability of the general chain of custody requirements for the supply chain</b>			
	<b>Requirement</b>	<b>Evidence</b>	<b>Compliance</b> (Yes / No or N/A) For any N/A raised, justification is required.
5.1.1	The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.	IOI Commodity Trading Sdn Bhd (Ladang Sabah) takes legal ownership and physically handles its RSPO certified oil palm products i.e. CPO and PK.	Complied
5.1.2	Traders and distributors require a licence obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.	Ladang Sabah is not a trading company and does not have distributor license. Therefore, this requirement is not applicable.	NA
5.1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.	The RSPO membership of Ladang Sabah is under IOI Corporation Berhad, 2-0002-04-000-00 since 17 May 2004. Palmtrace member ID: RSPO_PO1000000541 (Ladang Sabah Sdn Bhd-Ladang Sabah Palm Oil Mill).	Complied
5.1.4	Processing aids do not need to be included within an organization's scope of certification.	There is no processing aid involve in the productions.	NA
<b>5.2 Supply chain model</b>			
5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	Suppliers are all of RSPO certified estates which are belonged to IOI Corporation Bhd. The mill has also received FFB from other CU i.e. IOI Sakilan CU's estates namely Linbar 1, Linbar 2, Sakilan – total Jan-Dec 2017 is 357,152.82 mt FFB (ref.: CPO Mass Balance Calculation (Internal Process & Output) for the year 2017.	Complied
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Ladang Sabah POM is IP certified and sales of the products were of IP or SG or conventional only.	Complied



<b>5.3. Documented Procedures</b>			
5.3.1	<p>The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> <li>• Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> </ul>	<p>There are 3 procedures establish in order to implement RSPO SC:</p> <ul style="list-style-type: none"> <li>• RSPO Supply Chain – Module D – CPO Mills: Identity Preserved (IP), RSPOSC/SOP/IP/3, rev. 5, dated 1/7/2017</li> <li>• CSFFB, CSPO &amp; CSPK Traceability System for Estates, Mills, Warehouses and Trading Companies, RSPO/SOP/COC/3, rev. 4, dated 1/1/2018</li> <li>• Internal Audit Procedure, RSPOSC/SOP/IA/1, rev. 1, 1/8/2017</li> <li>• Group Standard Operating Procedures (StOPs) for Palm Oil Mill [for processing]</li> </ul>	Complied
	<ul style="list-style-type: none"> <li>• Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> </ul>	<p>Among the records included in the procedures are:</p> <ul style="list-style-type: none"> <li>• FFB dispatch chit</li> <li>• Weighbridge tickets</li> <li>• Dispatch of CPO/PK – weighbridge ticket, delivery order, shipping document</li> <li>• Mass balance accounting</li> <li>• Daily production report</li> <li>• Internal audit report</li> <li>• Minutes of management review meeting</li> <li>• Training records related to supply chain</li> </ul>	Complied
	<ul style="list-style-type: none"> <li>• Identification of 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 organization’s procedures for the implementation of this standard.</li> </ul>	<p>Addressed in RSPOSC/SOP/IP/3, clause 3.1 – overall responsibility is assigned to the Mill Manager (in this case, Mr. Kalaiselvan). Based on interview, the appointed person was able to demonstrate awareness of the company’s procedures related to implementation of this standard.</p>	Complied
5.3.2	<p>The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <p>i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p>	<p>Ref.: Internal Audit Procedure, RSPOSC/SOP/IA/1, rev. 1, dated 1/8/2017. The procedure consists of the following elements:</p> <ul style="list-style-type: none"> <li>• Purpose</li> <li>• Scope</li> <li>• Responsibility</li> <li>• Procedure details – frequency, sampling, reporting, handling of non-conformities (issuing and closing), records keeping</li> </ul>	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

		Based on their audit report format, the company was able to demonstrate that it has the mechanism to determine whether the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents are being conformed to.	
	ii) effectively implements and maintains the standard requirements within its organization	The last internal audit was conducted on 5/1/2018 by Mr. Emerald Sunny Pairin	Complied
<b>5.4. Purchasing and goods in</b>			
5.4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number</li> </ul>	<p>When FFB delivered to the mill from the estates, the transporters presented dispatch tickets and in some cases, estate’s weighbridge tickets to the mill weighbridge clerk in order the FFB to be received by the mill. E.g. of information available in the dispatch tickets is as follows:</p> <ul style="list-style-type: none"> <li>• FFB Dispatch Chit No. – 1612191 (from Sg Sapi), 1676328 (from Labuk), 1542914 (from Linbar 1)</li> <li>• Estate’s names – Sg. Sapi, Labuk</li> <li>• Division</li> <li>• Date of delivery</li> <li>• Field No. – 97A, 97B</li> <li>• Total bunches</li> <li>• Harvesting dates</li> <li>• Seal no. &amp; remarks</li> <li>• RSPO Certificate No.</li> </ul> <p>E.g. of information available in the estate’s weighbridge tickets is as follows:</p> <ul style="list-style-type: none"> <li>• Name of estates – Sg Sapi, Labuk</li> <li>• Field No. – 97A, 97B</li> <li>• Dispatch chit no. – 1612191</li> <li>• Name of transporter company</li> <li>• Name of driver</li> <li>• Vehicle no.</li> <li>• RSPO certificate no.</li> <li>• Weighbridge ticket no. – 001878</li> <li>• Date of delivery</li> <li>• Total bunches</li> <li>• Harvesting dates</li> <li>• Seal no.</li> <li>• Net weight</li> </ul>	Complied

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

	<ul style="list-style-type: none"> <li>Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</li> </ul>	The information was available in various documents as mentioned above.	Complied
	<ul style="list-style-type: none"> <li>The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group shipments. Refer to section 5.7.1 of this document for further guidance.</li> </ul>	Not applicable. The facility is a palm oil mill.	NA
	<ul style="list-style-type: none"> <li>A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</li> </ul>	Not applicable. The facility is a palm oil mill.	NA
	<ul style="list-style-type: none"> <li>The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements / announcements.</li> </ul>	Not applicable. The facility is a palm oil mill.	NA
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	Clause 5.4 of the RSPO/SOP/COC/3 – Handling RSPO Products, which reads non-certified or contaminated FFB shall be segregated from certified oil palm products via segregation at mill ramp. In case of contamination with non-conforming products, the certified products shall be downgraded and sold under MB module.	Complied
<b>5.5. Outsourcing activities</b>			
5.5.1	In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies	Not applicable. No outsourcing activity.	NA

**RSPO Public Summary Report  
Revision 6 (December /2017)**

	<p>with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).</p>		
5.5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <p>a. The site has legal ownership of all input material to be included in outsourced processes;</p>	Not applicable. No outsourcing activity.	NA
	<p>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</p>	Not applicable. No outsourcing activity.	NA
	<p>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p>	Not applicable. No outsourcing activity.	NA
	<p>d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.</p>	Not applicable. No outsourcing activity.	NA
5.5.3	<p>The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p>	Not applicable. No outsourcing activity.	NA
5.5.4	<p>The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.</p>	Not applicable. No outsourcing activity.	NA

<b>5.6. Sales and goods out</b>			
5.6.1	<p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form.</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/ delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply chain certificate number of the seller;</li> <li>• A unique identification number</li> </ul>	<p>So far the CPO and PK are delivered to IOI Edible Oil (refinery) in Sandakan only and only one mode of transportation i.e. via bulking tank. Verification of sampled dispatch confirm that all the required information was available in the delivery documents.</p>	Complied
	<ul style="list-style-type: none"> <li>• Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</li> </ul>	<p>The information was available in various documents such as weighbridge ticket and delivery order.</p>	Complied
	<ul style="list-style-type: none"> <li>• For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> </ul>	<p>Shipping announcements were made in the RSPO Palmtrace when the CPO or PK were delivered from IOI Edible Oil. Summary of the announcement which was extracted from RSPO Palmtrace system was made available for verification.</p>	Complied
<b>5.7. Registration of transactions</b>			
5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>• are mills, traders, crushers and refineries and;</li> <li>• take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, Refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable.</li> </ul>	<p>The actor is a palm oil mill and its products are CPO and PK which are covered under Figure 2 and 3, Annex 1 of the RSPO SCCS Standard. Based on the downloaded transactions register from the certification unit's Palmtrace, the company was able to demonstrate that it has been registering its transactions in the Palmtrace accordingly. Since the last assessment there were 6 announcement made.</p>	Complied

**RSP0 Public Summary Report**  
**Revision 6 (December /2017)**

5.7.2	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSP0 IT Platform:</p> <ul style="list-style-type: none"> <li>Shipping Announcement / Announcement: When RSP0 certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSP0 IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures.</li> </ul>	Based on the announcement summary, all the registrations were found to be in order.	Complied
	<ul style="list-style-type: none"> <li>Trace: When RSP0 certified volumes are sold as RSP0 certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> </ul>	Not applicable. Products are not sold beyond refinery.	NA
	<ul style="list-style-type: none"> <li>Remove: RSP0 certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> </ul>	Based on the mill's products movement records, it was confirmed that the products quantity which were sold under different schemes or conventional were correctly deducted from its supply chain account and no double claim was detected.	Complied
	<ul style="list-style-type: none"> <li>Confirm: Acknowledge the purchase of RSP0 certified volume by confirming Shipping Announcements / Announcements.</li> </ul>	Based on the announcement summary, all the confirmations were found to be in order.	Complied
<b>5.8. Training</b>			
5.8.1	The organization shall have a training plan on RSP0 Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff.	Training plans for 2017 and 2018 were available – incorporation with other training plans. RSP0 SC trainings are planned to be conducted in January and May 2018.	Complied
5.8.2	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed.	<p>Relevant personnel to supply chain implementation as defined by the CU are the personnel that involve in supply chain implementation i.e. weighbridge operators, security guards, lab personnel, office clerks and executives. In Ladang Sabah case, 29 personnel were identified.</p> <p>Based on training records, last 2 trainings were:</p>	Complied

**RSPO Public Summary Report  
Revision 6 (December /2017)**

		<p>1) Training on "Supply Chain Certification Standard", conducted by Ms Veronica Abel on 19/1/2017, attended by 20 personnel</p> <p>2) Training on Supply Chain Certification Standard (SCCS), conducted by Ms Veronica Abel (SPO Dept.) on 9/12/2017, attended by 23 personnel</p> <p>It was identified that 15 personnel have yet to attend the trainings due to various reasons such as night shift, on leave, unable to leave duty and new recruit. Based on established training plan, the next training is planned to be conducted May 2018.</p>	
<b>5.9. Record Keeping</b>			
5.9.1	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.	All the sampled records related to the movements of RSPO certified materials and products were found to be accurate, complete, up-to-date and accessible.	Complied
5.9.2	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	Addressed in RSPOSC/SOP/IP/3, Clause 7.2 Retention of records – minimum 2 years Sampled – CPO and PK weighbridge tickets and DO for January 2016 – all records/documents were still in place.	Complied
5.9.3	The organization shall be able to provide the estimate volume of palm oil/palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	Not applicable. The product of the facility is containing 100% palm oil.	NA
<b>5.10. Conversion factors</b>			
5.10.1	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ); RSPO Rules for Physical Transition of Oleochemicals and its Derivaties. This is relevant for derivatives of	Conversion factor of CPO and PK production is depending on the actual OER and KER. Last year's average were 20.61% (OER) & 5.42% (KER).	Complied



**RSPO Public Summary Report  
Revision 6 (December /2017)**

	Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.		
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	The facility is using the actual extraction rate and therefore updating of rates is not necessary.	Complied
<b>5.11. Claims</b>			
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	RSPO trademark was not use. Nonetheless, the facility is aware with the requirements of the RSPO Rules on Market Communications and Claims.	Complied
<b>5.12. Complaints</b>			
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Addressed in the RSPO/SOP/COC/3, clause 5.2 – internal/external complaint shall be handled through Grievance Procedure (accessible at <a href="https://www.ioigroup.com/Content/S/S_Grievance">https://www.ioigroup.com/Content/S/S_Grievance</a> ) – appendix VI of the SOP.  There has been no complaint with regards to RSPO SCC since the last audit.	Complied
<b>5.13. Management Review</b>			
5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken.	Management review meeting is planned to be conducted annually [ref.: RSPOSC/SOP/IA/1, clause 4.4.1.2]. Last MRM was conducted on 8/1/2018, attended by 12, and chaired by the mill manager.	Complied
5.13.2	The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	Based on the minutes of meeting, the agenda discussed were as follows: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard – Agenda #1</li> <li>• Customer feedback – Agenda # 3</li> <li>• Status of preventive and corrective actions – Agenda #7</li> <li>• Follow-up actions from management reviews – agenda #2</li> <li>• Changes that could affect the management system – Agenda #4</li> <li>• Recommendations for improvement – agenda #5</li> </ul>	Complied
5.13.3	The output from the management review shall include any decisions and actions related to:	The output of the management review has been included in the minutes of the management review meeting:	Complied



**RSPO Public Summary Report  
Revision 6 (December /2017)**

	<ul style="list-style-type: none"><li>• Improvement of the effectiveness of the management system and its processes.</li><li>• Resource needs.</li></ul>	<ul style="list-style-type: none"><li>• Improvement of the effectiveness of the management system and its processes - Agenda #5</li><li>• Resource needs Agenda #6</li></ul>	
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**RSPO Public Summary Report  
Revision 6 (December /2017)**

**Appendix E**

**: CPO Mill Supply Chain Assessment Report (Module *D* - CPO Mills: *Identity Preserved*)**

Requirements	Compliance
<b>D.1 Definition</b>	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&amp;C), or against the Group Certification scheme. 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. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.</p>	<p>FFB were obtained from all IOI's certified estates only. There was no third party's crop or non-certified FFB received by the mill.</p>
<b>D.2 Explanation</b>	
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. For an independent mill, the estimated tonnage of CPO and PK products shall be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>D.2.2 The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</p>	<p>During the assessment, inspection of the palm trace records was done and found all the transaction including shipping announcement have been registered. Following transaction ID sampled:</p> <ul style="list-style-type: none"> <li>• TR-d38ca2b9-1c85</li> <li>• TR-a921a9eb-b2c5</li> </ul>
<b>D.3 Documented procedures</b>	
<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>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p>	<p>There are 3 procedures establish in order to implement RSPO SC:</p> <ul style="list-style-type: none"> <li>• RSPO Supply Chain – Module D – CPO Mills: Identity Preserved (IP), RSPOSC/SOP/IP/3, rev. 5, dated 1/7/2017</li> <li>• CSFFB, CSPO &amp; CSPK Traceability System for Estates, Mills, Warehouses and Trading Companies, RSPO/SOP/COC/3, rev. 4, dated 1/1/2018</li> <li>• Internal Audit Procedure, RSPOSC/SOP/IA/1, rev. 1, 1/8/2017</li> </ul>

**RSPO Public Summary Report**  
**Revision 6 (December /2017)**

	<ul style="list-style-type: none"> <li>Group Standard Operating Procedures (StOPs) for Palm Oil Mill [for processing]</li> </ul>
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.	Addressed in RSPOSC/SOP/IP/3, clause 3.1 – overall responsibility is assigned to the Mill Manager (in this case, Mr. Kalaiselvan). Based on interview, the person in-charged was able to demonstrate the site’s procedures for implementation of this standard.
D.3.2 The site shall have documented procedures for receiving and processing certified FFBs.	Since the mill is only accepting certified FFB, the procedures for receiving and processing FFB are the same as mention in Indicator 4.1.1.
<b>D.4 Purchasing and goods in</b>	
D.4.1 The site shall verify and document the tonnage and sources of certified FFBs received.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. Ladang Sabah mill have system to verify at the weighbridge.
D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	Ladang Sabah POM is aware of this requirement and no projected overproduction for the period under review.
<b>D.5 Record keeping</b>	
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 real-time basis.	<p>Real-time basis recorded in “Real-time Basis CPO (or PK) Transfer Monitoring”. Information available in the format is date, FFB processed, OER, CPO amount [opening, produced and closing] and transferred CPO [mill weight, refinery weight]</p> <p>Jan – Dec 2017:            RSPO certified FFB carried forward from Dec16 = 0 mt            RSPO certified CPO carried forward from Dec16 = 617.05 mt            RSPO certified FFB processed 2017 = 357,152.82 mt            RSPO certified CPO produced = 73,615.12 mt            RSPO certified CPO sold = 16,253.76 mt            Certified CPO sold as ISCC = 25,133.37 mt            Certified CPO sold as conventional = 24,649.49 mt            Balance of RSPO certified CPO = 8,195.55 mt</p>
<b>D.6 Processing</b>	
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm product including during transport and storage to strive for 100% separation.	During this assessment it was confirmed that only own supply bases of FFB is processed and no receive of outsider crops. This ensures that there is no possibility of mixing during processing.
D.6.2 The objective is for 100 % segregated material to be reached.	Since there is no process of non-certified FFB, the objective for 100% segregated material is reachable.

**Supply Chain Declaration**

<b>A. Monthly Records of Certified and Uncertified FFB Received since the last audit</b>				
<b>No.</b>	<b>Month - Year</b>	<b>Volume of FFB from certified supply bases (MT)</b>	<b>Volume of FFB from uncertified supply bases (MT)</b>	<b>Total FFB/Month (mt)</b>
1	Jan 2017	27,609.06	-	27,609.06
2	Feb 2017	19,970.59	-	19,970.59
3	Mar 2017	22,540.19	-	22,540.19
4	Apr 2017	27,881.31	-	27,881.31
5	May 2017	35,584.08	-	35,584.08
6	Jun 2017	37,166.91	-	37,166.91
7	Jul 2017	40,528.14	-	40,528.14
8	Aug 2017	30,200.14	-	30,200.14
9	Sep 2017	25,582.70	-	25,582.70
10	Oct 2017	28,831.26	-	28,831.26
11	Nov 2017	29,540.81	-	29,540.81
12	Dec 2017	31,717.63	-	31,717.63
<b>Total</b>		<b>357,152.82</b>	<b>-</b>	<b>357,152.82</b>

<b>B. Records of Certified CPO &amp; PK since the last audit</b>			
<b>No.</b>	<b>Month - Year</b>	<b>Certified CPO (MT)</b>	<b>Certified PK (MT)</b>
1	Jan to Dec 2017	73,615.12	19,370.42

<b>C. Records of Certified CPO &amp; PK Sold under PalmTrace to Buyers since the last audit (if any)</b>				
<b>No.</b>	<b>Buyers Name</b>	<b>Palmtrace Trading No</b>	<b>Certified CPO Sold (MT)</b>	<b>Certified PK Sold (MT)</b>
1	Buyer A	TR-8f1a9b60-83e8	4,499.00	
2	Buyer A	TR-1a085dc3-329e	8,988.49	
3	Buyer A	TR-d38ca2b9-1c85	2,673.78	
4	Buyer A	TR-0a1bc9fe-da6f	45.40	
5	Buyer A	TR-25c11c4c-576b		4,350.00
6	Buyer A	TR-a921a9eb-b2c5		10,000.00

**RSPO Public Summary Report  
Revision 6 (December /2017)**

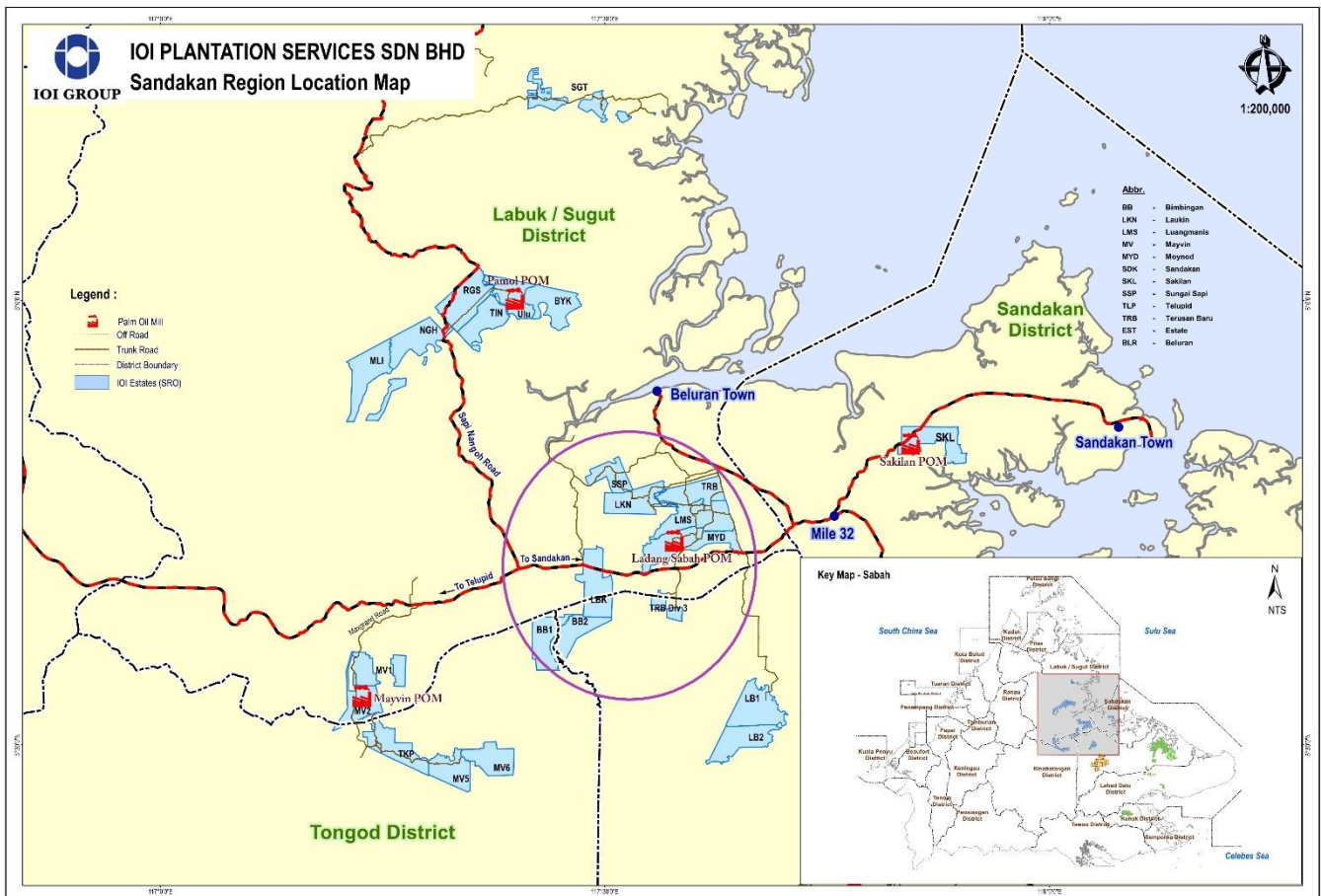
<b>Total</b>	16,206.67	14,350.00
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<b>D. Records of CPO &amp; PK Sold under other schemes to Buyers since the last audit (if any)</b>				
<b>No.</b>	<b>Buyers Name</b>	<b>Scheme Name</b>	<b>CPO Sold (MT)</b>	<b>PK Sold (MT)</b>
1	Undisclosed	ISCC	25,133.37	0

<b>E. Records of CPO &amp; PK Sold as conventional to Buyers since the last audit (if any)</b>			
<b>No.</b>	<b>Buyers Name</b>	<b>CPO Sold (MT)</b>	<b>PK Sold (MT)</b>
1	Undisclosed	24,649.49	0

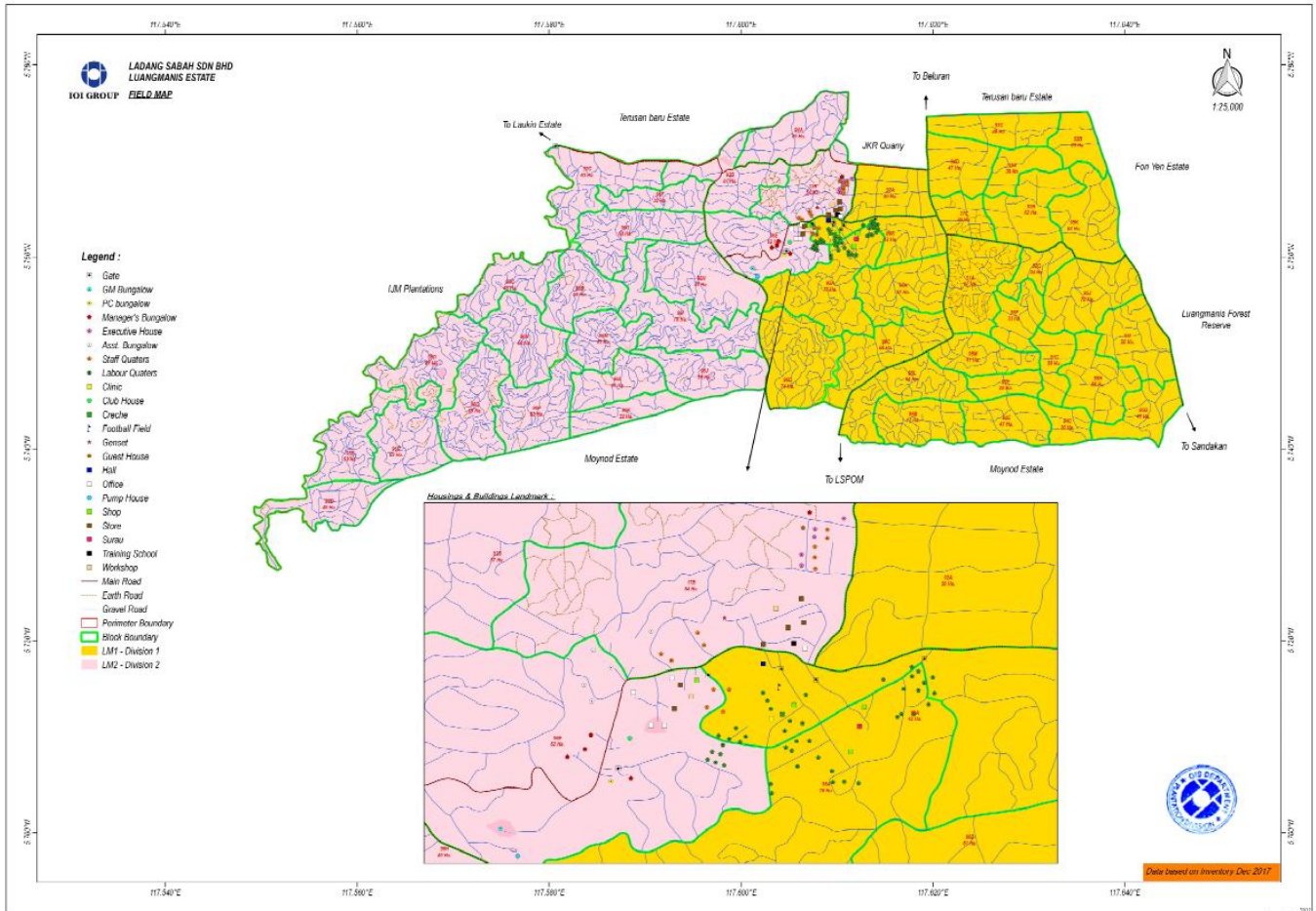
<b>F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any)</b>			
<b>No.</b>	<b>Buyers Name</b>	<b>PalmTrace Trading No</b>	<b>RSPO Credits of Certified CPO Sold (MT)</b>
			0

**Appendix F: Location Map of Ladang Sabah Palm Oil Mill Certification Unit and Supply bases**



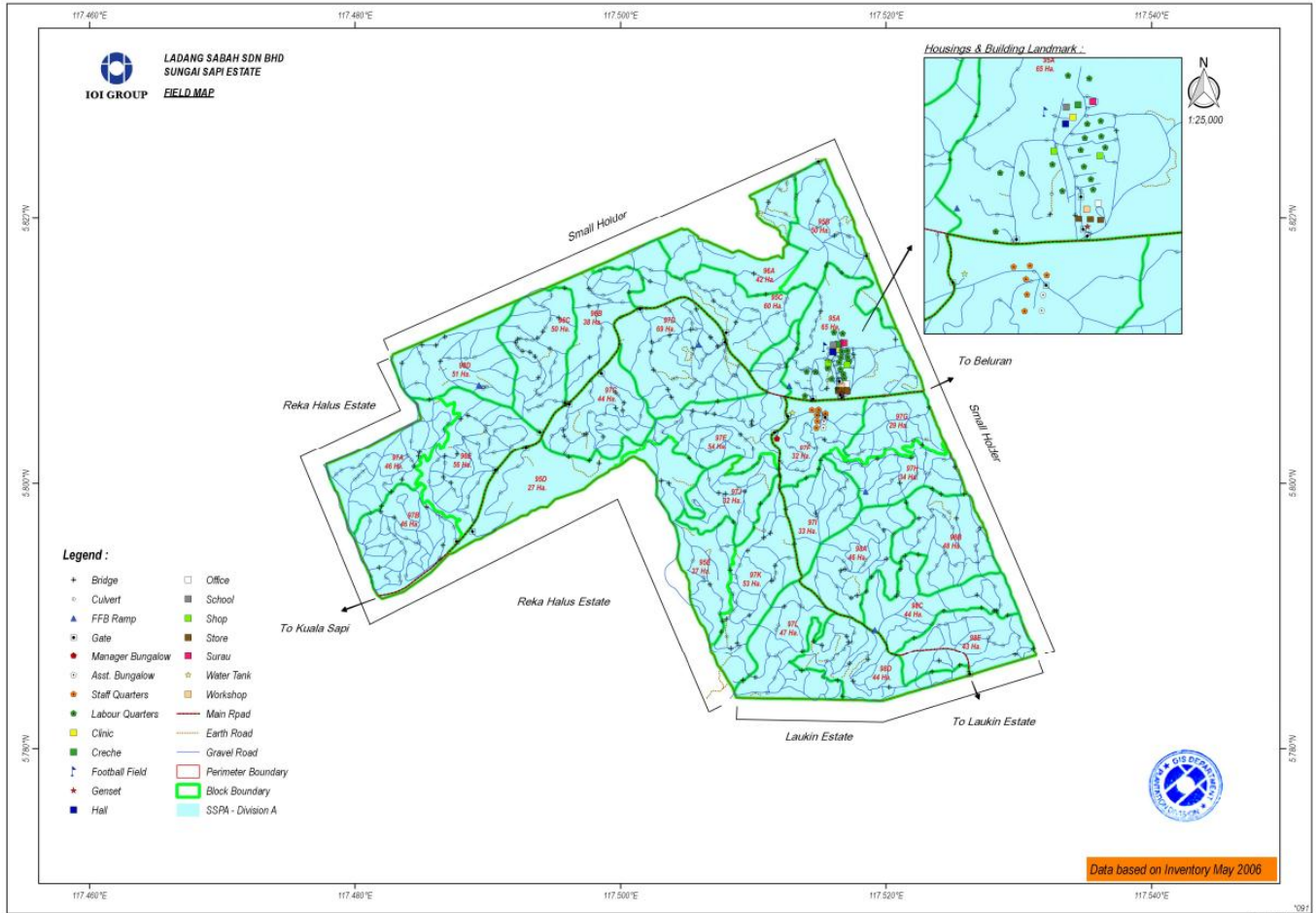
**Appendix G: Estates Field Map**

**Luangmanis Estate**



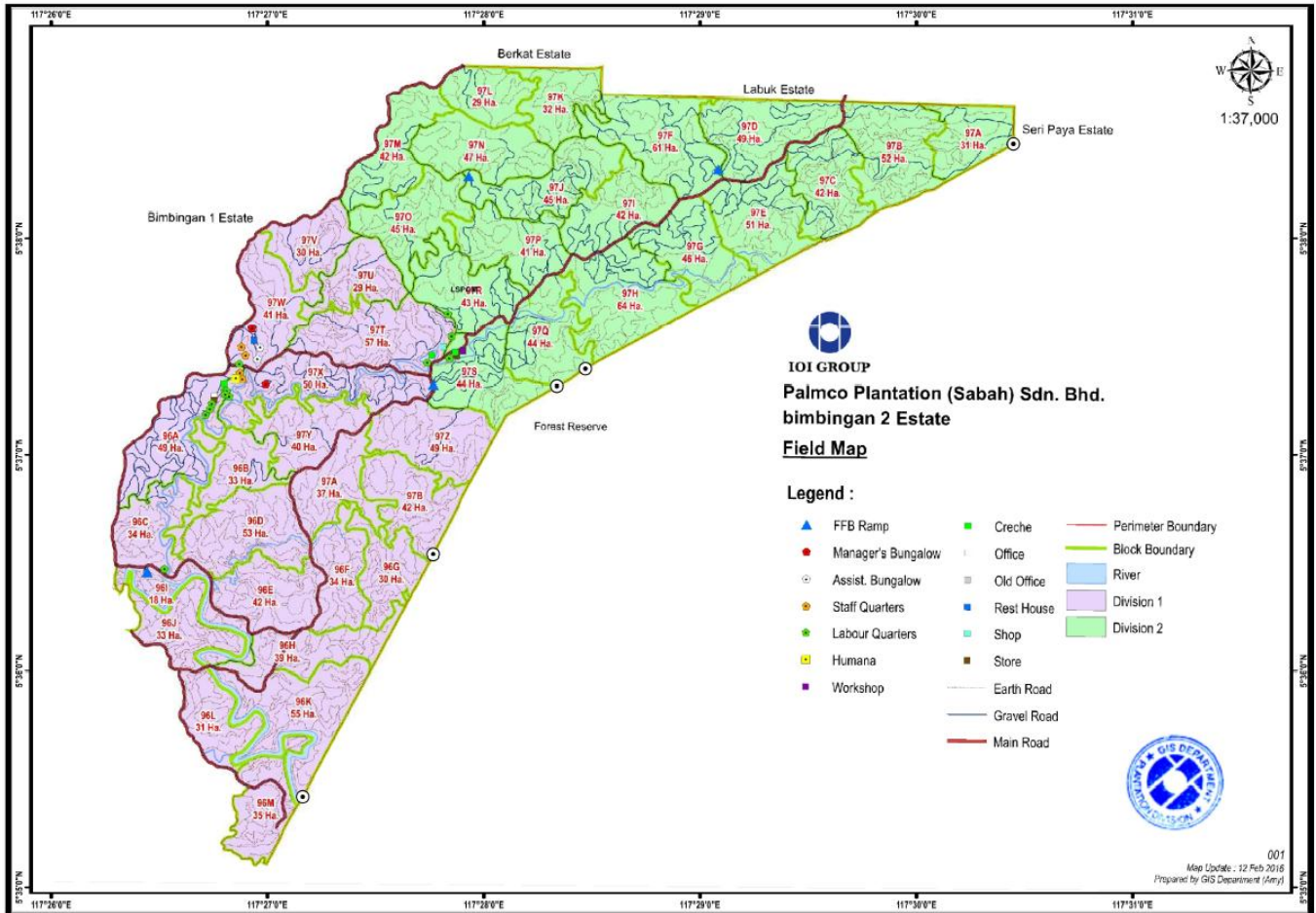


**Sungai Sapi Estate**





**Bimbingan 2 Estate**



**Appendix H: List of Smallholder Sampled**

Not applicable.

**Appendix I: List of Abbreviations**

BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSPO	Certified Sustainable Palm Oil
CSPKO	Certified Sustainable Palm Kernel Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
IP	Identity Preserved
IS - CSPO	Independent Smallholder Certified Sustainable Palm Oil
IS – CSPKO	Independent Smallholder Certified Sustainable Palm Kernel Oil
IS – CSPKE	Independent Smallholder Certified Sustainable Palm Kernel Expeller
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MB	Mass Balance
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
P&C	Principles & Criteria
RTE	Rare, Threatened or Endangered species
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure