

**RSPO PRINCIPLE AND CRITERIA –
2nd ANNUAL SURVEILLANCE ASSESSMENT (ASA1_2)
Public Summary Report**

IOI Corporation Berhad
Client company Address: IOI City Tower 2, Lebuhr IRC IOI Resort City 62502 Putrajaya, Malaysia
Certification Unit: Ladang Sabah Sdn Bhd Ladang Sabah Palm Oil Mill and supply base Location of Certification Unit: Mile 45, Sandakan/Telupid Road, W.D.T 164 90009 Sandakan, Sabah, Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	2-0002-04-000-00	Membership Approval Date	17/05/2004
Parent Company Name	IOI Corporation Berhad		
Address	IOI City Tower 2, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Malaysia.		
Subsidiary (Certification Unit Name)	Ladang Sabah Sdn. Bhd – Ladang Sabah Palm Oil Mill		
Address	Mile 45, Sandakan/Telupid Road, W.D.T 164, 90009, Sandakan, Sabah, Malaysia.		
Contact Name	Mr. William Siow Kar Dat - Sustainability Manager, Plantation Division, IOI HQ		
Website	www.ioigroup.com	E-mail	william.siow@ioigroup.com
Telephone	+603-8947 6755 (IOI HQ)	Facsimile	+603-89432266 (Head Office)

2. Certification Information			
Certificate Number	RSPO 687135	Date of First Certification	03/04/2013
		Certificate Start Date	03/04/2018
		Certificate Expiry Date	02/04/2023
Scope of Certification	Palm Oil and Palm Kernel Production		
Applicable Standards	RSPO Principle & Criteria MYNI-2019 (Identity Preserved Supply Chain Module)		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert_ID218-20190081	ISCC EU	INTERTEK	10/08/2020
SGS-MSPO-MY18/1102977931	MSPO 2530-3:2013 Part 3: General Principles for Oil Palm Plantations & Organised Smallholders	SGS (Malaysia) Sdn Bhd	19/06/2023
SGS-MSPO-MY19/1811030019	MSPO 2530-4:2013 Part 4: General Principles for Palm Oil Mills	SGS (Malaysia) Sdn Bhd	19/06/2023
MSPO 712340	MSPO Supply Chain Certification Standard	BSI Services Malaysia Sdn. Bhd.	29/05/2024

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	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		05° 37' 16.55" N	117° 26' 45.30" E
Bimbingan 2 Estate		05° 37' 10.64" N	117° 25' 22.59" E
Labuk Estate		05° 40' 13.35" N	117° 29' 55.92" E
Laukin Estate		05° 46' 42.49" N	117° 31' 56.76" E
Luangmanis Estate		05° 45' 47.98" N	117° 36' 22.94" E
Moynod Estate		05° 44' 26.95" N	117° 36' 37.38" E
Terusan Baru Estate		05° 48' 27.13" N	117° 31' 1.21" E
Sungai Sapi Estate		05° 45' 53.37" N	117° 36' 37.15" E

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Bimbingan 1	1,716.00	-	221.39	¹ 1,937.39	88.57
Bimbingan 2	1,727.00	-	228.61	¹ 1,955.61	88.31
Labuk	2,299.00	85.97	283.53	² 2,668.50	86.15
Laukin	1,893.00	-	235.00	2,128.00	88.96
Luangmanis	2,443.00	-	270.29	2,713.29	90.04
Moynod	2,743.00	-	300.71	3,043.71	90.12
Terusan Baru	2,226.00	60.97	216.56	2,503.53	88.91
Sungai Sapi	1,210.00	33.70	55.60	1,299.30	93.13
Total	16,257.00	180.64	1,811.69	18,249.33	89.08

Note:

¹Changes due to latest GIS resurvey carried out, exchange of block between Bimbingan 1 and Bimbingan 2 estates and some areas were allocated for buffer zone.

²Changes due to latest GIS resurvey carried out. Additional roads, building and housing, allocation of riparian reserve during replanting.

6. Plantings & Cycle							
Estates	Age (Years)					Mature** (ha)	Immature (ha)
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Bimbingan 1	742	127	-	847	-	974	742
Bimbingan 2	512	-	-	1,215	-	1,215	512
Labuk	244	-	1,779	276	-	2,055	244
Laukin	363	-	-	1,530	-	1,530	363
Luangmanis	768	-	-	1,477	198	1,675	768
Moynod	560	154	-	2,029	-	2,183	560
Terusan Baru	433	799	156	637	201	1,793	433
Sungai Sapi	235	-	-	975	-	975	235
Total (ha)	3,857	1,080	1,935	8,986	399	12,400	3,857

7. Certified Tonnage of FFB (Own Certified Scope)				
Estates	Tonnage / year			
	Estimated (Apr 2019-Mar 2020) (mt)	Actual (Jan 2019-Dec 2019) (mt)		Forecast (Apr 2020-Mar 2021) (mt)
		Previous license period (Jan 2019-Mar 2019)	Current license period (Apr 2019-Dec 2019)	
Bimbingan 1	39,625	8,411.79	17,799.99	29,749
Bimbingan 2	30,844	9,502.54	21,589.76	17,086
Labuk	60,266	18,252.50	45,752.34	56,683
Laukin	46,488	13,538.14	27,039.49	30,308
Luangmanis	50,592	14,258.45	38,866.33	37,504
Moynod	60,067	17,507.47	41,004.47	50,115
Terusan Baru	43,486	11,430.44	35,584.19	37,651
Sungai Sapi	30,920	10,516.60	21,644.69	25,599
Total	362,288	103,417.93	249,281.26	284,695

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8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *				
Estates	Tonnage / year			
	Estimated (Apr 2019-Mar 2020) (mt)	Actual (Jan 2019-Dec 2019) (mt)		Forecast (Apr 2020-Mar 2021) (mt)
		<i>Previous license period (Jan 2019-Mar 2019)</i>	<i>Current license period (Apr 2019-Dec 2019)</i>	
Linbar 1	N/A	739.95	0	N/A
Linbar 2		722.83	0	
Sakilan		1,859.33	0	
Meliau		875.57	0	
Nangoh		330.83	0	
Rungus		402.90	0	
Tindakon		77.95	0	
Total		5,009.36	0	

9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable				
Independent FFB Supplier	Tonnage / year			
	Estimated (Apr 2019-Mar 2020)	Actual (Jan 2019-Dec 2019)		Forecast (Apr 2020-Mar 2021)
		<i>Previous license period (Jan 2019-Mar 2019)</i>	<i>Current license period (Apr 2019-Dec 2019)</i>	
NA				
Total				

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10. Certified Tonnage				
	Estimated (Apr 2019-Mar 2020) (mt)	Actual (Jan 2019-Dec 2019) (mt)		Forecast (Apr 2020-Mar 2021) (mt)
		<i>Previous license period</i> (Jan 2019-Mar 2019)	<i>Current license period</i> (Apr 2019-Dec 2019)	
Mill Capacity: 90 MT/hr	FFB	FFB	FFB	FFB
	362,288.00	108,427.29	249,281.26	284,695
SCC Model: IP	CPO (OER: 21.01%)	CPO (OER: 21.83%)	CPO (OER: 20.89%)	CPO (OER: 21.00%)
	76,123.00	23,671.80	52,067.77	59,786
	PK (KER: 5.50%)	PK (KER: 6.08%)	PK (KER: 5.69%)	PK (KER: 5.50%)
	19,937.00	6,588.01	14,194.02	15,658

11. Actual Sold Volume (CPO) – Jan 2019-Dec 2019					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
CPO (MT)	41,029.73	21,255.31	-	74.84	62,359.88

12. Actual Sold Volume (PK) – Jan 2019-Dec 2019					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
PK (MT)	19,737.85	-	-	-	19,737.85

13. Actual Group certification Claims – Jan 2019-Dec2019		
	Credit	Physical Volume (MT)
IS-CSPO	-	-
IS-CSPKO	-	-
IS-CSPKE	-	-

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: ASI-ACC-067)
Suite 29.01 Level 29, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.
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BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 180 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Jakarta and Australia which involve in RSPO Certification Program.

2.1 Assessment Methodology, Programme, Site Visits

The on-site 2nd annual surveillance assessment was conducted from 13-17/01/2020. The audit programme is included as Appendix D. 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 Major NC close out was conducted on 15/04/2020 through remote method due to the Covid-19 Movement Control Order (MCO) imposed by the Malaysian government.

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 2018 (MYNI 2019) 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.

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 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

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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.

All the previous nonconformities are remains closed. 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 Initial and Re-certification assessment, the report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.

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

Assessment Program					
Name (Mill / Supply Base)	Year 1 (Recertification)	Year 2 (ASA1_1)	Year 3 (ASA1_2)	Year 4 (ASA1_3)	Year 5 (ASA1_4)
Ladang Sabah Palm Oil Mill	✓	✓	✓	✓	✓
Bimbingan 1 Estate			✓		✓
Bimbingan 2 Estate	✓		✓		
Labuk Estate			✓		
Laukin Estate		✓			✓
Luangmanis Estate	✓			✓	
Moynod Estate		✓			✓
Terusan Baru Estate		✓		✓	
Sungai Sapi Estate	✓			✓	

Tentative Date of Next Visit: January 11, 2021 – January 15, 2021

Total No. of Mandays: 13.0 mandays

2.2 BSI Assessment Team:

Team Member Names	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Valence Shem	Lead auditor	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.
Ronnie Tan	Team Member	Ronnie Tan is a Social Compliance and Security Auditor for more than 15 years, and an APSCA Registered Auditor. He is a qualified Lead Auditor for SMETA 2 & 4 Pillar, Responsibility Business Alliance (RBA), C-TPAT, TAPA FSR & TSR and other code of conduct audits scheme. He is a National Social Compliance Manager during his past employment and manages a pool of social auditors on social and security audits. He has accumulated more than 400 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Singapore, Vietnam and Philippines. He has been trained in the RSPO P&C standards, BSCI standard, RBA standards, McDonalds SWA, Disney ILS and has been actively involved in RSPO audits & 2nd party audits within Malaysia. During assessment, he covered, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.
Mahzan Munap	Team Member	He holds an MBA from Ohio University and B Sc. in Petroleum Engineering from University of Missouri, USA. Collected over 370 days of auditing experience in OHSAS 18001 and MS 1722 OHSMS (72 days for palm oil milling and 8 days for oil palm plantation). CIMAHS competent person with Malaysia Department of Occupational Safety and Health (DOSH) since 1997. An Occupational Safety and Health Trainer at INSTEP PETRONAS. Successfully completed RSPO Lead Assessor Course in 2008 and IRCA accredited Lead Assessor training for ISO 9001 and RABQSA/IRCA EMS Lead Assessor Course for ISO 14001 in 2008. During this assessment, he assessed on the aspects of mill and estate best practices and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.

Accompanying Persons:

No.	Name	Role
Nil		

2.3 Assessment Plan

The Assessment plan was sent to the client prior to the assessment.

Date	Time	Subjects	VSH	RNT	MHZ
Monday 13/1/2020	0830-0900	Opening meeting: <ul style="list-style-type: none"> Opening presentation by audit team leader Confirmation of assessment scope and finalize audit plan (including stakeholder’s consultation) 	✓	✓	✓
	0900-1300	Labuk Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled waste management, worker housing, clinic, Landfill, , etc.	✓	✓	✓
	1000 - 1300	Stakeholder consultations: Consultation with relevant stakeholders which consists of various categories such as government agencies/enforcers, NGO, contractors, suppliers, surrounding communities (e.g. neighboring estates, smallholders, villages, workers representative, etc.), etc.	-	✓	-
	1300-1400	Lunch break			
	1400-1630	Labuk Estate Document review P1 – P7: (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 etc.).	✓	✓	✓
	1630-1700	Interim closing briefing			
Tuesday 14/1/2020	0900-1300	Bimbingan 1 Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled waste management, worker housing, clinic, Landfill, , etc.	✓	✓	✓
	1000 - 1300	Stakeholder consultations: Consultation with relevant stakeholders which consists of various categories such as government agencies/enforcers, NGO, contractors, suppliers, surrounding communities (e.g. neighboring estates, smallholders, villages, workers representative, etc.), etc.	-	✓	-
	1300-1400	Lunch break			
	1400-1630	Bimbingan 1 Estate Document review P1 – P7: (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 etc.).	✓	✓	✓
	1630-1700	Interim closing briefing			

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Wednesday 15/1/2020	0900-1300	Bimbingan 2 Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled waste management, worker housing, clinic, Landfill, , etc.	✓	✓	✓
	1000 - 1300	Stakeholder consultations: Consultation with relevant stakeholders which consists of various categories such as government agencies/enforcers, NGO, contractors, suppliers, surrounding communities (e.g. neighboring estates, smallholders, villages, workers representative, etc.), etc.	-	✓	-
	1300-1400	Lunch break			
	1400-1630	Bimbingan 2 Estate Document review P1 – P7: (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 etc.).	✓	✓	✓
	1630-1700	Interim closing briefing			
Thursday 16/1/2020	0900-1300	Ladang Sabah POM Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders, etc.	✓	✓	✓
	1000 - 1300	Stakeholder consultations: Consultation with relevant stakeholders which consists of various categories such as government agencies/enforcers, NGO, contractors, suppliers, surrounding communities (e.g. neighboring estates, smallholders, villages, workers representative, etc.), etc.	-	✓	-
	1300-1400	Lunch break			
	1400-1530	Ladang Sabah POM Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P7: 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 & implementation etc.	✓	✓	✓
	1530-1600	Audit team discussion & preparation for closing meeting	✓	✓	✓
	1600-1700	Closing meeting for RSPO P&C			
Friday 17/1/2020	0900-1230	Ladang Sabah POM RSPO Supply Chain Site visit: Incoming of FFB and outgoing of CSPO & CSPK – weighbridge, ramp, storage area, loading bays, etc. Documentation review: RSPO SCC general requirements, internal audit, management review, sales and purchasing documents, mass balance accounting and other relevant documents and records.	✓	-	-
	1230-1330	Lunch_break			

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	1330-1530	Continue with unfinished elements	✓	-	-
	1530-1600	Preparation of closing meeting	✓	-	-
	1600-1700	Closing meeting for RSPO SCC	✓	-	-

Section 3: Assessment Findings

3.1 Normative requirement applied for this assessment:

- IOI Corporation Berhad Multiple Management Units / Time Bound Plan
- RSPO P&C 2018 Generic
- RSPO Group Certification Standard 2016
- RSPO Supply Chain Certification Standard 2017
- RSPO P&C National Interpretation MYNI 2019

3.2 Time Bound Plan progress for multiple management units

Time Bound Plan		
Requirement	Remarks	Compliance
Does the plan include all current subsidiaries, estates and mills that is under the control of the holding company?	Yes. Refer to IOI Time Bound Plan updated as of 31 December 2019 (Appendix B).	Yes
Have all the estates and mills certified within five years after obtaining RSPO membership?	No. Refer to IOI Time Bound Plan updated as of 31 December 2019 (Appendix B) and IOI ACOP 2018 (Section 4.2.1) which was submitted to RSPO.	Yes
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three-year from the date of acquisition. Certification plan for the new acquisition shall be available.	No new acquisition.	Yes
Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting?	Yes. Refer to IOI Time Bound Plan updated as of 31 December 2019 (Appendix B) and IOI ACOP 2018 (Section 4.2.1) which was submitted to RSPO. This is consistent with ACOP reporting.	Yes
Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised	Refer to IOI Time Bound Plan updated as of 31 December 2019 (Appendix B) and IOI ACOP 2018 (Section 4.2.1) which was submitted to RSPO. There has been no isolated lapse in the implementation of the plan.	Yes
Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a Major non-compliance shall be raised	Refer to IOI Time Bound Plan updated as of 31 December 2019 (Appendix B) and IOI ACOP 2018 (Section 4.2.1) which was submitted to RSPO. There has been no fundamental failure to proceed with implementation of the plan.	Yes
Un-Certified Units or Holdings <i>(any non-compliance against the below shall be raised as Major Non-compliance)</i>		
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area required to maintain or enhance HCVs 	No. There has been no replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3.	Yes

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in accordance with RSPO P&C criterion 7.3.		
Any new plantings since January 1 st 2010 shall comply with the RSPO New Plantings Procedure.	Yes. Concession in Indonesia PT. BSS and PT. KPAM had undergone the NPP process prior to any new planting. Reference: the latest Time Bound Plan updated as of 31 December 2019 (Appendix B). Stage 1 assessment has been conducted in September 2019 and this status will be updated in ACOP 2019.	Yes
Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6. The RSPO RaCP tracker shall be checked to confirm for any land conflicts/Liabilities https://www.rspo.org/certification/remediation-and-compensation/racp-tracker . The progress on the Liabilities shall be verified and reported.	Settlement on the dispute over land ownership in Tinjar Long Lapok is still in progress through the engagement programme headed by the IOI stakeholder team. Reference: latest Time Bound Plan updated as of 31 December 2019 (Appendix B). Further information on the current progress are publicly available in IOI website https://www.ioigroup.com/Content/S/S_Progress IOI have zero liabilities for RaCP.	Yes
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3.	No labour dispute.	NA
Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	No legal non-compliance.	NA
Did the company conduct internal audit against the uncertified management units requirement? If yes, a positive assurance statement shall be available.	Yes IOI has sent their Internal Audit Checklist to BSI and the Stage 1 Audit Plan for SNA Group which was conducted on 9 – 12 September 2019. Based on the internal audit findings, as positive assurance there has been no replacement of primary forest, no labour dispute and no major non-compliance with legal.	Yes
Have there been any stakeholder (including NGO) consultation conducted?	No. IOI Implementation on Sustainability progress in 2018 including Certification progress have been verified by independent third party. The report is publicly available in the website: https://www.ioigroup.com	Yes

3.3 Progress of scheme smallholders and/or outgrowers (if applicable to this assessment)

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
<p>Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?</p> <p><i>OFI shall be raised if after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met after three years.</i></p>	<p>NA as there is no scheme smallholders and/or scheme outgrowers under the certification of IOI Ladang Sabah.</p>	<p>NA</p>

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 2nd Annual Surveillance Assessment there were four (4) Critical (Major) & three (3) Minor nonconformities raised. The IOI 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. The implementation of the Corrective Actions for the Critical Nonconformity(ies) has been verified remotely for its effectiveness and closed accordingly. The below is the summary of the non-conformity raised during this assessment.

Non-conformity			
NCR Ref #	1864944-202001-M1	Clause & Category (Critical / Minor)	Indicator 2.1.1 Critical (Major)
Date Issued	17/1/2020	Due Date	16/4/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	15/4/2020
Statement of Nonconformity:	The unit certification does not complies with application legal requirement, in terms of work permit and statutory contribution to government agencies.		
Requirement Reference:	The unit of certification complies with applicable legal requirements.		
Objective Evidence:	<p><u>BB1 Estate</u> Menara Jernih – 2 out of 4 FFB transporter service provider’s workers found as :</p> <ul style="list-style-type: none"> Driver name: Darwis, Passport No.: AS364501 work permit with IOI Plantation expired on 29.11.2017. According to the service provider, the work permit is in progress of renewal; however, no work permit sighted available as at time of audit. The evidence presented on the permit and passport application submitted on Feb 2019 but no further result / action available right after the submission. No EPF, SIP and SOCSO contribution made by both party for local worker - Driver Name: Mohd Nor Aidil (ID: 990119126045) 		

	<p>AK Contractor – 2 out of 4 FFB transporter service provider’s workers found without valid work permit. Passport No.: B4804756 – no work permit available as at time of audit, Passport No.: AT972078 carries Social Visit Pass instead of work permit.</p> <p><u>Labuk Estate</u> 1 of the sampled migrant worker (Passport No.: AT816179) found with expired work permit since 30.08.2019. The original passport is currently taken by the appointed agency and have not submitted to the immigration office for renewal.</p>
<p>Corrections:</p>	<p><u>BB1 Estate</u> 1) The contract of service for Menara Jernih contractor and AK Contractor will be suspended until the issue is fixed. 2) The contractor to do the registration and deduction for the statutory contribution (SOCSO, EPF and SIP).</p> <p><u>Labuk Estate</u> To conduct training on the tracking mechanism / monitoring system for passport and work permit renewal to all responsible personnel at the estate level.</p>
<p>Root Cause Analysis:</p>	<p><u>BB1 Estate</u> The company is committed to laws and regulations as well as ensuring the same of our service providers. Apart from the contract signatory containing obligation to comply which has initially acknowledged by them, a briefing and strong reminders have been given to our service providers through the regular stakeholder and contractors meeting with the recent meeting conducted on 26.09.2019 and 13.12.2019. During the meeting, the service provider have verbally committed to comply with the contract requirement. Despite their commitment, the service provider could only partially comply them. Our stringent measures need to be revisited / reevaluated to ensure mechanisms to monitor measures by service provider are effective.</p> <p><u>Labuk Estate</u> The understanding of the responsible personnel at the estate level on the monitoring system for passport and work permit renewal is inadequate causing the tracking mechanism record is not updated accordingly to the latest information.</p>
<p>Corrective Actions:</p>	<p><u>BB1 Estate</u> 1) A meeting to remind all contractors will be carried out to reiterate company’s commitment. 2) Due diligence process prior contractor engagement will be conducted. 3) Supplementary internal audit on the contractor engagement will be carried out and result of findings will be made transparent.</p> <p><u>Labuk Estate</u> The Operating Unit and HR Department is committed in continuous improvements on the practices and mechanism to monitor worker’s data. A centralized monitoring is currently in place with data update from respective estate submitted on monthly basis. Through this practice, the tracking mechanism record at the estate level on the passport and work permit shall sync with each other. Undoubtedly, the knowledge gaps requires constant trainings on the part of the person in charge</p>

	after which stringent action on PIC will be taken should there be deliberate act of delaying submissions.
Assessment Conclusion:	<p>Evidence submitted:</p> <p><u>BB1:</u></p> <ol style="list-style-type: none"> 1) Letter of suspension of service to the FFB transport contractors dated 25/2/2020 2) SOCSO's Acknowledgement Contribution Received (ACR) and Employee Contribution Received (ECR) for all contractors that show both employers and employees have made the SOCSO and SIP contributions 3) Borang A KWSP 6 to show that the contributions from both employers and employees have been made accordingly for all contractors 4) Minutes of meeting dated 22/2/2020 that show all the contractors had been reminded about the company's commitment in complying with the legal requirements 5) Guideline for Tenant & Service Provider Management & Monitoring Record [SPO/SDK/G/01, dated 1/2/2020] – Clause 3 has mentioned that due diligence shall be conducted prior to engagement of tenants and service providers 6) Supplementary internal audit report dated 9/3/2020 and 2/4/2020 to cover the engagement of contractors <p><u>Labuk:</u></p> <ol style="list-style-type: none"> 1) Training material and training attendance dated 3/4/2020 to show that training on the tracking mechanism / monitoring system for passport and work permit renewal had been given to the relevant personnel <p>The evidence of the corrective actions was found to be adequate to close the NCR. The effective implementation shall be verified in the next assessment.</p>

Non-conformity			
NCR Ref #	1864944-202001-M2	Clause & Category (Critical / Minor)	Indicator 6.2.2 Critical (Major)
Date Issued	17/1/2020	Due Date	16/4/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	15/4/2020
Statement of Nonconformity:	<ul style="list-style-type: none"> • Undocumented record for work done by family members and service provider's workers. • Documents related to payment and condition of employment for randomly selected service provider's workers not available for review. • Inaccurate information on compensation for work performed. 		
Requirement Reference:	Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.		

<p>Objective Evidence:</p>	<p><u>BB2 Estate</u></p> <ol style="list-style-type: none"> 1) mothers of 4 randomly selected child from crèche were found not documented in the employee list and BB2 payroll. Interview with the selected child and crèche’s nanny, children are sent to crèche while both parents are working in the estates. Review of “Worker Census’ records sighted, 3 out of the 4 mothers are classified as ‘dependent’ while 1 out of 4 mother is classified as manurer / manure spreader. 2) There are 2 FFB transport service provider used by the estate management. However, none of the selected workers of the service provider employment contracts and related documents detailing payment and conditions of employment and payroll documents available for review as at time of audit. Noted, list provided incomplete; whereby 2 drivers name derived from the weight bridge ticker were not found in the list provided. 3) 1 of the sampled worker (Emp. No.: 1370) was found not paid according to the work carried out as harvester. Inconsistency found in report tracking between workers ‘payslip’, ‘Harvester Tonnage For Month xx/2019 report’ and ‘Penyata Gaji Penuaian / Detail of Work salary summary.’ e.g.: <ul style="list-style-type: none"> - July 2019 – Harvester Tonnage Report generated found total of 42.21 MT but payslip & detailed salary summary and salary paid based on 46.96 MT. - January 2019 – Harvester Tonnage Report generated found total of 53.04 MT but payslip & detailed salary summary and salary paid based on 48.31 MT. <p><u>BB1 Estate</u></p> <p>1 of the sampled worker (Emp: 3871) for the month of January 2019, found not being paid according to the overtime hours worked. Payslip reviewed found with 50 overtime hours but PINFOSYS (Checkroll Daily Record) and Overtime Requisition Form for the Month of January 2019 found as 52 hours.</p>
<p>Corrections:</p>	<p><u>BB2 Estate</u></p> <ol style="list-style-type: none"> 1) To revise the workers list name to include those workers that has been registered for legalization programme. 2) Documentation record related to the legalization process will be submitted for the selected samples. 3) The contract of service for the FFB transport service provider will be suspended temporarily until the issue is fixed. 4) Database extract of the final todate Jan’19 and Jul’19 Pinfosys database from our HQ server is appended. <p><u>BB1 Estate</u></p> <ol style="list-style-type: none"> 1) Warning letter for the responsible personnel who had caused the error in data entering which resulted on worker’s salary underpayment. 2) To repay the salary arrears during next payment salary period.
<p>Root Cause Analysis:</p>	<p><u>BB2 Estate</u></p> <ul style="list-style-type: none"> • IOI is not practicing dependent working in estate. The selected samples were registered worker in the estate checkroll. The said workers received employment benefits and are governed by the contractual obligation as other workers. Their

names however were omitted from the employee list due to the following reason;

Sample	Expiry Date		Legalization Status
	Passport	Work Permit	
Sample 1 (AU294775)	15 May 2023	07 Nov 2019	Legalization had been processed prior expiry of work permit however the worker did not passed the FOMEMA test. Estate has submitted application for Growarisan re-test
Sample 2 (AS375033)	02 Jan 2021	29 July 2018	Worker had been included in the recent legalization programme, June 2019. Pending passport issuance from the consulate.
Sample 3			Name has been submitted to regional HR Department awaiting next legalization programme.

The company is committed to laws and regulations as well as ensuring the same of our service providers. Apart from the contract signatory containing obligation to comply which has initially acknowledged by them, a briefing and strong reminders have been given to our service providers through the regular stakeholder and contractors meeting with the recent meeting conducted on 26.09.2019 and 13.12.2019.

During the meeting, the service provider have verbally committed to comply with the contract requirement. Despite their commitment, the service provider could only partially comply them. Our stringent measures need to be revisited / reevaluated to ensure mechanisms to monitor measures by service provider are effective.

- The current Pinfosys system updates the ABW (Average Bunch Weight) of each field/ block every interval. When the dataset are updated in the estate Pinfosys system, it recalculates the harvesters' tonnage of each field hence the data will be different based on when 'details of work done' on payslip is printed out from the system.
- This was proven by extracting the final todate Jan'19 and Jul'19 Pinfosys database from our HQ server which shows that the harvester's tonnage and the details of work done' on payslip are tallied. This is also can be illustrated by the sample for Dec'19 inspected by auditor during audit which also tallies.

BB1 Estate

	<p>Unrecorded changed of data was made verbally by the estate staff causing error in entering manual data into system.</p>
<p>Corrective Actions:</p>	<p><u>BB2 Estate</u></p> <ol style="list-style-type: none"> 1) Supplementary internal audit on workers registry and contractors' engagement will be carried out and result of findings will be made transparent. 2) A meeting to remind all contractors will be carried out to reiterate company's commitment. 3) Due diligence process prior contractor engagement will be conducted. 4) A copy of the payslip with details of work for each harvester shall be kept for reference ease at estate upon final database generated on monthly basis after the month end closing. <p><u>BB1 Estate</u></p> <ol style="list-style-type: none"> 1) A supplementary internal audit to be carried out on the estate overtime payment to ensure overtime are paid correctly and result of findings will be made transparent. 2) Moving forward, by 1st March 2020, IOI has committed on transparency and improving the operational system in centralised data monitoring with the introduction of SAP system (Systems Application and Products in Data Processing) at the group level. This system introduced standardisation on information and data management including accounting, payment rate, leave entitlement, operations, etc. The implementation of the new system will ensure only the authorized/ approved data will be keyed in into the system thus able to avoid the multiple layer of data transfer and therefore reduce the risk of error in the data entry.
<p>Assessment Conclusion:</p>	<p>Evidence submitted:</p> <p><u>BB1:</u></p> <ol style="list-style-type: none"> 1) Estate Master Data Employee Register that show the 2 concerned persons have been registered to be legalized and recruited for employment. 2) List of persons which include the 2 samples submitted to IOI HR department on 7/4/2020 for legalization process 3) Letter of suspension of service to the FFB transport contractors dated 17/2/2020 4) Pay slips generated from the correct months database that show the total FFB mt is tally with Harvester Tonnage Report 5) Supplementary internal audit report dated 13/3 & 2/4/2020 to cover the workers registry and contractors' engagement 6) Minutes of meeting dated 22/2/2020 that show all the contractors had been reminded about the company's commitment in complying with the legal requirements 7) Guideline for Tenant & Service Provider Management & Monitoring Record [SPO/SDK/G/01, dated 1/2/2020] – Clause 3 has mentioned that due diligence shall be conducted prior to engagement of tenants and service providers. <p><u>BB1:</u></p> <ol style="list-style-type: none"> 1) Warning letter to the concerned staff dated 12/2/2020 2) Pay slip for January 2020 that shows the underpayment has been reimbursed 3) Supplementary internal audit report dated 9/3/2020 and 2/4/2020 to cover the engagement of contractors

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	The evidence of the corrective actions was found to be adequate to close the NCR. The effective implementation shall be verified in the next assessment.
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Non-conformity			
NCR Ref #	1864944-202001-M3	Clause & Category (Critical / Minor)	Indicator 6.2.3 Critical (Major)
Date Issued	17/1/2020	Due Date	16/4/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	15/4/2020
Statement of Nonconformity:	There is evidence of non legal compliance in regards in workers wages.		
Requirement Reference:	There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.		
Objective Evidence:	<p><u>BB1 Estate</u> 01 of sampled worker (Emp. No. 3350) for the month of December 2019, found not being paid at minimum wage MYR1,100 despite having full attendance – 24 days as offered (excluding 2 days Public Holiday). Further documentation review sighted inconsistency of documented evidences as below.</p> <ul style="list-style-type: none"> - The initial employment contract dated 01.07.2016 under clause 2 – states that if the employer is unable to provide the minimum piece wage job, the employee will be given a daily wage of MYR35.40 (subsequently MYR42.31 as the minimum wage of pay has increased since 2019). - MW1 (Attendance and daily task monitoring record of employees) & PINFOSYS (Checkroll Daily Records) for the month of December 2019 on selected worker found with full attendance - 24 days of work per month; - The MW1 records shows that daily worked hours found 6 to 7 hours a day. No justification provided on the shall falls of completing the ordinary hours of work. Sighted as well there are approx. 5 workers (in the same group) having the same work hours from 6 to 7 hours. - MW2 – Borang Ulasan Pencapaian Produktiviti Pekerja month of December 2019 sighted 14 days of work assigned does not achieve the targeted volume. However, the MW2 is only applicable to Emp. No.: 3350. - Payslip of the said worker was found having full attendance 24 days of work with total wage paid at MYR745.20; whereby 14 days is calculated as day wage while rest of the day is paid according to piece rated . - Type of work assigned in MW2 and PINFOSYS is not consistent. 14 days of Slashing, 9 days of Manuring, 1 day of Manuring Compound as stated in MW2 while PINFOSYS states 11 days of manuring, 3 day of cover crop weeding, 1 day front stacking, 9 days of slashing. Although the field staff has commented that the worker did not achieve the target, it is not verifiable as what type of work that is not achieved since both documents are not consistent. 		

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	<p>- Payslip indicated that total of Slashing work is 1.74 Hectare paid; but in MW2 there are total of 14.29 hectare work of slashing completed. Detail of pay and calculation not clear and verifiable.</p> <p><u>BB2 Estate</u> (4) 1 of the sampled worker (Emp. : 2671 / AP) is not paid with overtime premium for overtime hours worked. He is paid with monthly wage of MYR1,190 although found worked more than 8 hours per day as reported in the Buku Laporan AP. e.g. Dec 2019 – 4th (0710~1920), 5th (0647~1830), 6th (0640~1750), 9th (0657~1700), 10th (0510~1720), etc.</p>
<p>Corrections:</p>	<p><u>BB1 Estate</u></p> <ol style="list-style-type: none"> 1) Records on PINFOSYS were determined to be correct. Correction of minimum wages monitoring form to be carried out to ensure correlation is in accordance with the PINFOSYS checkroll record. Warning was given to staff for erroneous and irresponsible reporting. 2) Ongoing investigation and workers interview to determine the salary arrears arising from negligence of staff and executive in charge. Any arrears will be paid during the next salary period. 3) Knowledge gaps was observed on the part of the staff in charge. On-the-job training and guidance will be given to ensure good management and supervision of the workers daily task. <p><u>BB2 Estate</u></p> <ol style="list-style-type: none"> 1) To display working hours to be clearly indicated at the estate office and made known to all workers. 2) A briefing to understand working hours, overtime, how is the procedure of overtime, terms of voluntary nature of overtime will be conducted to the mentioned worker.
<p>Root Cause Analysis:</p>	<p><u>BB1 Estate</u></p> <ul style="list-style-type: none"> • The worker's work details was not properly recorded and timely updated in the Minimum Wage Monitoring form which cause a number of inconsistency among them with the PINFOSYS checkroll records. This has resulted on the worker's salary payment are not entirely justified as indicated in the NC statement. • Erroneous data provided by staff in-charge due to inexperience. <p><u>BB2 Estate</u> Lack of communication and understanding of workers towards company overtime procedure and no working hours displayed for ease of reference. A recording mechanism is in place for the monthly paid staff to ensure work hours are controlled within the legal requirement however this measures need to be reexamined to ensure all monthly paid staff are ensuing the recording mechanism accordingly.</p>
<p>Corrective Actions:</p>	<p><u>BB1 Estate</u></p> <ol style="list-style-type: none"> 1) Moving forward, by 1st March 2020, IOI has committed be more transparent and improving the operational system in centralised data monitoring with the introduction of SAP system (Systems Application and Products in Data Processing) at the group level. This system introduced standardisation on

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	<p>information and data management including accounting, payment rate, leave entitlement, operations, etc. and the data entry is required for work details (e.g working hours, work productivity, leave etc). Work done are to be entered on a daily basis thus reducing the risk of the record not being updated. These record will then be reflected on the worker's salary daily and enabled daily justification for their salary payment.</p> <p>2) Supplementary internal audit to be carried out on the consistency of recording with payment at estate operation and result of findings will be made transparent.</p> <p><u>BB2 Estate</u></p> <p>1) A briefing to understand working hours, overtime, how is the procedure of overtime, terms of voluntary nature of overtime will be conducted to all worker at the estate level.</p> <p>2) A supplementary internal audit to be carried out on the estate overtime payment to ensure overtime are paid correctly and result of findings will be made transparent.</p>
<p>Assessment Conclusion:</p>	<p>Evidence submitted:</p> <p><u>BB1</u></p> <p>1) Warning letter to the concerned staff dated 18/2/2020</p> <p>2) Interview report done by the Sustainable Palm Oil Dept. dated 2/4/2020 to show that investigation on workers has been made</p> <p>3) Training materials and training records dated 3/2 and 2/4/2020 that show the training and guidance had been given to ensure good management and supervision of the workers daily task</p> <p>4) Supplementary internal audit report dated 9/3/2020 and 2/4/2020 to cover the consistency of recording with payment at estate operation</p> <p><u>BB2</u></p> <p>1) Pictures that show working hours have been displayed to create awareness to the workers on their working hours and able to explain it to others</p> <p>2) Briefing attendance records dated 3/2 & 15/2/2020 on working hours, overtime, how is the procedure of overtime, terms of voluntary nature of overtime</p> <p>3) Supplementary internal audit report dated 13/3 & 2/4/2020 to cover the overtime payment to ensure overtime are paid correctly</p> <p>The evidence of the corrective actions was found to be adequate to close the NCR. The effective implementation shall be verified in the next assessment.</p>

Non-conformity			
NCR Ref #	1864944-202001-M4	Clause & Category (Critical / Minor)	Indicator 6.2.4 Critical (Major)
Date Issued	17/1/2020	Due Date	16/4/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	15/4/2020

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Statement of Nonconformity:	Inadequate educational and welfare amenities to national standards and ILO Guidance on Workers Housing Recommendation No 115 and Workers' Minimum Housing & Amenities Act.
Requirement Reference:	The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.
Objective Evidence:	1 crèche at BB2 Div 2 estate was found not supplied with electricity during operating hours. The electricity supplied to the crèche is from 3am to 6am and 5pm to 11pm only. No electricity supply from 6am up to 5pm. As at time of audit, there are approximately 15 children placed at the crèche with 2 crèche nanny.
Corrections:	The electricity supply from the single line with the adjacent labour quarter will be separated. Until the portable genset is ready for connection, the estate will make a temporary extension of the cable line from the nearest genset house as an alternate source of electricity during day operating hours.
Root Cause Analysis:	The electricity supplied to the crèche building was interconnected in a single line with the adjacent labour quarter. The operating hours for the supplies is limited at a certain period only.
Corrective Actions:	<ol style="list-style-type: none"> 1) By April 2020, a portable genset will be provided mainly to be used by the crèche for electricity generation during day operating hours. 2) Estate will be conducting a monitoring at the crèche on regular basis to ensure the facility runs with electricity supplies accordingly during operating hours.
Assessment Conclusion:	<p>Evidence submitted:</p> <ol style="list-style-type: none"> 1) Pictures to show that electricity has been supplied to the creche at its operation hours 2) Purchase order dated 17/2/2020 to a supplier that show purchase of a unit of generator set has been made 3) Inspection report dated 27/3/2020 by an Estate Hospital Assistant (EHA) that show the conditions of creche was monitored <p>The evidence of the corrective actions was found to be adequate to close the NCR. The effective implementation shall be verified in the next assessment.</p>

Non-conformity			
NCR Ref #	1864944-202001-N1	Clause & Category (Critical / Minor)	Indicator 1.1.5 Minor
Date Issued	17/1/2020	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	The current list of contact and details of stakeholders are not maintained adequately.		

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Requirement Reference:	There is a current list of contact and details of stakeholders and their nominated representatives.
Objective Evidence:	Stakeholder list provide found not updated with the current nominated representative and wrong contact number. Several sampled stakeholders were verified during the audit through stakeholder consultation, and found not updated with the current phone number and contact person / nominated representatives.
Corrections:	The stakeholder list to be updated in accordance to the current list of contact and details of stakeholders and their nominated representatives.
Root Cause Analysis:	The reference for updating the list was limited only through written correspondence. The operating unit may have missed to carry out verification on all of the details of the nominated person and contact number.
Corrective Actions:	Supplementary party internal audit to be carried out regularly on the consistency of recording. The result of findings will be made transparent.
Assessment Conclusion:	The correction and corrective action plan are accepted. The evidence of effective implementation shall be verified in the next assessment.

Non-conformity			
NCR Ref #	1864944-202001-N2	Clause & Category (Critical / Minor)	Indicator 2.2.2 Minor
Date Issued	17/1/2020	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	The FFB transport contractors for the estates did not comply with the vehicles' weight limit stipulated in the Commercial Vehicle Licensing Board in "Lesen Pembawa" (carrier license).		
Requirement Reference:	All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.		
Objective Evidence:	The vehicles' weight limit [Berat Dengan Muatan (weight with load)] spelt out by the Commercial Vehicle Licensing Board in "Lesen Pembawa" (carrier license) is 21000 kg for the FFB Transport contractors. However, based on Ladang Sabah POM weighbridge tickets, it was found that the vehicles used to transport the FFB from the estates (Labuk, Bimbingan 1 and Bimbingan 2) to the mill had frequently exceeded the limit. E.g. of weighbridge tickets sampled: 719564, 719492, 719427, 719680, 719548, 719237, 719599 and 719534.		
Corrections:	The contract of service for the FFB transport service provider will be suspended temporarily until the issue is fixed.		
Root Cause Analysis:	The company is committed to laws and regulations as well as ensuring the same of our service providers. Apart from the contract signatory containing obligation to comply which has initially acknowledged by them, a briefing and strong reminders have been given to our service providers through the regular stakeholder and contractors meeting with the recent meeting conducted on 26.09.2019 and 13.12.2019.		

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	<p>During the meeting, the service provider have verbally committed to comply with the contract requirement. Despite their commitment, the service provider could only partially comply them. Our stringent measures need to be revisited / reevaluated to ensure mechanisms to monitor measures by service provider are effective.</p> <p>Knowledge gaps was also observed for weighbridge office staff as the checking on respective consignment prior delivery was carried out without being aware on the load limit as stipulated in the carrier license.</p>
Corrective Actions:	<ol style="list-style-type: none"> 1) A meeting to remind all contractors will be carried out to reiterate company's commitment. 2) For improvement, the contract agreement content will be revised to include a condition of disciplinary action against non-adherence to the legal and sustainability requirement and the company procedure. 3) The load limit for each delivery will be monitored at the weighbridge office prior consignment being dispatched off by the Executive. Each weighbridge office will be have a summary of the vehicle carrier license record as reference for each of the registered vehicle for a cross checked. On-the-job training will be given to the responsible personnel at weighbridge office. 4) 4. Supplementary internal audit to be carried out on the said activity. The result of findings will be made transparent.
Assessment Conclusion:	The correction and corrective action plan are accepted. The evidence of effective implementation shall be verified in the next assessment.

Non-conformity			
NCR Ref #	1864944-202001-N3	Clause & Category (Critical / Minor)	Indicator 2.2.3 Minor
Date Issued	17/1/2020	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	Some of the contractors have yet to sign the contract agreement that contains clauses disallowing child, forced and trafficked labour.		
Requirement Reference:	All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.		
Objective Evidence:	<p>At Bimbingan 2 Estate, the following contractors have yet to sign the contract agreement that contains clauses disallowing child, forced and trafficked labour:</p> <ul style="list-style-type: none"> • Syarikat Mega Trading • Syarikat Perniagaan Niq • Million Enterprise • Cahaya Ayuni • Sinar Harapan 		
Corrections:	<ol style="list-style-type: none"> 1) To re-brief the contractors and service provider on adherence to company's commitment and sustainability compliance. 2) The supplementary agreement containing the specific requirement on disallowing child, forced and trafficked labour to be acknowledged by contractor and service provider. 		

Root Cause Analysis:	The contract agreement signed has actually contained the compliance to company policies which indirectly contain the sustainability compliances to clause of disallowing child, forced and trafficked labour however it was not justified during audit as the standard requirement clearly states a specific statement which link to the supplementary unsigned agreement that directly address the compliances.
Corrective Actions:	1) To conduct due diligence process prior contractor engagement. 2) Supplementary internal audit to be carried out on the activity of contractor and service provider. The result of findings will be made transparent.
Assessment Conclusion:	The correction and corrective action plan are accepted. The evidence of effective implementation shall be verified in the next assessment.

Opportunity for Improvements	
OFI #	Description
	Nil

Positive Findings	
PF #	Description
PF 1	Good cooperation from the management team in the assessment activity.
PF 2	Retrieval of relevant documents was efficient.
PF 3	Employees have a good understanding about the intention of the sustainability standard.

3.4.1 Status of Nonconformities Previously Identified and Observations

Non-conformity			
NCR Ref #	1728629-201901-M2	Clause & Category (Major / Minor)	Indicator 4.1.1 Major
Closed (Yes / No)	Yes	Date of nonconformity Closure	20/4/2019
Statement of Nonconformity:	The SOP for the estates was not consistently implemented and monitored.		
Requirement Reference:	Standard Operating Procedures (SOPs) for estates and mills are documented.		
Objective Evidence:	Moynod Estate: One of the sampled worker (Employee No.: MYN0500) was found harvested total 226 bunches on 24/12/2018 as per the MW1: Rekod Pemantauan Kedatangan & Tugas Harian Pekerja within 9 hours of working hour for Field 97L. Verified with the checker's record dated 24/12/2018 found that the total bunches that the FFB checker checked were 226 bunches for Field 97K. However, the time for the FFB checker taken to check the 226 bunches was from 7.35 a.m to 11.09 a.m. on 24/12/2018.		

	<p>Terusan Baru Estate: Sampled the payslip Month March 2018, Daily Bunch Count by Harvester by Field/Location for 31/3/2018, Harvester Bunch Count for the month of March 2018, Checker Chit dated 31/3/2018 and MW2: Borang Ulasan Pencapaian Produktiviti Pekerja for one of the harvester (Employee No.: TRB1100) found that all these records were not consistent. For eg:</p> <ul style="list-style-type: none"> • MW2: Borang Ulasan Pencapaian Produktiviti Pekerja shown that the worker has worked on 30/3/2018 and harvested 95 bunches and absent on 31/3/2018. • Daily Bunch Count by Harvester by Field/Location for 31/3/2018 has recorded total 95 bunches. • Harvester Bunch Count for the month of March 2018 shown total 95 bunches on 31/3/2018. • Checker has checked the FFB on 31/3/2018 from 6.55 a.m. to 7.10 a.m. for total 95 bunches. However, the time taken for the checkers to check the FFB if it was harvested on 31/3/2018 and 24/12/2018 was not make sense. Confirmed with the management that the FFBs were harvested the day before rest day which means the FFBs were at the field for more than 24 hours. <p>However, according to the Group Standard Operating Procedure (StOP) for Harvesting Mature Palm Fresh Fruit Bunch and Group Standard Operating Procedure (StOP) for Fresh Fruit Bunch (FFB) Evacuation and Transport stated that all harvested FFB should be delivered to the mill within 24 hours after harvesting.</p>
<p>Corrections:</p>	<p>Moynod Estate & Terusan Baru Estate:</p> <ol style="list-style-type: none"> 1) Reminder letter given to Field Supervisor and the Mandore for not escalating information to the management on any backlog that were harvested but not yet graded. 2) The field supervisor, mandore, and the harvester will be given briefing on the importance of practising integrity while performing their job. This is also to ensure that there wouldn't be any other matter arising from the backlog that were left at the field for more than 24hours and correct information recorded on form. 3) The record of MW1 for harvester (MYN0500) has been corrected to contain the exact field block harvested and acknowledged by the Estate Manager. 4) 4. The record of MW2 for harvester (TRB1100) was corrected according to the MW1 form filled.
<p>Root Cause Analysis:</p>	<p>The Fresh Fruit Bunch (FFB) graded on early 24th December 2018 and 31st March 2018 were an accumulation of a 2 days harvesting. Part of the FFB were harvested on 22nd evening and 29th March and the rest were on the 24th December and 31st March morning respectively. The FFB harvested on 22nd December and 29th March wasn't graded yet by the checker due to inadequate grading time since this is an additional FFB harvested apart from what have been earlier graded. These ungraded additional harvested FFB causes delay on the transportation to the ramp and further delivery to the mill within 24 hours after harvesting.</p>
<p>Corrective Actions:</p>	<p>Moynod Estate & Terusan Baru Estate:</p> <ol style="list-style-type: none"> 1) The management has decided to make revision on the existing SOP for FFB evacuation to ensure crop could be evacuated to the mill according to the best practices standard and at a reasonable time should certain circumstances could not be avoided. 2) 2. The regional management will be issuing a memorandum regarding condition practice on harvesting operation.

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Assessment Conclusion:	<p><u>ASA 2 Verification:</u> No recurrence of non-conformity. Reminder letter & Briefing record in place and records MW1 and MW2 were corrected to actual information. Thus, the NCR remains closed.</p>
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Non-conformity			
NCR Ref #	1728629-201901-N1	Clause & Category (Major / Minor)	Indicator 2.1.3 Minor
Closed (Yes / No)	Yes	Date of nonconformity Closure	17/1/2020
Statement of Nonconformity:	The mechanism to ensure some compliance to legal was not adequately demonstrated.		
Requirement Reference:	A mechanism for ensuring compliance shall be implemented.		
Objective Evidence:	<p>Ladang Sabah POM:</p> <ol style="list-style-type: none"> 1) Found AESP (Standby Person) is not Competent person (Employee No.: LSM0006) for activity Sludge tank (Confined space) cleaning dated 5 Dec 2018 (Serial no. 00341) as per Industry Code of Practice for Safe Working in a Confined Space 2010. 2) During the site visit at LSPOM land irrigation Block 97M plot 5 (Moynod Estate), at the final trench of the effluent trenches series, it was found that a PVC pipe was installed to channel any potential overflow from the final trench to the environment. This is not in line with the requirements No. 8 and 9 of the DOE's compliance schedule stipulated in License No. 003445, validity 1/7/2018 to 30/6/2019. <p>Terusan Baru Estate:</p> <ol style="list-style-type: none"> 1) Payslips, employment contracts and permits for the two drivers from FFB transporter in Terusan Baru Estate (Vehicle No. SS1028P and ST7173E) were not sighted. <p>Terusan Baru Estate and Laukin Estate: The details of the employers stated in the permit possessed by the contractor's workers were not accurate as per actual situation and sampled as below:</p> <ol style="list-style-type: none"> 1) Permit No.: PE 6521405 valid until 12/10/2019 - Plantation Workers with Sapi Plantations Sdn Bhd (TBE) 2) Permit No.: PE 1022554 valid until 25/2/2019 – Plantation Workers with Safima Plantation Sdn Bhd (LE) 3) c. Permit No.: PE 0272244 valid until 28/2/2019 – Plantation Workers with Genting SDC Sdn Bhd (LE) 		
Corrections:	<p>Ladang Sabah Palm Oil Mill</p> <ol style="list-style-type: none"> 1) Ladang Sabah Palm Oil Mill has confirmed to send another 16 personnel to take AESP course conducted by National Institute of Occupational Safety and Health (NIOSH) to be held at Sandakan on 21.2.2019 & 22.02.2019. 2) Mill will display a list of competent person at mill's notice board for awareness and to prevent confusion on the competency personnel. 3) Mill will prepare a checklist for daily monitoring on the trenches to ease the operator for site checking. <p>Terusan Baru Estate</p>		

	<p>A meeting will be held with the contractor to explain more thoroughly regarding the documentations needed to comply with RSPO requirements. Terusan Baru Estate will give duration of time to the contractor to complete the required documentations. The contractor will also be monitored to ensure they comply with RSPO requirements.</p> <p>Terusan Baru Estate and Laukin Estate Both Terusan Baru Estate and Laukin Estate had issued a reminder letter for the contractor to make changes on their workers' work permit information which shall be valid used with the company they are currently work with.</p>
<p>Root Cause Analysis:</p>	<p>Ladang Sabah Palm Oil Mill</p> <ol style="list-style-type: none"> 1) The employee: LSM0006 was a competent person on AESP before but his competency validity has expired yet he still assumes himself as a competent person. The foreman also assumes that the practise is correct but in actual fact, it wasn't complied with ICOP for Safe Working in a Confined Space 2010. 2) The trenches series was actually an abandoned trenches which was not used before but the management decided to put it back in service end Dec 2018 to increase the effectiveness of the land irrigation. The final trench of the effluent trenches series seen by the auditor was actually the second before the final trench. The final trench was only discovered after audit since it was covered with grasses and runoff soil. <p>Terusan Baru Estate The vehicle with plate number registration, ST7173E as stated by auditor does not exist in record, the actual record is ST7271E. The other vehicle SS1028E is also registered under the similar FFB contractor. During the surveillance audit, the requested records were not yet available at Terusan Baru Estate although a reminder letter has been sent to the said contractor for compliance. A blunder was made by Terusan Baru Estate for not enclose together a reply letter from the contractor during surveillance audit stating their reason for not complying with the requirement.</p> <p>Terusan Baru Estate & Laukin Estate The compliance needs to have a work permit is adhered but the person responsible did not thoroughly ensure the information inside the document is correct and valid to be used at the particular company where the contractor workers work as they did not know on the correct procedure to do so.</p>
<p>Corrective Actions:</p>	<p>Ladang Sabah Palm Oil Mill</p> <ol style="list-style-type: none"> 1) Issuance of memorandum from the mill management regarding the importance of competency against work operation at mill together with the list of competent person to conduct respective work at the station. 2) Briefing regarding the importance of having compliance with the laws & regulations will be conducted on regular basis. 3) To conduct an awareness training for the staff and workers involved in operating and maintaining land irrigation and trenches area and the importance of a regular patrolling. As far as practical on ground, Ladang Sabah Palm Oil Mill will take into consideration to put a pole at the final trench to ease indication. <p>Terusan Baru Estate / Laukin Estate</p>

	<p>1) IOI Ladang Sabah Group will conduct an annual meeting with their contractors, reminding them to comply with requirements related to sustainability. For Terusan Baru and Laukin Estate, meeting with their respective contractors will be conducted on regular basis to remind them to comply with requirements related to sustainability and to make sure they have given the required documentations to ensure that this noncompliance will not recur in the future.</p> <p>2) Compliance monitoring training on Contractor Management Record will be carried out for operating unit’s continuous awareness.</p>
<p>Assessment Conclusion:</p>	<p><u>ASA 2 Verification:</u></p> <ul style="list-style-type: none"> - A meeting was held with the contractor to explain more thoroughly regarding the documentations needed to comply with RSPO requirements. Meeting minutes and reminder letter is in place. - Meeting minutes and training record for contractors in place. Periodical monitoring sighted being carried out by the estates to monitor compliance of the contractors. - Current list of AESP showed the said employee no. LSM0006 has been retrained and qualified, therefore competent. Mill also has displayed list of competent person at its notice board for awareness and to prevent confusion on the competency personnel. - a checklist for daily monitoring on the trenches to ease the operator for site checking was utilized. Site verification confirmed that there has been no PVC pipe installed at the trenches of the POME land irrigation system to allow any potential overflow to the environment <p>The evidence of corrective actions implementation plan was found to be adequate. Thus, the NCR is closed.</p>

<p style="text-align: center;">Opportunity for Improvement</p>	
<p>OFI#</p>	<p>Description</p>
<p>OFI 1</p>	<p><u>1728629-201901-01</u> <u>Indicator 6.1.3</u> <u>Details:</u> Annual review for Social Impact Assessment – Management Action Plans & Continuous Improvement Plan was conducted. Stateless dependent living inside the workers’ housing was identified in the Social Impact Assessment and Management Action Plan. However, the negative and positive impacts identified for the issue were inappropriate and management action to monitor and execute to minimize and control the issue could be further improved.</p> <p><u>Assessment Conclusion</u> The Social Impact Assessment Plan covers the stateless dependent living inside the workers housing. Process 'Pemutihan' (legalisation process) is in progress and list of stateless dependents are in place including evidences of their registration with immigration initiated by the estate management.</p>
<p>OFI 2</p>	<p><u>1728629-201901-02</u> <u>Indicator 4.8.1</u> <u>Details:</u></p>

	<p>All estate Training was given by the employer that covers all aspects of the RSPO Principles and Criteria such as, Insurance, agreement and gender but during the site verification and interviews it was found to be inadequate.</p> <p><u>Assessment Conclusion</u> Training records are adequately in place at the visited estates.</p>
OFI 3	<p><u>1728629-201901-02</u> <u>Indicator 2.1.1</u> <u>Details:</u> The mill can improve the credibility of its location map of upstream and downstream sampling points at Muanad River by getting acknowledgement from the Department of Environment.</p> <p><u>Assessment Conclusion</u> Letter of acknowledgment from the DOE of Sandakan dated 12/2/2019 [ref.: ASSH(B)31/152/000/096 Jilid 11(2)]. The department has agreed with the sampling locations plotted by the mill on a map.</p>

3.4.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Critical / Major / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1582202-201801-M1	Major	4.1.2	26/1/2018	Closed on 25/3/2018
1582202-201801-N1	Minor	5.3.3	26/1/2018	Closed on 25/1/2019
1728629-201901-M2	Major	4.1.1	25/1/2019	Closed on 20/4/2019
1728629-201901-N1	Minor	2.1.3	25/1/2019	Closed on 17/1/2020
RSPO P&C MYNI 2019				
1864944-202001-M1	Critical (Major)	2.1.1	17/1/2020	Closed on 15/4/2020
1864944-202001-M2	Critical (Major)	6.2.2	17/1/2020	Closed on 15/4/2020
1864944-202001-M3	Critical (Major)	6.2.3	17/1/2020	Closed on 15/4/2020
1864944-202001-M4	Critical (Major)	6.2.4	17/1/2020	Closed on 15/4/2020
1864944-202001-N1	Minor	1.1.5	17/1/2020	Open
1864944-202001-N2	Minor	2.2.2	17/1/2020	Open
1864944-202001-N3	Minor	2.2.3	17/1/2020	Open

3.5 Stakeholders and previous land owner / user consultation

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

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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 to the RSPO P&C requirements have been incorporated as an assessment finding. The comments made by external stakeholders were also taken into account in the assessment.

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	
Internal Stakeholders Estate and mill workers Gender committee representatives Crèche Attendants Humana teachers	Union/Contractors Contractors Suppliers Neighbouring estates Sundry shop owners
Government Departments Beluran Health Office	NGO Nil

Stakeholders comment	
1	<p>Feedbacks:</p> <p>Contractors: They signed service contract agreement and understood the terms and condition outlined in the agreement including payment terms. Payment made promptly within the month approx. 10 to 15 days upon receive of the invoice and accurately according to the invoices issued. They have satisfactory relationship with the estate / mill management and received invitation for stakeholder meeting. Contractor does raise their concern over the road transportation which is managed by the local authority which may be muddy and slippery making their trips difficult during raining season. The IOI policies are communicated to them during the stakeholder meeting and aware of the complaint-reporting channel as stipulated in the whistleblowing policy.</p> <p>Management Responses:</p> <p>The management will continue to ensure payment made promptly and conduct regular stakeholder meeting to understand their needs. In regards to the road condition, IOI has the engineering team that maintain the road although these road are not under their territory.</p> <p>Audit Team Findings:</p> <p>Verified the payment record and confirmed it is made promptly. Service contracts are in place, signed by both parties and remain valid. Stakeholder meeting attendance records and meeting minutes is in place. Sighted IOI engineering department maintaining the road condition regularly when auditor commuted to the auditee sites.</p>
2	<p>Feedbacks:</p>

	<p>Suppliers – Payment made promptly once they delivered the goods and services. They have good relationship with the management and has been invited to attend stakeholder meeting. No adverse feedback provided during the stakeholder consultation.</p> <p>Management Responses: Have being dealing with the company for years and will continue to ensure payment is made promptly.</p> <p>Audit Team Findings: No further action taken.</p>
<p>3</p>	<p>Feedbacks: Crèche Attendants – They confirmed that they are paid according to the Minimum Wage and Labour Ordinance (Sabah Cap. 67). They are satisfied with the housing provided. No case of discrimination was reported. They understood the complaint procedure. The crèche is operational around 5:30 am up to 4:00pm and supplied with basic amenities provided by the estate / mill management. Aware that children are not allowed to work in the field and commented none of the children attended to field work.</p> <p>Management Responses: Will continue to support the crèche and providing basic amenities.</p> <p>Audit Team Findings: Crèche provided to children with basic amenities at no charge to workers. Electricity and water supplied are not chargeable to any of their workers. Absenteeism of children based on the attendance book are confirmed that they are either not well or away for vacation. Spoken to several children during crèche visit confirmed that none of them works at field during weekend and holidays.</p>
<p>4</p>	<p>Feedbacks: Neighbouring Estates – Satisfactory relation with the estate and POM. No issue in regards to land encroachment and commented that the land used by IOI is owned by them. The land boundary is clearly marked / identified and no settler at nearby estate. He further commented that he has not heard or been through any negative findings in relates to illegal migrant workers, picketing/boycotting, fatality in relates to work place accident, etc.</p> <p>Management Responses: Have close contact and maintain good relationship with neighbouring estate.</p> <p>Audit Team Findings: No further action taken. Generally no adverse findings based on neighbouring estate (external stakeholder) consultative)</p>
<p>5</p>	<p>Feedbacks: Gender Consultative Committee – well verse with the procedure to lodge complain if there is any case of sexual harassment. No sexual issue raised or received from any of their members and workers. They were treated equally disregards of gender. Meeting held with the committee regularly (twice a year) to discuss on any potential issues and activities such as open house, break fast, cooking event, etc. Management is supportive and provided necessary support to make the activities a success. Chairperson is elected by the members/workers/worker’s spouse.</p> <p>Management Responses: Will continue to support the gender committee. Received no complain. Grievance and sexual abuse / harassment complaint from the gender committee.</p> <p>Audit Team Findings: No further issue.</p>

<p>6</p>	<p>Feedbacks:</p> <p>Humana Teachers - They confirmed that they are paid according to the Minimum Wage and Labour Ordinance (Sabah Cap. 67). They are satisfied with the housing provided and no case of discrimination was reported. The Humana is supplied with basic amenities provided by the estate / mill management. Aware that children are not allowed to work in the field and commented none of the student attended to field work. Children were sent to school by bus / van that is paid by the estate / mill management.</p> <p>Management Responses:</p> <p>Will ensure children provided with adequate support in terms of schooling and basic amenities. It is company policy to prohibit children to work during after school and during holidays and rest days.</p> <p>Audit Team Findings:</p> <p>They have good relationships with the managements and the management will provide assistance whenever requested. The management also provide free school bus to send the children to school. Absenteeism of children based on the attendance book are confirmed that they are either not well or away for vacation. Spoken to several children during crèche visit confirmed that none of them works at field after school, during weekend and holidays.</p>
<p>7</p>	<p>Feedbacks:</p> <p>Weight Bridge - They have been trained on the Supply Chain requirements and clearly understood the procedure of receiving FFB and outgoing of CPO. They are given the flexibility in work hours and paid according to the minimum wage requirement.</p> <p>Management Responses:</p> <p>No comment.</p> <p>Audit Team Findings:</p> <p>No further issue.</p>
<p>8</p>	<p>Feedbacks:</p> <p>Pejabat Kesihatan Beluran – Regularly visit the estate Klinik Kesihatan and has no adverse comment. Have not received any serious workplace accident and disease from the estate and mill under the unit of certification. Have received stakeholder meeting invitation and participated in most of the meeting; which covers briefing of IOI policies, RSPO & MSPO requirement, etc. Have good relationship with the clinics at estates and mill 'hospital assistant' and IOI management.</p> <p>Management Responses:</p> <p>Will continue to support the clinic at all estates and mill, and invite the Jabatan Kesihatan to attend to any stakeholder meeting organize in future.</p> <p>Audit Team Findings:</p> <p>No further issue.</p>
<p>9</p>	<p>Feedbacks:</p> <p>Sundry shop owner – Have good relationship with the management. Provide credit facility to all workers on sundry purchase. Have not receive or heard on any complaint from workers in relates to discrimination, abuse, harassment, forced labour, child labour, etc. The sundry items are sources from the nearest town and sold at reasonable price. Workers and management is supportive. They are briefed on RSPO requirement and IOI policies during the stakeholder meeting. Rent of the shop is maintained and no unreasonably increased.</p>

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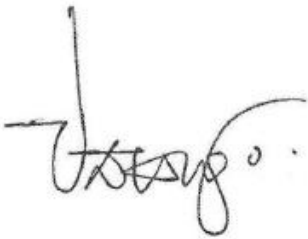

	<p>Management Responses:</p> <p>Will ensure the Sundry shop owner operates legally and with reasonable price. Workers are allowed to choose either to purchase house groceries from the sundry shop or from the nearest town.</p>
	<p>Audit Team Findings:</p> <p>Stakeholder meeting attendance records verified and confirmed they have participated in the meeting. Good relationship with sundry owners.</p>

List of land owner / user contacted					
Name	Years of ownership / used	Land area (ha)	Agreement (Yes / No)	Agreement base on FPIC (Yes/No)	Compliance on the agreement terms and conditions
There is no customary rights land in the IOI-Ladang Sabah POM Certification Unit.					

Previous land owner / user comment	
1	<p>Feedbacks:</p> <p>Nil</p>
	<p>Management Responses:</p>
	<p>Audit Team Findings:</p>

3.6 Impartiality and conflict of interest

During this assessment there *was no* / ~~was~~ circumstances or pressure that had influenced the independence or confidentiality of the assessment team.

Formal Signing-off of Assessment Conclusion and Recommendation	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that IOI Ladang Sabah Palm Oil Mill Certification Unit has complied with the RSPO Principles & Criteria MYNI-2019 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 IOI Ladang Sabah Palm Oil Mill Certification Unit is continued.</p>	
Report prepared by	Acceptance of Assessment Conclusion
<p>Name: Valence Shem</p>	<p>Name: LEANG HON WAI</p>
<p>Company Name: BSI Services Malaysia Sdn Bhd</p>	<p>Company Name: IOI PLANTATION SERVICES SDN. BHD</p>
<p>Title: Lead Auditor</p>	<p>Title: GENERAL MANAGER</p>
<p>Signature:</p> 	<p>Signature: <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></p> 
<p>Date: 28/4/2020</p>	<p>Date: 21/05/2020</p>

Appendix A: Summary of Findings

Criterion / Indicator		Assessment Findings	Compliance
Principle 1: Behave ethically and transparently			
Criterion 1.1			
The unit of certification provides 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.			
1.1.1	(C) Documents that are specified in the RSPO P&C are made available to the public. - Major compliance -	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.	Complied
1.1.2	Information is provided in appropriate languages and accessible to relevant stakeholders. - Minor compliance -	The unit of certification has no restriction to provide any information according to the standard guidance. All the information is available in English or Bahasa Malaysia or both languages and will be provided by the certification unit upon request.	Complied
1.1.3	(C) Records of requests for information and responses are maintained. - Major compliance -	No Grievance from workers and stakeholder. Should there be information required or requested, stakeholder may raise them directly by verbal or through grievance form. Records of the request are kept in the file and available for review during the audit.	Complied
1.1.4	(C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative. - Major compliance -	IOI Corporation Berhad has developed Stakeholder Request Procedure for Corporate Level and Estate Level. The flowchart has detailed out the process of request by the stakeholders. Stakeholders can access to www.ioigroup.com , call IOI Group General Line or write formal letter to Head Office of IOI if they have any requests or complaints. The stakeholders need to be informed of outcome within 5 working days.	Complied
1.1.5	There is a current list of contact and details of stakeholders and their nominated representatives. - Minor compliance -	The stakeholder's lists are available for all the selected estate and POM and made available to auditor as at time of audit. The list updated and includes details of the stakeholders such as contact number, complete address, nominated representatives, roles and relevant departments. The list is	Minor non-conformity

		<p>categorized to external and internal stakeholders covering NGO, government institution, supplier, contractor, neighbouring estates, etc. BBM1 – 06.01.2020, LBK & POM – 02.01.2020, BB1 – December 2019.</p> <p>However, stakeholder list provide found not updated with the current nominated representative and wrong contact number. Several sampled stakeholders were verified during the audit through stakeholder consultation, and found not updated with the current phone number and contact person / nominated representatives. E.g.</p> <p>POM</p> <ul style="list-style-type: none"> • 7 stakeholders have no nominated representative • Jabatan Kesihatan Beluran – nominated representative (Dr. Mohd Ramzi) has left for almost 2 years. • Juita – Contact number not updated since stakeholder shifted. <p>Labuk Estate</p> <ul style="list-style-type: none"> • Klinik Kesihatan has no nominated representative and contact number • Transporter number not updated • Desa Talisai (neighbouring estate) nominated representative not exist and contact number not updated • Approx. 32 stakeholders have no nominated representative <p>BB1 Estate</p> <ul style="list-style-type: none"> • Berkat Setia (neighbouring estate) nominated representative not exist and contact number not updated. • 9 stakeholders have no nominated representative <p>BB2 Estate</p> <ul style="list-style-type: none"> • Replanting contractor is not included in the stakeholder list. • 1 of 2 nominated representative for Humana Child Aid Centre left approx. 4 years ago, his name is still the nominated representative 	
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		<ul style="list-style-type: none"> 1 of 2 neighbouring estate is inaccurate. According to the estate representative, the list is not updated. <p>Approx. 37 stakeholders have no nominated representative</p>	
Criterion 1.2 The unit of certification commits to ethical conduct in all business operations and transactions.			
1.2.1	A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts. - Minor compliance -	<p>IOI Group has developed and implemented Code of Business Conduct & Ethics dated October 2012 where the people to uphold, at all times the IOI Core Values as below: a. Integrity b. Commitment c. Loyalty d. Excellence in Execution e. Speed or Timeliness f. Innovativeness g. Cost Efficiency The company employees shall not accept gifts, benefits or entertainment from a third party. Additional to the policy, IOI has established the 'Business Ethics, Compliance, Anti-Corruption and Anti- Money Laundering Policy which covers Anti-corruption, kickbacks, gifts and Hospitality, Charitable Contribution, Protection Money, Political Contribution, Anti-money Laundering & Organization Responsibility; the policy was found established on 12.09.2018 and amended on 06.09.2019.</p> <p>Briefing of the policy was conducted to all the workers during the muster and documented in the master chit; for Staff briefing, policies briefing last conducted on 05.4.2019 in Labuk Estate. For BB1 estate, policies including complain / grievance procedure is communicated through muster meeting dated 23.12.2019 and staff training on 07.01.2019. For BB2 the business policies including code of ethics is communicated during the Muster Briefing, dated 15.12.2019. For POM the codes and policies are communicated during muster meeting; last briefing in relates to company policies including code of ethics was carried out on 04.11.2019. Records for communication/ briefing / training is presented as at time of audit.</p>	Complied
1.2.2	A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.	System in place to monitored the compliance and the implementation of the policy through Regional Internal Audit. Audit report sighted that the verification is documented and covers the principles in Business Ethics, Compliance, Anti-Corruption and Anti Money Laundering Policy.	Complied

	- Minor compliance -		
Principle 2: Operate legally and respect rights			
Criterion 2.1			
There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	<p>(C) The Unit of Certification complies with legal requirements</p> <p>- Major compliance -</p>	<p>Sixty seven (67) applicable Legal requirements had been identified by IOI Ladang Sabah POM and its supply base. It incorporated the latest amendment, that is, OSH (Noise Exposure) Regulations 2019. At the assessed site, the following were noted complied.</p> <p><u>Labuk Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License for Selling and Moving FFB (501728102000 valid from 01/05/2019 – 30/04/2020). 2. Fuel storage license PPDNKK.SDK17/2002(SK) for 39,000 liters diesel (Euro 2M) valid from 2/09/2018 – 18/11/2019 to 17/11/2020 3. DOSH Air Receiver SB PMT 10256 valid from 23/07/2019 – 24/09/2020 4. Sabah Trading Licence Ordnance, Trading Licence, ID No. BLN/2016/788 valid from 01/01/2020-31/12/2020) 5. Energy Commission Private Electrical Installation Licence No. 2019/01065, Serial no.: 35481 valid from 25/05/2019 to 24/05/2020 <p><u>Bimbingan Estate 1:</u></p> <ol style="list-style-type: none"> 1. MPOB License for Selling and Moving FFB (503278702000 valid from 01/01/2019 – 31/12/2020). 2. Fuel storage Permit for 13,500 liters diesel (Euro 2M) Ref. No. (61) PPDNKK.SDK.0912000, valid from 17/12/2019 – 16/12/2020. 3. Air Receiver SB PMT 26516 valid from 30/06/2019 – 24/09/2020 4. Weighbridge license 50 tons, (Serial No. 056524 1.9k valid from 21/03/2019 - 20/03/2020) 5. Energy Commission Private Electrical Installation Licence No. 2019/01065, Serial no.: 35946 valid through 16/06/2020 	Major non-conformity

		<p>6. Workers Salary Deduction Permit. Ref. No. 600-1/2/8/320(11/SDK/2018-092) valid through 12/04/2020</p> <p><u>Bimbingan Estate 2:</u></p> <ol style="list-style-type: none"> 1. MPOB License for Selling and Moving FFB (503278702000 validity from 01/01/20209 – 31/12/2020). 2. Fuel storage Permit for 12500 liters diesel (Euro 2M) Ref. No. PPDNKK.SDK.05/2002 (SK), valid from 10/12/2019 to 09/12/2020 3. Air Receiver SB PMT 10368 valid from 23/07/2019 – 24/09/2020 4. Weighbridge license 60 tons, (Serial No. 056671 1.9k validity from 08/10/2019 - 07/10/2020) 5. Estate Hospital Assistant Grade 2, Registration No.: Q2098 dated 31.12.2020. <p><u>Ladang Sabah POM</u></p> <ol style="list-style-type: none"> 1. The mill operates under MPOB license no 500264104000 valid from period of 01/07/2019-30/06/2020. The license provides therein; <ul style="list-style-type: none"> - entitlement of <i>menjual and mengalih FFB</i> - the total processed allowed is 390000 mt. 2. DOE Compliance schedule, license number 003445 with maximum capacity of 90 mt/hr, validity period: 1/7/2019 to 30/6/2020, ref# JPKKS/12/003445 3. Diesel (Euro 2M) Permit # S012976 for total quantity of 40,000 liters valid until 9/12/2020 <p><u>Competence persons:</u></p> <ol style="list-style-type: none"> 1. Steam engineer: 1 x 1st grade: Reg. No. 148/2018; SN 8105 2. Boiler & Engine Driver 1 x Grade 1, Reg. No. H/ED/145/92; SN 16014 3. Boilerman certificate: 2 x Grade 1 (SB/16/EIS/01/7; SN 035714 and SB/15/EIS/01/46; SN 035605) 4. Engine Driver, 2 x 2nd Grade (SB/17/EIP/02/00042 and SB/17/EIP/02/00062) 	
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		<p>5. AESP 19 Nos. total; certificate expiry - 2 nos. expire 14.01.2021, 3 nos. expire 12.05.2021 and 14 no. expire on 5.12.2021.</p> <p>6. AGT 6 Total; certificate expiry 3 nos. expire 11.04.2021, 1 no. expire 20.04.2020 and 2 nos. expire nos. 15.05.2020</p> <p>7. 1 Electrical Chargeman, Class B0</p> <p>8. First Aiders: 5 Nos. Validity period 28.11.2017 to 27.11.2021 for all certificate holders.</p> <p>9. Working at Height, 2 Nos. certificate valid from 27.07.2018 – 27.7. 2020.</p> <p>Nonetheless, the following lapse were found:</p> <p>BB1 Estate</p> <p>Menara Jernih – 2 out of 4 FFB transporter service provider’s workers found as :</p> <p>(i) Driver name: Darwis, Passport No.: AS364501 work permit with IOI Plantation expired on 29.11.2017. According to the service provider, the work permit is in progress of renewal; however, no work permit sighted available as at time of audit. The evidence presented on the permit and passport application submitted on Feb 2019 but no further result / action available right after the submission.</p> <p>(ii) No EPF, SIP and SOCSO contribution made by both party for local worker - Driver Name: Mohd Nor Aidil (ID: 990119126045)</p> <p>AK Contractor – 2 out of 4 FFB transporter service provider’s workers found without valid work permit. Passport No.: B4804756 – no work permit available as at time of audit, Passport No.: AT972078 carries Social Visit Pass instead of work permit.</p> <p>Labuk Estate</p>	
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		<p>1 of the sampled migrant worker (Passport No.: AT816179) found with expired work permit since 30.08.2019. The original passport is currently taken by the appointed agency and have not submitted to the immigration office for renewal.</p> <p>BB2 Estate</p> <p>1 of the sampled migrant worker (Passport No.: AS378938) found with expired work permit since 29.07.2019. The original passport is currently taken by the appointed agency and have not submitted to the immigration office for renewal.</p> <p>POM</p> <p>3 of the sampled migrant workers (Passport No.: AS363673 & AS363665 expired on 29.07.2019, Passport No.: AS379436 expired on 15.03.2019, Passport no.: AS379447 expired on 13.03.2019).</p> <p>Legal Reference: <u>Illegal Entry - Section 6(3) Immigration Act 1959/63</u></p> <p>A foreign visitor whose presence in Malaysia can be interpreted as illegal entry if:</p> <ul style="list-style-type: none"> • Fails to produce a genuine passport/travel document upon request. • Passport/travel document does not have a valid entry endorsement/visit pass. <p><u>Employees' Social Security Act 1969 (Act 4) & Regulation and Rules.</u></p> <p><u>Part II Insurability & Contributions.</u></p> <p><u>Section 6. Contributions.</u></p> <p>(1) The contributions payable under this Act in respect of an employee shall comprise contribution payable by the employer (hereinafter referred to as</p>	
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		<p>the employer’s contribution) and contribution payable by the employee (hereinafter referred to as the employee’s contribution) and shall be paid to the Organization.</p> <p>Employment Insurance System Act 2017 (Act 800) Part IV, Registration and Contributions, Section 18 – Contribution</p> <p>(1) the contributions payable under this Act in respect of an employee shall comprise a contribution payable by the employer and a contribution payable by the employee</p> <p><u>Employers Provident Fund Act 1991 (Act 452) – Section 43. Rate of contributions</u></p> <p>(1) Every employee and every employer of a person who is an employee within the meaning of this Act shall be liable to pay monthly contributions on the amount of wages at the rate respectively set out in the Third Schedule.</p> <p>Thus, a non-conformity was assigned.</p>	
<p>2.1.2</p>	<p>A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations. - Minor compliance -</p>	<p>Written information on legal requirements was documented and maintained in “Legal Requirements Register”, dated 06/01/2020 prepared by SPO Department Sandakan Regional Office. Among the registered laws were:</p> <ul style="list-style-type: none"> • Workers Minimum Standard of Housing and Amenities Act, 1990, • Occupational Safety and Health Act 1994, • Factories and Machineries Act 1967, • Environmental Quality Act 1974 • Employment Act 1955, • Electricity Supply Act 1990, • Fire Services Act 1988 • Malaysian Palm Oil Board Act 1998 	<p>Complied</p>

		<ul style="list-style-type: none"> • Employment Insurance System Act 2017, • Sabah Land Ordinance (Sabah Cap. 68) • Minimum Wages Order 2018, and • Industrial Code of Practice for Safe Working in Confined Space, 2010 to name a few. <p>The system has means to track changes to the law and regulation via</p> <ul style="list-style-type: none"> • Visit DOSH/DOE/Sabah Legal Association website • Advise by Legal and HR Department • Subscribe to Lexis Nexis Malaysia • News release through daily newspaper. • Circulars from relevant association (eg. MPOA, MPOB, MAPA) <p>Mechanism for ensuring compliance is described in the "Mechanism of Tracking Law Changes", dated 02/01/2020. The sustainability team is responsible to monitor implementation/updating of information through routine monitoring and internal audit.</p>							
2.1.3	<p>Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.</p> <p>- Minor compliance -</p>	<p>Due to flood the road/bridge crossings in Labuk Estate were damaged and the inaccessibility hampered auditor from visiting some of the documented recognized boundary stones. Nonetheless, the following boundary stone or pegs were sighted.</p> <table border="1" data-bbox="958 1066 1809 1390"> <thead> <tr> <th data-bbox="958 1066 1151 1134">Estates</th> <th data-bbox="1151 1066 1453 1134">Boundary stone or peg sighted</th> <th data-bbox="1453 1066 1809 1134">Remarks</th> </tr> </thead> <tbody> <tr> <td data-bbox="958 1134 1151 1390">Labuk</td> <td data-bbox="1151 1134 1453 1390">Boundary stone 956/580 belong to Patinas borders Labuk Estate. Labuk Estate erected its boundary peg next to the stone in blue and white stripe color.</td> <td data-bbox="1453 1134 1809 1390">Other boundary stone or pegs bordering Berkat Setia Estate, Wilmar Reka Halus Estate, IJM Plantation Desa Talisai Estate could not be visited.</td> </tr> </tbody> </table>	Estates	Boundary stone or peg sighted	Remarks	Labuk	Boundary stone 956/580 belong to Patinas borders Labuk Estate. Labuk Estate erected its boundary peg next to the stone in blue and white stripe color.	Other boundary stone or pegs bordering Berkat Setia Estate, Wilmar Reka Halus Estate, IJM Plantation Desa Talisai Estate could not be visited.	Complied
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		<p>Bimbingan 1 Seen blue circle at palm trunk at field 96L and 96A bordering Mercu Estate and wooden peg in blue white stripe near electric fence solar panel station for elephant at field PR16B/A and Vicrest Plantation.</p>	<p>No boundary stone could be sighted due to damaged road/bridge leading to the marked stone.</p>	
		<p>Bimbingan 2 Seen red/white wooden peg established 50m away from edge of field PR19B (last electric fencing pole, phase1 – 48 chains) near Segaliud Lokan Forest Reserve. Boundary stone no. 357/106 sighted next to HCV1 Segaliud Lokan Forest Reserve.</p>	<p>The 50m is a buffer zone established by IOI Plantation. Stone is clearly legible and visible. Bimbingan 2 Estate clearly demarcate and visibly maintained its signboard.</p>	
<p>Criterion 2.2: All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements</p>				
2.2.1	<p>A list of contracted parties is maintained. - Minor compliance -</p>	<p>List of all contracted parties were maintained in the operating units stakeholder list. The latest list was updated on 2/1/2020.</p>		<p>Complied</p>
2.2.2	<p>All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal</p>	<p>The requirements to comply with applicable laws are stipulated in the contract agreements. Among the applicable laws mentioned are:</p> <ul style="list-style-type: none"> • Sabah Labour Ordinance • Passport Act 		<p>Minor non-conformity</p>

	<p>requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available. - Minor compliance -</p>	<ul style="list-style-type: none"> • Anti-trafficking in Persons and Anti-Smuggling of Migrant Act • Immigration Act • SOCSO Act • Workmen Compensation Act • EPF • Minimum Wage Order • OSHA • EQA • Road Transportation Act <p>It was found that the FFB transport contractors for the estates did not comply with the vehicles' weight limit stipulated in the Commercial Vehicle Licensing Board in "Lesen Pembawa" (carrier license). The vehicles' weight limit [Berat Dengan Muatan (weight with load)] spelt out by the Commercial Vehicle Licensing Board in "Lesen Pembawa" (carrier license) is 21000 kg for the FFB Transport contractors. However, based on Ladang Sabah POM weighbridge tickets, it was found that the vehicles used to transport the FFB from the estates (Labuk, Bimbingan 1 and Bimbingan 2) to the mill had frequently exceeded the limit. E.g. of weighbridge tickets sampled: 719564, 719492, 719427, 719680, 719548, 719237, 719599 and 719534. Thus, a non-conformity was assigned due to this lapse.</p>	
2.2.3	<p>All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection. - Minor compliance -</p>	<p>The contract agreements for all the contractors contain clauses to disallow child, forced and trafficked labour which were written under subtitles "Sustainability Palm Oil Policy (SPOP)", "Sabah Labour Ordinance" and "Human Rights". These three subtitles made reference to IOI's SPOP and SLO. Sampled contractors:</p> <p><u>Labuk:</u></p> <ul style="list-style-type: none"> - Auto Gears Sdn Bhd (LBK/CA/001/2019-2020) - Mekar Bersatu Padu Sdn Bhd (LBK/REP/001/19-20) 	Minor non-conformity

		<ul style="list-style-type: none"> - Kedai Runcit Sri Gemilang - Kedai Runcit Siti Iskandar - Kedai Runcit Sri Maju Bersama <p><u>Bimbingan 1:</u></p> <ul style="list-style-type: none"> - Kedai Runcit Putri Sri Perdana - Syarikat Sri Manjung - Menara Jernih - Ak Contractor <p><u>Bimbingan 2:</u></p> <ul style="list-style-type: none"> - DY Enterprise - Syarikat Mega - Syarikat Perniagaan Niq - Million - Mekar Bersama - Cahaya Ayuni - Sinar Harapan - Aslinah Contractor <p>However, some of the contractors have yet to sign the contract agreement that contains clauses disallowing child, forced and trafficked labour. Thus, a non-conformity was assigned due to this lapse.</p>	
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Criterion 2.3:

All FFB supplies from outside the unit of certification are from legal sources.

2.3.1	<p>(C) For all directly sourced FFB, the mill requires:</p> <ul style="list-style-type: none"> • Information on geo-location of FFB origins • Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder • One or more supporting documents for claims • Valid MPOB license <p>- Major compliance -</p>	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	Complied
2.3.2	<p>For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator2.3.1.</p> <p>- Minor compliance -</p>	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	Complied
Principle 3: Optimise productivity, efficiency, positive impacts and resilience			
Criterion 3.1			
There is an implemented management plan that aims to achieve long-term economic and financial viability.			
3.1.1	<p>(C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders.</p> <p>- Major compliance -</p>	<p>Mill annual budget and management plan were documented with five years projection that include monthly breakdown for FFB production, CPO, PK, OER, and KER, costs of production, CAPEX and OPEX. There was no scheme smallholder within the supply base. The business plan was available for Ladang Sabah POM and its supply base.</p> <p>The estate business plan covers Crop by Year of planting, Replanting Programme, Executive/Staff and Workers Requirement, Mature Oil Palm Costing Statement, General Charges and Capital Expenditure Statement and depreciation.</p>	Complied

3.1.2	<p>An annual replanting programme projected for a minimum of five years with yearly review, is available.</p> <p>- Minor compliance -</p>	<p>The replanting programme was available at the estates assessed. The annual replanting programme is projected for 10 years as shown in table below:-</p> <table border="1" data-bbox="965 459 1783 1353"> <thead> <tr> <th>Estate</th> <th>Year</th> <th>Hectarage</th> </tr> </thead> <tbody> <tr> <td rowspan="6">Labuk</td> <td>2019/20</td> <td>151</td> </tr> <tr> <td>2020/21</td> <td>171</td> </tr> <tr> <td>2021/22</td> <td>156</td> </tr> <tr> <td>2022/23</td> <td>145</td> </tr> <tr> <td>2023/24</td> <td>105</td> </tr> <tr> <td>Total</td> <td>728</td> </tr> <tr> <td rowspan="6">Bimbingan 1</td> <td>2019/20</td> <td>389</td> </tr> <tr> <td>2020/21</td> <td>331</td> </tr> <tr> <td>2021/22</td> <td>380</td> </tr> <tr> <td>2022/23</td> <td>-</td> </tr> <tr> <td>2023/24</td> <td>-</td> </tr> <tr> <td>Total</td> <td>1100</td> </tr> <tr> <td rowspan="5">Bimbingan 2</td> <td>2019/20</td> <td>433</td> </tr> <tr> <td>2020/21</td> <td>499</td> </tr> <tr> <td>2021/22</td> <td>518</td> </tr> <tr> <td>2022/23</td> <td>--</td> </tr> <tr> <td>2023/24</td> <td>-</td> </tr> </tbody> </table>	Estate	Year	Hectarage	Labuk	2019/20	151	2020/21	171	2021/22	156	2022/23	145	2023/24	105	Total	728	Bimbingan 1	2019/20	389	2020/21	331	2021/22	380	2022/23	-	2023/24	-	Total	1100	Bimbingan 2	2019/20	433	2020/21	499	2021/22	518	2022/23	--	2023/24	-	Complied
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3.1.3	<p>The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake.</p> <p>- Minor compliance -</p>	<p>The frequency for management review is once annually after annual Internal SPO Audit at each Operating Unit as shown in table below.</p> <table border="1"> <thead> <tr> <th>Operating Unit</th> <th>Management Review date</th> <th>Audit Date</th> <th>Audit findings</th> </tr> </thead> <tbody> <tr> <td>Labuk Estate</td> <td>10.12.2019</td> <td>28.11.2019</td> <td>NCR 6 = Minor 1, Major 5. All Six findings closed on 06.01.2020</td> </tr> <tr> <td>Bimbingan Estate 1</td> <td>23.12.2019</td> <td>25.11.2019</td> <td>NCR 9 = Minor 4, Major 5; All findings closed on 7.1.2020</td> </tr> <tr> <td>Bimbingan Estate 2</td> <td>14.12.2019</td> <td>06.12.2019</td> <td>NCR 7 = Minor 1, Major 6. Six findings closed on 08.01.2020</td> </tr> <tr> <td>Ladang Sabah POM</td> <td>21.12.2019</td> <td>26.11.2019</td> <td>NCR 3 = Minor 1, Major 2. All three findings closed on 08.01.2020</td> </tr> </tbody> </table>			Operating Unit	Management Review date	Audit Date	Audit findings	Labuk Estate	10.12.2019	28.11.2019	NCR 6 = Minor 1, Major 5. All Six findings closed on 06.01.2020	Bimbingan Estate 1	23.12.2019	25.11.2019	NCR 9 = Minor 4, Major 5; All findings closed on 7.1.2020	Bimbingan Estate 2	14.12.2019	06.12.2019	NCR 7 = Minor 1, Major 6. Six findings closed on 08.01.2020	Ladang Sabah POM	21.12.2019	26.11.2019	NCR 3 = Minor 1, Major 2. All three findings closed on 08.01.2020	Complied
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<p>Criterion 3.2</p> <p>The unit of Certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable Continuous improvement in key operations.</p>																									
3.2.1	<p>(C) The action plan for continuous improvement is implemented, based on consideration of the main social</p>	<p>The continuous improvement plan was available dated 11 Oct 2019. The plan covers Social, Environment, Safety and Technology.</p>			Complied																				

	<p>and environmental impacts and opportunities of the unit of certification.</p> <p>- Major Compliance -</p>	<p>The Certification Unit list the following program for FY 2019/20 as their Continuous Improvement Plan:</p> <ol style="list-style-type: none"> 1. Social <ol style="list-style-type: none"> a. Build new Labour Quarters (1 block x 6 unit at Labuk Estate Div 2), (2 blocks x 6 unit at Bimbingan 1 Estate), b. Repair and painting (of staff and Assistant bungalow at Labuk Estate Div 1 & 3), (labour and staff quarters at Ladang Sabah POM c. Provision of 4 septic tank for workers quarters and 24 unit new HDPE water tank and upgraded workshop at Bimbingan 1 Estate, d. Modification of mill toilets at Ladang Sabah POM not just for cleanliness but for comfort as well. e. Hepatitis B injection program at Ladang Sabah POM f. Herb garden initiated by mill gender committee as part of education and green environment. g. Corporate Social Responsibility Project 2. Environmental <ol style="list-style-type: none"> a. Environmental impacts & pollution and GHG emission at estates <ol style="list-style-type: none"> i. Conservation of riparian buffer zone ii. Maintenance of field drain iii. Road maintenance programme iv. River water monitoring v. Waste collection, segregation and recycling vi. Zero burning practice for land preparation vii. Environmental training – buffer zone, 3R, HCV b. Environmental impacts & pollution and GHG emission at Ladang Sabah POM 	
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		<ul style="list-style-type: none"> i. Installation of Electrostatic Precipitator for boiler smoke. ii. Replace current CEMS program with a new and better stack monitoring program that can be monitored via i-Remote by DOE. iii. improved drainage system for labour quarters iv. Tree planting at football field and flower planting at executive houses. v. Reuse/recycle scrap iron waste and convert them to recreational exercise equipment, example, outdoor gym equipment, swing, garden chair. vi. Recycle waste collection centre at labour quarters <p>3. Technology</p> <ul style="list-style-type: none"> a. Reduction in use of pesticides. At all estates <ul style="list-style-type: none"> i. increase planting of beneficial plants ii. planting of Leguminous Cover Crop in replanting area to minimise circle and selective weeding iii. maintain and encourage growth of <i>Nephroliphis biserata</i> to suppress of noxious weeds iv. setting up of Pheromone traps to trap Rhinoceros Beetle in replant areas <p>4. Safety - at estates</p> <ul style="list-style-type: none"> a. Roadblocks combined with other nearby estates to check vehicle's standard, motorcyclist not wearing proper PPE, etc. <p>- at POM</p> <ul style="list-style-type: none"> a. Improve security at mill critical area by resetting CCTV position to face towards these areas, add key to watch clock to these areas and watchman patrol route revised to increase monitoring at night. b. Piling and gabion installation for slope strengthening to make safe and better road condition at nearby estate roads 	
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		<p>leading to mill for use by lorries transporting FFB, CPO and PK.</p> <ul style="list-style-type: none"> c. Provide gabion and piling at slope and repair drainage system to prevent clog from soil erosion at water treatment plant. d. Enforcement of smoking area at non-roof area provided at the front of threshing station, front of mill toilet and outside the main gate. e. Fitting of water sprinkler at silo elevator and thresher drum. f. Provision of acoustic room for safe environment to rest after long exposure to high noise working at kernel plant area. 	
<p>3.2.2</p>	<p>As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the [RSPO metrics template].</p> <p>PROCEDURAL NOTE: The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed.</p> <p>Until such metrics is agreed and developed, companies will carry on with existing reporting e.g. PalmGHG, Annual Communication of Progress (ACOP) reporting, and information provided to Certification Body and feedback via RSPO Secretariat is required.</p> <p>- Minor Compliance -</p>	<p>It is noted that RSPO has not finalized the RSPO metric template. Communication with RSPO Secretariat was made and noted that the indicator is not applicable until the template is finalized.</p>	<p>Complied</p>
<p>Criterion 3.3 Operating procedures are Appropriately documented, consistently implemented and monitored.</p>			

<p>3.3.1</p>	<p>(C) Standard Operating Procedures (SOPs) for the unit of certification are in place. - Major Compliance -</p>	<p>Standard Operating Procedures (SOPs) in the form of written document for estates and mills are documented and maintained. It covers procedures as required by the RSPO P&C MYNI:2019.</p> <p>The company's management process and operations are guided by the following documents:</p> <ol style="list-style-type: none"> 1. Group Standard Operating Procedures (StOP) for Estate Operations, 5/12/2007 2. Group Standard Operating Procedures (StOP) for Palm Oil Mill Operations, 01/07/2017 3. Group Safe Operating Procedures (SaOP) 4. Group Occupational Safety and Health Guidance for Estate Workers (in Bahasa Malaysia) <p>The StOPs reflect best industry practices as detailed in IOI's agricultural policy document. Aside from StOPs for operations of mill and estates there exists also SaOPs for management but not limited to:</p> <ul style="list-style-type: none"> • Consultation and communication • Negotiation on compensation. • Guidance and procedure for gifts and hospitality. • Selection and contracting of contractors including recruitment agencies • Employment procedures for recruitment, selection, hiring, promotion, retirement and/or termination. • Procedures for Supply Chain. • Internal Audit procedure for Supply Chain • Remediation and Compensation Procedure (RaCP) • Accident and emergency procedures • Proper disposal of waste material 	<p>Complied</p>
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<p>3.3.2</p>	<p>A mechanism to check consistent implementation of procedures is in place.. - Minor Compliance -</p>	<p>StOPs for mill processing of FFB (full cycle from receipt to producing palm oil and its by-product including generation of wastes) and for estate Oil Palm operations (from land clearing, nursery management, replanting, crop production and field maintenance to replanting) as well as SaOP for overall management are implemented in all the Operating Units evaluated. The individual mill/estate StOP and SaOP have become standard practice understood by all mill and estate field management staff as well as workers.</p> <p>Procedures are provided to all level of employment (management, staff and workers), plus induction training and refresher training given to ensure all workers are competent, skilful and follow procedures laid out.</p> <p>The objective being standard application and consistent implementation of procedures.</p> <p>A comprehensive monitoring framework is in place. The mill/estate management team/structure monitoring is in the form of task supervision and satisfactory task completion reports to senior management. A series of daily task completion forms, for example, checks on safety, environmental, quality (FFB traceability, OER, KER, etc.), and social serve as records of compliance monitoring implementation.</p> <p>To complement the above, Internal Audit was conducted annually (see indicator 3.1.3 for date of audit) by the Sustainability Department. Other mechanism to ensure implementation of procedures at estate level were periodic field visits and checks by Plantation Controller, General Manager and Agronomist. Likewise at mill level, Mill controller visit, General Manager round and HSE department tour were checks and balances used to scrutinize implementation of procedures.</p>	<p>Complied</p>
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3.3.3	<p>Records of monitoring and any actions taken are maintained and available.</p> <p>- Minor Compliance -</p>	<p>Documented information such as records of monitoring, reports and completed check forms and any subsequent action required together with follow-up until closure of complaints and grievances, non-conformity/non-compliance were available and maintained. Sighted medical surveillance report, Supply Chain record, RTE animal sightings filled-up forms, etc. whose record retention time varies complying to legal requirements, some kept up to 30 years such as CHRA Report.</p>	Complied
<p>Criterion 3.4 A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.</p>			
3.4.1	<p>(C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/out-grower scheme, is documented.</p> <p>- Major Compliance -</p>	<p>There is no new planting in the certification. Nonetheless, EIA was done internally by each operating unit covering all activities. The EIA is reviewed yearly. Action plans, Monitoring and Continuous Improvement Programme were established thereafter.</p> <p>For replanting operation, an EIA has been conducted for 16,688 Ha within Ladang Sabah Group Estates by an authorised consultant (Kiwiheng Environmental Consultants Sdn Bhd (EPD Reg: F007). Environmental Compliance Visit for 2018 have been conducted three times a year as required in "Surat Aku Janji" [JPAS/PP/02/600-1/11/1/117, dated 30/3/2012]. From the compliance visit report, the consultant had identified a few issues such as water pump (electricity powered) house is situated in the riparian zone, silt pit near nursery was not properly maintained, workers quarters located lesser than 50m from the river bank and traces of oil found on the ground. The estates have taken appropriate actions to correct the findings and recorded in "Action Plan for the Non-compliance on Environmental Conditions" under ECR by Kiwiheng Consultant.</p>	Complied

3.4.2	<p>For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.</p> <p>- Minor Compliance -</p>	<p>"Annual Review for Social Impact Assessment" conducted in each individual unit of certification; i.e. estates and mill. The assessment is carried out dated 02.01.2020, Ref. no.: IOI/SR/SPO/2019/SIA/annual/01 (Labuk), dated 06.01.2020, Ref. No.: IOI/SR/SPO/2020/SIA/annual/01 (BB1 & BB2), dated 06.01.2020, Ref. No.: IOI/SR/SPO/2020/SIA/annual/01 (POM). Prior to this the last SIA was carried out on 08.01.2019 (Labuk), 31.01.2019 (BB1) with actions taken according to the plans.</p> <p>The assessment is developed with participation of affected internal and external stakeholders through stakeholder meetings. The last stakeholder meeting found held on 06.09.2019 and 19.12.2019. Issue of unauthorized dependents to stay in the estates was identified in the assessment report.</p>	Complied
3.4.3	<p>(C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.</p> <p>- Major Compliance -</p>	<p>Management Action Plans & Continuous Improvement Plan was developed and reviewed on yearly basis based on the "Annual Review for Social Impact Assessment" dated 02.01.2020, Ref. no.: IOI/SR/SPO/2019/SIA/annual/01 (Labuk), dated 06.01.2020, Ref. No.: IOI/SR/SPO/2020/SIA/annual/01 (BIM1), dated 06.01.2020, Ref. No.: IOI/SR/SPO/2020/SIA/annual/01 (POM). The action plans were verified against the objective evidence such as attendance records, stakeholder meetings & briefing, purchase orders, etc.</p> <p>With regards to environmental management, the mitigation measure is established based on identified significant aspect from the environmental aspect and impact evaluation. The mitigation measures were incorporated through various mechanism such as implementation of standard and/or safe operating procedure, implementation of emergency response plan, water management plan, wastes management plan, bio-diversity management plan, implementation of 3R to name a few.</p>	Complied
<p>Criterion 3.5 A system for managing human resources is in place.</p>			

<p>3.5.1</p>	<p>Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable.</p> <p>- Minor Compliance -</p>	<p>Employment procedures for recruitment as documented in "Employee Handbook for Estate/Mill & Research Centre Executive Staff" based on the circular distributed to all managers dated 12.08.2015 circular no 01/15-16. For other levels of workers, documented procedure in place as per doc. No.: Plantation/HR/2019/SOPs; Appendix A – Recruitment of Staff (for operating centres), Appendix B – Staff Movement (promotion, Upgrading, Re-designation, transfer), Appendix C – Staff Movement (promotion of existing employee from worker to staff – local), Appendix D – Employment Procedure For local workers (recruitment, selection and hiring) for Permanent Worker and Appendix E – Retirement. Procedures are made available to their representatives and hiring personnel as reference during hiring process. Interview with recruitment personnel and staff confirmed that they aware of the procedure and hiring requirement. E.g. age verification, skill and experience verification, interview, medical examination, issuance of employment contract, orientation and safety briefing, process of obtaining work permit, etc.</p>	<p>Complied</p>
<p>3.5.2</p>	<p>Employment procedures are implemented, and records are maintained.</p> <p>- Minor Compliance -</p>	<p>Employment procedures implemented effectively and records of employment are maintained in individual personal file. Application form, employment contract, photocopy of identity card / passport, education certificate (if applicable) and other relevant documents are in place and available for review. E.g. identity card & passport for age verification, orientation training records, issued employment contract, etc.</p> <p>Selected file for review as listed below.</p> <p>Labuk Estate: Passport No.: AS367510, AU296236, AS389125, AS374960, AR401725, AU298964, AU123526 and Emp. IC.: 12-5351, Contractor's workers IC no.: 901022-xx-50xx, 12-5367, 940427-xx-50xx, 12-5791</p> <p>BB1: Emp. ID.: 3398, 3350, 2740, 3600, 2385, 3691, 3486, 3670, 3564, 20833810, 3871, 3976. Contractor's workers: Idris, Amiey, Darwis, Fikri</p> <p>BB2: Emp. ID.: 2919, 1370, 2929, 2666, 2905, 1903, 2823, 2664, 1118, 1368, Hangkasturi & Rosidah.</p>	<p>Complied</p>

		<p>POM: Emp. IC.: 12-5553, 12-6003, 12-6156, Passport No.: AS363673, AS363665, AS379436, AS379447, AS386411, AT989322, AT706774, AS386436, AT988407</p>	
<p>Criterion 3.6 An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.</p>			
<p>3.6.1</p>	<p>(C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented. - Major Compliance -</p>	<p>The assessed Operating Unit keep a central register for all H&S issues identified. The register captured hazards recognized, its risk assessed and counter measures recommended. The register has been developed for significant routine and non-routine activities and updated. It was last reviewed at Labuk Estate on 07.01.2020, Bimbingan 1 Estate on 02.01.2020, Bimbingan 2 Estate on 24.5.2019 and Ladang Sabah POM on 01.11.2019.</p> <p>Among those work activities the mill had established were not limited to FFB processing at every workstation from receipt and grading, oil extraction to storage and CPO dispatch and treatment of by-products/waste but includes work activities at Supporting Functions such as:</p> <p><u>Workshop</u></p> <ul style="list-style-type: none"> ▶ Maintenance and servicing – all mill and biogas plant machineries, equipment and appurtenances ▶ Welding and cutting job, electrical works, etc. <p><u>Utility</u></p> <ul style="list-style-type: none"> ▶ Water Treatment Plant, Boiler House, Engine Room and Biogas Plant Operation <p><u>Laboratory</u></p> <ul style="list-style-type: none"> ▶ Laboratory analysis of products and by-products/wastes <p><u>Office and Store</u></p> <ul style="list-style-type: none"> ▶ Office activities and administration, weighbridge operation ▶ Store Operation (receiving, storing/racking, issuing) and Materials management 	<p>Complied</p>

		<p><u>Security</u></p> <ul style="list-style-type: none"> Site patrolling, gate keeping and emergency response <p><u>Contractor</u></p> <ul style="list-style-type: none"> Wide ranging scope of activities that are not normally perform by employees or where expertise are required, for example, boiler repair, servicing and maintenance, desludging of effluent ponds, Chemical Health Risk Assessment (CHRA) , etc. <p>Whereas at the estates, examples include activities or areas such as:</p> <ol style="list-style-type: none"> Chemical spraying; Harvesting; Pruning; Manuring; Weeding; Rat baiting and bag worm treatment; FFB loading, collection and transporting; Transporting of workers; Workshop operations; <p>Additionally, to comply with OSH (USECHH) Regulations 2000 IOI Ladang Sabah has undertaken CHRA by appointing DOSH Registered Competent Person Registration No. HQ/11/ASS/00/298 at the following Operating Units as follows:</p> <table border="1" data-bbox="960 1169 1637 1362"> <thead> <tr> <th>Operating Unit</th> <th>Date of assessment</th> </tr> </thead> <tbody> <tr> <td>Labuk Estate</td> <td>6 – 10 Jan 2020</td> </tr> <tr> <td>Bimbingan Estate 1</td> <td>6 – 10 Jan 2020</td> </tr> <tr> <td>Bimbingan Estate 2</td> <td>6 – 10 Jan 2020</td> </tr> </tbody> </table>	Operating Unit	Date of assessment	Labuk Estate	6 – 10 Jan 2020	Bimbingan Estate 1	6 – 10 Jan 2020	Bimbingan Estate 2	6 – 10 Jan 2020	
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Bimbingan Estate 1	6 – 10 Jan 2020										
Bimbingan Estate 2	6 – 10 Jan 2020										

		POM	22.11- 5.12.2018	
		Recommendations by the Assessor has been sighted taken by the respective Operating Unit as in the case of Medical Surveillance required for workers identified in the CHRA Report. See Indicator 7.2.10		
3.6.2	(C) The effectiveness of the H&S plan to address health and safety risks to people is monitored. - Major Compliance -	<p>The effectiveness of H&S plan is monitored and measured via Performance Evaluation such as:</p> <ul style="list-style-type: none"> • The annual Internal Audit conducted by the Sabah Sustainability Palm Oil Department. • The decisions of the Management Review Meeting (held on 10.12.2019 following the internal audit conducted) discussing the findings of the internal audit presented, gauge the health and assess the effectiveness of the RSPO P&C implementation, as well as to determine its continued suitability and adequacy. • Compliance to each applicable law and regulation by each Operating Unit. • The accomplishment of person responsible for each OSH program and progress reported. • The success of OHS operational and other controls. • The conduct and results of Annual audiometric test, Health Screening and Medical Surveillance for those category of workers involved. • The progress, achievement and outcomes of 2019 OHS Training given at all Operating Units. 		Complied
Criterion 3.7				
All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained.				
3.7.1	(C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and out-growers, taking into	Formal training program for the year 2020 was published and made available at beginning of each Financial Year and implemented accordingly. Training identification and needs analysis were applied to recognize the staff, workers		Complied

	<p>account gender-specific needs, and which covers applicable aspects of the RSPOP&C, in a form they understand, and which includes assessments of training.</p> <p>- Major Compliance -</p>	<p>and contractor’s deficient skills or knowledge gaps, particularly, in aspects of RSPO P&C and the Supply Chain Certification System. Training was then organized and delivered by Internal staff choosing from the forty eight (48) training programs established for estates and one hundred twenty seven (127) for Ladang Sabah Palm Oil Mill. There is no associated smallholders at this Certification Unit and thus no training given to them.</p> <p>Following the training given, regular assessment of training was conducted either by the Trainer or their immediate Supervisor to gauge trainees’ understanding. Else, refresher course will be organized.</p> <p>Training methodology given to workers are commonly On-The-Job Training, Coaching/Mentoring and Hands-on Practical Session with plenty of Graphical/Pictorial illustration than wordings as these approach get their attention and better understanding.</p>																																					
<p>3.7.2</p>	<p>Records of training are maintained.</p> <p>- Minor Compliance -</p>	<p>Training records were observed updated and maintained. In general, the identified trainings covered the aspects of safety, environment, best practices and social. Sampled a few of the following training records at the respective assessed operating units, given in 2019.</p> <table border="1" data-bbox="958 1042 1800 1375"> <thead> <tr> <th>No</th> <th>Course Name</th> <th>Date</th> <th>No of Attendees</th> </tr> </thead> <tbody> <tr> <td colspan="4">Labuk Estate</td> </tr> <tr> <td>1</td> <td>Sustainable Palm Oil Policy</td> <td>26.02.19</td> <td>42 Workers</td> </tr> <tr> <td>2</td> <td>Complaints Procedure</td> <td>26.02.19</td> <td>51 Workers</td> </tr> <tr> <td>3</td> <td>SOP – Spraying (Mist Blower)</td> <td>11.05.19</td> <td>2 Mandore and 4 Sprayers</td> </tr> <tr> <td>4</td> <td>Schedule Waste Management</td> <td>10.06.19</td> <td>2 Workshop and 6 Field Workers</td> </tr> <tr> <td>5</td> <td>SOP Planting Oil Palm</td> <td>11.06.19</td> <td>5 General Workers</td> </tr> <tr> <td>6</td> <td>Planting Beneficial Plant</td> <td>19.11.19</td> <td>2 General Workers</td> </tr> <tr> <td colspan="4">Bimbingan 1 Estate</td> </tr> </tbody> </table>	No	Course Name	Date	No of Attendees	Labuk Estate				1	Sustainable Palm Oil Policy	26.02.19	42 Workers	2	Complaints Procedure	26.02.19	51 Workers	3	SOP – Spraying (Mist Blower)	11.05.19	2 Mandore and 4 Sprayers	4	Schedule Waste Management	10.06.19	2 Workshop and 6 Field Workers	5	SOP Planting Oil Palm	11.06.19	5 General Workers	6	Planting Beneficial Plant	19.11.19	2 General Workers	Bimbingan 1 Estate				<p>Complied</p>
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1	SOP Workshop	14.01.19	2 workshop Operator and 2 Field staff
2	Buffer zone Awareness SOP Spraying	08.02.19	4 Sprayers
3	Buffer zone Awareness SOP Manuring and Rat Baiting	19.02.19	7 Rat Bait Applicator / Manurer
4	SOP Tractor Driver	18.02.19	9 Drivers
5	Sexual Harassment	25.05.19	37 Female workers
6	SOP Harvesting	17.07.19	33 Harvesters
Bimbingan 2 Estate			
1	RSPO, MSPO & ISCC Awareness	15.04.19	43 workers
2	InterPump Maintenance & calibration	19.06.19	7 Sprayers
3	SOP Nursery	19.12.19	8 Nursery Operators
4	Riparian Reserve, , Buffer Zone, HCV & CA	21.01.19	20 Sprayers & Manurers
5	Basic First Aid	20.09.19	16 Mandore, Creche, Humana, Workshop, Storekeeper
6	Safety, Health, Environment and Sustainable Campaign	23.04.19	All
Ladang Sabah Palm Oil Mill			
1	RSPO Supply Chain Certification Standard	12.01.19	26 Critical Control Point Operator
2	SOP Sterilization Station	02.04.19	22 Mill Operators
3	Briefing on Sustainability Certification	14.08.19	15 Mill Management
4	SOP LOTO System	25.07.19	25 Mill Operators
5	Working at height	05.11.19	11 WAH Operators
6	Briefing on Occupational Safety, Health & Hygiene	29.04.19	66 Mill Workers

3.7.3	<p>Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.</p> <p>- Minor Compliance -</p>	<p>There were three trainings conducted related to RSPO SC since the last assessment, i.e.:</p> <ul style="list-style-type: none"> i) Sustainability briefing certification & supply chain by SPO Dept., conducted on 4/12/2019, attended by 17 participants from the mill ii) Sustainability briefing certification & supply chain by the Sr. Assistant Mill Manager, conducted on 13/12/2019, attended by 9 participants iii) Sustainability briefing & supply chain Certification Standard with Transporter & Contractor by the Assistant Mill Manager, conducted on 13/12/2019, attended by 7 participants 	Complied
<p>Criterion 3.8 Supply chain requirement for mills (note: all supply chain requirements are considered as critical (C). However it will not contribute to suspension if there is more than 5 non-compliance within a principle)</p>			
3.8.1	<p>Definition Identity Preserved Mill D.1:</p> <p>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&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 processes certified and uncertified FFB without physically separating them, then only Module E is applicable.</p>	<p>The mill has only received all the certified FFB from its certified estates which belong to IOI Corporation Berhad. SOP for RSPO Supply Chain – Module D – CPO Mills: Identity Preserved (IP), Doc. No.: RSPOSC/SOP/IP/3, Rev. 06 dated 8/9/2018 was developed to implement the IP supply chain system at the POM. The procedure is applicable to incoming FFB, outgoing CPO & PK at RSPO certified mills that operate IP supply chain system. The procedure has inclusive of overproduction, handling of complaints and non-conformities product.</p> <p>During the period of January to December 2019, Ladang Sabah Palm Oil Mill has received and processed FFB from own plantations: 352,699.19 MT with Module D (Identity Preserved) and 5,009.36 MT from other certified units with Module D (Identity Preserved) for supply chain model.</p>	Complied
3.8.2	<p>Definition Mass Balance Mill E.1</p> <p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill</p>	NA	Not applicable

	<p>may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB</p>		
<p>3.8.3</p>	<p>Explanation (Volume and product integrity) – D.2, E.2 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&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. The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organisation (RSPO IT platform).</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in Table 10 of this public summary report.</p>	<p>Complied</p>

<p>3.8.4</p>	<p>Documented procedures – 5.3.1, D.3, E.3</p> <p>The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <p>Complete and up-to-date procedures covering the implementation of all the elements of the supply chain model requirements.</p> <ul style="list-style-type: none"> • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). • 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 organisation’s procedures for the implementation of this standard. • The site shall have documented procedures for receiving and processing certified and non-certified FFBs. 	<p>IOI Plantation Services Sdn Bhd has developed procedures to implement the elements of the applicable supply chain model as below:</p> <ul style="list-style-type: none"> • RSPO Supply Chain – Module D – CPO Mills: Identity Preserved (IP), Doc. No.: RSPOSC/SOP/IP/3, Rev. 06 dated 8/9/2018 • Internal Audit Procedure, Doc. No.: RSPOSC/SOP/IA/1, Rev. 02 dated 20/12/2018. <p>The Mill Manager has an overall responsibility and authority over the implementation of the procedure, requirements and compliances with all the applicable RSPO Supply Chain Certification Standard and assisted by Assistant Managers, Engineers and Technical Executives as per stated in the RSPO Supply Chain – Module D – CPO Mills: Identity Preserved (IP) procedure.</p> <p>FFB were obtained from all IOI’s certified estates only. There was no third party’s crop nor non-certified FFB received by the mill.</p>	<p>Complied</p>
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3.8.5	<p>Internal Audit – 5.3.2</p> <p>The site shall have a written procedure to conduct annual internal audit to determine whether the organisation;</p> <p>Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>Effectively implements and maintains the standard requirements within its organisation.</p> <p>Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The organisation shall be able to maintain the internal audit records and reports.</p>	<p>IOI Plantation Services Sdn Bhd has developed Internal Audit Procedure, Doc. No.: RSPOSC/SOP/IA/1, Rev. 02 dated 20/12/2018 for conducting RSPO SCCS and RSPO Rules on Market Communications and Claims internal audit. The last internal audit was carried out on 26/11/2019 by Executive SPO Department Sandakan Region. The coverage of internal audit has included the General Chain of Custody Requirements for the Supply Chain and Module D: Identity Preserved. There was no non-conformity raised as a results of the internal audit.</p>	Complied
3.8.6	<p>Purchasing Goods In – 5.4, D.4.1/ D.4.2, E.4.1/E.4.2</p> <p>The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <p>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <p>The site shall have a mechanism in place for handling non- conforming oil palm products and/or documents.</p>	<p>The accompanying documents of incoming FFB from own estate are estate’s weighing bridge tickets which has the info about name of estate, RSPO certificate number, weighbridge ticket number, seal number, date of delivery, field number, number of bunches. Upon arrival at the mill, the mill issues its weighbridge ticket as confirmation of receipt. The estate’s ticket number is recorded in the mill’s ticket number.</p> <p>There has been no projected overproduction. Nonetheless, based on interview with the staff, the facility is aware of this requirements.</p> <p>The mechanism for handling non-conforming oil palm products and/or documents is addressed under RSPOSC/SOP/IP/3 Clause 12 which describes the non-certified material or product shall be kept segregated from the certified ones.</p>	Complied
3.8.7	Outsourcing Activities – 5.5	Not applicable. No outsourcing activity.	Not applicable

	<p>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 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 organisation (not the tank farm manager).</p>		
	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ul style="list-style-type: none"> a) The site has legal ownership of all input material to be included in outsourced processes; 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. 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.</p>	<p>Not applicable</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.		
	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.	Not applicable. No outsourcing activity.	Not applicable
	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.	Not applicable. No outsourcing activity.	Not applicable
3.8.8	Record keeping – 5.9 The organisation shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.	Ladang Sabah POM has maintained the accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.	Complied
	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.	As per the RSPO Supply Chain – Module D – CPO Mills: Identity Preserved (IP) procedure, the records retention for RSPO Supply Chain related records and reports to be retained for a minimum of 2 years’ period. Sampled records of FFB weighbridge tickets and daily production records for last 2 years were still in place for verification.	Complied
	The organisation 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	Not applicable. The product of the facility is containing 100% palm oil.	Not applicable

	<p>(input) and claimed (output) over a period of twelve (12) months.</p> <p>D.5.1 – The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.</p> <p>Or</p> <p>E.5.1 –</p> <p>a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and/or three-monthly basis.</p> <p>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.)</p>	<p>Real-time basis recorded in "Month End Production Report" for both CPO and PK. The data is summarised in "CPO/PK Mass Balance Calculation (Internal Process & Output for Financial Year XX/YY)". 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><u>CPO:</u> RSPO certified CPO produced in Jan-Dec 2019 = 75,739.57 mt RSPO certified CPO dispatched to tank farm at IOI refinery in Jan-Dec 2019 = 75,124.77 mt RSPO certified CPO sold as RSPO certified in Jan-Dec 2019 = 41,029.73 mt RSPO certified CPO sold as ISCC certified in Jan-Dec 2019 = 21,435.31 mt RSPO certified CPO sold as conventional in Jan-Dec 2019 = 74.84 mt Balance of RSPO certified CPO at IOI refinery tank farm = 12.584.89 mt</p> <p><u>PK:</u> RSPO certified PK carried forward from Dec18 = 263.67 mt RSPO certified PK produced in Jan-Dec 2019 = 19,804.64 mt RSPO certified PK sold as RSPO certified in Jan-Dec 2019 = 19,737.85 mt Balance of RSPO certified PK = 330.46 mt</p> <p>The movements are also reflected in the mill's "Month End Production Report"</p>	<p>Complied</p>
<p>3.8.9</p>	<p>Conversion Factors – 5.10</p> <p>Where applicable, a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organisations may determine and set their own conversion rates which shall be based upon past</p>	<p>Conversion factor of CPO and PK production is depending on the actual OER and KER. The previous actual OER & KER can be seen in Table 10 of this report.</p>	<p>Complied</p>

	experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org)		
	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
3.8.10	Processing – D.6 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 IOI’s own certified supply bases of FFB is processed and did not receive any uncertified FFB. This ensures that there is no possibility of mixing during processing. Since there is no process of non-certified FFB, the objective for 100% segregated material is reachable.	Not applicable
3.8.11	Sales and goods out – 5.6 The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; 	Sampled invoice # CT19-20/1309, dated 20/9/2019, contract # C16986/1909, seller: Ladang Sabah Palm Oil Mill (represented by IOI Commodity Trading Sdn Bhd), buyer: IOI Edible Oils Sdn Bhd, quantity: 93.16 mt. In the mill’s weighbridge tickets, the description of product is available i.e. Crude Palm Oil, model IP [ref.: Ticket no.: 113677, 113675 and 113674]	Complied

	<ul style="list-style-type: none"> • A unique identification number. • 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). • 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. 		
3.8.12	<p>Registration of Transactions – 5.7 Supply chain actors who:</p> <ul style="list-style-type: none"> • Are mills, traders, crushers and refineries; and • 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. 	<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 28 announcements made.</p>	Complied
	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform: Shipping Announcement/Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure2 and 3, refer Annex 1) shall be registered as a Shipping Announcement/Announcement in the RSPO IT</p>	<p>Based on the announcement summary, all the registrations were found to be in order.</p>	Complied

	<p>Platform. time to do Shipping Announcement/Announcement is based on members' own standard operating procedures.</p> <p>Trace: When RSPO certified volumes are sold as RSPO 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.</p> <p>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</p> <p>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements/Announcements.</p>		
3.8.13	<p>Claims – 5.11</p> <p>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.</p>	<p>RSPO trademark was not use. Nonetheless, the facility is aware with the requirements of the RSPO Rules on Market Communications and Claims. IOI Corporation Berhad has obtained Trademark License from RSPO and seen the trademark license# 2-0002-04-100-03 which valid from 19/12/2019 to 18/12/2021.</p>	Complied
Principle 4: Respect community and human rights and deliver benefits			
Criterion 4.1			
The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.			
4.1.1	<p>(C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment</p>	<p>Policy in place as documented IOI Group Sustainable Palm Oil Policy March 2018 – Section 4 – Existing Plantations, Human Rights and Workplace. The policy states company's commitment to respect and uphold the rights of all workers, including contractor, temporary, and migrant workers in accordance with the UDHR, ILO and UNGP on Business and Human Rights and the principles of Free and Fair Labor in Palm Oil Production. The policy is</p>	Complied

	<p>by the unit of certification and contracted services, including contracted security forces.</p> <p>- Major compliance -</p>	<p>communicated to all workforce including external stakeholders during the external stakeholder meeting (06.09.2019) covering all the Ladang Sabah Certification units which comprise of 8 estates and mill. For internal communication, it is sighted the policy is communicated</p> <ul style="list-style-type: none"> - during the muster and Joint Committee Consultation dated 19.12.2019 for Labuk Estate and on 05.04.2019 for staff. - For BB1 estate, policies including complain / grievance procedure is communicated through muster meeting dated 23.12.2019 and staff training on 07.01.2019. - For BB2 the business policies including code of ethics is communicated during the Muster Briefing, dated 15.12.2019. <p>For POM the codes and policies are communicated during muster meeting last briefing in relates to company policies including code of ethics was carried out on 04.11.2019. Records for communication/ briefing / training is presented as at time of audit.</p>	
4.1.2	<p>The unit of certification does not instigate violence or use any form of harassment in their operations.</p> <p>- Minor compliance -</p>	<p>No adverse objective evidence sighted as at time of audit. Workers interview confirmed that they are treated fairly and respected on their rights. Any wrongdoing will result in verbal advise and warning. No any form of harassment ever encountered in their operations.</p>	Complied
<p>Criterion 4.2</p> <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties</p>			
4.2.1	<p>(C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistle-blowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.</p> <p>- Major compliance -</p>	<p>IOI Corporation Berhad has developed and implemented Whistleblowing Policy, revised on October 2019 where the objective of the policy is to provide an avenue for all employees of IOI Group and all other stakeholders (e.g. all agents, vendors, contractors, suppliers, consultant members of public and IOI's customer) to raise concerns about any improper conduct within IOI Group without fear of retaliation and to offer protection who reported such allegations. The policy is designed to provide transparent and confidential process for dealing with concerns. The policy has ensured protection to whistle-blowers where the person may choose to remain anonymous when</p>	Complied

		reporting. The whistleblowing investigation shall be completed within 2 weeks from date of receiving the whistleblowing. The channel of whistleblowing has clearly stated in the policy.	
4.2.2	Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties. - Minor compliance -	As commented in 4.2.1, documented procedure in place and communicated to all stakeholders through stakeholder meetings.	Complied
4.2.3	The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders. - Minor compliance -	No issues raise / received by the unit of certification. However, it is documented in the procedure; i.e. Chapter 10 – Grievance Procedure, Chapter 6 - Handling of Whistleblowing, Chapter 7 - Escalation of Whistleblowing and Chapter 8 – Investigation of Whistleblowing; that reported grievance progress, including against agreed time frame and the outcome must be communicated to relevant stakeholder within 10 working days after preliminary investigation outcome. The status of the whistleblowing shall be reported to the Audit Risk Management Committee on a quarterly basis. Sighted estates and mill has established a Complaint/ Grievance Book. Besides, the mill has implemented Request for Housing Repair Form where the workers lodged complaint regarding housing defect. Outcome and action taken are clearly documented in the book.	Complied
4.2.4	The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator. - Minor compliance -	Should the outcome / resolution of the grievance is not satisfactory and agreed by either parties, the resolution mechanism including the option of access to independent legal and technical advice is allowed according to the procedure as stipulated in 4.2.1. In presence of Employee Consultative Committee, Gender Consultative Committee and Joint Consultative Committee, workers or relevant stakeholder may raise their concern and seek for resolution in an open manner. Workers interview and ECC committee members were interviewed and confirmed aware of the requirement. According to the ECC and Gender committee, there is no cases reported or received from their members.	Complied

Criterion 4.3 The unit of Certification contributes to local sustainable development as agreed by local communities.			
4.3.1	Contributions to community development that are based on the results of consultation with local communities are demonstrated. - Minor compliance -	Ladang Sabah POM and estates have made contribution to the communities such as providing free school bus to send the children to schools, participation and contribution to Jabatan Hindupan Liar dated 20.08.2019 and contributing to the orphanage home dated 09.07.2019. Besides interviewed with the teachers confirmed that the management has provided assistance to repair the school defects as per request.	Complied
Criterion 4.4 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.			
4.4.1	(C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents Related to the history of land tenure and the actual legal or customary use of the land are available. - Major compliance -	There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders/neighbouring estates and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.	Complied
4.4.2	Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders/neighbouring estates and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.	Complied
4.4.2a	Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making.		

	- Minor compliance -		
4.4.2b	Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken. - Minor compliance -	There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders/neighbouring estates and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.	Complied
4.4.2c	Evidence that the legal, economic, environmental and social implications of 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 unit of certification's title, concession or lease on the land. - Minor compliance -	There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders/neighbouring estates and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.	Complied
4.4.3	(C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance -	There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders/neighbouring estates and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.	Complied
4.4.4	All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. - Minor compliance -	There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders/neighbouring estates and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.	Complied
4.4.5	(C) Evidence is available to show that communities are represented through institutions or representatives of	There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders/neighbouring estates and local communities confirmed that no encroachment of land by the company	Complied

	<p>their own choosing, including by legal counsel if they so choose.</p> <p>- Major compliance -</p>	<p>as boundary pegs and trenches were constructed to demarcate the boundaries.</p>	
4.4.6	<p>There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.</p> <p>- Minor compliance -</p>	<p>There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders/neighbouring estates and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.</p>	Complied
<p>Criterion 4.5: No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.</p>			
4.5.1	<p>(C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available.</p> <p>- Major compliance -</p>	<p>Ladang Sabah Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area.</p>	Complied
4.5.2	<p>(C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.</p> <p>- Major compliance -</p>	<p>Ladang Sabah Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area.</p>	Complied
4.5.3	<p>Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial</p>	<p>Ladang Sabah Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area.</p>	Complied

	discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations. - Minor compliance -		
4.5.4	To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process. - Minor compliance -	Ladang Sabah Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area.	Complied
4.5.5	Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. - Minor compliance -	Ladang Sabah Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area.	Complied
4.5.6	Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator. - Minor compliance -	Ladang Sabah Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area.	Complied
4.5.7	New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of	Ladang Sabah Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area.	Complied

	<p>eminent domain of the federal and state land acquisition legislations.</p> <p>- Minor compliance -</p>		
4.5.8	<p>(C) New lands are not acquired in areas inhabited by communities in voluntary isolation.</p> <p>- Major compliance -</p>	<p>Ladang Sabah Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. The immature areas are replanted area.</p>	<p>Complied</p>
<p>Criterion 4.6</p> <p>Any negotiations Concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>			
4.6.1	<p>(C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place.</p> <p>- Major compliance -</p>	<p>IOI Corporation Berhad has developed 'Grievance Procedure for Land Owner Issues flowchart' that has detailing the process of negotiation and compensation if there is any land dispute. Compensation shall be with mutually agreed prices, terms and conditions, including liaising with the state authority and land and survey department.</p>	<p>Complied</p>
4.6.2	<p>(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.</p> <p>- Major compliance -</p>	<p>IOI Corporation Berhad has developed Grievance Procedure for Land Owner Issues flowchart that has detailing the process of negotiation and compensation if there is any land dispute. Compensation shall be with mutually agreed prices obtained from relevant authorities including states authority.</p>	<p>Complied</p>
4.6.3	<p>Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings.</p> <p>- Minor compliance -</p>	<p>There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries. The Grievance Procedure for Land Owner Issues flowchart is in place to ensure equal opportunities are provided to both men and women.</p>	<p>Complied</p>

4.6.4	The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them. - Minor compliance -	There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.	Complied
<p>Criterion 4.7 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.</p>			
4.7.1	(C) A mutually agreed procedure for identifying people entitled to compensation is in place. - Major compliance -	IOI Corporation Berhad has developed 'Grievance Procedure for Land Owner Issues flowchart' that has detailing the process of negotiation and compensation if there is any land dispute. Compensation shall be with mutually agreed prices, terms and conditions, including liaising with the state authority and land and survey department.	Complied
4.7.2	(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties. - Major compliance -	IOI Corporation Berhad has developed 'Grievance Procedure for Land Owner Issues flowchart' that has detailing the process of negotiation and compensation if there is any land dispute. Compensation shall be with mutually agreed prices, terms and conditions, including liaising with the state authority and land and survey department.	Complied
4.7.3	Communities that have lost access and rights to land for plantation expansion are given opportunities including employment and supply contracts to benefit from plantation development. - Minor compliance -	There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.	Complied
<p>Criterion 4.8 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>			
4.8.1	Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed	There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders and local communities	Complied

	<p>compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC.</p> <p>- Minor compliance -</p>	<p>confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.</p>	
4.8.2	<p>(C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms.</p> <p>- Major compliance -</p>	<p>There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.</p>	Complied
4.8.3	<p>Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4)</p> <p>- Minor compliance -</p>	<p>There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.</p>	Complied
4.8.4	<p>For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>- Minor compliance -</p>	<p>There is no land dispute in the Ladang Sabah certification unit at the time of audit. The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.</p>	Complied
<p>Principle 5: Support smallholder inclusion</p>			
<p>Criterion 5.1</p>			

The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.			
5.1.1	Current and previous period prices paid for FFB are publicly available and accessible by smallholders. - Minor compliance -	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	NA
5.1.2	(C) Evidence is available that the unit of certification explains the FFB pricing to smallholders on request from individual smallholders (at least once a year or upon request). - Major compliance -	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	NA
5.1.3	(C) Fair pricing, calculated as a portion of the international CPO price less costs is provided to smallholders in the supply base and documented. - Major compliance -	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	NA
5.1.4	(C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable. - Major compliance -	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	NA
5.1.5	Contracts are fair, legal and transparent and have an agreed timeframe. - Minor compliance -	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	NA

5.1.6	(C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given. - Major compliance -	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	NA
5.1.7	Weighbridges used for determining payment to smallholders are verified by an independent third party on a regular basis (this can be government). - Minor compliance -	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	NA
5.1.8	The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. - Minor compliance -	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	NA
5.1.9	(C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner. - Major compliance -	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	NA
Criterion 5.2			
The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.			
5.2.1	The Company consults with interested smallholders (irrespective of type) within the Unit of Certification, including women or other partners in their supply base, to assess their needs for support to improve their livelihoods and their interest in RSPO certification. - Minor compliance -	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	NA

5.2.2	The unit of certification develops and implements smallholder support programme to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Independent Smallholder Standard or RISS). - Minor compliance -	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	NA
5.2.3	Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. - Minor compliance -	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	NA
5.2.4	(C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. - Major compliance -	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	NA
5.2.5	The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme. - Minor compliance -	NA as there the mill does not purchase any FFB sourced from other company or smallholders.	NA
Principle 6: Respect workers' rights and conditions			
Criterion 6.1: Any form of discrimination is prohibited.			
6.1.1	(C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual	IOI Group has implemented 'Equal Opportunity Employment & Freedom of Association Policies' dated October 2017 in both languages where all the workers will receive equal treatment based on their relevant merits and competency regardless of gender, race, caste, nationality, religion, age,	Complied

	orientation, gender identity, union membership, political affiliation or age. - Major compliance -	physical condition, sexual orientation, marital status, union membership or political affiliation	
6.1.2	(C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for foreign workers. - Major compliance -	No adverse evidence sighted as at time of audit. Workers and external stakeholder interview confirmed that workers and groups are not been discriminated. Hiring of workers are based on skill, experience and medically fit. For foreign workers, interview confirmed that there is no recruitment fees imposed to them in order to work in the estates. Documentation review including application form, medical check result, hiring advertisement, etc. confirmed that there is no discrimination elements in hiring/recruitment process.	Complied
6.1.3	The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available. - Minor compliance -	As per documented recruitment procedure Appendix D – Employment Procedures For Local Workers (Recruitment, Selection & Hiring) – Permanent Worker, recruitment of workers are based on skill, capabilities and fitness for the job offered. No adverse finding observed implemented that contribute to the elements of discrimination. Workers interview states that they are offered with a job based on their skills and capabilities, attended the face-to-face interview and subjected to medical examination if they are successfully selected / shortlisted.	Complied
6.1.4	Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women. - Minor compliance -	Based on the application forms and recruitment procedures, pregnancy test is not stated and required during the hiring process. Upon completion of interview, workers are required to undergo medical check that covers UPT (Urine Pregnancy Test) that is meant to ensure they are not assigned to hazardous or chemical handling process which may affect their health. Documented procedure in place to describe the test requirement as per IOI Plantation – Guideline on Reproductive Health, Section 4.1 – Employer’s Responsibilities.	Complied

<p>6.1.5</p>	<p>(C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women. - Major compliance -</p>	<p>Gender Committee – known as Female Representation / Gender Consultative Committee is established in the Labuk Estate based on the Organization Chart presented. The GCC Chairperson is Puan Nor Azilah Barahim (Chief Clerk) and assisted by Fataricia John (Passport Clerk). The GCC meeting is held every six months basis and documented in '<i>Minit Mesuarat Jawatan Kuasa Perundingan Jantina</i> (GCC)'. Issues discussed includes briefing of sexual harassment and reporting channel, activities such as children colouring contest, cooking competition, etc. Interview with GCC secretary confirmed that no sexual issues raised so far and aware of the reporting method.</p> <p>BB1 Estate – Gender Consultative Committee is established lead by the chairperson Puan Celestina Maka (Estate Hospital Assistant). Meeting is conducted twice a year and documented in the meeting minutes. Last minutes sighted carried out on 29.12.2019 with total of 20 participants. Issues discussed includes proposal of '<i>gotong royong</i>', briefing of sexual harassment procedure, etc. Organization chart of the GCC is available and last updated on May 2019. Interview with GCC chairperson confirmed that there are no sexual harassment issues ever being reported; should there be any they are aware of how it can be escalated and reported for immediate action.</p> <p>BB2 estate – Gender Consultative Committee established lead by the general clerk – Puan Roslina Binti Jaafar (Chairperson). Meeting is conducted twice a year. Last meeting was held on 19.12.2019 with 13 members participation. Issues discussed includes cleanliness of the work area, briefing on sexual harassment, etc. Interview with the chairperson confirmed aware of their role and function and they received no sexual harassment complaint so far. Should there be any they aware of how to report the incident effectively.</p>	<p>Complied</p>
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		<p>POM – Gender Consultative Committee is in place lead by Pn. Sariyati Tansi (Storekeeper), the chairperson to represent the women in all aspects including identifying and address issues of concern, as well as opportunities and improvements for women. Meeting were held twice a year and documented in the '<i>Minit Mesyuarat Jawatankuasa Perundingan Jantina(GCC)</i>'. Last meeting was held on 21.09.2019 with 16 members participations. Issues discussed including briefing of sexual harassment procedure and activities such as Zumba, fast breaking (during Ramadhan), cooking class, etc.</p> <p>Documented Guideline for Gender Consultative Committee , Doc. No.: SPO/SDK/S/001-2017 Dated 25.09.2017, Rev. 1 is in place describing function of the committee.</p>	
6.1.6	<p>There is evidence of equal pay for the same work scope.</p> <p>- Minor compliance -</p>	<p>Workers are paid on piece rated and daily rated according to the task assigned to them. The payment method is applicable to all workers with standard rate applied across the units of certification; i.e. BBI, BB2, Labuk and POM. Payslip, payroll system, employment contract and piece rated list for selected workers confirmed they are consistent.</p>	Complied
<p>Criterion 6.2 Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).</p>			
6.2.1	<p>(C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand.</p> <p>- Major compliance -</p>	<p>Applicable labour laws in terms of benefits and workers entitlement are documented in the employment contract in national language (Bahasa Malaysia) and explained to workers in language they understand. Workers interview confirmed that they are communicated on their pay and condition in the employment contract in their understandable language before they sign the documented.</p>	Complied

<p>6.2.2</p>	<p>(C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members. - Major compliance -</p>	<p>The employment contract for all workers in the estates and mill are documented as per the Sabah Labor Ordinance requirement which covers the employment condition, pay and benefits. E.g. working hours, deductions, overtime rates, holiday and rest day rate, annual and sick leave, maternity leave, termination of contract, etc. The employment contract is documented in Bahasa Malaysia and communicated to all workers in the language they understand during the induction / orientation training.</p> <p>Selected file for review as listed below.</p> <p>Labuk Estate: Passport No.: AS367510, AU296236, AS389125, AS374960, AR401725, AU298964, AU123526 and Emp. IC.: 12-5351, Contractor's workers IC no.: 901022-xx-50xx, 12-5367, 940427-xx-50xx, 12-5791</p> <p>BB1: Emp. ID.: 3398, 3350, 2740, 3600, 2385, 3691, 3486, 3670, 3564, 20833810, 3871, 3976. Contractor's workers: Idris, Amiey, Darwis, Fikri</p> <p>BB2: Emp. ID.: 2919, 1370, 2929, 2666, 2905, 1903, 2823, 2664, 1118, 1368, Hangkasturi & Rosidah.</p> <p>POM: Emp. IC.: 12-5553, 12-6003, 12-6156, Passport No.: AS363673, AS363665, AS379436, AS379447, AS386411, AT989322, AT706774, AS386436, AT988407</p> <p>However, record for work done by family members found not documented.</p> <p><u>BB2 Estate</u> 4 mothers of 4 randomly selected child from crèche were found not documented in the employee list and BB2 payroll. Interview with the selected child and crèche's nanny, children are sent to crèche while both parents are working in the estates. Review of "Worker Census" records sighted, 3 out of the 4 mothers are classified as 'dependent' while 1 out of 4 mother is classified as manurer / manure spreader.</p>	<p>Major non-conformity</p>
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		<p>There are 2 FFB transport service provider and 1 replanting contractor used by the estate management. However, none of the selected workers of the service provider and contractor employment contracts and related documents detailing payment and conditions of employment and payroll documents available for review as at time of audit. Noted, list provided incomplete; whereby 2 drivers name derived from the weight bridge ticker were not found in the list provided.</p> <p>01 of the sampled worker (Emp. No.: 1370) was found not paid according to the work carried out as harvester. Inconsistency found in report tracking between workers payslip, Harvester Tonnage For Month xx/2019 report and <i>Penyata Gaji Penuaian / Detail of Work salary summary</i>.</p> <p>e.g. July 2019 – Harvester Tonnage Report generated found total of 42.21 MT but payslip & detailed salary summary and salary paid based on 46.96 MT.</p> <p>January 2019 – Harvester Tonnage Report generated found total of 53.04 MT but payslip & detailed salary summary and salary paid based on 48.31 MT.</p> <p><u>BB1 Estate</u> 1 of the sampled worker (Emp: 3871) for the month of January 2019, found not being paid according to the overtime hours worked. Payslip presented sighted paid at 50 hours but PINFOSYS (Checkroll Daily Record) and Overtime Requisition Form for the Month of January 2019 found as 52 hours.</p>	
6.2.3	<p>(C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</p> <p>- Major compliance -</p>	<p>Documentation review confirmed that regular working hours of the facility is from 7am to 3pm with 1 hour break in between for 6 days a week, with total of 48 hours; complying with local law requirement. Overtime hours worked are compensated according to the legal premium overtime rate; i.e. 1.5x on hourly rate of pay on ordinary day, 2.0x of hourly rate of pay on rest day and 3.0x of hourly rate of pay on public holiday. Annual leave, sick leave,</p>	Major non-conformity

		<p>maternity leave and free medical treatment is provided to workers. No illegal deduction or monetary deduction due to disciplinary issues applied to workers salary. However,</p> <p><u>BB1 Estate</u></p> <p>01 of sampled worker (Emp. No. 3350) for the month of December 2019, found not being paid at minimum wage MYR1,100 despite having full attendance – 24 days as offered. Further documentation review sighted inconsistency of documented evidences as below.</p> <ul style="list-style-type: none"> - The initial employment contract dated 01.07.2016 under clause 2 – states that if the employer is unable to provide the minimum piece wage job, the employee will be given a daily wage of MYR35.40 (subsequently MYR42.31 as the minimum wage of pay has increased since 2019). - MW1 (Attendance and daily task monitoring record of employees) & PINFOSYS (Checkroll Daily Records) for the month of December 2019 on selected worker found with full attendance - 24 days of work per month; - The MW1 records shows that daily worked hours found 6 to 7 hours a day. - Payslip of the said worker was found having full attendance 24 days of work with total wage paid at MYR745.20; whereby 14 days is calculated as day wage while rest of the day is paid according to piece rated . - MW2 – Borang Ulasan Pencapaian Produktiviti Pekerja month of December 2019 sighted 14 days of work assigned does not achieve the targeted volume. 	
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		<ul style="list-style-type: none"> - Type of work assigned in MW2 and PINFOSYS is not consistent. 14 days of Slashing, 9 days of Manuring, 1 day of Manuring Compound as stated in MW2 while PINFOSYS states 11 days of manuring, 3 day of cover crop weeding, 1 day front stacking, 9 days of slashing. Although the field staff has commented that the worker did not achieve the target, it is not verifiable as what type of work that is not achieved since both documents are not consistent. - Payslip indicated that total of Slashing work is 1.74 Hectare paid; but in MW2 there are total of 14.29 hectare work of slashing completed. Detail of pay and calculation not clear and verifiable. <p>BB2 Estate</p> <p>(4) 1 of the sampled worker (Emp. : 2671 / AP) is not paid with overtime premium for overtime hours worked. He is paid with monthly wage of MYR1,190 although found worked more than 8 hours per day as reported in the Buku Laporan AP.</p> <p>e.g. Dec 2019 – 4th (0710~1920), 5th (0647~1830), 6th (0640~1750), 9th (0657~1700), 10th (0510~1720), etc.</p>	
6.2.4	<p>(C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers’ Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.</p>	<p>All workers in the unit of certification are provided with housing facility that is equipped with basic necessity including treated water sourced from the nearest pond and electric supply from power generator with scheduled hours of operation. The housing for unit of certification are constructed with combination of bricks wall and wooden that is inspected by Hospital Assistant on weekly basis and documented in Line-site Report Book.</p> <p>However, line-site inspection carried out as at time of audit discovered:</p>	Major non-conformity

	- Major compliance -	1 crèche at BB2 Div 2 estate was found not supplied with electricity during operating hours. The electricity supplied to the crèche is from 3am to 6am and 5pm to 11pm only. No electricity supply from 6am up to 5pm. As at time of audit, there are approx. 15 children placed at the crèche with 2 crèche nanny.	
6.2.5	The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food. - Minor compliance -	There were sundry shops available in the premises of mill and estates. The management has made effort to monitor and improve the workers' access to adequate, sufficient and affordable foods. Interviewed with the workers confirmed that the pricing in the sundry shops were acceptable and there was Pasar Tamu once a month during the pay day for them to purchase for goods and foods	Complied
6.2.6	A DLW is paid to all workers, including piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours. PROCEDURAL NOTE: STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE (Endorsed by the RSPO BoG on 7th November 2019) With reference to procedural note of indicator 6.2.6, the RSPO has published a guidance on the DLW calculation in June 2019. The RSPO Secretariat will endeavor to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist (These benchmarks are developed based on banana, coffee, floriculture, textile, manufacturing, seafood processing and tea industry. The RSPO is in the process of commissioning	Workers are paid according to Malaysia Minimum Wage Council 2018; i.e. MYR1,100 per month. For works based on piece rated, they are calculated and workers are guaranteed with minimum wage upon completion of the targeted set by the mandore and staff. IOI is currently actively involved in DLW study involving peninsular of Malaysia and Sabah by phases with Monash University. Documented evidence such as 'Decent Wages For Workers On Malaysian Plantations' study report dated 01.04.2019 sighted. The studies were initiated by IOI but was leading by the Monash University Researcher. The initiative is fully independent and unfed by the research university.	Complied

<p>benchmarks for Malaysia and Indonesia for the palm oil sector and will develop methods to calculate and/or define DLW applicability for all palm oil producing countries in which RSPO members operate).</p> <p><i>Where a GLWC living wage standard (benchmark), or one that fulfills the basic requirements of the RSPO-endorsed living wage methodology, has been established in the country or region of operation, the same should be used as benchmarks.</i></p> <p>In the absence of such benchmarks, the RSPO will collaborate with the GLWC and/or local experts on developing oil palm industry benchmarks (Benchmark in this context may include other approaches and/or methods to calculate the applicability of DLW in the country or region in accordance to the RSPO endorsed method for determining a DLW. Local applicability for benchmarks is important and it may differ based on the needs of each locality or country). These benchmarks will be developed in collaboration and consultation with relevant stakeholders such as palm oil industry members, workers' union, authorities and/or relevant organisations.</p> <p><i>For countries where no living wage standard is established, until such time that an RSPO endorsed benchmark for the country is in place, national minimum wages shall be paid to all</i></p>		
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<p><i>workers. In addition to the payment of minimum wages, the Unit of Certification (UoC) shall conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage</i> (RSPO Guidance for Implementing a Decent Living Wage. The RSPO will also develop further guidance and tools to calculate DLW in line with the RSPO endorsed methodology which may include independent studies by local experts in their respective region or country).</p> <p>Once these benchmarks are available, this procedural note is no longer applicable. UoC shall have an implementation plan towards the payment of a DLW with specific targets, and a phased implementation process including:</p> <ul style="list-style-type: none"> • Updated assessment on prevailing wages and in-kind benefits • There is annual progress on the implementation of living wages • Where a minimum wage, based on equivalent of baskets of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment • The UoC may choose to implement the living wage payment in a specific section as a pilot project; the 		
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	<p>pilot will then be evaluated and adapted before eventual scale up of the living wage implementation.</p> <p>- Minor compliance -</p>		
6.2.7	<p>Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p> <p>- Minor compliance -</p>	<p>All IOI workers are hired based on recognize employment; i.e. permanent full-time employment. They are guaranteed with minimum wage and entitled to legal benefits as stated in their employment contract. All core work performed such as harvesting, manuring, spraying, pruning, etc. are all carried out by their full time employees except replanting process.</p>	Complied
<p>Criterion 6.3</p> <p>The unit of Certification 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>			
6.3.1	<p>(C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.</p> <p>- Major compliance -</p>	<p>IOI Group has implemented 'Equal Opportunity Employment & Freedom of Association Policies' dated October 2017 in both languages where all the workers will receive equal treatment based on their relevant merits and competency regardless of gender, race, caste, nationality, religion, age, physical condition, sexual orientation, marital status, union membership or political affiliation. The policy has been displayed at notice board in office. Briefing of the policy was conducted to all the workers during the muster and documented in the master chit; for Staff briefing, policies briefing last conducted on 05.4.2019 in Labuk Estate. For BB1 estate, policies including complain / grievance procedure is communicated through muster meeting dated 23.12.2019 and staff training on 07.01.2019. For BB2 the business policies including code of ethics is communicated during the Muster Briefing, dated 15.12.2019. For POM the codes and policies are communicated during muster meeting; last briefing in relates to company policies including code of ethics was carried out on 04.11.2019. Records for communication/ briefing / training is presented as at time of audit.</p>	Complied

6.3.2	<p>Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request.</p> <p>- Minor compliance -</p>	<p>BB2 – ECC (Employee Consultative Committee) 2019~2020 established representing workers. JCC (Joint Consultative Committee), a joined management and ECC meeting is held regularly 3 times a year to discuss issues and manners raised by workers in absence of union association. All representative is based on worker’s selection. Last meeting was found held on 26.12.2019 and attended by 20 participants; which includes discussion issues related to previous matter, e.g. night market, gotong-royong, alcohol drinking by workers, etc.</p> <p>POM – facility has established the <i>Jawatan Kuasa Perundingan Pekerja 2019 (ECC)</i> representing the mill workers. The committee is chaired by Mr.Sylvester Janeh (Process Operator) representing the workers. His appointment is done through balloting process as confirmed during workers interview. Based on the issues raised through the ECC and feedback received through <i>Borang Pengumpulan Maklumat Mesyuarat Jawatankuasa Perundingan Pekerja</i>, JCC (Joint Consultative Committee) is organized to discussion for solution and providing workers feedback to the employer for further actions. Last meeting was found carried out on 31.12.2019 and participated by 23 representative. Issues discussed covers repair and paint of housing, drainage repair, etc.</p>	Complied
6.3.3	<p>Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers.</p> <p>- Minor compliance -</p>	<p>There is no union formed in the estates and mill. As commented in 6.3.1 and 6.3.2, ECC and JCC are established to represent and discuss on issues raised by the workers. Based on interview with ECC committee and workers, the management does not interfere with the operation of ECC and Gender Consultative Committee, except providing support in terms of meeting venue and participating actively in JCC meeting.</p>	Complied
<p>Criterion 6.4 Children are not employed or exploited.</p>			
6.4.1	<p>A formal policy for the protection of children, including prohibition of child labour and remediation is in place,</p>	<p>Formal policy is in place for protection of children including prohibition of child labour; as per IOI Group Sustainable Palm Oil Policy, Updated on March 2018, Section - Human Rights and Workplace and Employment Procedures</p>	Complied

	<p>and included into service contracts and supplier agreements.</p> <p>- Minor compliance -</p>	<p>For Local Workers (Recruitment, Selection and Hiring). Minimum hiring age shall not less than 18 years old.</p> <p>The policy found posted on the notice board outside the office area and are communicated to all level of employees.</p>	
<p>6.4.2</p>	<p>(C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.</p> <p>- Major compliance -</p>	<p>An effective age verification process is in place during hiring process where all candidates are required to present their original identity card (for local) and passport (migrant) for verification. Copy of their identity card and passport found filed in each personal file for reference. Neither child labour not young workers employed in the estate and mill based on the selected samples. Workers interview confirmed that there is no historical child and young workers in the estates and mill. Workers that suspected to be young / child worker at site based on physical look crossed checked and confirmed above the legal required minimum age.</p> <p>Documented procedure on age screening process is documented in "Employee Handbook for Estate/Mill & Research Centre Executive Staff", and as per doc. No.: Plantation/HR/2019/SOPs; Appendix A – Recruitment of Staff (for operating centres).</p> <p>Selected file for review as listed below.</p> <p>Labuk Estate: Passport No.: AS367510, AU296236, AS389125, AS374960, AR401725, AU298964, AU123526 and Emp. IC.: 12-5351, Contractor's workers IC no.: 901022-xx-50xx, 12-5367, 940427-xx-50xx, 12-5791</p> <p>BB1: Emp. ID.: 3398, 3350, 2740, 3600, 2385, 3691, 3486, 3670, 3564, 20833810, 3871, 3976. Contractor's workers: Idris, Amiey, Darwis, Fikri</p> <p>BB2: Emp. ID.: 2919, 1370, 2929, 2666, 2905, 1903, 2823, 2664, 1118, 1368, Hangkasturi & Rosidah.</p> <p>POM: Emp. IC.: 12-5553, 12-6003, 12-6156, Passport No.: AS363673, AS363665, AS379436, AS379447, AS386411, AT989322, AT706774, AS386436, AT988407</p>	<p>Complied</p>

6.4.3	<p>(C) Young persons may be employed only for non-hazardous work, with protective restrictions in place for that work.</p> <p>- Major compliance -</p>	<p>There is no young workers sighted being hired. However, IOI/Ladang Sabah management team aware the legal requirement and RSPO's principle where young workers can only be employed for non-hazardous work, with protective restriction in place for that work, according to the Children and Young Persons (Employment) Act 1966 (Act 350).</p>	Complied
6.4.4	<p>The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.</p> <p>- Minor compliance -</p>	<p>Briefing of the No Child Labour Policy conducted to all the workers during the muster and documented in the master chit; for Staff briefing, it is conducted on 05.4.2019 in Labuk Estate.</p> <p>For BB1 estate, the Child Labour Policy communicated through muster meeting dated 23.12.2019 and staff training on 07.01.2019.</p> <p>For BB2 the business policies including child labour policy is communicated during the Muster Briefing, dated 15.12.2019.</p> <p>For POM the codes and policies are communicated during muster meeting. Last briefing in relates to company policies including code of ethics was carried out on 04.11.2019. Records for communication/ briefing / training presented and verified as at time of audit.</p> <p>The policy is also posted at the notice board outside the estate and mill in dual languages.</p> <p>For communities, supplier, contractors and other stakeholders, the policy briefing is carried out during the stakeholder meeting; which were found held on 06.09.2019 and 19.12.2019.</p> <p>Workers and stakeholder interview confirmed that they aware of the policy and been communicated on the policy during meetings and muster.</p>	Complied
<p>Criterion 6.5 There is no harassment or abuse in the workplace, and reproductive rights are protected.</p>			

6.5.1	<p>(C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.</p> <p>- Major compliance -</p>	<p>Policy to prevent sexual and all other forms of harassment and violence is documented in IOI Group Sustainable Palm Oil Policy, updated March 2018 & Policy on Harassment at Workplace updated on June 2018. Policy is communicated to all levels of workforce in several session as below.</p> <p>Labuk Estate - conducted to all the workers during the muster and documented in the master chit; for Staff briefing, it is conducted on 05.4.2019 in Labuk Estate.</p> <p>BB1 estate - communicated through muster meeting dated 23.12.2019 and staff training on 07.01.2019.</p> <p>BB2 estate - the business policies is communicated during the Muster Briefing, dated 15.12.2019.</p> <p>POM - the codes and policies are communicated during muster meeting. Last briefing in relates to company policies including code of ethics was carried out on 04.11.2019.</p>	Complied
6.5.2	<p>(C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce.</p> <p>- Major compliance -</p>	<p>"Guidance on Reproductive Health Policy" in place to protect the reproductive rights of all, especially women. The policy states company commitment to respect the rights for employees to plan a family, the voluntarily choice in marriage, and number of children, spacing and timing of having a baby. The policy is communicated to all workers during muster and induction (as quoted in 6.5.1). Workers interview confirmed that they are not being restricted to plan their family and have rights to choose and plan number of children in a family. Pregnant women are respected and they are reassigned to lighter job.</p>	Complied
6.5.3	<p>Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified.</p> <p>- Minor compliance -</p>	<p>Gender committee is in place as a channel where expecting mothers and new mothers are consulted and advised on actions to be taken including discussion with the management on reassigning them to work that has risk and hazard during their pregnancy and breast-feeding period. Interview with workers and GCC chairperson confirmed that mothers are given the rights to breast feed, seek for rest during work hours (if required) and assigned to task that is not imposed any hazard to them.</p>	Complied

6.5.4	<p>A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>Whistle blower policy dated October 2019 in place as documented in Whistleblowing Policy, Revised October 2019, details the grievance and complaint procedure that covers sexual harassment and other types of improper misconduct, e.g. fraud, bribery, damage to the environment, etc. The procedure allows and respects anonymity and protects complaints as per section 4.0 – Protection to Whistle Blower. Policy sighted posted at the external notice board and communicated to all levels of workforce through staff meeting and during muster meeting.</p>	Complied
<p>Criterion 6.6 No forms of forced or trafficked labour are used.</p>			
6.6.1	<p>(C) All workers have entered into employment voluntarily and the following are prohibited:</p> <ul style="list-style-type: none"> • Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes) • Charging the workers for recruitment fees. • Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty for termination of employment • Debt bondage • Withholding of wages <p>- Major compliance -</p>	<p>All workers entered into an employment based on voluntarily and freely, without the threat of a penalty, and have the freedom to terminate their employment without penalty given reasonable notice. Samples of records viewed confirmed that there is no contract substitution, debt bondage and no withholding of wages. Workers may choose to terminate their employment with reasonable period of termination notice and paid the days worked before they leave. No signs of excessive payment on recruitment fees, as cost of hiring, levy, work permit and medical screening is paid by the management. Migrant workers interview confirmed that no recruitment fees paid, no contract substitution, no penalty to be paid if they choose to terminate their employment, no debt bondage and no withholding of wages.</p> <p>For migrant workers passport, workers may choose to keep their own passport at their own responsibility or with a request and consent, kept by the estate / mill management. Consent Letter for passport safekeeping sighted. Majority of the workers interviewed preferred to have their passport kept by the management due to security reason.</p> <p>Overtime are based on voluntary basis and should there be any, all work performed will be compensated with overtime premium according to the legal requirement. Workers interview confirmed that all overtime hours worked based on voluntary basis. No signs of forced labour practices in the estates</p>	Complied

		<p>and mill selected for this audit. The company has recruited all the employees with legal identification for local and valid passport and work permit for migrant workers. Sampled of foreign workers with valid work permit as below. For migrant workers with expired work permit, objective evidences sighted that submission of the passport to government agency / immigration department of Malaysia for permit renewal is in place.</p> <ul style="list-style-type: none"> - Permit PE8627364 / Exp. : 23.04.2020 - Permit PE8325345 / Exp. : 04.06.2020 - Permit PE6521019 / Exp. : 27.11.2019 (submitted 14.10.2019) - Permit PE6256312 / Exp. : 14.08.2019 (submitted on 10.09.2019) - Permit PE6256309 / Exp. : 14.08.2019 (submitted on 10.09.2019) - Permit PE9027028 / Exp. : 20.09.2020 - Permit PE7469685 / Exp. : 20.03.2020 - Permit PE6254637 / Exp. : 07.11.2019 (submitted on 14.10.2019) - Permit PE0271126 / Exp. : 27.12.2019 (submitted on 06.12.2019) - Permit PE6254358 / Exp. : 06.11.2019 (submitted on 14.10.2019) - Permit PE6521015 / Exp. : 27.11.2019 (submitted on 14.10.2019) - Permit PE6521014 / Exp. : 27.11.2019 (submitted on 14.10.2019) - Permit PE6254351 / Exp. : 06.11.2019 (submitted on 14.10.2019) - Permit PE7469740 / Exp. : 23.04.2020 - Permit PE7469682 / Exp. : 23.04.2020 - Permit PE8636362 / Exp. : 23.04.2020 - Permit PE7892833 / Exp. : 22.05.2020 - Permit PE7892839 / Exp. : 22.05.2020 - Permit PE7892808 / Exp. : 22.05.2020 - Permit PE9050425 / Exp. : 16.10.2020 - Permit PE9050399 / Exp. : 29.07.2020 - Permit PE9050445 / Exp. : 29.07.2020 - Permit PE7469897 / Exp. : 24.04.2020 - Permit PD7090605 / Exp. : 04.12.2019 (submitted on 25.11.2019) - Permit PE1503543 / Exp. : 04.12.2019 (submitted on 25.11.2019) 	
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		<ul style="list-style-type: none"> - Permit PD9605380 / Exp. : 22.05.2019 (submitted on 30.04.2019) - Permit PE6526705 / Exp. : 29.10.2019 (submitted on 25.11.2019) Permit PE0060567 / Exp. : 09.10.2019 (submitted on 14.10.2019) 																	
6.6.2	<p>(C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.</p> <p>- Major compliance -</p>	<p>Documented in Foreign Workers Recruitment Guidance & Procedure In Malaysia, October 2017 (revised July 2018). The procedure states the process of hiring of migrant workers requisition , country to source, prohibition of recruitment fees, control of the agency used to recruit the migrant workers, health screening, orientation training, passport handling, prohibition of passport retention unless requested by the workers, termination of contract, etc. The recruitment process of migrant workers found consistent to the procedure such as screening process, passport control and renewal, orientation training, termination / resignation process, etc.</p>	Complied																
<p>Criterion 6.7 The unit of certification ensures that the working environment under its control is safe and without undue risk to health.</p>																			
6.7.1	<p>(C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>- Major compliance -</p>	<p>The respective Mill and Estate Manager appoint an Assistant Manager of theirs as the person in charge for safety and environment. The PIC role covers areas of responsibilities on safety, health and welfare of the staff/workers. The Mill and Estates Managers in turn were appointed as the Chairman for the OSH committee. His duties among others was to preside the OSH meetings, discharge the General Duties of Employers and make decision arising out of issues discussed for improvement of Safety, Health, Welfare and the Environment.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="4">Labuk Estate</td> </tr> <tr> <td style="width: 25%;">Meeting No. 1</td> <td style="width: 25%;">12.03.2019</td> <td style="width: 25%;">Meeting No 3</td> <td style="width: 25%;">30.09.2019</td> </tr> <tr> <td>Meeting No 2</td> <td>24.06.2019</td> <td>Meeting No 4</td> <td>27.12.2019</td> </tr> <tr> <td colspan="4">Bimbingan 1 Estate</td> </tr> </table>	Labuk Estate				Meeting No. 1	12.03.2019	Meeting No 3	30.09.2019	Meeting No 2	24.06.2019	Meeting No 4	27.12.2019	Bimbingan 1 Estate				Complied
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6.7.2	<p>Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>The Certification Unit continued to use established procedures contained in their OHS Manual (a) 3.4.2 Accident/Incident Investigation & Reporting and (b) 3.3.4.3 Emergency Prevention, Preparedness and Response. The procedures have been summarised in a flow chart form and displayed at notice boards for mill and estates employees information. Likewise, the respective Operating Unit ERP organization chart and important telephone contact numbers have been established and displayed too. ERT members receive training and practice in emergency procedures.</p> <p>The trainees for the First Aid were among employees of office support staff, mill work station operators (day and night shift) and estate field staff/mandores. Assigned operatives among others, comprised of operators, clerks, supervisors and mandores. First aid boxes were noted made available at various points in the mill and estates complex including office, workshop, sprayers washing facilities, with mandore in the field, etc.</p>	Complied																																

		Records of all accidents are maintained and summarized in the relevant form and submitted to DOSH as per OSH NADOOPOD Regulations 2004. They are also reviewed during the Quarterly OSH Committee.	
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<p>6.7.3</p>	<p>(C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing. - Major compliance -</p>	<p>All workers at the mill and estates have been trained in safe work practices including use of PPE related to their job function. Example of coverage of such training is as follows. The SOP for chemical handling is described in SOP Bab 17 issue no 2 dated 1/8/18. Therein the content states the below details;</p> <ul style="list-style-type: none"> a) A trained person to handle chemicals b) PPE adherence c) Chemical handling details before and after d) Emergency situation procedures. <p>Records of PPE issued and acknowledgement of receipt are maintained individually for all category of workers at mill and estates. Sighted common PPE issued include safety helmets, safety shoes, rubber boots, gloves and safety glass. In addition to basic PPE, special PPE are also provided for workers assigned to dangerous operation such as work at height, in confined space and pesticides spraying in the estate.</p> <p>Clothing lockers are provided for mill and estate workers to change their street clothing to work clothing and vice versa at the end of their work shift. Proper sanitation facilities separated by gender including shower room to clean themselves were adequately provided. Also provided is washing machine and work cloth hanging/drying area to safeguard pesticides contaminated work clothes from being taken home.</p>	<p>Complied</p>
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<p>6.7.4</p>	<p>All workers are provided with medical care and covered by accident insurance. Costs incurred from work-related incidents leading to injury or sickness are covered in accordance with Malaysian law. - Minor compliance -</p>	<p>The CU continued to ensure all workers working in their premises (both mill and estates) are covered by insurance. All local workers were covered by SOCSO as required under the Employee’s Social Security Act.</p> <table border="1" data-bbox="965 555 1756 1367"> <thead> <tr> <th>Operating Unit</th> <th>Form 8A (Act 4) Remarks</th> <th>SOSCSO Receipt no. and date of payment</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Labuk Estate</td> <td>87 workers and staff contributed to SOCSO in November 2019</td> <td>ACR122190083388 (05.12.2019) for November 2019 Contribution)</td> </tr> <tr> <td>90 workers and staff contributed to SOCSO in December 2019</td> <td>ACR012200154561 (08.01.2020) for December 2019 Contribution)</td> </tr> <tr> <td rowspan="2">Bimbingan Estate 1</td> <td>110 workers and staff contributed to SOCSO in November 2019</td> <td>ACR01221900260734 (10.12.2019) for November 2019 Contribution)</td> </tr> <tr> <td>134 workers and staff contributed to SOCSO in December 2019</td> <td>ACR012200260734 (13.01.2020) for December 2019 Contribution)</td> </tr> <tr> <td>Bimbingan Estate 2</td> <td>45 workers and staff contributed to SOCSO in November 2019</td> <td>ACR122190271382 (12.12.2019) for November 2019 Contribution)</td> </tr> </tbody> </table>	Operating Unit	Form 8A (Act 4) Remarks	SOSCSO Receipt no. and date of payment	Labuk Estate	87 workers and staff contributed to SOCSO in November 2019	ACR122190083388 (05.12.2019) for November 2019 Contribution)	90 workers and staff contributed to SOCSO in December 2019	ACR012200154561 (08.01.2020) for December 2019 Contribution)	Bimbingan Estate 1	110 workers and staff contributed to SOCSO in November 2019	ACR01221900260734 (10.12.2019) for November 2019 Contribution)	134 workers and staff contributed to SOCSO in December 2019	ACR012200260734 (13.01.2020) for December 2019 Contribution)	Bimbingan Estate 2	45 workers and staff contributed to SOCSO in November 2019	ACR122190271382 (12.12.2019) for November 2019 Contribution)	<p>Complied</p>
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			46 workers and staff contributed to SOCSO in December 2019	ACR012200299300 (13.01.2020) for December 2019 Contribution)		
		Ladang Sabah POM	68 workers and staff contributed to SOCSO in November 2019	ACR122190083106 (05.12.2019) for November 2019 Contribution)		
			70 workers and staff contributed to SOCSO in December 2019	ACR012200258478 (12.01.2020) for December 2019 Contribution)		
		Operating Unit	*Employee Injury Scheme (Act 800) Remarks	SOSCSO Receipt no. and date of payment		
			Labuk Estate	28 foreign workers contributed to SOCSO in November 2019	ECR0122190070170 (05.12.2019) for November 2019 Contribution)	
				29 foreign workers contributed to SOCSO in December 2019	ECR1220128732 (08.01.2020) for December 2019 Contribution)	
			Bimbingan Estate 1	24 foreign workers contributed to SOCSO in November 2019	ECR122190158671 (10.12.2019) for November 2019 Contribution)	

			29 foreign workers contributed to SOCSO in December 2019	ECR12200227732 (13.01.2020) for December 2019 Contribution)	
	Bimbingan Estate 2		22 foreign workers contributed to SOCSO in November 2019	ECR122190240394 (12.12.2019) for November 2019 Contribution)	
			23 foreign workers contributed to SOCSO in December 2019	ECR12200261892 (13.01.2020) for December 2019 Contribution)	
	Ladang Sabah POM		80 foreign workers contributed to SOCSO in November 2019	ECR1221900 (05.12.2019) for November 2019 Contribution)	68165
				82 foreign workers contributed to SOCSO in December 2019	ECR0122002207935 (11.01.2020) for December 2019 Contribution)
<p>* Progressively those Foreign Workers at above Operating Units who have yet to contribute to the Employee Injury Scheme will do so upon expiry of their current Foreign Workers Compensation Assurance Policy.</p>					

6.7.5	Occupational injuries are recorded using Lost Time Accident (LTA) metrics. - Minor compliance -	The occurrence of accidents recorded for YTD December 2019 is as shown below: <table border="1" data-bbox="965 480 1742 759"> <thead> <tr> <th>Operating Unit</th> <th>Lost time cases</th> <th>2019 (No. of Accident days)</th> </tr> </thead> <tbody> <tr> <td>Labuk Estate</td> <td>6</td> <td>8</td> </tr> <tr> <td>Bimbingan 1 Estate</td> <td>3</td> <td>7</td> </tr> <tr> <td>Bimbingan 2 Estate</td> <td>4</td> <td>7</td> </tr> <tr> <td>Ladang Sabah POM</td> <td>5</td> <td>42</td> </tr> </tbody> </table>	Operating Unit	Lost time cases	2019 (No. of Accident days)	Labuk Estate	6	8	Bimbingan 1 Estate	3	7	Bimbingan 2 Estate	4	7	Ladang Sabah POM	5	42	Complied
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Ladang Sabah POM	5	42																

Principle 7: Protect, conserve and enhance ecosystems and the environment

Criterion 7.1
Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.

7.1.1	(C) IPM plans are implemented and monitored to ensure effective pest control. - Major compliance -	IPM plans for implementation is guided by IOI Group Standard Operating Procedure (StOP) For Planting of Beneficial Plants Index No. 17.1 dated December 2016 and Group Standard Operating Procedure (StOP) For Integrated Management of Rat Control Index No. 10.1 dated September 2007. Beneficial plants such as Cassia cobanensis, Antigonon leptopus and Tunera subulata were grown in the estates at recommended planting ratio 60:20:20 (CAT) at 20m/ha (i.e 12 m Cassia, 4m Antigonon and 4m Tunera). Records of planting of new areas and maintenance of existing areas of beneficial plants and location maps were available (predator host plant map). Records sampled at Labuk Estate a distance of 21,213m and at Bimbingan 1 Estate 19,120m have been planted along major road.	Complied
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		<p>For Pest & Disease (P&D), census was carried out for rat damage on annual basis. Recent rat census at all estates assessed results showed attack were below threshold limit of 5%.</p> <p>The management encourage establishing biological control as per IPM plan. The implementation in the field is consistent with the SOP operation.</p> <p>Training records for staff and workers on IPM implementation were demonstrated. Verified training record at visited estates:</p> <table border="1" data-bbox="965 715 1789 1037"> <thead> <tr> <th>Estate</th> <th>Date</th> <th>Topic</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Labuk</td> <td>19.11.2019</td> <td>Beneficial Plant Training</td> <td>2</td> </tr> <tr> <td>26.11.2019</td> <td>Rat Baiting</td> <td>8</td> </tr> <tr> <td rowspan="2">Bimbangan 1</td> <td>12.04.2019</td> <td>IPM</td> <td>2</td> </tr> <tr> <td>18.10.2019</td> <td>Rat Baiting</td> <td>5</td> </tr> <tr> <td rowspan="2">Bimbangan 2</td> <td>29.01.2019</td> <td>Beneficial Plant Training</td> <td>3</td> </tr> <tr> <td>10.11.2019</td> <td>Rat Baiting</td> <td>9</td> </tr> </tbody> </table>	Estate	Date	Topic	Attendees	Labuk	19.11.2019	Beneficial Plant Training	2	26.11.2019	Rat Baiting	8	Bimbangan 1	12.04.2019	IPM	2	18.10.2019	Rat Baiting	5	Bimbangan 2	29.01.2019	Beneficial Plant Training	3	10.11.2019	Rat Baiting	9	
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Bimbangan 2	29.01.2019	Beneficial Plant Training	3																									
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7.1.2	<p>Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.</p> <p>- Minor compliance -</p>	<p>There are no species under the Global Invasive Database and CABI.org within the estate and mill premises.</p>	Complied																									
7.1.3	<p>There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation,</p>	<p>There are no use of fire for pest control.</p>	Complied																									

	i.e. where no other effective methods exist, and with prior approval of government authorities. - Minor compliance -		
Criterion 7.2			
Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.			
7.2.1	(C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised. - Major compliance -	<p>Justification of pesticides applied is available in the Agricultural Policies, Section 6.0: Weeding – Weed Control and Section 9.0: Pest and Disease. The use of pesticide is specific to the targeted pest, weed and disease. Justification takes consideration to minimize effect on non-target species. Chemicals allowed use in estate is available dated 4 July 2019. It include Glyphosate, Metsulfuron methyl, Triclopyr, Fluoxypyr 1 –methyl, Brodifacoum, Propineb, cypermetrin and Diuron.</p> <p>In addition to the above, IOI Group Sustainable Palm Oil Policy, jointly signed by Group CEO and Group Head of Sustainability, under item 4 Existing Plantation, Subheading Environmental Management states that: No use of paraquat and pesticides that are categorised as World Health Organisation Class 1A or1B.</p> <p>The use of other Class 1 Chemicals (such as metamidophos and monocrotophos) approved by the Pesticides Board and included in the MPOB list of approved Pesticide for use in oil palm plantations can only be carried out under strict supervision and in absolutely necessary circumstances such as severe outbreak and critical pest infestation, and, with special method of application specified in the Highly Toxic Pesticides Regulation 1996 of the Pesticides Act 1974, after authorization has been received from relevant authorities.</p>	Complied
7.2.2	(C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount	Records of pesticides used (including active ingredients used and area treated, amount of active ingredients applied per ha and number of	Complied

	<p>of active ingredients applied per ha and number of applications) are provided.</p> <p>- Major compliance -</p>	<p>applications) were established and monitored. The table below shows records of weedicide /pesticide use for the last two financial years.</p> <table border="1" data-bbox="960 456 1800 639"> <thead> <tr> <th>Year</th> <th>Labuk Estate</th> <th>Bimbingan 1 estate</th> <th>Bimbingan 2 estate</th> </tr> </thead> <tbody> <tr> <td>FY 2017/18</td> <td>1.6210</td> <td>1.4606</td> <td>0.7619</td> </tr> <tr> <td>FY 2018/19</td> <td>2.3015</td> <td>1.5635</td> <td>1.1834</td> </tr> </tbody> </table>	Year	Labuk Estate	Bimbingan 1 estate	Bimbingan 2 estate	FY 2017/18	1.6210	1.4606	0.7619	FY 2018/19	2.3015	1.5635	1.1834	
Year	Labuk Estate	Bimbingan 1 estate	Bimbingan 2 estate												
FY 2017/18	1.6210	1.4606	0.7619												
FY 2018/19	2.3015	1.5635	1.1834												
7.2.3	<p>(C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.</p> <p>- Major compliance -</p>	<p>The IPM implementations described in Indicator 7.1.1 are meant to minimise the use of pesticides.</p> <p>The management encourage establishing biological control as per IPM plan. The implementation in the field is consistent with the IOI Group SOP.</p>	Complied												
7.2.4	<p>There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.</p> <p>- Minor compliance -</p>	<p>Not applicable because there has been no prophylactic use of pesticides at the visited estates.</p>	Complied												
7.2.5	<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, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.</p> <p>The due diligence refers to:</p> <p>7.2.5a Judgment of the threat and verify why this is a major threat</p>	<p>IOI only purchase chemicals that are registered under the Malaysian Pesticides Act 1974 (Act 149) and Regulations.</p> <p>Sighting of the Chemical Register dated 04/01/2020 at these estates showed that only class II, III & IV chemicals were used. There were no Class 1A and Class 1B agrochemicals used. Paraquat was eliminated totally. In its place, alternatives such as Glyphosate were used instead.</p>	Complied												

	<p>7.2.5b Why there is no other alternative which can be used</p> <p>7.2.5c Which process was applied to verify why there is no other less hazardous alternative</p> <p>7.2.5d What is the process to limit the negative impacts of the application</p> <p>7.2.5e Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.</p> <p>- Minor compliance -</p>																			
<p>7.2.6</p>	<p>(C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criteria 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.</p> <p>- Major compliance -</p>	<p>Pesticides were handled, used or applied by trained workers in accordance with the product label. In addition to the product label, Safety Data Sheets were used and explained to the participants with emphasis on PPE, health and environmental risks of pesticide exposure; recognition of acute and long-term exposure; ways to minimize exposure to workers and their families; and international and national instruments or regulations that protect workers' health.</p> <p>Training for pesticides handler are as shown in the table below:</p> <table border="1" data-bbox="960 1002 1809 1390"> <thead> <tr> <th data-bbox="960 1002 1137 1066">Estate</th> <th data-bbox="1137 1002 1480 1066">Training Title</th> <th data-bbox="1480 1002 1626 1066">Date</th> <th data-bbox="1626 1002 1809 1066">No. of Attendees</th> </tr> </thead> <tbody> <tr> <td data-bbox="960 1066 1137 1390" rowspan="4">Labuk</td> <td data-bbox="1137 1066 1480 1158">Safety Data Sheet Training for Sprayer and Manurer</td> <td data-bbox="1480 1066 1626 1158">18.02.2019</td> <td data-bbox="1626 1066 1809 1158">4 Mandore 10 Manurer 5 Sprayer</td> </tr> <tr> <td data-bbox="1137 1158 1480 1251">Safe & Standard Operating Procedure Pre-Mixing and Spill Kit</td> <td data-bbox="1480 1158 1626 1251">25.02.2019</td> <td data-bbox="1626 1158 1809 1251">2 Mandore</td> </tr> <tr> <td data-bbox="1137 1251 1480 1337">Wash up and Shower</td> <td data-bbox="1480 1251 1626 1337">25.02.2019</td> <td data-bbox="1626 1251 1809 1337">4 Mandore 10 Manurer 5 Sprayer</td> </tr> <tr> <td data-bbox="1137 1337 1480 1390">Safe & Standard Operating Procedure Chemical handling</td> <td data-bbox="1480 1337 1626 1390">11.06.2019</td> <td data-bbox="1626 1337 1809 1390">1 Store Clerk</td> </tr> </tbody> </table>	Estate	Training Title	Date	No. of Attendees	Labuk	Safety Data Sheet Training for Sprayer and Manurer	18.02.2019	4 Mandore 10 Manurer 5 Sprayer	Safe & Standard Operating Procedure Pre-Mixing and Spill Kit	25.02.2019	2 Mandore	Wash up and Shower	25.02.2019	4 Mandore 10 Manurer 5 Sprayer	Safe & Standard Operating Procedure Chemical handling	11.06.2019	1 Store Clerk	<p>Complied</p>
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	Safe & Standard Operating Procedure Chemical handling	11.06.2019	1 Store Clerk																	

				1 Mandore (Pre-Mix)	
		Safe & Standard Operating Procedure Rat Baiting	26.11.2019	2 Mandore 4 Rat Bait Applicator	
	Bimbingan 1 Estate	Chemical Handling	12.02.2019 13.08.2019	1 Storekeeper 5 Sprayers 1 Storekeeper 1 Sprayer	
		Safe & Standard Operating Procedure Spraying	15.02.2019 28.05.2019	6 Sprayers 5 Sprayers	
		Safe & Standard Operating Procedure Manuring	22.08.2019	8 Manurer	
		Safe & Standard Operating Procedure Rat Baiting	18.10.2019	5 Rat Bait Applicator	
		Bimbingan 2 Estate	Safe & Standard Operating Procedure Rat Baiting	20.01.2019 10.11.2019	9 Rat Baiter Rat Bait Applicator
	Safe & Standard Operating Procedure Spraying		13.10.2019 28.05.2019	13 Sprayers 5 Sprayers	
	Safe & Standard Operating Procedure Chemical Store		11.12.2019	2 Storekeeper	
	<p>All the above Pesticides Handlers were given annual training to update their knowledge in carrying out their work.</p> <p>Agrochemical Sprayers, Pre-Mixer and Mandore’s understanding on precautions attached to the products and the wearing of required PPE were checked in the field by the auditor. They were found understood during the interview and further confirmed by observing when they work.</p>				

7.2.7	<p>(C) Storage of all pesticides is in accordance with recognised best practices. - Major compliance -</p>	<p>At estates assessed the storage of pesticides was in accordance with the Occupational Safety and Health Act 1994 (Act 514), Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations. All information regarding the chemicals affixed as product label and the accompanying Safety Data Sheet (see OSH CLASS 2013 Regulations) with details of its usage, hazards, trade and generic names were made available at the chemical store and explained to the workers by Management.</p> <p>Chemical stores inspection noted the following being practised:</p> <ul style="list-style-type: none"> • All stores were secured under lock and key with only authorised personnel access. • Availability of Safety Data Sheet in store. • Provision of ventilation fan. • Display of Safety Pictorial poster, namely the required PPE and chemical Safety Hazards Pictogram. • Pesticides were separated by class. • Daily balance of remaining solution after completing pre-mixing were recorded, placed in secondary tray spill containment and kept in the store under lock and key. • Concrete cemented floor, bund wall and provision of sump pond. <p>Store keeper was trained in the handling of all pesticides, for example, the precautions to store the heavy bulky 20-liter liquid container to be placed at the bottom on secondary tray containment and the smallest container on the top tier rack.</p>	Complied
7.2.8	<p>All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes.</p>	<p>Empty pesticides containers were triple rinsed, its bottom perforated to render it useless, inventoried and stored, awaiting disposal to Newgates Industries (Borneo) Sdn Bhd, a 3rd party DOE Authorised Collector.</p>	

	- Minor compliance -	<p>Please see Indicator 7.3.1 for more details on its Waste Management Plan.</p> <p>Latest disposals at sampled estates are as follow:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Date disposed</th> <th>Chit No.</th> <th>Qty (pieces)</th> </tr> </thead> <tbody> <tr> <td>Bimbingan 1</td> <td>11.01.2020</td> <td>6951</td> <td>410</td> </tr> <tr> <td>Bimbingan 2</td> <td>11.01.2020</td> <td>6951</td> <td>240</td> </tr> </tbody> </table>	Estate	Date disposed	Chit No.	Qty (pieces)	Bimbingan 1	11.01.2020	6951	410	Bimbingan 2	11.01.2020	6951	240	
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Bimbingan 1	11.01.2020	6951	410												
Bimbingan 2	11.01.2020	6951	240												
7.2.9	<p>(C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.</p> <p>- Major compliance -</p>	<p>There was no aerial spraying noted in all estates assessed.</p>	Complied												
7.2.10	<p>(C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.</p> <p>- Major compliance -</p>	<p>Following the CHRA conducted at each Operating Unit Annual medical surveillance has been carried out for all pesticide operators at the said estates as recommended by the CHRA Assessor.</p> <p>Medical surveillance record of those operators were examined and all of them were certified fit with no detrimental to health by registered Occupational Health Doctor, HQ/18/DOC/00/002014 from DAB OH Sdn Bhd. See table below date of test, number and category of employees examined and their test findings.</p> <table border="1"> <thead> <tr> <th>Operating Unit</th> <th>Date of assessment</th> <th>No of employee</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td>Labuk Estate</td> <td>28.5.2019</td> <td>15 Female Sprayers 2 Male Sprayers 2 Genset Operators</td> <td>All Fit To Work</td> </tr> </tbody> </table>	Operating Unit	Date of assessment	No of employee	Results	Labuk Estate	28.5.2019	15 Female Sprayers 2 Male Sprayers 2 Genset Operators	All Fit To Work	Complied				
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				13.12.2019 (additional)	2 WTP Operators 1 Workshop Operator 2 Female Sprayers			
		Bimbingan Estate 1	28.5.2019		2 store clerk 2 welders 1 Genset Operator 1 WTP Operator 8 - 6 Female, 2 Male Sprayers	All Fit To Work		
		Bimbingan Estate 2	26.06.2019		2 store clerk 3 Workshop Operators 1 Genset Operator 1 WTP Operator 9 - 7 Female, 2 Male Sprayers	All Fit To Work		
				13.12.2019 (additional)	3 - 2 Female and 1 Male Sprayer			
7.2.11	(C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women	Pregnant and breast-feeding women, under-age person and other people that have medical restrictions working with pesticides are strictly prohibited					Complied	

	<p>or other people that have medical restrictions and they are offered alternative equivalent work.</p> <p>- Major compliance -</p>	<p>to work with pesticides. Noted, there were women working as sprayers. Verified that the female workers were checked for pregnancy test at three-month interval by the on-site Estate Hospital Assistant. All results showed negative findings. Also, verified master list of workers and interview with management and workers found no record of workers under the of 18 in all estate.</p>	
<p>Criterion 7.3 Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.</p>			
7.3.1	<p>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.</p> <p>- Minor compliance -</p>	<p>Wastes management plan is documented and incorporated with internal Environmental Impact Assessment. Among the wastes identified are: Scheduled wastes & empty chemical containers Clinical wastes Domestic & recyclable wastes, sewage and garden residue Scrap iron</p> <p>E.g. of wastes sent to recycler: <u>Labuk:</u> Receipt No. 6950, dated 11/1/2020, 120 pcs of empty chemical containers Receipt No. 6949, dated 11/1/2020, 200 kg of carton boxes</p>	Complied
7.3.2	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p> <p>- Minor compliance -</p>	<p>Waste management and disposal plan has been included in the environmental management plan. All visited operating units have Pollution Prevention Plan which incorporated with documented Environmental Impacts Identification and Improvement Plan.</p>	Complied
7.3.3	<p>The unit of certification does not use open fire for waste disposal.</p> <p>- Minor compliance -</p>	<p>There was no use of for wastes disposal observed.</p>	Complied
<p>Criterion 7.4 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>			

7.4.1	<p>Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.</p> <p>- Minor compliance -</p>	<p>For Good Agricultural Practices, two types of procedures are used i.e.:</p> <ol style="list-style-type: none"> 1) Good Agricultural Practice, 2) Group Standard Operating Procedure (StOPs) for Estate Operation, dated 5/12/2007 <p>Among the topics covered are:</p> <ul style="list-style-type: none"> • Planting density • Nursery • Land clearing and preparation • Planting technique • Leguminous cover plant • Manuring • Weeding • Pest and disease • Harvesting • Road maintenance • Foliar Sampling • Management and monitoring of existing cultivation of oil palm on peat (newly added in July 2017) • Planting of beneficial plants in estate (newly added in July 2017) 	Complied
7.4.2	<p>Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health.</p> <p>- Minor compliance -</p>	<p>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.</p> <p>Foliar sampling was done on May 2019 (Labuk Estate), February 2019 (Bimbingan 1 Estate) by the agronomist from IOI Research Centre Sabah.</p>	Complied

		Soil sampling was done on 12 April and 14 Dec 2018 (Labuk Estate) November and December 2019 (Bimbingan 1 Estate).													
7.4.3	A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers. - Minor compliance -	<p>Apart from palm frond, all assessed estate were applying nutrient recycling as shown in table below for 2019.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>EFB (mt)</th> <th>Solid POME (mt)</th> </tr> </thead> <tbody> <tr> <td>Labuk</td> <td>3,257.21</td> <td>154.34</td> </tr> <tr> <td>Bimbingan 1</td> <td>32.64</td> <td>91.95</td> </tr> <tr> <td>Bimbingan 2</td> <td>201.48</td> <td>324</td> </tr> </tbody> </table> <p>EFB are applied in immature areas at Bimbingan 1 and 2 while at Labuk it is applied at 2006- 2008 plantings.</p>	Estate	EFB (mt)	Solid POME (mt)	Labuk	3,257.21	154.34	Bimbingan 1	32.64	91.95	Bimbingan 2	201.48	324	Complied
Estate	EFB (mt)	Solid POME (mt)													
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Bimbingan 2	201.48	324													
7.4.4	Records of fertiliser inputs are 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 around 10 kg/palm/year. Based on the verification of agronomist recommendation and store issuance records, it was observed that the fertiliser issued from the store were tally with agronomist's recommendation.	Complied												
<p>Criterion 7.5 Practices minimise and control erosion and degradation of soils.</p>															
7.5.1	(C) Maps identifying marginal and fragile soils, including steep terrain, are available. - Major compliance -	Reconnaissance soil map and topographic information, including the identification of steep terrain, marginal and fragile soils was available at Labuk, Bimbingan 1 & 2 Estate. Sighted the soil series available in soil maps at the above-named estates as shown below. The Reconnaissance soil map at Labu, estate was developed from GIS data used based on Inventory December 2018, prepared by GIS, Department dated 6 December 2018 and	Complied												

		<p>for Bimbingan 1 & 2 estates it was developed from GIS data used based on Inventory 21 December 2019, prepared by GIS, Department dated and 10 January 2020.</p> <p>There was no soil categorised as problematic or fragile soil.</p> <table border="1" data-bbox="958 555 1789 1367"> <thead> <tr> <th data-bbox="958 555 1135 635">Estate</th> <th data-bbox="1135 555 1323 635">Association Soil Series</th> <th data-bbox="1323 555 1512 635">Parent Material</th> <th data-bbox="1512 555 1789 635">Main soil units</th> </tr> </thead> <tbody> <tr> <td data-bbox="958 635 1135 783">Labuk</td> <td data-bbox="1135 635 1323 783">Sook</td> <td data-bbox="1323 635 1512 783">Alluvium</td> <td data-bbox="1512 635 1789 783">Gleyic and Orthic Acrisol, Gleyic Podzol, Dystric Glyeysol</td> </tr> <tr> <td data-bbox="958 783 1135 963"></td> <td data-bbox="1135 783 1323 963">Rumidi</td> <td data-bbox="1323 783 1512 963">Mudstone, sandstone and miscellaneous rocks</td> <td data-bbox="1512 783 1789 963">Gleyic, Ferric and Orthic Acrisol, Gleyic Ferno, Chromic and Orthic Luvisol</td> </tr> <tr> <td data-bbox="958 963 1135 1077"></td> <td data-bbox="1135 963 1323 1077">Dalit</td> <td data-bbox="1323 963 1512 1077">Sandstone, mudstone and alluvium</td> <td data-bbox="1512 963 1789 1077">Orthic, Ferric and Gleyic Acrisol</td> </tr> <tr> <td data-bbox="958 1077 1135 1257"></td> <td data-bbox="1135 1077 1323 1257">Kretam</td> <td data-bbox="1323 1077 1512 1257">Mudstone, sandstone and miscellaneous rocks</td> <td data-bbox="1512 1077 1789 1257">Ferric and Orthic Acrisols, Chromic and Orthic Luvisol</td> </tr> <tr> <td data-bbox="958 1257 1135 1367"></td> <td data-bbox="1135 1257 1323 1367">Lokan</td> <td data-bbox="1323 1257 1512 1367">Sandstone and mudstone</td> <td data-bbox="1512 1257 1789 1367">Orthic Acrisols and Dystric Cambisol</td> </tr> </tbody> </table>	Estate	Association Soil Series	Parent Material	Main soil units	Labuk	Sook	Alluvium	Gleyic and Orthic Acrisol, Gleyic Podzol, Dystric Glyeysol		Rumidi	Mudstone, sandstone and miscellaneous rocks	Gleyic, Ferric and Orthic Acrisol, Gleyic Ferno, Chromic and Orthic Luvisol		Dalit	Sandstone, mudstone and alluvium	Orthic, Ferric and Gleyic Acrisol		Kretam	Mudstone, sandstone and miscellaneous rocks	Ferric and Orthic Acrisols, Chromic and Orthic Luvisol		Lokan	Sandstone and mudstone	Orthic Acrisols and Dystric Cambisol	
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		Bimbingan 1 & 2	Lokan	Sandstone and mudstone	Orthic Acrisols and Dystric Cambisol	
7.5.2	No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification. - Minor compliance -	Slope of more than 25 degrees are avoided in the planting areas due to the Policy of the Company forecasting several issues during the crop recovery on maturity. No replanting has taken place on steep slopes sighted.			Complied	
7.5.3	There is no new planting of oil palm on steep terrain. - Minor compliance -	No New planting within the estates since 15 Nov 2019.			Complied	
Criterion 7.6						
Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.						
7.6.1	(C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations. - Major compliance -	Referring to Indicator 7.5.1 above where soil series and terrain were analysed, the long-term suitability of land for oil palm cultivation had been taken into account in plans and operations. Guided by IOI Group Standard Operating Procedures (StOPs) for estate Operations Master List dated September 2007 and Agricultural Manual, planting density, land clearing and preparation, leguminous cover plant, manuring, weeding, pest and disease, no planting on steep terrain and others were followed to optimise land usage.			Complied	

7.6.2	Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices. - Minor compliance -	As identified in the Reconnaissance Soil Map there is no marginal and fragile soil or new planting at the assessed estates, hence this indicator is not applicable.	Complied
7.6.3	Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure. - Minor compliance -	There is no new planting taken place at estates audited. This indicator is therefore not applicable.	Complied
Criterion 7.7			
No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.			
7.7.1	(C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas. - Major compliance -	There is no new planting reported and seen during site visit. Additionally, based on the soil map and observation during the site visit, there was no peat soil.	Complied
7.7.2	Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below). - Minor compliance -	Not Applicable as there is no peat soil within the estate	Complied
7.7.3	(C) Subsidence of peat is monitored, documented and minimised. - Major compliance -	Not Applicable as there is no peat soil within the estate	Complied

7.7.4	<p>(C) A documented water and ground cover management programme is in place. - Major compliance -</p>	Not Applicable as there is no peat soil within the estate	Complied
7.7.5	<p>(C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation.</p> <p>This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure.</p> <p>Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.</p> - Major compliance -	Not Applicable as there is no peat soil within the estate	Complied
7.7.6	<p>(C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2019) and associated audit guidance. - Major compliance -</p>	Not Applicable as there is no peat soil within the estate	Complied

7.7.7	<p>(C) All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as “peatland conservation areas”; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the ‘RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat’, version 2 (2019) and associated audit guidance.</p> <p>- Major compliance -</p>	Not Applicable as there is no peat soil within the estate	Complied
<p>Criterion 7.8 Practices maintain the quality and availability of surface and groundwater.</p>			
7.8.1	<p>A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:</p> <p>7.8.1a The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>7.8.1b Workers have adequate access to clean water.</p> <p>- Minor compliance -</p>	<p>Water management plan was established by the SPO team for Ladang Sabah group of operating units. The plan, entitled “Water Management Plan for Estates” dated October 2019. The objectives of the plan is to conserve and to maintain the availability of surface and ground water through pollution prevention. It outlined the method to conserve and minimise pollution of water through implementation of various methods such as best practice of raw water & effluent treatment, maintaining riparian zone, management of land irrigation, maintaining soft vegetation in the field, regular education to employees on conserving water and water pollution preventions to name a few.</p> <p>The treated water supplied to workers housing through pipelines.</p>	Complied

7.8.2	<p>(C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or applicable National legislation or specific environmental permit. Smallholders may replant existing planted areas provided there is no evidence of environmental deterioration having occurred during the previous cycle.</p> <p>- Major compliance -</p>	<p>Protection of water courses was addressed basically through pollution preventions and establishment of riparian zones. Based on site visit to the riparian zones in the estates, the zones were clearly demarcated at appropriate width and well maintained where no trace of agrochemicals observed. This is in line with the requirement of "Aku Janji" agreement with the Environmental Protection Department.</p> <p>The river water sampling analysis have been conducted by a consultant to comply one of the EIA's "Aku Janji" conditions through Environmental Compliance Report (ECR). Among the parameters analysed were TSS, OG, N, P and Turbidity.</p>	Complied
7.8.3	<p>Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.</p> <p>- Minor compliance -</p>	<p>The mill applies the biological system with 16 ponds in series for its treatment of effluent. The quality of discharged effluent was analyzed every month and the parameters are T, pH, BOD, COD, TS, SS, O&G, AN and TN. Last 12 months results were verified where highest BOD=18.60 ppm while lowest was 12.20 ppm.</p> <p>Competent Person as required by legal was also verified. Currently, the responsibility is held by the mill manager, Certificate No. CePPOME/00141.</p>	Complied
7.8.4	<p>Mill water use per tonne of FFB is monitored and recorded.</p> <p>- Minor compliance -</p>	<p>Mill has maintained monitoring of water usage for processing FFB which recorded every month. Water for processing is abstracted from water catchment by using water pump. As at Dec 2019, the average of 2.27 m³ water was used to process one mt of FFB which is more than the established baseline value i.e. 2.00 m³/FFB for financial year 2019/20. The surge was due to intense cleaning of mill facilities such as storage tank, vertical clarifier, sludge tank, condensate pit and floor.</p>	Complied
<p>Criterion 7.9 Efficiency of fossil fuel use and the use of renewable energy is optimised</p>			
7.9.1	<p>A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented.</p>	<p>Plan for improving efficiency of fossil fuel was spelt out in Environmental Impact Assessment, Management Action Plans & CIP. Among the plans established by the operating units were:</p> <ul style="list-style-type: none"> • avoid purchasing second grade diesel from unauthorised dealers that 	Complied

	<p>- Minor compliance -</p>	<p>contain high sulphur content</p> <ul style="list-style-type: none"> • regular service of tractors for efficient running of engines • the usage of methane gas from POME instead of fossil fuel to generate electricity <p>Monitoring of diesel fuel consumption was done by all the visited operating units. The data was then used for GHG calculating by using the RSPO GHG Calculator.</p>	
<p>Criterion 7.10 Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.</p>			
<p>7.10.1</p>	<p>(C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.</p> <p>- Major compliance -</p>	<p>RSPO GHG Calculator version 4 is used. The consumption of fertilisers and diesel were verified through</p> <p>Estates:</p> <ul style="list-style-type: none"> • FFB record book • stock book • monthly stock issue • stock requisition note <p>Mill:</p> <ul style="list-style-type: none"> • Mill Month End Production Report • Monthly production report Part II • Flowmeter & running hours record book • Bio-gas generation daily monitoring log sheet • Effluent analysis report • Daily power consumption record for biogas plant • Diesel usage summary breakdown • Diesel tank No. 2 log book 	<p>Complied</p>

		<ul style="list-style-type: none"> Daily diesel consumption record <p>Based on the verification of records, all the sampled issuance was traceable.</p>	
7.10.2	<p>(C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development).</p> <p>- Major compliance -</p>	<p>Not applicable since no new development by the certification unit.</p>	Complied
7.10.3	<p>(C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.</p> <p>- Major compliance -</p>	<p>Main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH₄) emission through POME treatment. Ladang Sabah has its methane capture facilities in POME treatment pond since July 2015. The methane gas has been used to generate electricity through operation of bio-gas plant. Other less significant GHG emissions identified including CO, SO_x and NO_x from various sources including fossil fuel, chemical and fertilizer consumptions.</p> <p>Based on the assessment of all polluting activities as of the Environment Aspect and Impact assessment, among the identified sources of gaseous emissions were boiler chimney, diesel engines and POME to name a few. Current monitoring was through online boiler smoke density and alarm and six-monthly boiler stack monitoring for dust particulate. Sampled Boiler stack sampling records:</p> <p>Boiler no.2 1st half 2019, ref# RS/STACK/19-005(Rev1), date of sampling 19/1/19, result 348.90 mg/Nm³ 2nd half 2019, ref# RS/STACK/19-054, date of sampling 16/7/19, result 285.36 mg/Nm³</p> <p>Boiler no.3</p>	Complied

		<p>2nd half 2019, ref# RS/STACK/19-063, date of sampling 17/9/19, result 211.40 mg/Nm³</p> <p>All results of the stack sampling exceed the regulated limit i.e. 150 mg/Nm³. Nonetheless, the mill has obtained a contravene license from the DOE that allows the mill to exceed the regulated limit. License details are as follows: License #005200, validity 30/8/2019 – 30/8/2020, ref.: ASSH(B) 31/152/000/096 Jln. 11(20)</p>	
<p>Criterion 7.11 Fire is not used for preparing land and is prevented in the managed area</p>			
7.11.1	<p>(C) Land for new planting or replanting is not prepared by burning. - Major compliance -</p>	<p>Based on the site visit of the replanting area at all the sampled estates, there was no trace of fire being used for land preparation.</p>	Complied
7.11.2	<p>The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification. - Minor compliance -</p>	<p>Use of fire is not permitted by the company's policy in land preparation. Continuous education and effective communication with the engaged contractors with regards to zero burning were organised from time to time through various methods such as meeting and training.</p>	Complied
7.11.3	<p>The unit of certification engages with adjacent stakeholders on fire prevention and control measures. - Minor compliance -</p>	<p>Engagement is done through Stakeholder consultation meeting which was conducted on 26/9/2019. Among the adjacent stakeholders engaged were:</p> <ul style="list-style-type: none"> • Remarkable Development Sdn Bhd, Borhill Estate S/B • Berkas Setia Plantation, NPC Research Berhad 	Complied
<p>Criterion 7.12 Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.</p>			
7.12.1	<p>(C) Land clearing since November 2005 has not damaged primary forest or any area required to protect</p>	<p>Not applicable since there is no land clearing after November 2005.</p>	Complied

	<p>or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests.</p> <p>A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.</p> <p>- Major compliance -</p>		
7.12.2	<p>(C) HCVs, HCS forests and other conservation areas are identified as follows:</p> <p>7.12.2a For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.</p> <p>7.12.2b Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.</p> <p>PROCEDURAL NOTE: Requirement is further clarified under the Interpretation of Indicator 7.12.2 and Annex 5 (approved by BOG on 12 June 2019).</p> <p>- Major compliance -</p>	<p>Not applicable since there is no land clearing after November 2005.</p> <p>The HCV reassessment for Ladang Sabah Complex had been conducted internally where report entitled "High Conservation Value Assessment Management Action Plans & Continuous Improvement Plans" dated January 2018 was prepared. 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> <p>With regards to the HCV & Conservation Area Management Action Plans & Continuous Improvement Plan, each of the operating unit conduct their own review. All the visited estates reviewed their action plan on 2/1/2020.</p> <p>Among the action plans established were:</p> <ul style="list-style-type: none"> • To provide riparian zone according to DID guideline • To promote natural vegetation to enhance soil stability • To avoid replanting within the riparian zones • To prevent illegal hunting or logging at the implantable areas (normally steep hill) 	Complied
7.12.3	<i>Indicator is not applicable in Malaysia context</i>	NA	Not applicable

7.12.4	<p>(C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</p> <p>- Major compliance -</p>	<p>Not applicable since there is no land clearing after November 2005. A total of 85.97 Ha area was identified by Labuk Estate as steep area. The areas were left abandon without any development. The estate has established and implemented an action plan which includes maintaining natural vegetation and impose a restriction of hunting or logging. The areas were monitored through regular patrolling by the staff.</p>	Complied
7.12.5	<p>Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.</p> <p>- Minor compliance -</p>	<p>Not applicable since there is no land clearing after November 2005. There was no rights of local communities have been identified in HCV areas.</p>	Complied
7.12.6	<p>All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company</p>	<p>Education programme is implemented through signage.</p>	Complied

	is found to capture, harm, collect, trade, possess or kill these species. - Minor compliance -		
7.12.7	The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan. - Minor compliance -	Not applicable since there is no land clearing after November 2005. Based on the HCV assessment report there was no RTE species identified to be presence in the certification unit.	Complied
7.12.8	(C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies. - Major compliance -	Not applicable since there is no land clearing after November 2005. There has been no land clearing since November 2005 by this certification unit.	Complied

Appendix B: Approved Time Bound Plan
Details of Time Bound Plan as submitted by IOI Plantation Services Sdn Bhd (31st December 2019)

No	PMU	Supply Bases (Estate Name)	Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units , Clause 4.5.1 RSPO Certification Systems for Principles & Criteria
1.	Pamol (Sabah) POM, Sabah	Meliau, Nangoh, Rungus, Tindakon, Ulu, Sugut & Bayok	May 2008	Re-Certified in November 2016	ASA-03 audit completed in July 2019	No outstanding issues
2.	Sakilan POM	Sakilan, Linbar 1 and Linbar 2	Nov 2008	Re-Certified in Mar 2015	Recertification audit completed in November 2019.	No outstanding issues
3.	Pamol Kluang POM	Pamol Timur, Pamol Barat, Mamor, Unijaya, Kahang and Swee Lam	Mar 2009	Re-Certified in Mar 2015	Recertification audit completed in November 2019	No outstanding issues
4.	Gomali POM	Gomali, Paya Lang, Bahau, Bertam, Bukit Dinding, Kuala Jelai, Tambang, Regent, Sagil, Jasin Lalang and Sembilan Tani (Associated Outgrower)	Aug 2009	Re-Certified in Aug 2015	ASA-04 audit completed in May 2019	No outstanding issues
5.	Baturong POM	Baturong 1, Baturong 2, Baturong 3 and Cantawan	Sept 2009	Re-Certified in Oct 2015	ASA-04 audit completed in July 2019.	No outstanding issues
6.	Bukit Leelau POM	Bukit Leelau, Detas, Merchong, Mekassar, Leepang A and Laukin A	Apr 2010	Re-Certified in Nov 2015	ASA-04 audit completed in August 2019	No outstanding issues

7.	Mayvin POM	Mayvin 1, Mayvin 2, Mayvin 5, Mayvin 6 and Tangkulap	Aug 2010	Re-Certified in Dec 2015	ASA-04 audit completed in August 2019	No outstanding issues
8.	Pukin POM, Pahang	Pukin, Shahzan 1, Shahzan 2, Segamat and Bukit Serampang	Dec 2010	Re-certified in June 2016	ASA-03 audit completed in March 2019	No outstanding issues
9.	Leepang (Sabah) POM	Morisem 5, Leepang 1, Leepang 5, Permodalan 1, Permodalan 2, Permodalan 3, and Permodalan 4	Aug 2012	Re-certified in December 2018	ASA-01 audit completed in October 2019	No outstanding issues.
10.	Syarimo POM	Syarimo 1, Syarimo 2, Syarimo 3, Syarimo 4, Syarimo 5, Syarimo 6, Syarimo 7, Syarimo 8 and Syarimo 9	Sept 2012	Re-certified in Mar 2018	ASA-01 audit completed in January 2019.	No outstanding issues
11.	Ladang Sabah POM	Moynod, Luangmanis, Terusan Baru, Sungai Sapi, Laukin, Labuk, Bimbingan 1, and Bimbingan 2	Oct 2012	Re-certified in July 2018	ASA-01 audit completed in January 2019.	No outstanding issues

No	PMU	Supply Bases (Estate Name)	Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units , Clause 4.5.1 RSPO Certification Systems for Principles & Criteria
12.	Morisem POM, Sabah	Morisem 1, Morisem 2, Morisem 3, Morisem 4, Leepang 2, Leepang 3, and Leepang 4	Sept 2013	Re-certified in December 2018	ASA-01 audit completed in September 2019	No outstanding issues
13.	Unico POM-1, Sabah	Unico 6, Ladang Asas (Tas & Halusah), 31 outgrowers	Planned - 2018	Certified in July 2018	ASA-01 audit completed in April 2019.	No outstanding issues Outgrowers are not part of the certified area
14.	Unico Desa POM-2, Sabah	Unico 1, Unico 2, Unico 3, Unico 4, Unico 5 and 16 outgrowers	Dec 2017	Certified in May 2018	ASA-01 audit completed in February 2019.	No outstanding issues Outgrowers are not part of the certified area
15.	IOI – Pelita, Sarawak	Sejap and Tegai	Planned – TBC as it is under the resolution process	Uncertified Unit	IOI – Pelita (Sarawak) is in the resolution process (under RSPO CP)	<p>CICOM completed the Capacity Building Program at the end of June 2019.</p> <p>Currently, with input from all stakeholders, including the State of Sarawak Government, IOI is evaluating options in regards to the surveyors to be involved in the Community Participatory Mapping.</p> <p>Further and updated progress of this issue could be access through the link below;</p> <ul style="list-style-type: none"> (a) IOI Pelita Land Dispute Resolution Plan (b) Current progress on IOI Pelita Land Dispute Resolution Process (c) https://www.ioigroup.com/Content/MEDIA/M_Media?Category=7 (d) RSPO Case Tracker – IOI Pelita Status of Complaints <p>Handing over of the ex-gratia payment ceremony has</p>

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						<p>been conducted on 5th September 2019 in Miri involving members from 4 main communities respectively. The ex-gratia payment is part of the resolution process before they moving on to the Community Participatory Mapping process which will be conducted in Q4 2019.</p>
16.	PT SKS, Indonesia	SKS 1, SKS 2, and SKS 3	Planned - 2019	Uncertified Unit	RSPO Stage 1 was conducted in September 2019	<p>RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018. IOI will continue to work with the RSPO Investigate and Monitoring Unit on the implementation of its Action Plans to ensure continuous sustainable development. First and Second quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigate and Monitoring Unit in December 2018 and February 2019 respectively.</p> <p>On 15th April 2019, RSPO’s official announced “that the monitoring of the implementation of the Complaints Panel directives for "PT Sukses Karya Sawit (SKS), PT Berkat Nabati Sawit (PT BNS), PT Bumi Sawit Sejahtera (PT BSS) - Subsidiary of PT Sawit Nabati Agro (PT SNA), IOI GROUP (a subsidiary of IOI Corporation Berhad) - Case No: GR-000882 " is now officially closed.”</p> <p>IOI received an email from RSPO that "the Investigation & Monitoring Unit (IMU) of the RSPO Secretariat had finalized the internal review of the action plan and progress reports submitted by IOI against the Complaints Panel’s directives and the IMU concluded</p>

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No	PMU	Supply Bases (Estate Name)	Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units , Clause 4.5.1 RSPO Certification Systems for Principles & Criteria
						<p>that IOI has successfully met all the requirements set by the Complaints Panel."</p> <p>Further and updated progress of this issue could be access through the link below;</p> <p>(a) RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS</p> <p>(b) RSPO Case Tracker – PT BSS, PT SKS & PT. BNS</p> <p>Status of Complaints</p> <p>The Stage 1 of RSPO P&C audit was conducted on 9th – 12th September 2019.</p> <p>Pending issuance of HGU.</p>
17.	PT BNS, Indonesia	BNS 1, BNS 2, BNS 3 and BNS 4	Planned - 2019	Uncertified Unit	RSPO Stage 1 audit was conducted in September 2019	<p>RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018. IOI will continue to work with the RSPO Investigate and Monitoring Unit on the implementation of its Action Plans to ensure continuous sustainable development. First and Second quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigate and Monitoring Unit in December 2018 and February 2019 respectively.</p> <p>On 15th April 2019, RSPO’s official announced “that the monitoring of the implementation of the Complaints Panel directives for "PT Sukses Karya Sawit (SKS), PT Berkat Nabati Sawit (PT BNS), PT Bumi Sawit Sejahtera (PT BSS) - Subsidiary of PT Sawit Nabati Agro (PT SNA), IOI GROUP (a subsidiary of IOI Corporation Berhad) - Case No: GR-000882 " is now officially closed.”</p> <p>IOI received an email from RSPO that "the Investigation & Monitoring Unit (IMU) of the RSPO Secretariat had finalized the internal review of the action plan and progress reports submitted by IOI against the</p>

						<p>Complaints Panel’s directives and the IMU concluded that IOI has successfully met all the requirements set by the Complaints Panel."</p> <p>Further and updated progress of this issue could be access through the link below;</p> <p>(a) RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS</p> <p>(b) RSPO Case Tracker – PT BSS, PT SKS & PT. BNS</p> <p><u>Status of Complaints</u></p> <p>The Stage 1 of RSPO P&C audit was conducted on 9th – 12th September 2019</p> <p>Pending issuance of HGU.</p>
18.	PT BSS, Indonesia	BSS 1, BSS 2, BSS 3 and BSS 4	Planned - 2019	Uncertified Unit	RSPO Stage 1 was conducted in September 2019	<p>RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018. IOI will continue to work with the RSPO Investigate and Monitoring Unit on the implementation of its Action Plans to ensure continuous sustainable development. First and Second quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigate and Monitoring Unit in December 2018 and February 2019 respectively.</p>

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No	PMU	Supply Bases (Estate Name)	Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units , Clause 4.5.1 RSPO Certification Systems for Principles & Criteria
						<p>On 15th April 2019, RSPO’s official announced “that the monitoring of the implementation of the Complaints Panel directives for "PT Sukses Karya Sawit (SKS), PT Berkat Nabati Sawit (PT BNS), PT Bumi Sawit Sejahtera (PT BSS) - Subsidiary of PT Sawit Nabati Agro (PT SNA), IOI GROUP (a subsidiary of IOI Corporation Berhad) - Case No: GR-000882 " is now officially closed.”</p> <p>IOI received an email from RSPO that "the Investigation & Monitoring Unit (IMU) of the RSPO Secretariat had finalized the internal review of the action plan and progress reports submitted by IOI against the Complaints Panel’s directives and the IMU concluded that IOI has successfully met all the requirements set by the Complaints Panel."</p> <p>Further and updated progress of this issue could be access through the link below;</p> <p>(a) RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS</p> <p>(b) RSPO Case Tracker – PT BSS, PT SKS & PT. BNS</p> <p>Status of Complaints</p> <p>The Stage 1 of RSPO P&C audit was conducted on 9th – 12th September 2019</p> <p>Pending issuance of HGU.</p>
19.	PT KPAM, Indonesia	Under Development	Planned - 2023	Uncertified Unit	NPP and HCSA was approved in April 2018. Currently under development.	<p>RSPO has approved PT.KPAM NPP Summary Report and was published in RSPO website for public notification on 13 April 2018. The NPP public notification could be assessed through the link below:</p> <p>https://rspo.org/certification/new-planting-</p>

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[procedures/public-consultations/loi-group-pt-kalimantan-prima-agro-mandiri](#)

HCSA Peer Review Assessment completed on 14 May 2018. The HCSA Peer Review Report and Summary Report could be assessed through the link below:

<http://highcarbonstock.org/registered-hcs-assessments/>

Appendix C: GHG Reporting Executive Summary

The GHG emissions that were produced in 2018/19 for IOI Ladang Sabah Palm Oil Mill and supply base was calculated using the PalmGHG Calculator version 4. 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 2018/19 for IOI Ladang Sabah Palm Oil Mill and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	0.98
PKO	0.98

Extraction	%
OER	20.38
KER	5.57

Production	t/yr
FFB Process	342,430.36
CPO Produced	69782.28
PKO Produced	19071.32

Land Use	Ha
OP Planted Area	31186
OP Planted on peat	0
Conservation (forested)	518.81
Conservation (non-forested)	0
Total	31186

Summary of Field Emission and Sink

	Own Crop*		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB
Emission								
Land Conversion	172065.59	0.51	132575.90	25.85	0	0	304641.39	29.36
CO ₂ Emission from fertilizer	18937.04	0.06	1703.32	0.33	0	0	20640.36	0.39
NO ₂ Emission	12781.10	0.04	1264.48	0.25	0	0	14045.58	0.29
Fuel Consumption	4335.03	0.01	434.53	0.08	0	0	4769.57	0.09
Peat Oxidation	0	0	0	0	0	0	0	0
Sink								
Crop Sequestration	-143112.81	-0.42	-126467.67	-24.66	0	0	-269580.48	-25.08
Conservation Sequestration	-1682.05	-0.00	-3075.43	-0.60	0	0	-4757.49	-0.60

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Total	63323.91	0.19	6435.03	1.25	0	0	69758.94	4.45
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*Note: Includes both estates and smallholders

Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	17699.94	0.05
Fuel Consumption	774.57	0.00
Grid Electricity Utilization	0	0
Credit		
Export of Grid Electricity	-1424.31	0.00
Sales of PKS	0	0
Sales of EFB	0	0
Total	17050.20	0.05

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO₂e
PK from own mill	0
PK from other source	0
Fuel Consumptions	0
Total Crusher emissions	0

*This mill has no kernel crusher operation.

Palm Oil Mill Effluent (POME) Treatment:	
Divert to Compost (%)	0
Divert to anaerobic diversion (%)	100

POME Diverted to Anaerobic Digestion:	
Divert to anaerobic pond (%)	12.6
Divert to methane captured (flaring) (%)	51.3
Divert to methane captured (energy generation) (%)	36.1

Appendix D: Supply Chain Declaration

A. Monthly Records of Certified and Uncertified FFB Received since the last audit (Jan 2019-Dec 2019)				
No.	Month - Year	Volume of FFB from certified supply bases (mt)	Volume of FFB from uncertified supply bases (mt)	Total FFB/Month (mt)
1	Jan-19	36,395.29	-	36,395.29
2	Feb-19	33,437.51	-	33,437.51
3	Mar-19	38,594.49	-	38,594.49
4	Apr-19	30,212.39	-	30,212.39
5	May-19	30,476.15	-	30,476.15
6	Jun-19	29,498.69	-	29,498.69
7	Jul-19	29,359.05	-	29,359.05
8	Aug-19	24,900.62	-	24,900.62
9	Sep-19	27,634.82	-	27,634.82
10	Oct-19	28,792.39	-	28,792.39
11	Nov-19	24,917.42	-	24,917.42
12	Dec-19	23,489.73	-	23,489.73
	Total	357,708.55	-	357,708.55

B. Monthly Records of Certified CPO & PK since the last audit (Jan 2019-Dec 2019)			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	Jan-19	8,985.35	2,262.74
2	Feb-19	6,730.13	2,060.27
3	Mar-19	7,956.32	2,265.00
4	Apr-19	6,369.46	2,218.30
5	May-19	6,235.37	1,681.33
6	Jun-19	5,988.44	1,484.03
7	Jul-19	5,947.08	1,764.45
8	Aug-19	5,367.89	1,362.27
9	Sep-19	6,147.90	1,638.96
10	Oct-19	6,060.57	1,610.10
11	Nov-19	5,283.22	1,282.81
12	Dec-19	4,667.84	1,151.77

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	Total	75,739.57	20,782.03
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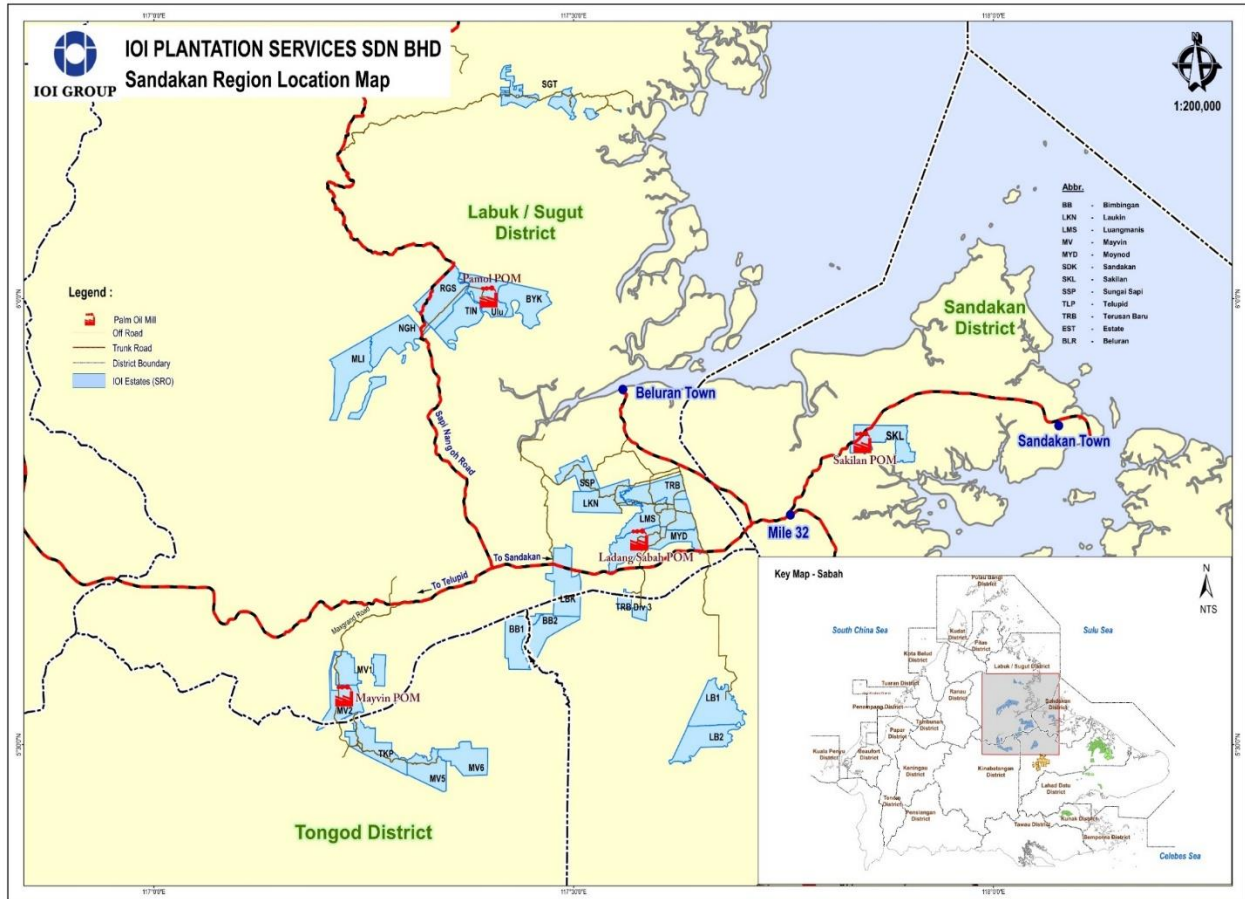
C. Records of Certified CPO & PK Sold under PalmTrace to Buyers since the last audit (if any) (Jan 2019-Dec 2019)				
No.	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Certified PK Sold (mt)
1	Non-disclosure	-	41,029.73	19,737.85
	Total		41,029.73	19,737.85

D. Records of CPO & PK Sold under other schemes to Buyers since the last audit (if any) (Jan 2019-Dec 2019)				
No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)
1	Non-disclosure	ISCC	21,255.31	-
	Total		21,255.31	-

E. Records of CPO & PK Sold as conventional to Buyers since the last audit (if any) (Jan 2019-Dec 2019)				
No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)	
1	Non-closure	74.84	-	
	Total	74.84	-	

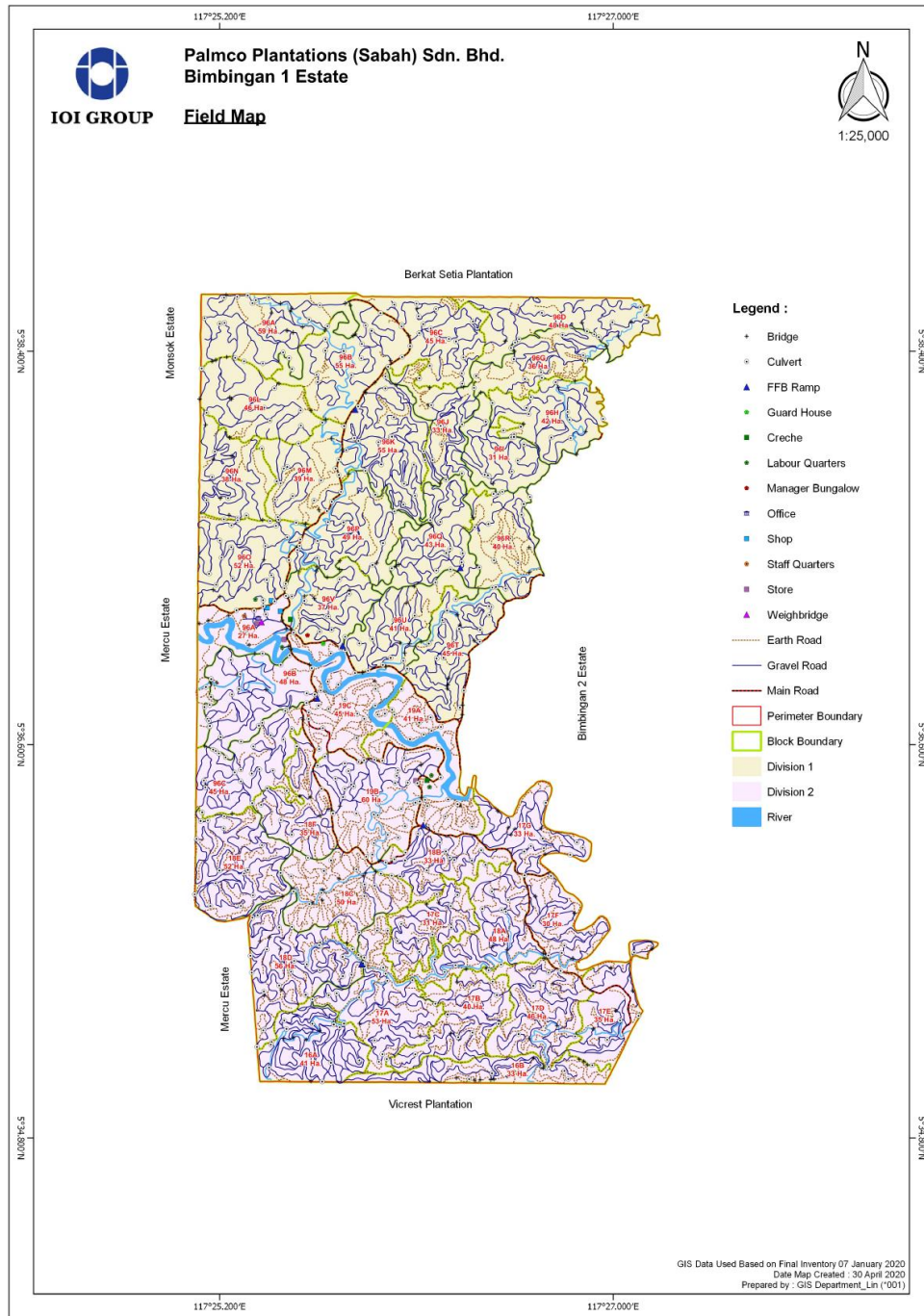
F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any) (Jan 2019-Dec 2019)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)
	Nil		

Appendix E: Location Map of Ladang Sabah Palm Oil Mill Certification Unit and Supply Bases

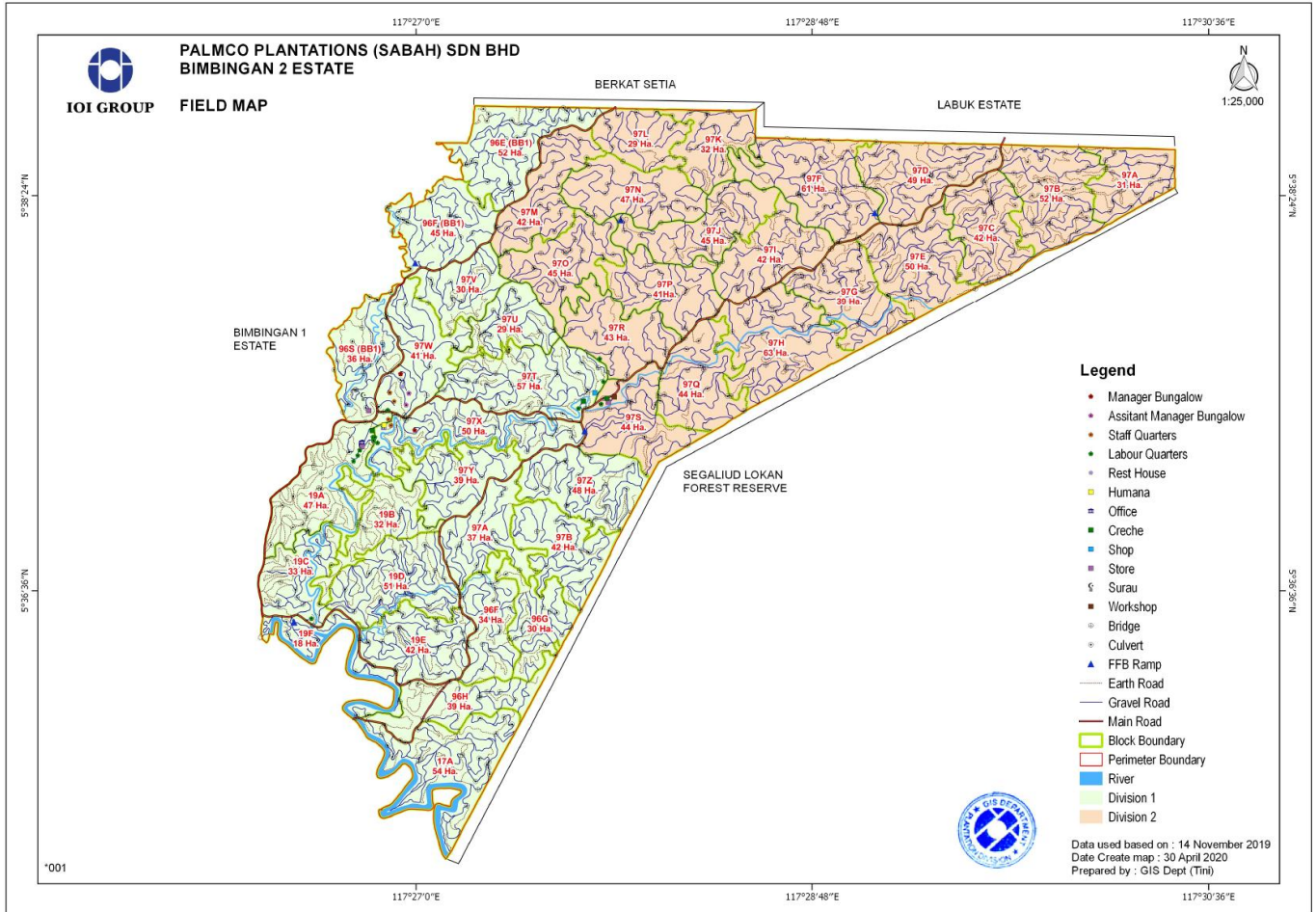


Appendix F: Estate Field Maps

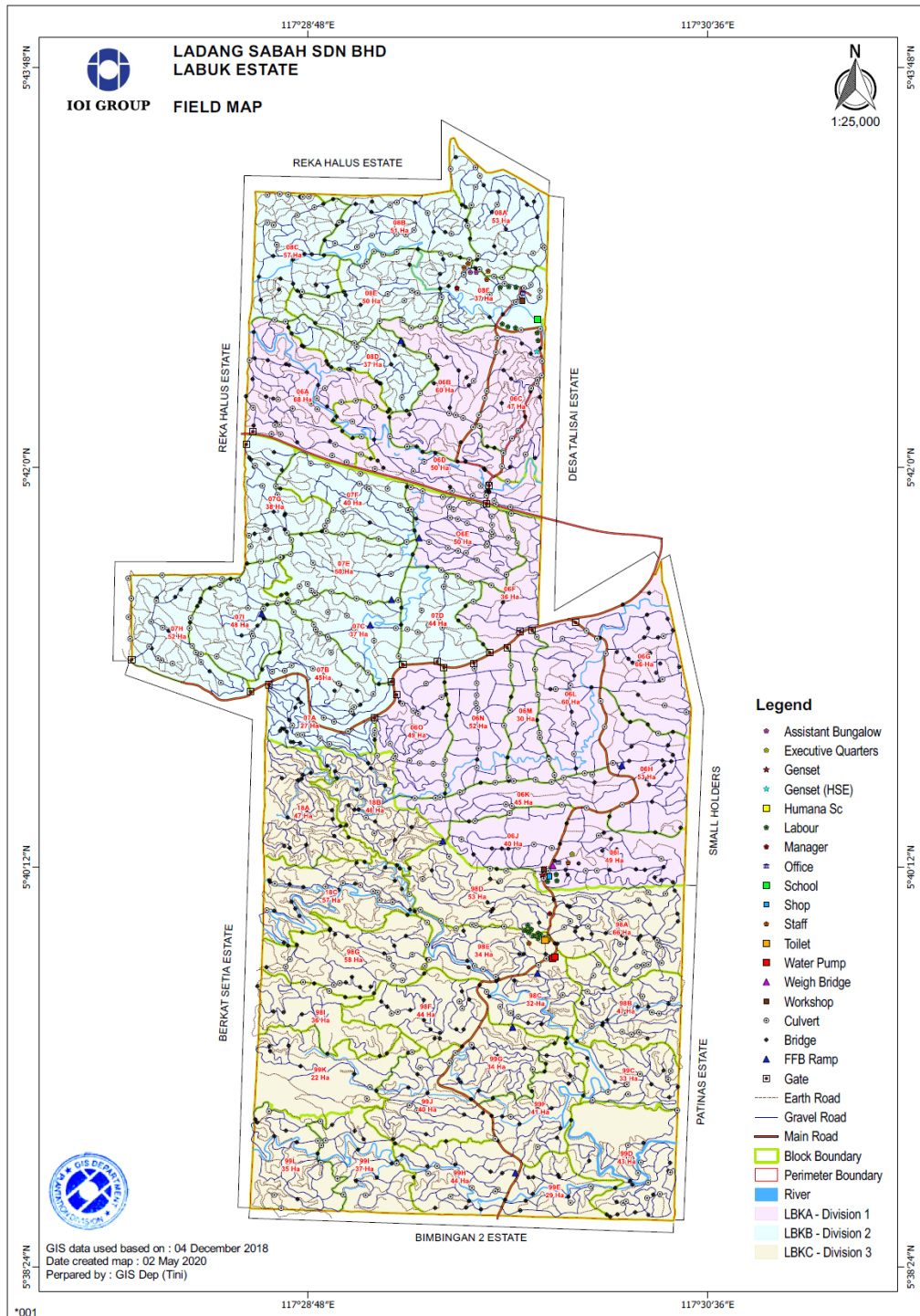
Bimbingan 1 Estate



Bimbingan 2 Estate



Labuk Estate



Appendix G: List of Smallholder Sampled *(If applicable – scheme/associated/group certification)*

Not applicable

Appendix H: List of Abbreviations

a.i	Active Ingredient
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
DLW	Decent Living Wage
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