

**RSPO PRINCIPLE AND CRITERIA –
RECERTIFICATION ASSESSMENT (RC2)
Public Summary Report**

IOI Corporation Berhad
Client company Address: IOI City Tower 2, Lebuhr IRC IOI Resort City 62502 Putrajaya, Malaysia
Certification Unit: Sakilan Palm Oil Mill and supply base Halusah Ladang Sdn Bhd Location of Certification Unit: Mile 22, Sandakan/Telupid WDT 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)	Halusah Ladang Sdn Bhd Sakilan Palm Oil Mill		
Address	Mile 22, Sandakan/Telupid WDT 164 90009 Sandakan, Sabah, Malaysia		
Contact Name	Mr. Leang Hon Wai (Sr. Plantation Controller, IOI Sandakan Region, Sabah) Dr. Raymond Alfred (Sustainability Manager, Plantation Division, IOI HQ) Mr. Agos Bin Atan (Manager - Sustainability (Sabah)) Mr. Sabtu Bin Manna (Senior Assistant Mill Manager-In Charge, Sakilan POM) Mdm. Veronica Abel (Assistant Manager, SPO Department Sandakan Region, Sabah)		
Website	www.ioigroup.com	E-mail	hwleang@ioigroup.com
Telephone	+603-89478888 (Head Office) +6089-509101 (Regional Office) +6089-563164 (Sakilan POM)	Facsimile	+603-89432266 (Head Office) +6089-509100 (Regional Office) +6089-568601 (Sakilan POM)

2. Certification Information			
Certificate Number	RSPO 543161	Date of First Certification	08/03/2010
		Certificate Start Date	08/03/2020
		Certificate Expiry Date	07/03/2025
Scope of Certification	Palm Oil and Palm Kernel Production		
Applicable Standards	Malaysia National Interpretation (MYNI) 2019 of the RSPO Principles And Criteria 2018 For Sustainable Palm Oil Production, Endorsed by the RSPO Board of Governors on 7th November 2019 & RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module D) – Identity Preserved		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO 720885	MS 2530-4 Malaysian Sustainable Palm Oil (MSPO) Part 4	BSI Services Malaysia Sdn Bhd	25/01/2023

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MSPO 720886	MS 2530-3 Malaysian Sustainable Palm Oil (MSPO) Part 3		25/01/2023
MSPO 720888	MSPO Supply Chain Certification : 2018		02/02/2025

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS Coordinates	
		Latitude	Longitude
Sakilan POM	Mile 22, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah.	05° 50' 21.41" N	117° 50' 37.32" E
Sakilan Estate	Mile 22, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah.	05° 50' 54.06" N	117° 52' 4.66" E
Linbar 1 Estate	Mile 45, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah.	05° 32'28.14" N	117° 40' 11.82" E
Linbar 2 Estate	Mile 45, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah.	05° 30' 33.16" N	117° 39' 21.53" E

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Sakilan Estate	2,104	0	192.37	2,296.37	91.62
Linbar 1 Estate	2,319	0	309.17	2,628.17	88.24
Linbar 2 Estate	1,962	0	249.83	2,211.83	88.70
Total	6,385	0	751.37	7,136.37	89.47

6. Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Sakilan Estate	0	0	0	2,104	0	2,104	0
Linbar 1 Estate	594	1,725	0	0	0	1,725	594
Linbar 2 Estate	947	355	0	193	467	1,015	947
Total (ha)	1,541	2,080	0	2,297	467	4,844	1,541

7. Certified Tonnage of FFB (Own Certified Scope)	
Estate	Tonnage / year

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	Estimated (March 2019-Feb 2020)	Actual (Dec 2018-Oct 2019)		Forecast (March 2020-Feb 2021)
		<i>Previous license period</i> (Dec 2018-Feb 2019)	<i>Current license period</i> (March 2019-Oct 2019)	
Sakilan Estate	48,344	17,859.34	37,033.69	44,611
Linbar 1 Estate	46,061	9,856.19	32,881.80	55,710
Linbar 2 Estate	20,151	6,132.59	18,794.96	17,300
Total	114,556	33,848.12	88,710.45	117,621

8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *				
Estate	Tonnage / year			Forecast (March 2020-Feb 2021)
	Estimated (March 2019-Feb 2020)	Actual (Dec 2018-Oct 2019)		
	N/A	<i>Previous license period</i> (Dec 2018-Feb 2019)	<i>Current license period</i> (March 2019-Oct 2019)	N/A
Total				

9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable				
Independent FFB Supplier	Tonnage / year			Forecast (March 2020-Feb 2021)
	Estimated (March 2019-Feb 2020)	Actual (Dec 2018-Oct 2019)		
	N/A	<i>Previous license period</i> (Dec 2018-Feb 2019)	<i>Current license period</i> (March 2019-Oct 2019)	N/A
Total				

10. Certified Tonnage				
Mill Capacity: 40 MT/hr SCC Model: IP	Estimated (March 2019-Feb 2020)	Actual (Dec 2018-Oct 2019)		Forecast (March 2020-Feb 2021)
	FFB	FFB		FFB
	133,628 mt	<i>Previous license period</i> (Dec 2018-Feb 2019)	<i>Current license period</i> (March 2019-Oct 2019)	117,621 mt

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		33,848.12	88,710.45	
	CPO (OER: 22.00%)	CPO (OER: 21.87%)		CPO (OER: 20.25%)
	30,333 mt	26,808.44 mt		23,823 mt
	PK (KER: 4.58%)	PK (KER: 4.68%)		PK (KER: 4.29%)
	6,280 mt	5,740.36 mt		5,046 mt

Note: Estimated volume includes the volume from Palmtrace extension FFB volume: 19,072 MT, CPO volume: 5,128 MT and PK volume: 651 MT.

11. Actual Sold Volume (CPO)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
CPO (MT)	21,613.42	-	-	3,928.65	25,542.07

12. Actual Sold Volume (PK)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
PK (MT)	5,581.90	-	-	-	5,581.90

13. Actual Group certification Claims		
	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.
Tel +60 (3) 9212 9638 Fax +60 (3) 9212 9639
Representative: Nicholas Cheong (Nicholas.Cheong@bsigroup.com)
Website: www.bsigroup.com

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 recertification surveillance assessment was conducted from 18-22/11/2020. 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 on-site assessment was conducted on 19/02/2020. The audit programmes are included in Section 2.3.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criterias 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 comments made by external stakeholders were also taken into account in the assessment where the stakeholder notification was made on 06/09/2019, through BSI website as per following link: <https://www.bsigroup.com/en-MY/RSPO-MSPO-Certification/rspo-clients-and-reports/>

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

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the formula $(0.8\sqrt{y}) \times (z)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix I.

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

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

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 2)	Year 2 (ASA 2_1)	Year 3 (ASA 2_2)	Year 4 (ASA 2_3)	Year 5 (ASA 2_4)
Sakilan Palm Oil Mill	√	√	√	√	√
Sakilan Estate	√	√	√	√	√
Linbar 1 Estate	√	√	√	√	√
Linbar 2 Estate	√	√	√	√	√

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Tentative Date of Next Visit: November 12, 2020 – November 16, 2020

Total No. of Mandays: 13 mandays (including 1 day for mill – SC audit)

2.2 BSI Assessment Team:

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Elzy Ovktafia Chairul	Team Leader	She graduated from Universiti Putra Malaysia in Diploma of Agriculture while Licentiate Diploma and Advanced Diploma from the Incorporated Society of Planters. She involve in audits and technical reviews works mainly for Sustainability Programme includes RSPO and MSPO for more than 3 years in more than 11 countries. She is a qualified Lead Auditor/Auditor for MSPO, RSPO P&C, RSPO NEXT, RSPO SCC, ISO 9001:2015, ISO 14001:2015 and Social Compliance Audit by Verite. Prior to this, she was the Agronomist in R&D Department for 5 years in Oil Palm Plantation where her task involved in all Oil Palm Plantation Operations such as conducting experimental trials on Research & Development with technical paper publications, Crop Forecast, Leaf & Soil Sampling Collection, Fertilizer Recommendation, Pest and Diseases Training, Quality Control as well as special project namely Yield Intensification Project and Food for Palm Project for estates. During assessment, she covers the legal issues, land use rights, stakeholder consultation, worker’s welfare and social issues.
Muhamad Naqiuddin Mazeli	Team Member	He hold Bachelor of Science Horticulture at University Putra Malaysia. He has 11 years working experience in oil palm plantation industry as sustainability team. Joining the sustainability team, he managed, implement and monitors the RSPO, ISCC, MSPO and ISO 9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also support in providing training related to RSPO, MSPO and other certifications where applicable to the operations during previous company. He is a trained as Safety and Health Officer, Food Safety System (FSSC and ISO 22000) for Mill and refineries, ISO 9001, ISO 45001 and already attend HCV training with Proforest. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation. He is fluent in Bahasa Malaysia and English languages.
Mahzan Munap	Team Member	He holds a 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). CIMAH 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 legal, estate & mill best practices, safety & health, HCV and workers consultation. He is fluent in Bahasa Malaysia and English languages.

Accompanying Persons:

No.	Name	Role
-	-	-

2.3 Assessment Plan

Date	Time	Subjects	EO	MM	MN
Sunday 17/11/2019	PM	Auditors travelling from KUL to SDK and check in Sandakan Styles Hotel.	√	√	√
Monday 18/11/2019	0800-0830	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) • Verification on previous audit findings 	√	√	√
	0830-1200	Sakilan 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, schedule waste management, worker housing, clinic, landfill & etc.	√	√	√
	1200-1300	Lunch	√	√	√
	1300-1630	Sakilan Estate: Document Review: Principle 1. Behave ethically and transparently, Principle 2. Operate legally and respect rights, Principle 3. Optimise productivity, efficiency, positive impacts and resilience, Principle 4. Respect community and human rights and deliver benefits, Principle 5. Support smallholder inclusion, Principle 6. Respect workers' rights conditions and Principle 7. Protect, conserve and enhance ecosystems and the environment.	√	√	√
	1630-1700	Interim Closing Briefing	√	√	√
Tuesday, 19/11/2019	0800-1200	Linbar 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, schedule waste management, worker housing, clinic, landfill & etc.	√	√	√

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Date	Time	Subjects	EO	MM	MN
	1000-1200	Meeting with stakeholders – DOSH, DOE, Forestry, Wildlife, Land Office, Labour Office, Neighbouring Estates, Community, Contractors, Suppliers, etc.	√	-	-
	1200-1300	Lunch	√	√	√
	1300-1630	Linbar 1 Estate: Document Review: Principle 1. Behave ethically and transparently, Principle 2. Operate legally and respect rights, Principle 3. Optimise productivity, efficiency, positive impacts and resilience, Principle 4. Respect community and human rights and deliver benefits, Principle 5. Support smallholder inclusion, Principle 6. Respect workers’ rights conditions and Principle 7. Protect, conserve and enhance ecosystems and the environment.	√	√	√
	1630-1700	Interim Closing Briefing	√	√	√
Wednesday 20/11/2019	0800-1200	Linbar 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, schedule waste management, worker housing, clinic, landfill & etc.	√	√	√
	1200-1300	Lunch	√	√	√
	1300-1630	Linbar 2 Estate: Document Review: Principle 1. Behave ethically and transparently, Principle 2. Operate legally and respect rights, Principle 3. Optimise productivity, efficiency, positive impacts and resilience, Principle 4. Respect community and human rights and deliver benefits, Principle 5. Support smallholder inclusion, Principle 6. Respect workers’ rights conditions and Principle 7. Protect, conserve and enhance ecosystems and the environment.	√	√	√
	1630-1700	Interim Closing Briefing	√	√	√
Thursday 21/11/2019	0800-1200	Sakilan Palm Oil Mill: Inspection of 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.	√	√	√
	1200-1300	Lunch	√	√	√

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Date	Time	Subjects	EO	MM	MN
	1300-1600	Sakilan Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review: Principle 1. Behave ethically and transparently, Principle 2. Operate legally and respect rights, Principle 3. Optimise productivity, efficiency, positive impacts and resilience, Principle 4. Respect community and human rights and deliver benefits, Principle 5. Support smallholder inclusion, Principle 6. Respect workers' rights conditions and Principle 7. Protect, conserve and enhance ecosystems and the environment. Verify previous nonconformities.	√	√	√
	1600-1700	Audit team discussion & findings preparations. Closing Meeting <ul style="list-style-type: none"> • Presentation of report by BSI Lead Auditor – briefing & discussion of findings • Acceptance & acknowledgement by Sakilan Palm Oil Mill & Estates 	√	√	√
Friday 22/11/2019	0800-1230	Sakilan Palm Oil Mill: 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.	√	√	-
	1230-1300	Closing for RSPO SCC Audit	√	√	-
	1300-1400	Lunch	√	√	-
	1400-1600	Audit Team travel back to KL via Sandakan	√	√	-

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. Please refer to IOI Time Bound Plan updated as of 30 September 2019.	Yes
Have all the estates and mills certified within five years after obtaining RSPO membership?	No. Please refer to IOI Time Bound Plan updated as of 30 September 2019 and IOI ACOP 2018 (page 5) 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?	Please refer to IOI Time Bound Plan updated as of 30 September 2019 and IOI ACOP 2018 (page 5) which was submitted to RSPO.	Yes
Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised	Please refer to IOI Time Bound Plan updated as of 30 September 2019 and IOI ACOP 2018 (page 5) which was submitted to RSPO.	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	Please refer to IOI Time Bound Plan updated as of 30 September 2019 and IOI ACOP 2018 (page 5) which was submitted to RSPO.	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 in accordance with RSPO P&C criterion 7.3. 	No.	Yes
Any new plantings since January 1 st 2010 shall comply	Our concession in Indonesia PT. BSS and PT. KPAM had undergo the NPP process prior to	Yes

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with the RSPO New Plantings Procedure.	any new planting. Please refer to our latest Time Bound Plan updated as of 30 September 2019.	
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. <i>Note: please refer to BSI-RSPO Secretariat approval.</i>	Please refer to IOI Time Bound Plan updated as of 30 September 2019 and IOI ACOP 2018 (page 5) which was submitted to RSPO.	Yes
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3.	No	Yes
Any Legal non-compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	No	Yes
Did the company conduct internal audit against the uncertified management units requirement? If yes, a positive assurance statement shall be available.	Yes. Please refer to the attachment on our Internal Audit Checklist and the Stage 1 Audit Plan for SNA Group which was conducted on 9 – 12 September 2019.	Yes
Have there been any stakeholder (including NGO) consultation conducted?	No. Our Implementation on Sustainability progress in 2018 including Certification progress have been verified by independent third party. The report is publicly available in our 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
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification? 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.	Not applicable as there is no smallholders scheme under IOI Sakilan POM.	N/A

3.4 Details of findings

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

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During the Recertification Assessment there were two (2) Major & one (1) Minor nonconformities raised. The Sakilan 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 Major Nonconformity(ies) has been verified for its effectiveness and closed accordingly. The below is the summary of the non-conformity raised during this assessment.

Non-conformity			
NCR Ref #	1853946-201911-M1	Clause & Category (Major / Minor)	Indicator 4.1.1 Major
Date Issued	22/11/2019	Due Date	19/02/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	19/02/2020
Statement of Nonconformity:	The Sustainable Palm Oil Policy is not adequately address the clause requirement.		
Requirement Reference:	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, supply chain and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.		
Objective Evidence:	The Sustainable Palm Oil Policy doesn't including prohibiting retaliation against Human Rights Defenders (HRD) and yet to be communicated to all levels of the workforce, operations, supply chain and local communities.		
Corrections:	The current Sustainable Palm Oil Policy will be revised to include the needs against requirement compliance. Communication to all level of workforce will be carried out once the revised policy is finalized. Timeline: Within the stipulated period of 90days (until 21st February 2020).		
Root Cause Analysis:	The Sustainable Palm Oil Policy does contain statement related to the Human Rights Defenders (HRD). It was stated in the policy that IOI respect and uphold the rights of all workers, including contract, temporary, and migrant workers, in accordance to United Nations Guiding Principles on Business and Human Rights (UNGPs). However, the operating units in Sakilan Group were not able to fully relate the relation between the statements in the UNGPs with the requirement.		
Corrective Actions:	A supplementary internal audit will be carried out at all Sakilan group operating unit to prevent recurrence of issue. Timeline: Within the stipulated period of 90days (until 21st February 2020).		
Assessment Conclusion:	Major NC verification visit on 19/02/2020: <ol style="list-style-type: none"> Sighted the new IOI Sustainable Palm Oil Policy revised January 2020 by Group CEO, Dato' Lee Yeow Chor and Group Head of Sustainability, Dr. Surina Ismail. The policy under the Human Rights and Workplace has mentioned the respect and uphold the rights of all workers, including contract, temporary and migrant workers in accordance with the Universal Declaration of Human Rights, the International Labor Organization's core conventions, United Nations Guiding Principles on Business and Human 		

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Rights (New York and Geneva, 2011) and the principles of Free and Fair Labor in Palm Oil Production. Further reference made to the United Nations Guiding Principles on Business and Human Rights (New York and Geneva, 2011), under clause B Operational principles (State-Based Judicial Mechanisms), no 26, *states should ensure that they do not erect barriers to prevent legitimate cases from being brought before the courts in situations where judicial recourse is an essential part of accessing remedy or alternative sources of effective remedy are unavailable. They should also ensure that the provision of justice is not prevented by corruption of the judicial process that courts are independent of economic or political pressures from other State agents and from business actors and that, the legitimate and peaceful activities of human rights defenders are not obstructed.*

2. Verified the communication records for the new policy to internal and external stakeholders for IOI Sakilan Certification Units as below:
 - Central Working Committee (CWC) meeting 01st 2020 Sakilan Group on 22/01/2020 attended by 19 management team representatives.
 - Course title: Human Rights Defender by Mr Ezman bin Mohd Yusop on 01/02/2020 (82 workers) and 06/02/2020 (37 workers) in Sakilan POM.
 - Training: Human Rights Defender by Mr Bryan Barrega on 04/02/2020 to 15 staff workers in Sakilan Estate.
 - Training: Human Rights Defender by Mr Bryan Barrega on 03/02/2020 to 16 staff workers in Linbar 2 Estate.
 - Muster briefing: 04/02/2020 to 169 workers at Linbar 2 Estate, 29/01/2020 to 74 workers (Division 1) Sakilan Estate and 01/02/2020 to 54 workers (Division 2) Sakilan Estate.
 - Human Rights Defender briefing to all staffs, executive and HOD by Mr Bryan Barrega on 11/02/2020 to 31 workers at Linbar 1 Estate.
 - Stakeholder meeting for Sakilan Group on 17/02/2020 (0900 am at Sakilan POM attended by 54 external stakeholders & 0330 pm at Linbar 1 Estate attended by 11 external stakeholders).
3. Internal audit report (Doc ref no: SPO/SDK/F/002, issue/rev: I-01/R-00, 01/02/2020) conducted by SPO department, Sandakan region (Bryan Barrega) dated:
 - 18/02/2020: Linbar 2 Estate. Closed of the NC raised by external audit.
 - 17/02/2020: Sakilan Estate/Linbar 1 Estate and Sakilan POM.

Interview session with the internal and external stakeholders on the briefing conducted regarding new policy by Sakilan Management confirmed the information and implementation of the new policy been communicated. The stakeholders interviewed were school management, (government school, HUMANA, CLC),

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	workers representatives (Indonesian & Malaysian), neighbouring estates, contractors and suppliers during the Major NC closure visit on 19/02/2020. All the corrective action and evidence of implementation were found to be adequate. The Major NC closed on 19/02/2020.
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Non-conformity			
NCR Ref #	1853946-201911-M2	Clause & Category (Major / Minor)	RSPO SCCS 5.4 (E4.1) Major
Date Issued	22/11/2019	Due Date	19/02/2020
Closed (Yes / No)	Yes	Date of nonconformity Closure	19/02/2020
Statement of Nonconformity:	Sakilan POM didn't inform CB immediately when there is projected overproduction of certified tonnage.		
Requirement Reference:	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.		
Objective Evidence:	It was found out that Sakilan POM has overproduction of certified tonnage within the Palmtrace License period (Dec 2018 – Oct 2019) with physical FFB processed is 122,558.57 MT while FFB volume in Palmtrace and RSPO Certificate is 114,556 MT.		
Corrections:	To inform Certification Body about the overproduction volume of the FFB certified tonnage promptly. Timeline: Within the stipulated period of 30days (until 21st December 2019).		
Root Cause Analysis:	Sakilan POM focused only on CPO and PK production monitoring and did not notice the requirement of FFB production in the RSPO Palmtrace system.		
Corrective Actions:	1. Sakilan Group will conduct a meeting every three months to discuss on FFB performance hence monitor any possibility of FFB volume overproduction. 2. Sakilan POM management will appoint a person to constantly monitor the total of physical FFB received and processed. The person will be responsible to inform the mill and regional sustainability management for further action if there is a possibility of FFB volume overproduction against the FFB volume in RSPO Palmtrace system. Timeline: Within the stipulated period of 30days (until 21st December 2019).		
Assessment Conclusion:	Major NC verification visit on 19/02/2020: 1. Email communication from Sustainability Marketing (Nur Farahin) on 03/12/2019 for the volume extension request to BSI in Palmtrace system (FFB: 19,072.68 MT, CPO: 5,128.71 MT and PK: 651.55 MT). The approval of Palmtrace volume extension request for Sakilan POM on 04/12/2019 sighted. 2. Central Working Committee (CWC) meeting 01st 2020 Sakilan Group on 22/01/2020 attended by 19 management team representatives. The overprojected FFB volume from the external RSPO audit. Estate need to give full cooperation for giving the correct and accurate FFB data to mill.		

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	<p>A plan to have 3-monthly meeting/year to discuss on the production and estate & mill performance will be initiate after this.</p> <ol style="list-style-type: none"> 3. Letter from Acting Manager (Linbar 2 Estate) dated 20/12/2019 on the meeting CWC Sakilan Group every 3 months starting January 2020. 4. Letter of appointment for legal/secretarial/office to Mr Thong Yee Han (Assistant Mill Manager-Sakilan POM) on 13/12/2019. Interview session with the person in charge also verified the new role of monitoring the FFB, CPO and PK volume during the Major NC closure on 19/02/2020. <p>All the corrective action and evidence of implementation were found to be adequate. The Major NC closed on 19/02/2020.</p>
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Non-conformity			
NCR Ref #	1853946-201911-N1	Clause & Category (Major / Minor)	Indicator 4.2.3 Minor
Date Issued	22/11/2019	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	The grievance process is not implemented effectively.		
Requirement Reference:	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.		
Objective Evidence:	No evidence on date of action taken and completion sighted in the Green Book, Complaint and Grievances, Sample taken on complaints at Sakilan Estate dated 6/8/19 by Mrs. Samsiah Soga, AU 116500 on House No 6, Block K, Division 2 - kitchen door out of order.		
Corrections:	<p>1. Date of action taken and completion evidence will be attached on the said samples.</p> <p>2. To appoint a dedicated person to regularly monitor the status of action taken on each of the issue reported in the Complaint / Grievances Book.</p> <p>Timeline:</p> <p>The attachment of the said samples sighted during audit were presented to auditors on 21st November 2019. The similar document will be submitted together with the appointment letter of the dedicated person by end December 2019.</p>		
Root Cause Analysis:	There is no dedicated person to follow up the status of action taken by the management.		
Corrective Actions:	<ol style="list-style-type: none"> 1. Management will confirm with workers' representatives if there is any unresolved complaints during Joint Consultative Committee meeting. 2. Grievance procedure training will be conducted to Sakilan Estate management by the regional office. <p>Timeline:</p> <ol style="list-style-type: none"> 1. Meeting to be conducted every 2 months. 2. Grievance Procedure training to be conducted in 2nd half of FY19/20. 		

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Assessment Conclusion:	The status of Minor NC is remain open. The effectiveness of the minor NC closure will be verified in the next surveillance assessment.
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Opportunity for Improvements	
OFI #	Description
OFI 1	<p>1853946-201911-I1</p> <p><u>Indicator 6.2.2</u></p> <p><u>Details:</u></p> <p>Seen in the Contract Agreement of workers under clause no 19: "Kontrak ini tidak boleh dipindahkan kepada majikan lain tanpa persetujuan daripada pekerja dan kebenaran bertulis daripada Pengarah Tenaga Kerja Sabah".</p> <p>However, the Management need to re-look into the clause as any transfer of foreign workers might involve Immigration Department as the visa & permit are approved by their respective department.</p>

Positive Findings	
PF #	Description
PF 1	Good cooperation from the management.
PF 2	Good document retrieval from the operating unit.

3.4.1 Status of Nonconformities Previously Identified and Observations

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1718443-201808-N1	Clause & Category (Major / Minor)	Indicator 2.1.3 Minor
Closed (Yes / No)	Yes	Date of nonconformity Closure	22/11/2019
Statement of Nonconformity:	The mechanism to ensure legal compliance was not effectively demonstrated.		
Requirement Reference:	A mechanism for ensuring compliance shall be implemented.		
Objective Evidence:	Found that no qualified FFB Grader present at Sakilan Palm Oil Mill during site visit as per Malaysian Palm Oil Board Act 1998.		
Corrective Actions:	<ol style="list-style-type: none"> 1. In-house FFB grading training from MPOB will be conducted. 2. The management will issued a notification memo regarding the absence of competent FFB grading person for worker's awareness. In the absence of a competent person, a temporary substitute will be listed in the notification memo. 3. During the absence of the competent person, a monitoring system on FFB grading will be carried out by the mill executive. The records includes: <ol style="list-style-type: none"> 1. Loose fruit book FFB grading 2. Daily report FFB grading 3. 100% FFB grading 		

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	<p>4. Average bunch weight 5. Daily PPE checklist Timeline: All corrective action shall be implemented by October 2019. PIC: Sakilan POM</p>
Assessment Conclusion:	<p><u>RC2 verification:</u> Verified that the In-house FFB grading training from MPOB has been conducted from 6-8 October 2019. It was planned as proposed in the corrective action plan submitted to close the 2018 NC raised. Hence, with this RC2 Audit the auditor confirmed there was no repeat of similar issue. The Minor NC raised during last year assessment has been considered satisfactorily closed.</p>

Opportunity for Improvement															
OFI#	Description														
OFI 1	<p>1718443-201808-I1</p> <p>Indicator 4.1.3</p> <p><u>Details:</u> Some operational control monitoring can be further improved such as: - maintenance of riparian zone demarcation at the estates - consistency of input data in Energy Commission monthly power generation report</p> <p><u>RC2 status:</u> Verified there were maintenance of buffer zone, that is, paint red and white circle onto palm trees or placement of wooden peg (red and white stripes) along the natural stream and river to demarcate the riparian buffer zone. There was no spraying of chemicals seen at buffer zone. The mill monitor the electricity generated by the mill on monthly basis and reported to Energy Commission through from 'Penyata Statistic Penjualan Bulan'. Sighted the monitoring records FY 2019 as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: center;">Months</th> <th colspan="2" style="text-align: center;">Fuel Type</th> </tr> <tr> <th style="text-align: center;">Diesel (kwj)</th> <th style="text-align: center;">Biomass (kwj)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Aug</td> <td style="text-align: center;">168750</td> <td style="text-align: center;">53110</td> </tr> <tr> <td style="text-align: center;">Sept</td> <td style="text-align: center;">160230</td> <td style="text-align: center;">241440</td> </tr> <tr> <td style="text-align: center;">Oct</td> <td style="text-align: center;">170740</td> <td style="text-align: center;">239920</td> </tr> </tbody> </table>	Months	Fuel Type		Diesel (kwj)	Biomass (kwj)	Aug	168750	53110	Sept	160230	241440	Oct	170740	239920
Months	Fuel Type														
	Diesel (kwj)	Biomass (kwj)													
Aug	168750	53110													
Sept	160230	241440													
Oct	170740	239920													
OFI 2	<p>1718443-201808-I2</p> <p>Indicator 6.1.1</p> <p><u>Details:</u> The SIA can be further improved by taking the issues related to stateless children into consideration.</p> <p><u>RC2 status:</u> The SIA were conducted at all units and includes the issues of stateless children. During the 'Pemutihan' period, company has registered their workers, with spouse and children for legalization Sighted the list name of workers and dependent status of legalization. Interview session conducted during linesite visit confirmed that they have registered for legalization process under JC Chang Group.</p>														

	<ol style="list-style-type: none"> 1. The social impact assessment, management action plans & continuous improvement plans, Sakilan Estate available (Ref no: IOI/SR/SPO/2019/SIA/main/01) dated Oct 2019. 2. The social impact assessment, management action plans & continuous improvement plans, Linbar 1 Estate available (Ref no: IOI/SR/SPO/2019/SIA/main/01) dated Nov 2019. 3. The social impact assessment, management action plans & continuous improvement plans, Linbar 2 Estate available (Ref no: IOI/SR/SPO/2019/SIA/main/01) dated Nov 2019. 4. The social impact assessment, management action plans & continuous improvement plans, Sakilan POM available (Ref no: IOI/SR/SPO/2019/SIA/main/01) dated Nov 2019.
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3.4.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Major / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1718443-201808-N1	Minor	2.1.3	21/12/2018	Closed out on 22/11/2019
RSPO P&C MYNI 2019				
1853946-201911-M1	Major	4.1.1	22/11/2019	Closed out on 19/02/2020
1853946-201911-M1	Major	5.4 Purchasing Goods In (E4.1)	22/11/2019	Closed out on 19/02/2020
1853946-201911-N1	Minor	4.2.3	22/11/2019	“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 Sakilan Palm Oil Mill Certification Unit’s environmental and social performance, legal and any known dispute issues.

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. Any comment which is not complying 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 where the stakeholder notification was made on 06/09/2019, through BSI website as per following link: <https://www.bsigroup.com/en-MY/RSPO-MSPO-Certification/rspo-clients-and-reports/>

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 Workers Representatives Gender Committee Crèche Childcare	Union/Contractors Contractors & Suppliers (Trusmaju, Jen Siong Transport, Perniagaan Ismaju,
Government Departments SK Sakilan Desa SOCSO Officer - Sandakan	NGO & Local Communities CLC & HUMANA Teachers Viilagers: Kampung Lungmanis & Kampung Pahu

Stakeholders comment	
1	<p>Feedbacks: <u>CLC & HUMANA Teachers</u> There is morning school session for HUMANA and evening session for CLC in IOI Sakilan POM complex. All the foreign worker’s children were sent to the school by their parents and workers are not allowed to bring the children to work. Some foreign worker’s children have already go through the legalization process during ‘Pemutihan’ period while some in progress. School Teachers were updated on the legalization status by the estate management. CLC Teacher in Sakilan Estate & POM would like to request to have their own classes/building in separate building since the current building is shared with HUMANA is very old building.</p> <p>Management Responses: Sakilan Estate has already included in their budget for the new building for HUMANA and CLC and approved. Estate management will continue to support the education program for worker’s children.</p> <p>Audit Team Findings: Verified the Detail Estimated Transactions for year 2019/20 (Final) for HUMANA and CLC from Sakilan Estate, for buildings, utility, welfare (RM194,150), office equipment & others (RM660) and furniture fittings (RM30,000), electrical installations (RM77,340) and water supply (RM6,000)</p>
2	<p>Feedbacks: <u>SK Sakilan Desa</u> The school has received a lot of contribution from IOI Sakilan Certification Unit. Previously during the previous manager time, school has made one request from school to help to combine the 2 building roof but no action so far. This time they will request it again.</p> <p>Management Responses: Since the request is involving a big amount of money, estate escalate the request to top management for approval.</p> <p>Audit Team Findings: This issue has been discuss in the Stakeholder Meeting with IOI Sakilan Certification Unit and estate for follow up.</p>
3	<p>Feedbacks: <u>Contractors & Suppliers</u> Payment made promptly which normally within 1 month after invoicing period. Agreement was signed by both parties and still valid. Training and briefing regarding RSPO & MSPO were given to the contractors and suppliers and they aware on the legal compliances need to be adhered.</p>



	<p>Management Responses: Will continue to monitor the contractors & suppliers activities since they are working within the certified area.</p> <p>Audit Team Findings: No other issue.</p>
4	<p>Feedbacks: <u>Villagers: Kampung Lungmanis & Kampung Pahu</u> In the last 3 months, there was a river pollution case in Sungai Segaliud and Department of Environment has come for investigation. However, no answer on what is the cause of the pollution. There is no land dispute case in IOI certification units.</p> <p>Management Responses: Estate did not aware on the pollution case because Segaliud River is outside of estate land titles. This issue is not being informed during IOI Sakilan Certification unit's stakeholder session on 07/08/2019.</p> <p>Audit Team Findings: No other issue.</p>
5	<p>Feedbacks: <u>SOCSO Officer</u> As for the new regulation 2019, all the foreign workers who has the insurance expired in 2019, will need to register for SOCSO and not continuing the foreign worker's insurance. If the registration is delay due to work permit delay in Immigration process, employer can register later in online and reimburse the amount after the worker's insurance expiry date as stated in the regulation 2019, and can be refer to: https://www.perkeso.gov.my/index.php/en/perindungan-perkeso-untuk-pekerja-asing</p> <p>Management Responses: Since there is passport delay issue in immigration, some of the workers continue the FWCS after expiry date. This is beyond the management's control as the only thing that company do is to follow up with the Immigration Department.</p> <p>Audit Team Findings: This issue is captured in the Social Impact Assessment 2019 for all units and will be continuously monitored by the management.</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-Sakilan POM Certification Unit.	-	-	-	-	-
<p><i>Assessor Notes: The FPIC agreement shall be reviewed and identified the terms and conditions. The assessor shall assess if the terms and conditions are fulfilled by the grower. If the terms and conditions are not fulfilled, justification from the grower shall be available and the justification has been agreed with the land owner / user. If such justification is not available, non-conformance shall be raised against 2.3.2 and/or 7.5.1.</i></p>					

Previous land owner / user comment	
1	Feedbacks: Sakilan Estate & Mill obtained the land from Gaya House Sdn Bhd on 11.07.1979. Linbar 1 & Linbar 2 Estate obtained the land from Sabah State government on 08.07.1983.
	Management Responses: No other issue.
	Audit Team Findings: Since this was long ago and the company is now a developer company, no one can answer on the question for the land transfer process. Also, there is no customary rights land in the IOI-Sakilan POM Certification Unit.

3.6 Impartiality and conflict of interest

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

Formal Signing-off of Assessment Conclusion and Recommendation	
The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that Sakilan Palm Oil Mill Certification Unit has complied with the MALAYSIA NATIONAL INTERPRETATION (MYNI) 2019 OF THE RSPO PRINCIPLES AND CRITERIA 2018 FOR SUSTAINABLE PALM OIL PRODUCTION, Endorsed by the RSPO Board of Governors on 7th November 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 Sakilan Palm Oil Mill is continued.	
Report prepared by	Acceptance of Assessment Conclusion
Name: Elzy Ovktafia Chairul	Name: LEANG HON WAI
Company Name: BSI Services Malaysia Sdn Bhd	Company Name: IOI PLANTATION SERVICES SDN BHD
Title: Lead Auditor	Title: GENERAL MANAGER
Signature: 	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> 
Date: 22/02/2020	Date: 28/02/2020

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 -	Publicly available management documents such as land titles, OHS plans, EIA, SIA, HCV documentation, pollution prevention and reduction plans, records of complaints and grievances, negotiation procedures, RSPO Public Summary Report, company policies and continual improvement plans are available and can be cross referred to their respective criterion. All operating units have individual documents and records to demonstrate compliance to this indicator. IOI Group documents are also accessible through their Group’s website link: http://www.ioigroup.com .	Complied
1.1.2	Information is provided in appropriate languages and accessible to relevant stakeholders. - Minor compliance -	Information provided in both English and Bahasa Malaysia and accessible to all stakeholders in IOI complex. More information can be access through https://www.ioigroup.com/Content/S/S_Define	Complied
1.1.3	(C) Records of requests for information and responses are maintained. - Major compliance -	IOI Sakilan Estate has keep both external and internal stakeholder request in the Letter To/From Stakeholder File and Complaint/grievance book. Among the request sighted are: <ol style="list-style-type: none"> 1. Sakilan Estate: SK Sakilan Desa (19/09/2019): Contribution of RM 200 for National Day Celebration. 2. Sakilan Estate: HUMANA (26/07/2019) security patrol for HUMANA Sports Day. 3. Linbar 1 Estate: Request to use estate vehicle for HUMANA student in Linbar 1 Estate on 17/11/2019. 	Complied

		<ol style="list-style-type: none"> 4. Linbar 1 Estate: Request for sand supply for school road on 06/11/2019. 5. Linbar 2 Estate: Contribution of RM200 for Hari Temasya Sukan Sekolah on 10 & 17/11/2019. 6. Linbar 2 Estate: Contribution of RM200 for Hari Temasya Sukan Sekolah on 25-28/06/2019. 7. Sakilan POM: Approval to repair the water piping and water tank at SK Sakilan Desa amounted RM 757.60 on 21/08/2019. 8. Sakilan POM: Borrowing the speech equipment for HUMANA Sakilan Desa school event on 27/04/2019. 	
1.1.4	<p>(C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.</p> <p>- Major compliance -</p>	<p>IOI Corporation Berhad has developed Stakeholder Request Procedure for Corporate Level and Estate Level and Grievance Procedure (Staff Grievances Standard of Procedure). 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.</p> <p>Cadet/Assistant Manager of Sakilan Estate, Linbar 1 Estate, Linbar 2 Estate and Sakilan POM has been appointed as Social Liaison Officer Coordinator to handle social issue in the estate. Appointment letter dated 21/3/2019, 28/3/2019, 07/08/2019 & 09/07/2019 respectively were sighted. Roles of Social Liaison Officer Coordinator has been clearly stated in the attachment of appointment letter.</p>	Complied
1.1.5	<p>There is a current list of contact and details of stakeholders and their nominated representatives.</p> <p>- Minor compliance -</p>	<p>The stakeholder list was updated on 12.11.2019 at Sakilan Estate, 12.11.2019 at Linbar 1 Estate, 19.11.2019 at Linbar 2 Estate and 19/11/2019 at Sakilan POM including government bodies, NGO, suppliers, contractors, community, neighbouring estates, etc. with their own representatives.</p>	Complied

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 -	The Policy on Code of business conduct & ethics was available dated October 2012. The management of Sakilan already communicate the policy in all business operation including during stakeholder meeting and induction. The company employees shall not accept gifts, benefits or entertainment from a third party.	Complied
1.2.2	A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice. - Minor compliance -	Mechanism for ensuring compliance is described in the "Mechanism of Tracking Law Changes", dated 27/7/2018. The sustainability team is responsible to monitor implementation/updating of information through routine monitoring and internal audit. Internal Audit for Sakilan Estate dated 16 August 2019 by Sustainable Palm Oil Department. Also for ensure the compliance of Business conduct & ethics by Sandakan Town Office. Procedure of controlling the disclosure of confidential information (for third party) estate dated 2011 been establish to ensure the compliance and the implementation of the policy and overall ethical business practice.	Complied

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	(C) The Unit of Certification complies with legal requirements - Major compliance -	<p>Sakilan Certification Unit had documented the List of Laws applicable to oil palm industry covering all the necessary regulatory requirements. List of applicable legal and other requirements was made available during the assessment.</p> <p>Latest review was done on 17/10/2018 to include in the Register</p> <ul style="list-style-type: none"> • Minimum Wages Order 2018. • OSH (Noise Regulations) 2019 • Employee Social Security Amendment 2016 – EIS <p>Documented legal requirements register evaluated, reviewed and kept up-to-date was sighted as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Operating Unit</th> <th style="text-align: center;">Date Reviewed</th> <th style="text-align: center;">Implementor</th> <th style="text-align: center;">PIC</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Sakilan POM</td> <td style="text-align: center;">15.7.2019</td> <td style="text-align: center;">Mill Manager</td> <td style="text-align: center;">SPO Dept</td> </tr> <tr> <td style="text-align: center;">Sakilan Estate</td> <td style="text-align: center;">15.7.2019</td> <td style="text-align: center;">Estate Manager</td> <td style="text-align: center;">SPO Dept</td> </tr> <tr> <td style="text-align: center;">Linbar 1 Estate</td> <td style="text-align: center;">15.7.2019</td> <td style="text-align: center;">Estate Manager</td> <td style="text-align: center;">SPO Dept</td> </tr> <tr> <td style="text-align: center;">Linbar 2 Estate</td> <td style="text-align: center;">15.7.2019</td> <td style="text-align: center;">Estate Manager</td> <td style="text-align: center;">SPO Dept</td> </tr> </tbody> </table> <p>Sakilan Certification Unit continued its commitment in compliance with legal requirements. The followings are among the examples of compliance verified:</p> <ol style="list-style-type: none"> 1. IOI Plantation Services Sdn Bhd: Jabatan Tenaga Kerja Sabah (Kementerian Sumber Manusia) Permit Potongan Daripada Gaji Pekerja Seksyen 113(4), ordinan Buruh (Sabah Bab 67) for bayaran pemprosesan dokumen perjalanan (tidak termasuk Levi, jaminan 	Operating Unit	Date Reviewed	Implementor	PIC	Sakilan POM	15.7.2019	Mill Manager	SPO Dept	Sakilan Estate	15.7.2019	Estate Manager	SPO Dept	Linbar 1 Estate	15.7.2019	Estate Manager	SPO Dept	Linbar 2 Estate	15.7.2019	Estate Manager	SPO Dept	Complied
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Linbar 2 Estate	15.7.2019	Estate Manager	SPO Dept																				

		<p>bank, insurans pampasan pekerja dan pemeriksaan kesihatan (GROWARISAN)), potongan yuran kelab sukan dan rekreasi, bil elektrik, telefon, barangan stor/runcit, bayaran balik pembelian kerbau, bayaran surau/gereja, SKHPPA, SRC, Perubatan (tanggungjawab pekerja) dan kenderaan (faedah 4%) valid from 12/04/2018 – 12/04/2020.</p> <ol style="list-style-type: none"> 2. Linbar 1 Estate: Jabatan Tenaga kerja Sabah Lesen Untuk Menggaji Pekerja Bukan Pemastautin (Seksyen 118, Ordinan Buruh (Sabah Bab 67)) – Indonesia 196 valid from 19/05/2019 until 18/05/2020. 3. Linbar 2 Estate: Jabatan Tenaga kerja Sabah Lesen Untuk Menggaji Pekerja Bukan Pemastautin (Seksyen 118, Ordinan Buruh (Sabah Bab 67)) – Indonesia 203 valid from 21/05/2019 until 20/05/2020. 4. Sakilan POM: Jabatan Tenaga kerja Sabah Lesen Untuk Menggaji Pekerja Bukan Pemastautin (Seksyen 118, Ordinan Buruh (Sabah Bab 67)) – Indonesia 76 valid from 14/12/2019 until 13/12/2020. 							
<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>The IOI Sakilan Certification Unit continued to comply with all legal requirements. The mechanism to track changes in law has been revised on July 2019 in Procedure Mechanism of Tracking Law Changes, Doc. No. IOI/SR/SPO/MTLC/19-02 following issuance of NCR during ASA1_4 (2018) to ensure all applicable laws in the Legal Requirements Register are up-to-date and implemented accordingly.</p> <p>Sakilan POM</p> <table border="1" data-bbox="960 1185 1818 1377"> <thead> <tr> <th>Items</th> <th>Reference Licence No</th> <th>Validity period</th> </tr> </thead> <tbody> <tr> <td>MPOB Licence for processing FFB Calendar year 240,000mt/yr</td> <td>500293404000</td> <td>01.07.2019 - 30.06.2020</td> </tr> </tbody> </table>	Items	Reference Licence No	Validity period	MPOB Licence for processing FFB Calendar year 240,000mt/yr	500293404000	01.07.2019 - 30.06.2020	<p>Complied</p>
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		Energy Commission – Private Supply Installation under Halusah Sdn Bhd for 4070kw	No. 2019/01319, No. Siri: 36873	07.05.2019 - 06.05.2020	
		BOMBA – Mill Fire Certificate	309236 JBPM:SB/7/232/201 8	24.12.2018 - 23.12.2019	
		Horizontal Sterilizer	PMT 105911 PMT 105912	18.03.2019 - 17.06.2020 18.03.2019 - 17.06.2020	
		Water tube steam Boiler (890 m ²)	PMD 10485	13.03.2019 - 12.06.2020	
		Air Receiver	PMT 106093 PMT 12964	18.03.2019 - 17.06.2020 18.03.2019 - 17.06.2020	
		Air Compressor Air Compressor	PMT 555 PMT 80632	18.03.2019 - 17.06.2020 18.03.2019 - 17.06.2020	
		Steam Receiver	PMT 106087	18.03.2019 - 17.06.2020	
		Vacuum Deaerator	PMT 106085	These equipment were granted exemption by DOSH as CoF Exemption C3	
		Vacuum Oil Dryer	PMT 106092 PMT 1701		
		Pressure Sand Filter	PMT 106086 PMT 106091		
		Softener Vessel	PMT 106089 PMT 106090		17.03.2019 - 16.06.2020

			17.03.2019 - 16.06.2020
Entrainment Separator	PMT 106088		CoF Exemption C5
Licence to Store Diesel	PPDNKK.SBK.02/20 002 (SK)		30.06.2019 - 29.06.2020
Sakilan POM Competent Person			
Boiler			Issue date
Steam Engineer, Grade 1	Nil		
Steam Engineer, Grade 2	7996 7606		07.11.1980 12.11.2015
Steam Boiler Driver, Grade 1	H/ED/67/07		20.09.2007
Steam Boiler Driver, Grade 2	H/ED/96/93 SB/19/EIS/02/001 11		24.09.1993 29.01.2019
GenSet ICE Driver, Grade 2	SB/14/EIP/02/19 SB/16/EIP/02/17		16.05.2014 18.05.2026
Electrical Chargeman, A4 Electrical Chargeman, A1	P-J-T-4-B-0182- 2009 P-J-T-2-B-0764- 2017		Issue date 06.04.2015 - 18.08.2017-
Authorised Entrant and Standby Person	NW-NSDK-AER- 0008-P NW-NSDK-AE- 0045-O		14.01.2019 - 14.01.2021 19.01.2018 - 19.01.2020 19.01.2018 - 19.01.2020

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		Installation Capacity, Reference / Licence No Validity period	13.6.2019 – 12.6.2020	14.6.2019 to 13.6.2020	5.11.2019 4.11.2020		
		Air Compressor Reference / Licence No Validity period	SB PMT 80859 29.08.2019-28.11.2020	SB PMT 1438 6.3.2019 – 5.6.2020	SB PMT 1624 15.4.2109 14.7.2020		
		Licence to Store Diesel Reference / Licence No Validity period	PPDNKK.SD.29/1997(SK) BL 2201804416 8 19.11.2018-18.11.2019	PPDNKK.SDK .04/2002 (SK) BL 2201902345 3 30.6.2019-29.6.2020	PPDNKK.SDK .03/2002 (SK) BL 2201901223 8 17.5.2019 16.5.2020		
		Permit Potongan Gaji Daripada Pekerja Validity period	600-1/2/8/320(11 /SDK/2018-092) 12.4.2018 – 12.4.2020	600 1/2/8/320(11 /SDK/2018-092) 12.4.2018 – 12.4.2020	600 1/2/8/320(11 /SDK/2018-092) 12.4.2018 – 12.4.2020		
		CePSwaM, SdK Region Jimi Dalinting, 00311	Asst Manager at Div1 and Div.2	Asst Manager at Div A and Div.B	Snr. Asst Manager at Div A, B & c		
		Weighbridge, 50mtSeril no. 180969 Validity period	No weighbridge provided	1.9k-056512 11.3.2019 - 10.3.2020	No weighbridge provided		

<p>2.1.3</p>	<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>The land belongs to IOI Corporation Berhad subsidiary company, that is, Halusah Ladang Sdn Bhd for Sakilan Estate and Right Purpose Sdn Bhd for Linbar Estate and their land ownership documents were verified. Boundary pegs were constructed to demarcate the boundaries surveyed.</p> <p>During site visit to area the boundary stone and/or boundary peg was sighted maintained accordingly.</p> <table border="1" data-bbox="965 619 1839 1399"> <thead> <tr> <th data-bbox="965 619 1117 687">Estate</th> <th data-bbox="1117 619 1364 687">Boundary Marker</th> <th data-bbox="1364 619 1839 687">Neighbour and Remarks</th> </tr> </thead> <tbody> <tr> <td data-bbox="965 687 1117 1110">Sakilan</td> <td data-bbox="1117 687 1364 1110"> Boundary Peg at Block 97H2 neighboring Koh Brothers Available boundary stones as shown in Sakilan Desa Sdn Bhd land title 787174, 59395, 726174, 614306, 803174 </td> <td data-bbox="1364 687 1839 1110"> Almost ¾ of Sakilan Estate border is surrounded by IJM Plantations Bhd, except for top ½ West of it is Chiap Hua Plantation, to the North 1/3 westwards is Malsa Corp Bhd, balance 2/3 Eastwards are smallholders (Tan Chu Boon, Koh Brothers and Reka Indah) There is no land encroachment reported. </td> </tr> <tr> <td data-bbox="965 1110 1117 1399">Linbar 1</td> <td data-bbox="1117 1110 1364 1399"> Boundary pegs were sighted at buffer zones to Sg. Lokan and Segaluid Lokan Forest Reserve </td> <td data-bbox="1364 1110 1839 1399"> To the North is Gedau Estate. To the East is Gedau Estate and Smallholders - Sapri B Sinara, Baktiar Awang, Ahmad Qareem Abdullah, Gerianne Edmund, Nursila Arsad, and To the South is Linbar 2 Estate. To the west is - Segaliud Lokan Forest Reserve, Class 2 forest; </td> </tr> </tbody> </table>	Estate	Boundary Marker	Neighbour and Remarks	Sakilan	Boundary Peg at Block 97H2 neighboring Koh Brothers Available boundary stones as shown in Sakilan Desa Sdn Bhd land title 787174, 59395, 726174, 614306, 803174	Almost ¾ of Sakilan Estate border is surrounded by IJM Plantations Bhd, except for top ½ West of it is Chiap Hua Plantation, to the North 1/3 westwards is Malsa Corp Bhd, balance 2/3 Eastwards are smallholders (Tan Chu Boon, Koh Brothers and Reka Indah) There is no land encroachment reported.	Linbar 1	Boundary pegs were sighted at buffer zones to Sg. Lokan and Segaluid Lokan Forest Reserve	To the North is Gedau Estate. To the East is Gedau Estate and Smallholders - Sapri B Sinara, Baktiar Awang, Ahmad Qareem Abdullah, Gerianne Edmund, Nursila Arsad, and To the South is Linbar 2 Estate. To the west is - Segaliud Lokan Forest Reserve, Class 2 forest;	<p>Complied</p>
Estate	Boundary Marker	Neighbour and Remarks										
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				There is no land encroachment reported.	
		Linbar 2	Sighted at Block 17A boundary stone number 932/118 bordering Segaliud Lokan Forest Reserve near Sg. Rawong 937/269, 932/101 932/229	To the North is Linbar 1 Estate; To the East it borders Sg. Lokan. To the South it borders Segaliud Lokan Forest Reserve that continues to the West of the estate There is no land encroachment reported. Conservation area (Steep hill >y25°) sharing common border with Linbar 1 Estate and Segaliud Lokan Forest Reserve	
Criterion 2.2:					
All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements					
2.2.1	A list of contracted parties is maintained. - Minor compliance -	As stakeholder list updated on 12.11.2019 at Sakilan Estate, 12.11.2019 at Linbar 1 Estate, 19/11/2019 at Linbar 2 Estate and 19/11/2019 at Sakilan POM it was included the contractors, transporters and suppliers information were available.		Complied	
2.2.2	All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.	There is no outside FFB in Sakilan POM. For estates, sampled of the contracts as below: 1. Sakilan Estate: Replanting Agreement Sakilan Desa Sdn Bhd (Ref No: SKL/REP/001/19-20) updated 01/07/2019. Under the clause 13; this agreement shall be construed according to the Laws of Malaysia.		Complied	

	<p>Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.</p> <p>- Minor compliance -</p>	<ol style="list-style-type: none"> 2. Sakilan Estate: Million Enterprise, Chen Nyuk Mui (Contract no: SKL/MLE/002/19-20) updated on 01/07/2019. Under the clause no 3; all the statutory obligations such as S.R.A, COLA, E.P.F, SOCSO, Workmen’s Compensation, Maternity Allowance, Medical Allowance, Medical Treatment, etc. and also tools and implements, transport and food of workers are the responsibilities of the contractor. 3. Linbar 1 Estate: Zana Enterprise (Contract No: LB1/ZE/18-19/003) valid from 01/07/2019 – 30/06/2020. It was well mentioned under Special Conditions no 3: All statutory obligations such as SRA, COLA, EPF, SOCSO, Workmen’s Compensation, Maternity Allowance, Medical Allowance, Medical Treatment, etc. 4. Linbar 2 Estate: Syarikat Sri Manjung dated 01/09/2019. Under clause number 13, the agreement shall be construed according to the Laws of Malaysia. 5. Sakilan POM: Rico Enterprise dated 01/08/2019. Under clause 5 (xi), the transporter shall be solely responsible for and shall pay all toll charges, EPF, Holiday Pay, Workmen’s Compensation Insurance, SOCSO and all other payments as may be required by law, by-laws, rules and regulations to be paid. 	
<p>2.2.3</p>	<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.</p> <p>- Minor compliance -</p>	<p>Sampled of the contracts as below:</p> <ol style="list-style-type: none"> 1. Replanting Agreement Sakilan Desa Sdn Bhd (Ref No: SKL/REP/001/19-20) updated 01/07/2019. Under clause no 16: there should be no child labor (according to Sabah labor Ordinance) and element of Respect to Human Rights must be followed (RSPO Next). 2. Million Enterprise, Chen Nyuk Mui (Contract no: SKL/MLE/002/19-20) updated on 01/07/2019. The company agree to comply with Sabah labour Ordinance Cap 67, the Contractor shall ensure that all persons under his employment are protected under the laws and regulation under this ordinance. 	<p>Complied</p>

		<ol style="list-style-type: none"> 3. Linbar 1 Estate: Zana Enterprise (Contract No: LB1/ZE/18-19/003) valid from 01/07/2019 – 30/06/2020. Addendum contract sighted for the compliance to IOI Group on 01/07/2019. The company agree to comply with Sabah labour Ordinance Cap 67, the Contractor shall ensure that all persons under his employment are protected under the laws and regulation under this ordinance. 4. Linbar 2 Estate: Syarikat Sri Manjung dated 01/09/2019 – the contractor agrees to wages, EPF, SOCSO etc. for his workers and to abide by the current labour ordinance. 5. Sakilan POM: Under clause 5 (xi), the transporter shall be solely responsible for and shall pay all toll charges, EPF, Holiday Pay, Workmen’s Compensation Insurance, SOCSO and all other payments as may be required by law, by-laws, rules and regulations to be paid. 	
<p>Criterion 2.3: All FFB supplies from outside the unit of certification are from legal sources.</p>			
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>	<p>There is no FFB sourced from third party. All FFB sent to Sakilan POM are from own estate, that is - Sakilan, Linbar 1 and Linbar 2 Estates.</p>	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 Indicator 2.3.1.</p> <p>- Minor compliance -</p>	<p>This indicator is not applicable since FFB is strictly and only sourced from IOI owned estates.</p>	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>Annual budget and management plan were documented with five years projection includes FFB production, CPO, OER, and KER, costs of production, CAPEX and OPEX. There is no scheme smallholder within the supply base. The business plan was available for Sakilan estate, this business plan cover crop by year, replanting programme, executive/staff and workers requirement costing for maintain palm oil and depreciation. Sampling on Building, utility and welfare cost on 2020/21 was RM 12,000 and for 2021/22 was RM187,430.</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 in Sakilan estate Business plan 19/20. The replanting programme cover for 10 years. Total will be replant was from year 2020 until 2025 as per detail below:-</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Year</th> <th>Hectarage</th> </tr> </thead> <tbody> <tr> <td rowspan="6">Sakilan</td> <td>2020/21</td> <td>230</td> </tr> <tr> <td>2021/22</td> <td>201</td> </tr> <tr> <td>2022/23</td> <td>211</td> </tr> <tr> <td>2023/24</td> <td>234</td> </tr> <tr> <td>2024/25</td> <td>243</td> </tr> <tr> <td>Total</td> <td>1119</td> </tr> <tr> <td rowspan="3">Linbar 2</td> <td>2019/20</td> <td>281</td> </tr> <tr> <td>2020/21</td> <td>350</td> </tr> <tr> <td>2021/22</td> <td>159</td> </tr> </tbody> </table>	Estate	Year	Hectarage	Sakilan	2020/21	230	2021/22	201	2022/23	211	2023/24	234	2024/25	243	Total	1119	Linbar 2	2019/20	281	2020/21	350	2021/22	159	Complied
Estate	Year	Hectarage																								
Sakilan	2020/21	230																								
	2021/22	201																								
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	2021/22	159																								

			Total	790	
		Linbar 1	2019/20	236	
			2020/21	392	
			2021/22	401	
			2022/23	203	
			Total	1232	
3.1.3	The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake. - Minor compliance -	The management review has been conducted annually and the latest was done on 22 August 2019. This management review was include result of internal audit, customer feedback, performance process, status of preventive, corrective action plans and others.			Complied
Criterion 3.2 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.					
3.2.1	(C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification. - Major Compliance -	The continuous improvement plan was available dated 11 Oct 2019. Based on the CIP, it cover Social, environment, safety and technology sampling on Financial year 2018/19 sakilan estate want to build 1 blok x 2 unit permanent artisan quarters, verified during site and as per document referred capital expenditure ratification for financial year 2018/19 dated 13 june 2019 with approval RM 72,000. The Continuous improvement in mill sampling on environmental was to install boiler dust emission control with total RM 2 million and for Social to build new house for workers total RM 207,000 as per verification n the budget 2018/2019. As per detail expenditure ledger from 07/2018 the management already upgrade the badminton court RM 248.00			Complied

3.2.2	<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:</p> <p>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>The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed.</p>	Complied
<p>Criterion 3.3 Operating procedures are Appropriately documented, consistently implemented and monitored.</p>			
3.3.1	<p>(C) Standard Operating Procedures (SOPs) for the unit of certification are in place.</p> <p>- Major Compliance -</p>	<p>The SOP for the unit of certification is in place and available. Refer to REF: IOIPD-SOP-LC dated December 2018, sampling on new sop such as Standard Operating Procedure (SOP) for Land Clearing and Ganoderma Control.</p>	Complied
3.3.2	<p>A mechanism to check consistent implementation of procedures is in place.</p> <p>- Minor Compliance -</p>	<p>Internal Audit was done annually. The latest was done on 16 August 2019 prepared by Sustainable Palm Oil Department. Other mechanism to ensure of implementation was check by Agronomist and latest inspection was done on April 2018 with recommendation by agronomist was on 24 May 2019 for amendment fertiliser recommendation.</p> <p>Report on fertiliser application in estate by IOI Research Centre Sabah (report dated 18 Oct 2019 and 22 Oct 2019) sighted while in Mill, the Mill controller visit was conducted on 5 August 2019 by Mr N.Raymond (Mill controller). Another mechanism was checking by HSE department and sighted the HSE</p>	Complied

		Visit Report (SKPOM/HSE/Visit/2019-02) dated 28 Oct 2019 to ensure all safety and health was in good condition.	
3.3.3	Records of monitoring and any actions taken are maintained and available. - Minor Compliance -	The monitoring on implementation of internal audit finding was done periodically. Refer to document Verification on NCR against sustainability requirement (IOI/SR/SPO/19/G-04/SKL/IR-0120) and memo IOI/SR/SPO/19/M-04/014 dated 28 August 2019.	Complied
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.			
3.4.1	(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. - Major Compliance -	No new planting in IOI Sakilan POM certification unit.	Complied
3.4.2	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. - Minor Compliance -	<p>SIA developed with the participation of various stakeholders, examples are worker’s representatives, villagers, school teachers, contractors, etc.</p> <p>An Internally generated Environment Impact Assessment for Sakilan POM was carried out with participation of internal and external stakeholders in November 2019. The objectives among others were:</p> <ul style="list-style-type: none"> to identify aspects and impacts of potential pollutants and to establish a proper mitigation plan to reduce or minimize the impact. to protect the environment of the mill from neglect, mismanagement and irresponsible activities during operations. 	Complied

		<p>Monitoring of pollution to land, water and air were assigned to Person In Charge to ensure the mill operations are environment friendly. Monitoring programmes include but not limited to:</p> <ul style="list-style-type: none"> • Release POME liquid to estate block field trenches for land irrigation purpose instead of watercourse according to DOE specifications. • Monthly effluent analytical results. • Drinking water quality test at quarterly interval. • Domestic water quality to analyse for <i>E. Coli</i> and <i>faecal Coliform</i> every six month. • Record usage and maintenance of diesel by Genset and vehicles to reduce GHG emissions. <p>A separate Environment Impact Assessment from Social Assessment had been conducted by Kiwiheng Environmental Consultant Sdn Bhd for the following estates as follows:</p> <ul style="list-style-type: none"> • On March 2019 for Proposed Replanting of 2104 ha Oil Palm Plantation at Sakilan Estate, and • On August 2009 for Proposed Replanting of 4300 ha Oil Palm Plantation at Linbar 1 and Linbar 2 Estate. <p>External stakeholder consultation by the estates of this CU was held on 7.8.2019 at Sakilan POM Mini Hall. It was attended by 51 internal and 19 external stakeholders (representing government agencies (12), Malsa Plantations (2), Mega Plantation (1), suppliers, Humana (3), Community Learning Centre (1).</p> <p>Following the external stakeholders' consultation held Management Action Plan had been developed, among them:</p>	
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		<ul style="list-style-type: none"> • Statistics Department request IOI to relax access to its mill and estates for them to conduct census without sending letter to IOI HQ seeking such permission as it complicates matter. Local IOI Management responded that they do not have any objection to enter their premises as long as th Statistics Department staff cn produced their Identification card, Department Authority Card and official letter from Department stating the purpose of the visit / census undertaken. • <i>Tenggiling</i> (animal) species newly named Totally Protected Species by Sabah Wildlife Department had been noted and added to Sakilan CU list of Protected animals. • Bridge across Sg Lokan is sometimes damaged due to the nils coming out. IOI responded that regular monitoring and maintenance will be carried out. Additionally, a feasibility study is under way with other estates using the common road to share cost to replace it with a concrete bridge. • Neighboring estate (Saripin/Malbumi/PPNS) reported damage to roads due to overloading and contractors' lorry driver speed and di not give smaller vehicles a chance to overtake them. IOI responded <ul style="list-style-type: none"> i. to continue to advise contractors not to overload their vehicles. Only weight up to 18 tonnes will be permitted. Monitoring will also be carried out with the help of the weighbridge. ii. All vehicles are to be fixed with rear mirrors. iii. Remind or talk to drivers on speed limit and safety of other road users on monthly basis. 	
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>All the unit has developed the SIA and action plan as below:</p> <ol style="list-style-type: none"> 1. The social impact assessment, management action plans & continuous improvement plans, Sakilan Estate available (Ref no: IOI/SR/SPO/2019/SIA/main/01) dated Oct 2019. 	Complied

		<ol style="list-style-type: none"> 2. The social impact assessment, management action plans & continuous improvement plans, Linbar 1 Estate available (Ref no: IOI/SR/SPO/2019/SIA/main/01) dated Nov 2019. 3. The social impact assessment, management action plans & continuous improvement plans, Linbar 2 Estate available (Ref no: IOI/SR/SPO/2019/SIA/main/01) dated Nov 2019. 4. The social impact assessment, management action plans & continuous improvement plans, Sakilan POM available (Ref no: IOI/SR/SPO/2019/SIA/main/01) dated Nov 2019. <p>Environmental Compliance Report for replanting areas within the three estates (Sakilan, Linbar 1 and Linbar 2) prepared by Kiwiheng Environmental Consultant is submitted to Environmental Protection Department (JPAS Sabah) Kota Kinabalu quarterly.</p> <p>Compliance monitoring amongst others, include control over water quality, provision of riverine protection, control of soil erosion and sedimentation, control of construction of road, provision of riparian reserves, workers' quarters, workshop and nursery ground, control of surface runoffs, management of scheduled and hazardous wastes as well as solids, sewage and liquid wastes and control of air quality and open burning by Sakilan and Linbar Estates.</p> <p>At Linbar 2, the results of Laboratory Water analysis at three sampling points taken on 26.6.2019 showed all parameter were within the limits of Class III of the NWQSM except for a very low level (without visible film sheen, discolouration and sightings of deposit) of Oil & Grease at sampling point no.3.</p>	
<p>Criterion 3.5 A system for managing human resources is in place.</p>			
3.5.1	Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are	There are Foreign Workers Recruitment Guideline & Procedures in Malaysia dated July 2018, Procedure of New Workers Recruitment with Valid Pass (Ref	Complied

	<p>documented and made available to the workers and their representatives where applicable.</p> <p>- Minor Compliance -</p>	<p>no: HRD/REC-VP/01/2019) and Procedure of New Workers Recruitment (Ref no: HRD/REC-NW/01/2019) for IOI Plantation Division Sabah. For locals, there is employee handbook for executive and staff level, circular no: 01/15-16 dated 12th August 2015 covering recruitment, salary administration, terms & conditions of employment, company benefits, training and management development.</p> <p>Additionally, in Sabah, there is SOP for Legalization Programme (HRD/REC-REG/01/2019) for workers.</p> <p>Employment contracts also stated the termination clause where the period of resignation notice is agreed by both parties: 4 weeks for service less than 2 years, 6 weeks for services more than 2 years but less than 5 years and 8 weeks for service more than 5 years or more or between agreement of both parties.</p>	
3.5.2	<p>Employment procedures are implemented, and records are maintained.</p> <p>- Minor Compliance -</p>	<p>Based on the employment contract, passport and pay slips reviewed in 6.5.2, the procedure of recruitment was implemented and records are maintained.</p>	Complied
<p>Criterion 3.6 An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.</p>			
3.6.1	<p>(C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.</p> <p>- Major Compliance -</p>	<p>An Occupational Safety, Health and Hygiene Policy has been established and signed by the Plantation Director. It is available in Bahasa Malaysia and English language. The policy has been communicated to all employees through briefings and hardcopy of policies were seen displayed at the estates notice boards.</p> <p>OSH plan was available dated 5 Jan 2019 prepared by HSE manager. The plan was include the training needs, OSH meeting, Workplace inspection, medical surveillance and others.</p> <p>In Mill, chemical register been updated on 30 Oct 2019. This updated cover chemical water, maintenance, Boiler, lab, store, workshop and others.</p>	Complied

		<p>CHRA was done 5 years once as per legal requirement. Management already conducted on 10 July 2017 by Dr Mohd Azizan bin Abdul Aziz (HQ/10/DOC/00/167) and latest assessment for new nursery dated 20 Oct 2019.</p> <p>HIRARC was available for identify and mitigate the issue and hazard in estate and mill. In Sakilan estate, latest review HIRARC was on 24 August 2019 and there was an accident happen on 5 August 2019. For year 2019, a total of 9 accident happen.</p> <p>In Linbar 1 estate, CHRA conducted on 14 Dec 2017 by Mohd Amin Adrah (JKKP KIM127/453/6(30). Ne new chemical as per verification chemical registered dated 31 Oct 2018.</p> <p>HIRARC already been reviewed on Oct 2019 and there was an accident happened on 15 May 2019. The HIRARC was reviewed on June 2019 and action plan on training was on 15 May 2019.</p> <p>In Linbar 2 estate, an accident occurred on 9 Feb 2019 and investigation done on 14 Feb 2019. The action plan sighted dated 26 Feb 2019 while HIRARC review conducted 23 Feb 2019.</p> <p>In Sakilan Mill, LEV monitoring was done annually by DYNAKEY Laboratories. On 15 May 2019, DYNAKEY Laboratories has conducted the assessment as per report no.: IHT(II)/2019/0505/SPOM Examination, Inspection and Testing of Local Exhaust Ventilation System report. The assessor qualification was Hygien tech II (JKKP HIE 127/171-3/2(185)) valid from 7 Feb 2017 until 6 March 2020. For monthly checking, LEV was done by Lab assistant and latest was 10 Nov 2019 and previously was on 14 Oct 2019 and 20 Sept 2019.</p>	
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		<p>Audiometric test Summary report for September dated 3 September 2019 by DAB OH SDN BHD previously conducted on 5 Sept 2018 by Dr Mohd Azizan (HQ/10/DOC/00/167) participate 41 person. From this year result, no hearing impairment and STS in Sakilan POM. The Hearing conservation training was done yearly, which conducted on 23 April 2019 and also 3 Oct 2019 by HSE department.</p> <p>The latest monthly medical check-up by Hospital Assistant was done on 18 & 19 Oct 2019. Sighted Medical surveillance dated 3 September 2019 by Dr Sanjay A/L Sadasvan (HQ/18/DOC/00/00201) from DAB OH SDN BHD. Total attended 47 workers are all fit to work with chemical.</p> <p>Sighted PTW for Boiler sampling (No Serial: R0208 & R0226) on 2 Jan and 2 March 2019. From the verification, the health declaration was done on Jan 2019 by Dr Mohd Azizan (HQ/10/DOC/00/167) and gas tester by Mr Kaw (NW-NSDK-AGT-0098-N).</p> <p>For AESP enter and standby were Mohd Darwis (NW-NSDK-AE-0053-O) and Unddin Bin Majin (NW-NSDK-AE-0060-O) and valid until 19 Jan 2020.</p>	
3.6.2	<p>(C) The effectiveness of the H&S plan to address health and safety risks to people is monitored. - Major Compliance -</p>	<p>Internal Audit for Sakilan Estate conducted and report dated 16 August 2019 by Sustainable Palm Oil Department verified. The other monitoring was conducted by HSE department under report titled Health, Safety and Environment Audit report dated 20 May 2019. The latest report was on 2 October 2019 (SKL/HSE/VISIT/2019-01) sighted too. Other than that, the workplace inspection was done in monthly basis to ensure all H&S plan was done effectively.</p> <p>Verification on implementation of H&S plan, the medical surveillance in Linbar 2 estate was done on 21 Oct 2019 as per plan by DAB OH SDN BHD (Dr Sanjay A/L Sadasivan – HQ/18/DOC/00/00201). 18 workers was involve during medical surveillance and as per result all fit to work with chemical.</p>	Complied

Criterion 3.7			
All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained.			
3.7.1	<p>(C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and out-growers, taking into 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>The management establish Agrochemical Management policy dated July 2018 to ensure full commitment towards the wellbeing, safety and health for their company. The commitment cover the scope of storage, handling, transportation, usage and disposal of agrochemical. The training need and plan was establish dated Jan 2019 to ensure the training cover as per policy. It cover Social, environment, Best Practice and safety aspect such as training on Policy, Induction training, scheduled waste training, IPM training and others. The training already been done and refer to indicator 3.7.2.</p>	Complied
3.7.2	<p>Records of training are maintained.</p> <p>- Minor Compliance -</p>	<p>All employees and contractors were provided training related to their job skills, RSPO requirements, Occupational Health & Safety and Environmental matters. The training program include productivity and best management practice subjects on estates operating procedures as well as procedural matters caring for Occupational Health & Safety and Environmental, from felling of oil palm trees, nursery, replanting, harvesting and upkeep of fields to evacuation of FFB to mill. Likewise, at the mill it covers from FFB receipt, grading, processing to Crude Palm Oil, storage and dispatch of CPO, nut kernel and the management of by-products, wastes and waste streams.</p> <p>The training program specified the target group of employees to be trained for the identified subjects. In addition to the Good Mill /Agricultural Practice training, that is, Process stations / field SOP related to trade/job skills, the following topics, among others, were included in the 2019/20 annual training program;</p> <p><u>Sakilan estate</u></p> <ul style="list-style-type: none"> • Harvesting training dated 29 Jan 2019 • Store and management training dated 19 March 2019 • PPE training dated 26 March 2019 	Complied

		<ul style="list-style-type: none"> • Diesel management 19 March 2019 • Chemical handling training dated 30 March 2019 • Triple rinsing training handling dated 28 March 2019 and 23 May 2019 • First Aid training 20 April 2019 • Workshop training dated 18 August 2019 • HCV training dated 23 August 2019, Buffer zone training dated 17 Oct 2019 <p><u>Linbar 1 estate</u></p> <ul style="list-style-type: none"> • First aid training 25 Jan 2019 • SOP & PPE training on water treatment 23 Jan 2019 • Workshop and welding training 24 Jan 2019 • Harvesting training 12 & 13 Feb 2019 • Manuring training 15 Feb 2019 • Rat Baiting training 20 Feb 2019 • Riparian and buffer zone training 28 March 2019 • Triple rinsing training 24 April 2019 • Manuring training 16 may 2019 • ERP training 23 July 2019 <p><u>Linbar 2 estate</u></p> <ul style="list-style-type: none"> • Training on behaviour during working dated 3 Jan 2019 • Anti-pollution training dated 8 Jan 2019 • Awareness on Buffer Zone dated 23 Jan 2019 • Grievances procedure training dated 12 March 2019 • Fire Fighting and drill dated 15 march 2019 • Creche SOP training dated 9 April 2019 • Chemical Handling training 16 April 2019 • Sustainability requirement for Contractor Training dated 8 August 2019 • Company policy training 15 August 2019 	
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		<ul style="list-style-type: none"> IPM training dated 10 May 2019 <p><u>Sakilan POM</u></p> <ul style="list-style-type: none"> Training on weighbridge SOP dated 3 Jan 2019 Training on SOP of effluent, PPE and ERP dated 5 Jan 2019 Training on Antenatal and Hygiene dated 30 Jan 2019 Induction Training dated 11 Feb 2019 Training on working at height dated 10 April 2019 Training on First Aid dated 24 Feb 2019 Confined space training dated 15 April 2019 Fire Fighting training dated 1 April 2019 Training on procedure for Laboratories, PPE, and ERP dated 26 April 2019 Training on procedure in Office dated 20 June 2019 Water treatment training 7 Oct 2019 	
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>The training plan programme is OSH plan and include the plan for SCCS training. The latest record of Supply chain training (Taklimat RSPO SCCS, MSPO SCCS and 3 P) dated 4 September 2019 attended by critical control point and contractor (KK Fong Sdn Bhd, SSPJ, and BUDIE) been conducted in Sakilan POM.</p>	Complied
<p>Criterion 3.8</p> <p>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</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>This was verified during the stakeholders meeting and site visit at mill.</p>	Complied

	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.		
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 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>	Not applicable as Sakilan POM is using the IP module.	Not applicable
3.8.3	<p>Explanation (Volume and product integrity) – D.2, E.2</p> <p>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</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p> <p>RSPO Membership of Sakilan Palm Oil Mill is under IOI Corporation Berhad with RSPO Membership No. 2-0002-04-000- 00 since 17 May 2004.</p> <p>RSPO Palmtrace ID: RSPO_PO1000000110 (Halusah Ladang Sdn Bhd – Sakilan Palm Oil Mill) which license expires on 07/03/2020.</p>	Complied

	appropriate supply chain through the RSPO supply chain managing organisation (RSPO IT platform).		
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<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> <ol style="list-style-type: none"> a. RSPO Supply Chain – Module D – CPO Mills: Identity Preserved (IP), Doc. No.: RSPOSC/SOP/IP/3, Rev. 06 dated 8/9/2018. b. Internal Audit Procedure, Doc. No.: RSPOSC/SOP/IA/1, Rev. 02 dated 14/12/2018. <p>Among the records included in the procedure are as below:</p> <ol style="list-style-type: none"> a. Weighbridge tickets b. Daily Production Reports c. Invoice and contracts d. Internal audit reports e. Delivery and storage records f. Training records <p>Training records for supply chain was sighted where the training was conducted on 03/10/2019 for the critical control point responsible person such as Weighbridge Operators, Laboratory Operator, General Clerk, Security Guards, etc. Seen the attendance list and interviewed with the attendees confirmed that they are understand the procedure.</p> <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 dated 08/09/2018.</p>	<p>Complied</p>
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<p>3.8.5</p>	<p>Internal Audit – 5.3.2 The site shall have a written procedure to conduct annual internal audit to determine whether the organisation; Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <hr/> <p>Effectively implements and maintains the standard requirements within its organisation.</p> <hr/> <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>As per the Internal Audit Procedure, Doc. No.: RSPOSC/SOP/IA/1, Rev. 02 dated 20/12/2018: where the management review meeting will be scheduled once a year after internal audit has been carried to discuss the internal audit result.</p> <p>The internal audit will be conducted by sustainability team and the frequency of internal audit must be carried out at least once a year. More frequent audits may be conducted for higher risk units. The latest record was on 19 August 2019. The action plan and status been discuss during management review meeting.</p>	<p>Complied</p>
<p>3.8.6</p>	<p>Purchasing Goods In – 5.4, D.4.1/ D.4.2, E.4.1/E.4.2 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <hr/> <p>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <hr/> <p>The site shall have a mechanism in place for handling non- conforming oil palm products and/or documents.</p>	<p>To handling the non-conforming product was available in RSPO Supply Chain – module D CPO Mill: Identity preserve (IP) (RSPOSC/SOP/IP/3) revision: 06 dated 8 Sept 2018.</p> <p>When FFB delivered to the mill from the estates, the transporters presented the FFB Dispatch Tickets and in some cases, estate’s Weighbridge Tickets to the mill weighbridge clerk in order the FFB to be received by the mill. E.g. of information available in the dispatch tickets is as follows:</p> <p>FFB Dispatch Chit No. – 267050 (from Sakilan), 266309 (from Linbar 1), 266266 (Linbar 2) Estate’s names – Sakilan/Linbar 1/Linbar 2 Division Date of delivery Field No.</p>	<p>Major nonconformance</p>

		<p>Total bunches Harvesting dates</p> <p>Seal no. & remarks & RSPO Certificate No.</p> <p>Example Name of estates – Linbar 2 estate</p> <ul style="list-style-type: none"> • Field No. – 16BA, 14BA • Dispatch chit no. – 00007 • Name of transporter company – LKC Transport • Name of driver – Saripuddin • Vehicle no. – SS5226M • RSPO certificate no. – RSPO543161 • Weighbridge ticket no. – 266266 • Date of delivery – 13 July 2019 • Total bunches – 17650 • Harvesting dates – 13 July 2019 • Seal no. – 008048A,008049A & 008050A • Net weight – 17.78 mt <p>Found an overproduction for the period under reviewed or previous Palmtrace License period Dec 2018 – Oct 2019 with total 122,558.57 mt for FFB (Certificate: 114,556 mt).</p>	
3.8.7	<p>Outsourcing Activities – 5.5</p> <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</p>	<p>In Sakilan POM, the only outsource activity was the Transporter as per detail below. There are 4 transporter been using in Sakilan POM as per contract verification:</p> <p>K.K. fong Sdn Bhd (Dated 1 August 2019) SYKT Perniagaan Piqrusyahliajaya (dated 1 August 2019) Syarikat Pengangkutan Budie Bersaudara (dated 1 August 2019) Rico Enterprise (dated 1 August 2019)</p>	Complied

<p>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. 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. 	<ul style="list-style-type: none"> a) Based on the agreement dated 1 August 2019, under point no 2 (whereas) the company agree to provide sufficient number of licensed and insured lorry tankers for transportation and delivery of crude palm oil from the mill to nominated oil refinery/bulking station. b) As per agreement contract the transport policy have said the approved certification bodied of RSPO,ISCC and MSPO have the rights to audit the contractor from time to time (if Necessary) and contractor/ transporters shall provide unrestricted access to their respective operations. c) The communication on document control system have been done on 4 Sept 2019 as per training record. d) The Site already communicate with the contractor dated 4 Sept 2019 regarding relevant access and verified during interview with the contractor during stakeholder interview. 	<p>Complied</p>

	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	The contact detail for each company transporter was available under stakeholder list with address and phone no.	Complied
	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.	No new contractor in Sakilan POM.	Complied
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.	Sakilan 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, date 08 th September 2018, the records retention for RSPO Supply Chain related records and reports to be retained for a minimum of 2 years’ period. Sampled of records of FFB weighbridge tickets and training records for last 2 years were sighted to maintain and keep at the office. Example sighted for below: <u>CPO Weighbridge ticket</u> Weighbridge ticket no: 70212 Date: 24/10/2017 DO no: 10807 Contract no: R40866/1710 CSPO Product: CPO RSPO Certificate No: RSPO 543161	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	Not applicable as the product of the facility is containing 100% palm oil.	Complied

	<p>keep an up to date record of the volume purchased (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. Or E.5.1 – 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. 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. 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 "RSPO Supply Chain Certification Standard Mass Balance Calculation (Internal Process & Output)". 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>Complied</p>
<p>3.8.9</p>	<p>Conversion Factors – 5.10 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 experience, documented and applied consistently.</p>	<p>Conversion factor of CPO and PK production is depending on the actual OER and KER. Average OER and KER from period December 2018 to October 2019 were 21.87% (OER) & 4.50% (KER).</p>	<p>Complied</p>

	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 own supply bases of FFB is processed and no receive of outsider crops. This ensures that there is no possibility of mixing during processing.	Complied
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; • A unique identification number. 	So far the CPO and PK are delivered to IOI Edible Oil (refinery) in Sandakan only and only one mode of transportation i.e. via bulking tank. Verification of sampled dispatch confirm that all the required information was available in the delivery documents. E.g. of deliveries verified were weighbridge No. 00074 (CPO): Buyer: IOI Edible Oil Sdn Bhd Seller: IOI Commodity Trading Sdn Bhd Delivery date: 31 July 2019 Document date: 31 July 2019 Quantity: 35.27 mt Collection order No. (by Transporter): 37364 Seller’s certificate No.: RSPO 543161 Sales Contract ref: R43552/1908 Dated contract: 31 July 2019 Quantity: 1500MT PK (20142) Buyer: IOI Edible oil Sdn Bhd	Complied

	<ul style="list-style-type: none"> 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. 	<p>Seller:IOI commodity trading Sdn Bhd Delivery date: 28 May 2019 Document date:28 May 2019 Quantity: 30.73Mt Collection order No.(By Transpoter): 11898 Seller certificate: RSPO 543161</p> <p>Sales Contract ref L18754/1905 Date contract: 29 Apr 2019 Quantity: 500 MT The information was available in various documents such as weighbridge ticket and delivery order. Shipping announcements were made in the RSPO Palmtrace when the CPO or PK were delivered from IOI Edible Oil. Summary of the announcement which was extracted from RSPO Palmtrace system was made available for verification. Example for contract 00074 (CPO) the announcement been done on 1 Oct 2019 (TR-377d9c10-3a9a)</p>	
3.8.12	<p>Registration of Transactions – 5.7</p> <p>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.</p>	Complied
	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <p>Shipping Announcement/Announcement: When RSPO certified volume is sold as certified, the volumes of</p>	<p>Based on the announcement summary, all the registrations were found to be in order refer indicator 5.6.1</p>	Complied

	<p>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 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>	<p>Tracing of RSPO certified volumes sold was done through internal audit. Based on the audit report, there was no issue with regards to supply chain traceability.</p> <p>Based on the mill's products movement records, it was confirmed that the products quantity which were sold under different schemes or conventional were correctly deducted from its supply chain account and no double claim was detected.</p> <p>Based on the announcement summary, all the confirmations were found to be in order.</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 19/12/2017 to 18/12/2019.</p>	Complied
<p>Principle 4: Respect community and human rights and deliver benefits</p>			
<p>Criterion 4.1 The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.</p>			

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 by the unit of certification and contracted services, including contracted security forces.</p> <p>- Major compliance -</p>	<p>IOI Group has developed Sustainable Palm Oil Policy dated March 2018 where the company respects and uphold the rights of all workers, including contract, temporary and migrant workers in accordance with the Universal Declaration of Human Rights, International Labour Organization's core conventions, United Nations Guiding Principles on Business and Human Rights and the principles of Free and Fair Labour in Palm Oil Production. The policy has been displayed at notice board in office and linesite. Briefing of the policy was conducted on 28/10/2019 (Sakilan Estate), 21/08/2019 (Linbar 1 Estate) and 26/09/2019 (Linbar 2 Estate) for all the workers through morning briefing and on 07/08/2019 attended by 70 stakeholders in stakeholder meeting.</p> <p>However, there is Sustainable Palm Oil Policy doesn't including prohibiting retaliation against Human Rights Defenders (HRD) and yet to be communicated to all levels of the workforce, operations, supply chain and local communities.</p>	Major nonconformance
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>As per Sustainable Palm Oil Policy dated March 2018, the company will eliminate all forms of illegal, forced, bonded, compulsory or child labour and in particular, follow responsible recruitment practices including not charging recruitment related fees at any stage in the recruitment process, whether by us, our contractors, our agents or their sub-agents in receiving and sending countries.</p>	Complied
<p>Criterion 4.2 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</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 to raise concerns about any improper conduct within IOI Group. 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 reporting. The</p>	Complied

	reprisal or intimidation and follows the RSPO policy on respect for HRD. - Major compliance -	whistleblowing investigation shall be completed within 2 weeks from date of receiving the whistleblowing. The channel of whistleblowing has clearly stated in the policy and communicated 15/11/2019 to all 79 workers (Sakilan Estate), 03/072019 (Linbar 1 Estate), 23/10/2019 (Linbar 2 Estate) and 18/112019 (Sakilan POM). The mill and estates have implemented Grievance Book to record all the internal and external complaints. Sampled of the complaint as below:	
4.2.2	Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties. - Minor compliance -	There are also procedures available in the Social Impact Assessment as below: <ol style="list-style-type: none"> 1. Stakeholder Request Procedure 2. Grievance Procedure 3. Sexual Harassment Grievance Procedure 4. Grievance Procedure for Land Owner All the procedures as in 4.2.2 has been communicated to the stakeholders via stakeholders meeting on	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 -	All the complaints/request were solved within timeframe which is less than 2 weeks. This is verified in the Complaint/Grievance book. However, no evidence on date of action taken and completion sighted in the Green Book, Complaint and Grievances, Sample taken on complaints at Sakilan Estate dated 6/8/19 by Mrs. Samsiah Soga, AU 116500 on House No 6, Block K, Division 2 - kitchen door out of order.	Minor nonconformance
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 -	IOI Group has given public access for grievance mechanism in website: www.ioigroup.com where the Grievance Procedure dated 5 June 2018 has mention: Process flow Page 2 and General terms & definitions page 5: Third party: if required during the process, IOI and the complainant can agree to involve a neutral third-party facilitator, mediator or specific social, environmental expert, particularly where issues are complex or multiple groups are involved.	Complied
Criterion 4.3			

The unit of Certification contributes to local sustainable development as agreed by local communities.			
4.3.1	<p>Contributions to community development that are based on the results of consultation with local communities are demonstrated.</p> <p>- Minor compliance -</p>	<p>As a group level, IOI has the corporate social responsibility program and stated in website: https://www.ioigroup.com/Content/CI/Corp_Responsibilities as below:</p> <ol style="list-style-type: none"> 1. August 2019: IOI Lahad Datu Region Sustainable Palm Oil Department organised a two-day Sepilok Orangutan Conservation Outreach Programme with Sepilok Orangutan Rehabilitation Centre, Borneo Sun Bear Conservation Centre, Kinabatangan Orangutan Conservation Programme and Wildlife Rescue Unit to promote wildlife conservation and sustainability measures in the plantation industry. 2. July 2019: IOI Sandakan Region held its 2nd Sustainability Outreach Programme at Sekolah Kebangsaan Lung Manis Sandakan to educate teachers and students on environmental care and conservation as well as human-wildlife conflict. <p>For operation level sighted below contribution:</p> <ol style="list-style-type: none"> 1. Sakilan Estate: SK Sakilan Desa (19/09/2019): Contribution of RM 200 for National Day Celebration. 2. Sakilan Estate: HUMANA (26/07/2019) security patrol for HUMANA Sports Day. 3. Linbar 1 Estate: Request to use estate vehicle for HUMANA student in linbar 1 Estate on 17/11/2019. 4. Linbar 1 Estate: Request for sand supply for school road on 06/11/2019. 5. Linbar 2 Estate: Contribution of RM200 for Hari Temasya Sukan Sekolah on 10 & 17/11/2019. 6. Linbar 2 Estate: Contribution of RM200 for Hari Temasya Sukan Sekolah on 25-28/06/2019. 7. Sakilan POM: Approval to repair the water piping and water tank at SK Sakilan Desa amounted RM 757.60 on 21/08/2019. 	Complied

		Sakilan POM: Borrowing the speech equipment for HUMANA Sakilan Desa school event on 27/04/2019.													
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	<p>(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.</p> <p>- Major compliance -</p>	<p>Land is not encumbered. It is lease from State Government of Sabah</p> <p>Sakilan Estate</p> <p>There are 3 land titles that form the estate hectarage of 2296.37 ha</p> <table border="1"> <thead> <tr> <th>Grant no./ History of ownership</th> <th>Date of Title / lease period</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>CL 075471260, area =999.6 ha direct transfer from govt to Sakilan Desa Sdn Bhd</td> <td>12.11.1997. 1000 year lease from 5.7.1888 to 04.7.2887</td> <td>Signed between Govt of State of Sabah and Sakilan Desa Sdn Bhd on 18.12.1997</td> </tr> <tr> <td>CL 075471288, area =1.974 ha direct transfer from govt to Sakilan Desa Sdn Bhd</td> <td>12.11.1997. 1000 year lease from 5.7.1888 to 04.7.2887</td> <td>Signed between Govt of State of Sabah and Sakilan Desa Sdn Bhd on 18.12.1997</td> </tr> <tr> <td>CL 075471242, area =1294.8 ha 1st registered owner = The North Borneo Trading Co. Ltd. 16.4.1953, London and transfer to 2nd Owner on 12.8.1960</td> <td>12.11.1997. 1000 year lease from 5.7.1888 to 04.7.2887</td> <td>Signed between Govt of State of Sabah and Sakilan Desa Sdn Bhd on 18.12.1997</td> </tr> </tbody> </table>	Grant no./ History of ownership	Date of Title / lease period	Remarks	CL 075471260, area = 999.6 ha direct transfer from govt to Sakilan Desa Sdn Bhd	12.11.1997. 1000 year lease from 5.7.1888 to 04.7.2887	Signed between Govt of State of Sabah and Sakilan Desa Sdn Bhd on 18.12.1997	CL 075471288, area = 1.974 ha direct transfer from govt to Sakilan Desa Sdn Bhd	12.11.1997. 1000 year lease from 5.7.1888 to 04.7.2887	Signed between Govt of State of Sabah and Sakilan Desa Sdn Bhd on 18.12.1997	CL 075471242, area = 1294.8 ha 1 st registered owner = The North Borneo Trading Co. Ltd. 16.4.1953, London and transfer to 2 nd Owner on 12.8.1960	12.11.1997. 1000 year lease from 5.7.1888 to 04.7.2887	Signed between Govt of State of Sabah and Sakilan Desa Sdn Bhd on 18.12.1997	Complied
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		<p>(Tay Chee Hiong, Hong Teck Guan, Tan Kok Shiong, Tan Kok Hong and Lai wing Yip) then on 3.9.1964 to 3rd Owner Teck Ann Company Ltd then on 20.8.1973 to 4th owner Teck Guan Company Sdn Bhd and on 20.08.197to 5th Owner Gaya House Sdn Bhd 3 and finally to 6th Owner Sakilan Desa Sdn Bhd on 11.7.1979</p>			
		<p>Linbar 1 Estate</p>			
		<p>CL 09511667 area =4840.0 ha Direct transfer from Government of the State of Sabah Linbar Estate Sdn Bhd T&C = Cultivation of Oil Palm</p>	<p>999 years leased directly from 1.1.1983 to 31.12.2981</p>	<p>Signed between Govt of State of Sabah and Linbar Estate Sdn Bhd on 08.07.1983. IOI Management divide the land into 2 estates, namely Linbar 1 estate and Linbar 2 Estate, each having an are of 2628.17 ha and</p>	

				2211.83 ha respectively.	
		Linbar 2 Estate share the same land title with Linbar 1 Estate		There is no land encroachment nor land conflicts.	
4.4.2	Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	<p>There is no new leasing of land recorded in previous year. There are no records of land dispute for the estates. The land for Linbar 2 and Linbar 1 Estate is lease land from the Sabah Government on 08/07/1983 (land title – 095311667; plan number 09127907). The land was leased to Linbar Estate Sdn Bhd and later transferred to Rights Purpose Sdn Bhd on 21/11/1997. Rights Purpose Sdn Bhd is a subsidiary of IOI group. The land leased until 31/12/2081.</p> <p>For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.</p>			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 -	<p>For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.</p>			Complied
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 -	<p>For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.</p>			Complied

4.4.2c	<p>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.</p> <p>- Minor compliance -</p>	<p>There is no new leasing of land recorded in previous year. There are no records of land dispute for the estates. The land for Linbar 2 and Linbar 1 Estate is lease land from the Sabah Government on 08/07/1983 (land title – 095311667; plan number 09127907). The land was leased to Linbar Estate Sdn Bhd and later transferred to Rights Purpose Sdn Bhd on 21/11/1997. Rights Purpose Sdn Bhd is a subsidiary of IOI group. The land leased until 31/12/2081.</p> <p>For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.</p>	
4.4.3	<p>(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).</p> <p>- Major compliance -</p>	<p>As mentioned in Indicator 4.4.1 above the land at all estates are not encumbered. It is leased form the State Government of Sabah.</p> <p>Sakilan Estate Map was GIS generated internally by GIS Department, survey dated 14.3.2018, GIS Data used based on Mar 2017. Sakilan POM is within the Sakilan estate land.</p> <p>Linbar 1 Estate Map was GIS generated internally by GIS Department. Survey date based on January 2019, Map created: 16.8.2019</p> <p>Linbar 2 Estate Map was GIS generated internally by GIS Department. Survey date based on September 2018, Map created: 21.9.2018</p>	Complied
4.4.4	<p>All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>- Minor compliance -</p>	<p>For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.</p>	Complied
4.4.5	<p>(C) Evidence is available to show that communities are represented through institutions or representatives of</p>	<p>For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.</p>	Complied

	<p>their own choosing, including by legal counsel if they so choose.</p> <p>- Major compliance -</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>For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.</p>	<p>Complied</p>
<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>Demonstrable rights of land ownership were verified as per land title issued by the Director of Land and Surveys Office, Government of State of Sabah. Land tenure and ownership history is as shown in Indicator 4.4.1 above.</p>	<p>Complied</p>
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>No new planting activities at Sakilan POM and supply bases.</p>	<p>Not applicable</p>
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 discussions, during the stage of information gathering</p>	<p>No new planting activities at Sakilan POM and supply bases</p>	<p>Not applicable</p>

	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 -	No new planting activities at Sakilan POM and supply bases	Not applicable
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 -	No new planting activities at Sakilan POM and supply bases	Not applicable
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 -	No new planting activities at Sakilan POM and supply bases	Not applicable
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	No new planting activities at Sakilan POM and supply bases	Not applicable

	eminent domain of the federal and state land acquisition legislations. - Minor compliance -		
4.5.8	(C) New lands are not acquired in areas inhabited by communities in voluntary isolation. - Major compliance -	No new planting activities at Sakilan POM and supply bases	Not applicable
Criterion 4.6			
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.			
4.6.1	(C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place. - Major compliance -	For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.	Complied
4.6.2	(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. - Major compliance -	For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.	Complied
4.6.3	Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings. - Minor compliance -	For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.	Complied
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.	For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.	Complied

	- Minor compliance -		
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.			
4.7.1	(C) A mutually agreed procedure for identifying people entitled to compensation is in place. - Major compliance -	For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.	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 -	For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.	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 -	For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.	Complied
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.			
4.8.1	Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed 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. - Minor compliance -	For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.	Complied

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>	For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.	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>	For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.	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>	For FPIC, the Grievance Procedure for Land Owner is available but so far, no land dispute cases in Sakilan POM and supply bases.	Complied
<p>Principle 5: Support smallholder inclusion</p>			
<p>Criterion 5.1 The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.</p>			
5.1.1	<p>Current and previous period prices paid for FFB are publicly available and accessible by smallholders.</p> <p>- Minor compliance -</p>	This indicator is not applicable since Sakilan POM did not source its FFB from smallholders.	Not applicable

5.1.2	<p>(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).</p> <p>- Major compliance -</p>	This indicator is not applicable since Sakilan POM did not source its FFB from smallholders	Not applicable
5.1.3	<p>(C) Fair pricing, calculated as a portion of the international CPO price less costs is provided to smallholders in the supply base and documented.</p> <p>- Major compliance -</p>	This indicator is not applicable since Sakilan POM did not source its FFB from smallholders	Not applicable
5.1.4	<p>(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.</p> <p>- Major compliance -</p>	This indicator is not applicable since Sakilan POM did not source its FFB from smallholders	Not applicable
5.1.5	<p>Contracts are fair, legal and transparent and have an agreed timeframe.</p> <p>- Minor compliance -</p>	This indicator is not applicable since Sakilan POM did not source its FFB from smallholders	Not applicable
5.1.6	<p>(C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.</p> <p>- Major compliance -</p>	This indicator is not applicable since Sakilan POM did not source its FFB from smallholders	Not applicable

<p>5.1.7</p>	<p>Weighbridges used for determining payment to smallholders are verified by an independent third party on a regular basis (this can be government). - Minor compliance -</p>	<p>There are two weighbridge equipment at Sakilan POM. Details are as follow:</p> <table border="1" data-bbox="965 427 1796 794"> <tr> <td>Brand</td> <td>METTLER TOLEDO</td> <td>FINE FS-8000</td> </tr> <tr> <td>Identification No. as marked</td> <td>SSD-ADTK O22281</td> <td>SSD-ATK 003022</td> </tr> <tr> <td>Particulars</td> <td>MPK (E) 80,000kg X 10kg</td> <td>MPK (E) 60,000kg X 10kg</td> </tr> <tr> <td>Equipment No.</td> <td>B 417533751</td> <td>1711017</td> </tr> <tr> <td>Safety Sticker No.</td> <td>1.9k 056600</td> <td>1.9k 056537</td> </tr> <tr> <td>Calibration date</td> <td>22.07.2019</td> <td>15.04.2019</td> </tr> <tr> <td>Calibrated by</td> <td>Metrology Corporation Malaysia Sdn Bhd</td> <td>Metrology Corporation Malaysia Sdn Bhd</td> </tr> </table> <p>The Mill FFB Suppliers are own IOI estates, that is, Sakilan Desa Sdn Bhd (Sakilan Estate) and Right Purpose Sdn Bhd (Linbar 1 and Linbar 2 Estate).</p> <p>Sakilan POM (FFB Recipient) will issue Weighbridge ticket. Details include</p> <ul style="list-style-type: none"> • MPOB Licence No. of Supplier • Weighbridge Ticket No.; Date, Time in /Out; Vehicle no. • Account No. Chit No., DO No. cross reference with DO Chit from Supplier • Block / year • Driver's name • Gross and Nett Weight • Potential OER and Graded OER, Deduction OER • RSPO Certificate Number 	Brand	METTLER TOLEDO	FINE FS-8000	Identification No. as marked	SSD-ADTK O22281	SSD-ATK 003022	Particulars	MPK (E) 80,000kg X 10kg	MPK (E) 60,000kg X 10kg	Equipment No.	B 417533751	1711017	Safety Sticker No.	1.9k 056600	1.9k 056537	Calibration date	22.07.2019	15.04.2019	Calibrated by	Metrology Corporation Malaysia Sdn Bhd	Metrology Corporation Malaysia Sdn Bhd	<p>Complied</p>
Brand	METTLER TOLEDO	FINE FS-8000																						
Identification No. as marked	SSD-ADTK O22281	SSD-ATK 003022																						
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Calibration date	22.07.2019	15.04.2019																						
Calibrated by	Metrology Corporation Malaysia Sdn Bhd	Metrology Corporation Malaysia Sdn Bhd																						
<p>5.1.8</p>	<p>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</p>	<p>This indicator is not applicable since Sakilan POM did not source its FFB from smallholders</p>	<p>Not applicable</p>																					

	internal control system (ICS), who holds the certificates, and who holds and sells the certified material. - Minor compliance -		
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 -	This indicator is not applicable since Sakilan POM did not source its FFB from smallholders	Not applicable
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 -	There is no smallholders scheme or send their FFB to Sakilan POM. Sakilan POM is receive FFB only from its own supply bases.	Not applicable
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 -	There is no smallholders scheme or send their FFB to Sakilan POM. Sakilan POM is receive FFB only from its own supply bases.	Not applicable
5.2.3	Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. - Minor compliance -	There is no smallholder supplying FFB to Sakilan POM. Therefore, this indicator is not applicable.	Not applicable

5.2.4	(C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. - Major compliance -	There is no smallholder supplying FFB to Sakilan POM. Therefore, this indicator is not applicable.	Not applicable
5.2.5	The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme. - Minor compliance -	There is no smallholder supplying FFB to Sakilan POM. Therefore, this indicator is not applicable.	Not applicable
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 orientation, gender identity, union membership, political affiliation or age. - Major compliance -	IOI Group has developed and implemented Equal Opportunity Employment & Freedom of Association Policies dated October 2017 in both languages where the company respects the freedom of association and collective bargaining to the workers. The workers have the right to join or form trade unions of their own choosing without prior authorization and to bargain collectively. The policy has been displayed at notice board in office and linesite. Briefing of the policy was conducted on 28/10/2019 to all 86 workers (Sakilan Estate), 20/08/2019 to 171 workers (Linbar 1 Estate, 27/04/2019 (Linbar 2 Estate) to 162 workers and 25/09/2019 (Sakilan POM) to 42 workers.	Complied
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 -	There are no discrimination practices as all workers (foreign and locals) were obtained the same housing and amenities, salary rate and etc. Sighted the workers with same work scope but different gender has the same rate of salary for the month of Jan, June and Sept 2019 as below: <ol style="list-style-type: none"> 1. Linbar 1 Estate: LB10544 (Female General Worker) 2. Linbar 1 Estate: LB12590 (Male General Worker) 3. Linbar 2 Estate: LB22728 (Female General Worker) 4. Linbar 2 Estate: LB20562 (Male General Worker) 5. Sakilan POM: SKM0566 (Male General Worker) 	Complied

		6. Sakilan POM: SKM0614 (Female General Worker)	
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 -	The company has practices to conduct medical check-up prior recruitment of workers or continue of employment of workers as per the Procedure of Recruitment of Workers. If the result of FOMENA found unfit, the workers will be repatriate. The recruitment of workers will be based on the medical fitness of workers. Interviewed with the workers found that no unfair recruitment has occurred in the company.	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 -	Pregnancy test was conducted on monthly basis for chemical sprayer just to ensure that no pregnant women work with chemical. If they pregnant, they will move to other job which is suitable. This is verified through interview session with workers and hospital assistant. Further verified the monthly medical check-up form.	Complied
6.1.5	(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 -	IOI Plantation Services Sdn Bhd has developed and implemented Guideline for Gender Consultative Committee, SPO/SDK/S/001-2019 dated 16/11/2019 where the function of the committee has been clearly outlined in the procedure. Besides, the policy has ensured that the victim can be remained anonymous and will not be subject to any form of retaliatory action for submitting the complaint. All grievances submitted will remained as confidential. Gender committee was established in Sakilan Estate, Linbar 2 Estate, Linbar 1 Estate and Sakilan POM. Meeting was conducted on 27/02/2019 & 23/10/2019 in Sakilan Estate, 16/07/2019 & 21/08/2019 in Linbar 1 Estate, 06/06/2019 in Linbar 2 Estate and 19/11/2019 in Sakilan POM. No issue was reported during the meeting. Interviewed with the female workers confirmed that they are understood the procedure to lodge complaint if they have any sexual harassment cases. As to date, there was no case of sexual harassment reported as informed by them.	Complied
6.1.6	There is evidence of equal pay for the same work scope. - Minor compliance -	Sighted the pay slip for both female and male sprayers have the same rate for same work scope as below: 1. Linbar 1 Estate: LB10544 (Female General Worker)	Complied

		<ol style="list-style-type: none"> 2. Linbar 1 Estate: LB12590 (Male General Worker) 3. Linbar 2 Estate: LB22728 (Female General Worker) 4. Linbar 2 Estate: LB20562 (Male General Worker) 5. Sakilan POM: SKM0566 (Male General Worker) 6. Sakilan POM: SKM0614 (Female General Worker) 	
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).			
6.2.1	(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. - Major compliance -	Reference been made to Sabah Labour Ordinance was clearly mentioned in the muster briefing and worker's employment contract as below: Linbar 1 Estate: <ol style="list-style-type: none"> 1. 27/08/2019: Employment Contract 2. 25/07/2019: Public Holiday and payment 3. 09/07/2019: Rest Day and payment Linbar 2 Estate: <ol style="list-style-type: none"> 1. 27/08/2019: Employment Contract 2. 13/03/2019: Public Holiday & Rest Day and payment Sakilan POM <ol style="list-style-type: none"> 1. 19/11/2019: Minimum Wages Order 2018 2. 23/02/2019: Employment Contract 	Complied
6.2.2	(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	Employment contract are available and explained in language that understood by workers. The contract was signed by the workers and sampled of contracts as below: Sakilan Estate: <ol style="list-style-type: none"> a. Employee ID: SKL 0923 b. Employee ID: SKL 5753 c. Employee ID: SKL 5032 	Complied

	<p>performed. This includes a form of record for work done by family members. - Major compliance -</p>	<p>d. Employee ID: SKL 5065 e. Employee ID: SKL 5762</p> <p>Linbar 1 Estate: f. Employee ID: LB10867 g. Employee ID: LB10605 h. Employee ID: LB12590 i. Employee ID: LB10544 j. Employee ID: LB11099</p> <p>Linbar 2 Estate: a. Employee ID: LB24105 b. Employee ID: LB22725 c. Employee ID: LB24398 d. Employee ID: LB22606</p> <p>Sakilan POM: a. Employee ID: SKM 0789 b. Employee ID: SKM 0566 c. Employee ID: SKM 0656 d. Employee ID: SKM 0614</p> <p>Interviewed with the workers confirmed that they were understood on the terms and conditions outlined in the employment contract. They were also briefed on the terms and condition during induction training.</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. - Major compliance -</p>	<p>The pay slips sighted in 6.2.2 shows the compliance to Sabah Labour Ordinance and Minimum Wage Order 2018.</p>	Complied

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>- Major compliance -</p>	<p>Free housing facilities with water and electricity supply was provided to the workers. Free medical facilities were given to the workers as well. Other welfare benefits such as football field, badminton court and worship places were provided to the workers.</p> <p>Linesite inspection was carried out on weekly basis by HA in Sakilan Estate, Sakilan POM, Linbar 1 Estate and Linbar 2 Estate. Site visit was performed and seen the conditions of housing was clean.</p> <p>Sighted the new housing block as per budgeted last year during site visit and verified the certification of payment for construction as below:</p> <ol style="list-style-type: none"> 1. Linbar 1 Estate: 1 block x 6 units labour quarter dated 11/05/2019 amounted RM 190,170 + GST RM 11,410.20. 2. Linbar 2 Estate: Residential Building, Other Workers' Accomodation (OWA) 2 Block X 6 Units Labour Quarters amounted RM 390,000.00 in details estimate transactions for year 2019/2020 (final). 	
6.2.5	<p>The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p>	<p>The road was maintained regularly by the estate management and grocery is available in the housing area. Night market (Pasar Tamu) during pay day also available and sometimes the workers will go out to Sandakan Town by their own.</p>	Complied
6.2.6	<p>A DLW is paid to all workers, including piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p>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)</p> <p>With reference to procedural note of indicator 6.2.6, the RSPO has published a guidance on the DLW calculation</p>	<p>The DLW is not applicable based on MYNI 2019.</p>	Not applicable

<p>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 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>		
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<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 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 		
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	<ul style="list-style-type: none"> The UoC may choose to implement the living wage payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before eventual scale up of the living wage implementation. <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>There are no casual workers hired in IOI Sakilan POM and supply bases. All employees are permanent employee (for locals) and contracted employee (for foreign workers).</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 developed and implemented Equal Opportunity Employment & Freedom of Association Policies dated October 2017 in both languages where the company respects the freedom of association and collective bargaining to the workers. The workers have the right to join or form trade unions of their own choosing without prior authorization and to bargain collectively. The policy has been displayed at notice board in office and linesite. Briefing of the policy was conducted on 28/10/2019 to all 86 workers (Sakilan Estate), 20/08/2019 to all workers (Linbar 1 Estate), 27/04/2019 to all 162 workers (Linbar 2 Estate) and 25/09/2019 to all 42 workers (Sakilan POM).</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>The company has allowed the workers to form workers' association. The workers have formed an Employee Consultative Committee (ECC) and joined the Joint Consultative Committee (JCC) and the representatives of committee were elected by the workers through voting. Issues were reported by the workers during the meeting and were recorded in the minutes. Timeframe to</p>	Complied

	- Minor compliance -	<p>resolve the issues were identified. The issues were collected through ECC prior the meeting of JCC.</p> <p>ECC meeting was conducted 6 times in a year and the last meeting carried out in Sakilan Estate on 03/10/2019, Linbar 1 Estate on 11/10/2019, Linbar 2 Estate on 22/08/2019 and Sakilan POM on 21/10/2019. The committee has collected suggestion/ information/ grievance from the workers prior meeting with the management in JCC. The issues that reported by the workers were captured in the Annual Review for Social Impact Assessment conducted on November 2019. During the JCC meeting conducted on 31/10/2019 (Linbar 1 Estate) 22/08/2019 (Linbar 2 Estate) and 21/10/2019 (Sakilan POM) the issues raised during ECC were discussed and action plan was developed to rectify the issue. Meeting minutes of JCC was sighted.</p>	
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>The workers, without distinction, have the right to join or form trade unions of their own choosing without prior authorization and to bargain collectively. IOI will refrain from any activity that is likely to discourage workers from exercising their union rights.</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, and included into service contracts and supplier agreements.</p> <p>- Minor compliance -</p>	<p>IOI Group has developed and implemented Sustainability Palm Oil Policy dated March 2018 where the company eliminates child labour in the company. Reviewed of the name list of workers found that the workers recruited with minimum age of 18 years old. The policy has been displayed at notice board in office and linesite. Briefing of the policy was conducted on 26/9/2019 for all 150 workers in Linbar 2 Estate, 21/8/2019 in Linbar 1 Estate and 13/09/2019 in Sakilan POM. During site visit found that no child labour was in used and cross-checked by interviewed with Crèche Attendants and workers.</p>	Complied

6.4.2	<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>All the workers has own individual file namely 'Employee Identification cum Input Document' where the evidence of date of birth include the passport detail available.</p>	Complied
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>As per worker's name list, all the workers are more than 18 years hired in Sakilan Complex. It was further verified with the stakeholders (school teacher, villagers, contractors, etc.) and workers during interview session.</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>The communication with regards of no child labour was well mentioned as below:</p> <ol style="list-style-type: none"> 1. During the stakeholder meeting conducted on 07/08/2019 for all the units 2. Policies briefing to all workers. 3. Publicly available document and in notice boards. 4. IOI Group website: www.ioigroup.com 5. Employment contract. 6. Contractor agreement. 	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>The company has implemented Policy on Harassment at Workplace dated June 218 where the company is committed to promote a safe and healthy working environment. The company has zero tolerance for any form of harassment at workplace. The policy serves as a guidance on handling matters related to harassment. The policy has been displayed at notice board in office and line site. Briefing of the policy was conducted on 26/9/2019 for all 150 workers in Linbar 2 Estate, 21/08/2019 in Linbar 1 Estate to all 170 workers and 24/10/2019 in Sakilan POM to all 44 workers.</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>The company has implemented IOI Group Sustainable Palm Oil Policy dated March 2018 that the company is respect and uphold the rights of employees in accordance with Universal Declaration of Human Rights, International Labour Organization’s core convention. According to Article 16, the workers is freely to marry and to found family. The policy has been displayed at notice board in office and line site. Briefing of the policy was conducted on 26/9/2019 for all 150 workers in Linbar 2 Estate and 21/08/2019 in Linbar 1 Estate to all 170 workers and 24/10/2019 in Sakilan POM to all 44 workers.</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>The assessment for new mothers has been identified in the Social Impact Assessment in each unit where the positive impacts such as:</p> <ol style="list-style-type: none"> 1. Respecting human rights by providing protection of reproductive rights to the married couple. 2. With their family live together in the estate, it can motivate the workers to work diligently <p>There are also negative impacts such as:</p> <ol style="list-style-type: none"> 1. Increase the living cost. 2. Limited work type that can be offered to pregnant workers (e.g: CRECHE, office cleaner or if any vacancy available). 3. The child nationality status could be stateless. 4. Cost of baby delivery in the Malaysia government hospital is expensive (for foreigner). <p>Action plan:</p> <ol style="list-style-type: none"> 1. To ensure workers are being exposed to family planning 2. To assist the children to get registered under dependent quota. 3. To provide briefing to the workers on the financial planning once the wife is found pregnant. The session to be properly recorded. 4. To advise the workers to be careful during pregnancy. 5. To prohibit any work that deemed to be dangerous for the mother and her baby. 	Complied
6.5.4	<p>A grievance mechanism, which respects anonymity and protects complainants where requested, is established,</p>	<p>IOI Plantation Services Sdn Bhd has developed and implemented Guideline for Gender Consultative Committee, SPO/SDK/S/001-2019 dated 16/11/2019 where the function of the committee has been clearly outlined in the</p>	Complied

	<p>implemented and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>procedure. Besides, the policy has ensured that the victim can be remained anonymous and will not be subject to any form of retaliatory action for submitting the complaint. All grievances submitted will remained as confidential.</p>	
<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>Passport are all kept by the workers itself.</p> <p>It was well mentioned in the IOI Group Sustainability Palm Oil Policy dated February 2017 that:</p> <ol style="list-style-type: none"> 1. Company will eliminate all forms of illegal, forced, bonded, compulsory or child labour and in particular, follow responsible recruitment practices including not charging recruitment related fees at any stage in the recruitment process whether by us, our contractors, our agents or their sub-agents in receiving and sending countries. 2. No retention of worker’s passport/identity documents or withholding of workers’ wages other than that prescribed by law. 	Complied
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>There were Indonesian and Philippine workers hired in Sakilan Certification Unit.</p> <p>IOI Group has developed Sustainable Palm Oil Policy dated March 2018 and Foreign Workers Recruitment Guideline & Procedure in Malaysia revised on July 2018 where the company has provided induction and orientation training to the workers on the employment contract, wages, benefits such as medical leave and overtime, rules and regulation, safety training and Malaysia’s culture. Besides, the company provide fair and equal employment</p>	Complied

		opportunities to all workers and provide decent living condition through verified during on site visit to the linesite. Seen the induction training records for the new employees.	
Criterion 6.7			
The unit of certification ensures that the working environment under its control is safe and without undue risk to health.			
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 Policy for Occupational Safety, Health and Hygiene Policy in IOI dated April 2019 was amended from previous Policy dated March 2018 and acknowledged by N B Sudhakaran.</p> <p>The respective Mill and Estate Manager has appoint an Assistant Manager as the person in charge (PIC) 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 were appointed as the Chairman for the ESH committee. His duties among others was to preside the ESH 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> <p>Sakilan estate, the OSH meeting were conducted on 11 Sept 2019, 28 June 2019, 26 March 2019 and 25 Jan 2019.</p> <p>For Linbar 1 estate, OSH meeting was done periodically, latest was done 26 August 2019 and previously was done on 28 May 2019 and 14 Feb 2019 OSH communities – appointment letter dated 23 Feb 2019. The OSH community available, and its divided into employee and employer and have 5 units under community such as training unit, enforcement unit, investigation unit ERP unit and contractor Unit.</p>	Complied
6.7.2	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	Sakilan POM and supply bases continue to use the 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.	Complied

	<p>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 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> <p>First aid training was conducted on 26 Oct 2019, In Linbar 2 estate there are 9 location of first aid been maintain for operation site such as workshop, Crèche, maintenance mandore, harvesting mandore, spray mandore, manuring mandore, office, chemical store and Humana School. Latest first aid checking was on 10 Nov 2019 by Hospital assistant. Verified during Site visit in workshop, spraying in field 91L and manuring in Field 16A.</p> <p>Accident records sighted for:-</p> <p><u>Sakilan Estate</u> JKKP 8 dated 12 Jan 2019 (JKKP 8/238333/2018) total reported was 9 accidents happen in estate and only one accident have JKKP 6 dated 7 May 2018.</p> <p><u>Linbar 1 Estate</u> JKKP 8 (JKKP 8/15574/2018) dated 21 Jan 2019 found 10 incident happen in estate. No accident happen with LTI. No record JKKP 6 for previous year however for year 2019 have 1 accident happen on 18 Oct 2019 and already</p>	
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		<p>report to DOSH on 31 Oct 2019 because the LTI was start on 29 Oct 2019. For SOCSO claim, dated 31 Oct 2019 and still in progress.</p> <p><u>Linbar 2 Estate</u> JKKP 8 (JKKP8/30374/2018) dated 23 Jan 2019, 4 accident reported as per JKKP 8. 4 accidents happen in 2019 and all record was available during verification, 3 accident on 9 Feb 2019 and 1 accident on 17 April 2019. On 2018 accident, an accident on 1 Dec 2018 in Block 9 PR 16 1A with LTI 7 days, the insurance claim made on 5 July 2019.</p> <p><u>Sakilan POM</u> JKKP 8 (JKKP 8/21149/2018) dated 8 Jan 2019, 10 occupational incident in Mill including 5 workers with hearing impairments. One accident occurred on 2019, sighted record dated 8 Jan 2019 and reported on 12 Jan 2019 with LTI of 6 days.</p>	
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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 working practices including SOP for PPE related to their job function. See Criteria 4.8 for sample of training given.</p> <p>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; a) A trained person to handle chemicals b) PPE adherence c) Chemical handling details before and after d) Emergency situation procedures.</p> <p>Another annual training sighted is response to various emergency scenarios identified. Emergency Response Team and employees received continual training and practice in emergency response procedure, the aim being, to safely response and evacuate and to render help to victims if it is safe to do so.</p> <p>Records of PPE issued and acknowledgement of receipt are maintained individually for all workers to cover all potentially hazardous operations, such as pesticide application, harvesting, equipment maintenance and machine operations. Sighted PPE issued include safety helmets, safety shoes, rubber boots. Special PPE are also provided for workers assigned to work at height and in confined space. Sampling on Linbar 1 PPE issuance for sprayer workers:-</p> <table border="1" data-bbox="965 1139 1800 1401"> <thead> <tr> <th>Workers</th> <th>PPE</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td rowspan="4">LB10587</td> <td>Safety Spec</td> <td>4/4/2019</td> </tr> <tr> <td>Apron and Rubber glove</td> <td>30/9/2019</td> </tr> <tr> <td>Safety Boot</td> <td>13/3/2019</td> </tr> <tr> <td>Face mask</td> <td>18/11/2019</td> </tr> </tbody> </table>	Workers	PPE	Date	LB10587	Safety Spec	4/4/2019	Apron and Rubber glove	30/9/2019	Safety Boot	13/3/2019	Face mask	18/11/2019	<p>Complied</p>
Workers	PPE	Date													
LB10587	Safety Spec	4/4/2019													
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	Face mask	18/11/2019													

		LB10187	Face Mask 3m Apron Rubber Hand Glove Safety Boots Safety Spec	10/9/2019 27/4/2019 23/9/2019 13/11/2019 9/4/2019		
		LB100659	Safety Spec Apron Rubber Glove Rubber Boot Face mask	9/4/2019 23/9/2019 19/10/2019 19/6/2019 18/7/2019		
		LB10603	Safety Spec Apron Rubber Glove Rubber Boot Face mask	9/4/2019 25/9/2019 9/10/2019 11/10/2019 18/11/2019		
		LB11102	Safety Spec Apron Rubber Glove Rubber Boot Face mask	9/4/2019 18/2/2019 14/10/2019 14/10/2019 14/10/2019		

6.7.4	<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.</p> <p>- Minor compliance -</p>	<p>The Certification Unit 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 as below:</p> <table border="1" data-bbox="965 544 1812 756"> <thead> <tr> <th>SOCSO 8A</th> <th>Month</th> <th>Workers ID</th> </tr> </thead> <tbody> <tr> <td>Linbar 1</td> <td>Oct 2019</td> <td>LB12626, LB12428, LB10917, LB12288, LB12429, LB10459.</td> </tr> <tr> <td>Linbar 2</td> <td>Oct 2019</td> <td>LB22558, LB22585, LB22728, LB24341, LB24408</td> </tr> </tbody> </table> <table border="1" data-bbox="965 791 1800 1019"> <thead> <tr> <th>Insurance Policy</th> <th>Workers ID</th> </tr> </thead> <tbody> <tr> <td>Policy No:- DL-10356212 Valid:- 1 Oct 2019 – 20 Sept 2020</td> <td>LB24259, LB20791, LB24221, LB24098, LB22436</td> </tr> <tr> <td>Policy No:- DL-10356212-WC Valid:- 1 Oct 2019 -30 Sept 2020</td> <td>LB10596, LB10934, LB10001, LB10249, LB10713</td> </tr> </tbody> </table>	SOCSO 8A	Month	Workers ID	Linbar 1	Oct 2019	LB12626, LB12428, LB10917, LB12288, LB12429, LB10459.	Linbar 2	Oct 2019	LB22558, LB22585, LB22728, LB24341, LB24408	Insurance Policy	Workers ID	Policy No:- DL-10356212 Valid:- 1 Oct 2019 – 20 Sept 2020	LB24259, LB20791, LB24221, LB24098, LB22436	Policy No:- DL-10356212-WC Valid:- 1 Oct 2019 -30 Sept 2020	LB10596, LB10934, LB10001, LB10249, LB10713	Complied
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6.7.5	<p>Occupational injuries are recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance -</p>	<p>Records of accidents are maintained and summarized in the relevant form and submitted to DOSH as per OSH NADOOPOD Regulations 2004. The occurrence of accidents recorded for YTD November 2019 is as shown below:</p> <table border="1" data-bbox="965 1142 1800 1390"> <thead> <tr> <th>Operating Unit</th> <th>2019 (LTA)</th> </tr> </thead> <tbody> <tr> <td>Sakilan estate</td> <td>49.00</td> </tr> <tr> <td>Linbar 2 estate</td> <td>25.81</td> </tr> <tr> <td>Linbar 1 estate</td> <td>18.00</td> </tr> <tr> <td>Sakilan Mill</td> <td>10.08</td> </tr> </tbody> </table>	Operating Unit	2019 (LTA)	Sakilan estate	49.00	Linbar 2 estate	25.81	Linbar 1 estate	18.00	Sakilan Mill	10.08	Complied					
Operating Unit	2019 (LTA)																	
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Linbar 2 estate	25.81																	
Linbar 1 estate	18.00																	
Sakilan Mill	10.08																	

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	<p>(C) IPM plans are implemented and monitored to ensure effective pest control.</p> <p>- Major compliance -</p>	<p>IPM plans for implementation at the Sakilan Certification Unit estates 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 <i>Cassia cobanensis</i>, <i>Antigonon leptopus</i> and <i>Tunera subulata</i> 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). 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%. The management encourage establishing biological control as per IPM plan. The implementation in the field is consistent with the SOP operation. Training records for staff and workers on IPM implementation were demonstrated. Verified training record at visited estates:</p>	<table border="1"> <thead> <tr> <th>Estate</th> <th>Date</th> <th>Topic</th> <th>Attendees</th> <th>Trainer</th> </tr> </thead> <tbody> <tr> <td>Sakilan</td> <td>8.8.2019</td> <td>Pekerja Penanaman Bunga</td> <td>4</td> <td>Field Supervisor</td> </tr> <tr> <td>Linbar 1</td> <td>13.11.2019</td> <td>Beneficial Plant Training</td> <td>4</td> <td>Field Supervisor</td> </tr> <tr> <td>Linbar 2</td> <td>10.5.2019</td> <td>Beneficial Plant Training</td> <td>4</td> <td>Field Supervisor</td> </tr> </tbody> </table>	Estate	Date	Topic	Attendees	Trainer	Sakilan	8.8.2019	Pekerja Penanaman Bunga	4	Field Supervisor	Linbar 1	13.11.2019	Beneficial Plant Training	4	Field Supervisor	Linbar 2	10.5.2019	Beneficial Plant Training	4	Field Supervisor	Complied
Estate	Date	Topic	Attendees	Trainer																				
Sakilan	8.8.2019	Pekerja Penanaman Bunga	4	Field Supervisor																				
Linbar 1	13.11.2019	Beneficial Plant Training	4	Field Supervisor																				
Linbar 2	10.5.2019	Beneficial Plant Training	4	Field Supervisor																				
7.1.2	<p>Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed</p>	<p>Field visits conducted during the audit and didn't found any species referenced in the Global Invasive Species Database and CABI.org. Species found present in managed areas were <i>Clidemia hirta</i> and <i>Hedyotis dominion</i></p>	Complied																					

	<p>areas, unless plans to prevent and monitor their spread are implemented.</p> <p>- Minor compliance -</p>		
7.1.3	<p>There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation, i.e. where no other effective methods exist, and with prior approval of government authorities.</p> <p>- Minor compliance -</p>	The use of fire for pest control is not practised.	Complied
<p>Criterion 7.2 Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.</p>			
7.2.1	<p>(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.</p> <p>- Major compliance -</p>	<p>Justification of pesticides applied is available in the agriculture policies. Refer to Agricultural Policies, Section 6.0: Weeding – Weed Control and Section 9.0: Pest and Disease. The use of pesticide is specific to the targeted pest, weed and disease. Justification takes consideration to minimize effect on non-target species. The Justification of chemical used in estate available dated 4 July 2019, this include Glyphosate, Metsulfuron methyl, Triclopyr, Fluoxypyr 1 –methyl, Brodifacoum, Propineb, cypermethrin 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:</p> <p>No use of paraquat and pesticides that are categorised as World Health Organisation Class 1A or 1B. 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, 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	<p>(C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided.</p> <p>- Major compliance -</p>	<p>Records of pesticides used (including active ingredients used and area treated, amount of active ingredients applied per ha and number of applications) were established and monitored. The table below shows records of weedicide /pesticide use for the last two financial years.</p> <table border="1" data-bbox="965 491 1800 592"> <thead> <tr> <th>Year</th> <th>Sakilan Estate</th> <th>Linbar 1 estate</th> <th>Linbar 2 estate</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>0.3514</td> <td>0.891</td> <td>0.912</td> </tr> <tr> <td>2019</td> <td>0.24563</td> <td>0.673</td> <td>0.775</td> </tr> </tbody> </table>	Year	Sakilan Estate	Linbar 1 estate	Linbar 2 estate	2018	0.3514	0.891	0.912	2019	0.24563	0.673	0.775	Complied
Year	Sakilan Estate	Linbar 1 estate	Linbar 2 estate												
2018	0.3514	0.891	0.912												
2019	0.24563	0.673	0.775												
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 plan (beneficial plant programme) available for 2019. This includes Cassia Cobanensis (60%), Antigonon Leptosus (20%), and Tunera Subulata (20%). The Plan cover for both division A and B cover 139 Ha in field 16L, 18B and 16M.</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>7.2.5b Why there is no other alternative which can be used</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 30/11/2018 at these estates showed that only class II, III & IV chemicals were used. There were no Class 1A and Class 1B agrochemicals used.</p> <p>Paraquat was eliminated. In replace, alternatives such as Glyphosate were used instead.</p>	Complied												

	<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, Chemical Safety Data Sheets were used and explained to the participants. Training for pesticides handler are as shown in the table below:</p> <table border="1" data-bbox="1041 813 1780 1088"> <thead> <tr> <th>Workers</th> <th>Date of training</th> </tr> </thead> <tbody> <tr> <td>LB23267</td> <td>Training on behaviour during working dated 3 Jan 2019</td> </tr> <tr> <td>LB21975</td> <td>Anti pollution training dated 8 Jan 2019</td> </tr> <tr> <td>LB24235</td> <td>Awareness on Buffer Zone dated 23 Jan 2019</td> </tr> <tr> <td>LB20751</td> <td>Chemical Handling training 16 April 2019</td> </tr> <tr> <td>LB24105</td> <td>Company policy training 15 August 2019</td> </tr> <tr> <td>LB24492</td> <td></td> </tr> <tr> <td>LB22710</td> <td></td> </tr> </tbody> </table> <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>	Workers	Date of training	LB23267	Training on behaviour during working dated 3 Jan 2019	LB21975	Anti pollution training dated 8 Jan 2019	LB24235	Awareness on Buffer Zone dated 23 Jan 2019	LB20751	Chemical Handling training 16 April 2019	LB24105	Company policy training 15 August 2019	LB24492		LB22710		<p>Complied</p>
Workers	Date of training																		
LB23267	Training on behaviour during working dated 3 Jan 2019																		
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LB24105	Company policy training 15 August 2019																		
LB24492																			
LB22710																			
<p>7.2.7</p>	<p>(C) Storage of all pesticides is in accordance with recognised best practices.</p> <p>- Major compliance -</p>	<p>Pesticides selected for use were those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with OSH USECHH Regulations (2000). At all visited estates</p>	<p>Complied</p>																

		<p>the storage of pesticides was in accordance with recognized best practices. They were stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and 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 OHS CLASS 2013 Regulations) with details of its usage, hazards, trade and generic names were found available in Bahasa Malaysia language understood by workers or explained carefully to them by a plantation management official at operating unit level.</p> <p>At all estates visited, their chemical stores were inspected and it was noted that they all comply with the relevant act as well as best practice.</p> <ul style="list-style-type: none"> • All stores were secured under lock and key with restricted access. • 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 kept in the store under lock and key. • Concrete cemented floor, bund wall and provision of sump pond. • Store keeper was trained in the handling of all pesticides. <p>SDS leaflets were available at all pesticide stores.</p>	
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>- Minor compliance -</p>	<p>Empty container was properly stored as recycle waste. They triple rinse and puncture the unused empty container and store, this will be sell to Newgates Industries (Borneo) Sdn Bhd. Latest disposal was on 13 August 2019 referred Bill note 00354 in Linbar 2 estate.</p>	
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</p>	<p>No Aerial spraying conducted in all estates.</p>	<p>Complied</p>

	is provided to affected local communities at least 48 hours prior to application of aerial spraying. - Major compliance -		
7.2.10	(C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated. - Major compliance -	For Linbar 1 Estate, total workers that include in medical surveillance was 30 person by Dr Mohd Azizan Bin Abdul Aziz (HQ/10/DOC/00167) Pengapit (HQ/11/ASS/00/298). All fit to work. In Linbar 1 Estate, also have conducted the monthly medical check-up by HA and verified by VMO, as per sampling on Monthly medical check-up (HSE/2019/REV01) for Genset (workers id: LB11099) latest record was on 11 Nov 2019. In Linbar 2 Estate, Medical surveillance been done on 21 Oct 2019 by DAB OH Sdn Bhd. By Dr Sanjay A/L Sadasivan (HQ/18/DOC/00/00201). This medical surveillance include for welding activity, pesticide activity with total 19 Workers.	Complied
7.2.11	(C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work. - Major compliance -	Pregnant and breast-feeding women are strictly not allowed to work with pesticides. Noted that there were a few women working as chemical mixers (prepacking) and sprayers. Verified that the female workers were checked for pregnancy test at three-month interval by the on-site Medical Advisor. All results showed negative findings. Verified with master list of workers and interview with management and workers no record of workers under 18 in all estate.	Complied
Criterion 7.3			
Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.			
7.3.1	A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented. - Minor compliance -	The mill/estates visited had established waste management plan and documented them in their Internal Environmental Impact Assessment Register, Management Action Plan & Continuous Improvement Plan. They were last reviewed at each Operating Unit as follows:	Complied

RSPO Public Summary Report
Revision 9 (Nov 2019)

Operating Unit		Date/Month reviewed
Sakilan Palm Oil Mill		October 2019
Sakilan Estate		November 2019
Linbar 1		November 2019
Linbar 2		November 2019

Linbar Estate 1 & 2 sent their Scheduled Waste to Ladang Sabah POM while Sakilan Estate sent its Scheduled Waste to Sakilan POM as Common Collection Center via permission granted by DOE Sabah letter Ref. ASSH(B)91/110/619/001 Jld 22 (85) dated 23.1.2018.

The type of wastes identified were as follows:

Type of waste	Source of waste / pollutants	Action Plan, Monitoring and Continuous Improvement Programme
Schedule Waste	Used Battery (SW102) Used Lubricant Oil (SW 305) Used hydraulic oil (SW 306) Rags, filters and damaged PPE (SW 410) Fluorescent tube (SW109) Electrical / Electronic waste (SW 110) Of-spec chemicals	To properly store, label, monitor and dispose Scheduled Waste according to EQ (Scheduled Waste) Regulations 2005 <ul style="list-style-type: none"> • Store separately lubricant and spent oil in bunded storage. • Dispose waste through DOE Licensed contractors. • Train estate PIC on proper storage and disposal of schedule wastes to ensure no contamination to the estate's surrounding. • Make available spill kit and drip tray at relevant places.

			(SW429)	<ul style="list-style-type: none"> • Train contractor engaged for work at CU on Schedule Waste Management. • Follow SOP for working in the area. 		
		Empty chemical containers	Empty Chemical Containers, Fertilizer bag liner (SW 409)	<ul style="list-style-type: none"> • Recycle 20-litre chemical containers for pre-mixing and diluting herbicides. • Unused empty chemical containers to be triple rinsed, punctured and store separately for disposal through licensed agents. After punctured, it is no longer considered as scheduled waste. • Collect fertilizer liner and send them to mill. • Monitor the issuance and record of chemical containers to ensure all were rinsed, properly punctured and t reused for other purposes. • Follow SOP for working in the area. 		
		Clinical waste	Sharps (syringe needle), tissues and blood contaminated medium. Expired medicine	<ul style="list-style-type: none"> • To dispose all clinical waste via Klinik Luangmanis as approved in the above DOE letter dated 23.1.2018. Luangmansani clinic will liaise with Sediafiat for clinical waste disposal purpose. • Store clinical waste in the 		

				<p>Clinic Waste yellow sealable plastic to avoid spreading of disease and keep them in yellow sharps bin before disposal.</p> <ul style="list-style-type: none"> • Ensure the disposal of one-time use item such as syringe from the clinic issue record tally with the clinical waste received record. This is to ensure no reuse of such item which can lead to spread of disease. • Monitor expiry date of medicine. • Follow SOP for working in the area. 		
		Domestic waste, sewage and garden residue	Line site and offices	<ul style="list-style-type: none"> • Systematic collection of garbage or domestic waste (twice weekly) • Schedule sewage tank cleaning at periodic intervals through contractors. • Monitor housing sewage by Hospital Assistant. • Grass cutting and line sweeping by gardener to clean office and line site area as well as segregation of waste. • Practice 3R at source – that is, segregate plastic, glass, paper, aluminum tin, etc. 		

			<ul style="list-style-type: none"> • Dispose the segregated plastic, glass, paper, aluminum to licensed agents. • Estate to distribute washed fertilizer bag to each unit of house to allow proper segregation of waste before disposed to landfill. • "Gotong royong" will be conducted from time to time by estate management to educate people the importance of hygiene. • To follow Solid Waste Management and Public Cleansing Act 2007. 	
		POME	Mill Effluent Treatment Pond	<ul style="list-style-type: none"> • Conduct stream water analysis prior to pumping to estate furrows. • Monitor record of POME application.
		Scrap iron	Mill waste	<ul style="list-style-type: none"> • Waste are tendered and disposed to licensed collector.
		Fiber and shell	Mill waste	<ul style="list-style-type: none"> • Use as feed for boiler fuel. Records of use are monitored and Smoke Density Meter and camera records black smoke emission continuously to ensure it is below DOE emission permissible limit.

		Empty Fruit Bunch (EFB)	Mill waste	<ul style="list-style-type: none"> • Apply EFB as mulch in the estate at rate of 40mt/ha. Place EFB one layer (no heaping) to avoid release of methane due to anaerobic respiration and breeding ground for pests such as Rhinoceros Beetle. • Inform Agronomist of EFB application and monitor application to minimize the usage of inorganic fertilizer which can reduce GHG Emission. 		
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>Procedures for disposal of wastes materials were available for verification. Among the procedures were:</p> <ul style="list-style-type: none"> • “Peraturan bagi Penghantaran Buangan Terjadual (BT) bagi Ladang Sabah POM” (since Linbar Estate 1 & 2 sent their SW to Ladang Sabah POM) and Sakilan Estate send its SW to Sakilan POM • Management plan for Environmental Impact Assessment, dated Nov 2019 • Scheduled Wastes Management Systems, dated 1/1/2015, IOI/SRO/HSE/SW/01 <p>Also sighted the records of domestic waste collection at all estates visited. The domestic wastes were collected twice a week and dumped in the designated landfill. The landfills were located about 3km away from residential area or stream.</p> <p>Other wastes were disposed as discussed in indicator 7.3.1 above.</p>			Complied	

		Both mill and estates continuously give awareness to the employee on pollution reduction. Sighted the awareness training.	
7.3.3	The unit of certification does not use open fire for waste disposal. - Minor compliance -	The Sakilan Certification Unit does not use fire for waste disposal. Sighted no evidence on use of fire at linesite, landfill and field area replanting	Complied
Criterion 7.4			
Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
7.4.1	Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts. - Minor compliance -	For Good Agricultural Practices, two types of procedures used i.e.: 1) Good Agricultural Practice, 2) Group Standard Operating Procedure (StOPs) for Estate Operation, dated 5/12/2007. Among the topics covered are: <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	Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health.	The soil fertility management at all the estates was guided by the IOI group SOP, Section 8.0: Manuring and Section 15.0: Foliar sampling. The practices consistently monitored by estate operation management and estate	Complied

	- Minor compliance -	inspectorate. The recommendations for improvements are given to maintain the sustainable practices. Foliar sampling was done on July 2019 by the Agronomist from IOI Research Centre Sabah while Soil sampling was done on 25 Sept 2018.	
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 -	Those estates nearby the mill such as Sakilan Estate, were applying EFB in the field as nutrient recycling strategy. EFB application was recorded in EFB application record. Latest POME solid used was sampled on Sept 2019 (total 149.66MT in field 97Z (39 ha)). For Oil mill, it use GTO Tube for POME application. Sighted the POME solid applied in Sakilan Estate with total 16.44 MT on 1 August 2019. For land application, POME liquid was applied on 19 Nov 2019 with a total 228 MT in filed DP 6,7 while EFB application on OCT 2019 4.42 Mt in field 97X and 66.70 MT in field 97Z.	Complied
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
Criterion 7.5 Practices minimise and control erosion and degradation of soils.			
7.5.1	(C) Maps identifying marginal and fragile soils, including steep terrain, are available. - Major compliance -	Maps for identifying marginal and fragile soil, including steep terrain were available for verification. They were prepared by IOI GIS Department created on June 2018. Four soil series at Sakilan Estate was classified as follows:	Complied

Association	Landform	Parent Materials	Main soil units
Silabukan	Low hills and minor valley floor slopes 0-150	Mudstone and alluvium	Gleyic, Ferric and Orthic Acrisois, Gleyic, Ferric, Chromic and Orthic Lurvisols
Rumidi	Low hills and minor valley floor slopes 0-150	Mudstone, sandstone and miscellaneous rocks	Gleyic, Ferric and Orthic Acrisois, Gleyic, Ferric, Chromic and Orthic Lurvisols
Kretam	Moderate hills slopes 0-200	Mudstone, sandstone and miscellaneous rocks	Ferric and Orthic Acrisois, Gleyic, Ferric, Chromic and Orthic Lurvisols
Lokan	Very hilly slopes >250	Sandstone and mudstone	Orthic Lurvisols
Likewise, the soil maps at Linbar Estate 1 were prepared by GIS Department. They were created on 16.8.2019. Five soil series were identified as shown below:			
Association	Landform	Parent Materials	Main soil units
Kinabatangan	Flood plain	Alluvium	Gleyic Acrisol, Gleyic Luvisol, Humic, Dystric and Eutric

		<table border="1"> <tr> <td>Sapi</td> <td>Swamps</td> <td>Alluvium and peat</td> <td>Humic, Dystric and Eutric, Gleysols; Dystric Histosol</td> </tr> <tr> <td>Lungmanis</td> <td>Very low hills: slopes (0-15^o) and valley floors</td> <td>Mudstone and alluvium</td> <td>Gleyic, Ferric and Orthic Acrisols: Gleyic and Ferric</td> </tr> <tr> <td>Silabukan</td> <td>Low hills and minor valley floor: slopes 0-15^o</td> <td>Mudstone and alluvium</td> <td>Gleyic, Ferric and Orthic Acrisols, Gleyic, Ferric, Chromic and orthic Lurvisols</td> </tr> <tr> <td>Kalabakan</td> <td>Moderate hills slopes 0-20^o</td> <td>Mudstone, sandstone and miscellaneous rocks</td> <td>Ferric and Orthic Acrisols, Gleyic, Ferric, Chromic and Orthic Lurvisols</td> </tr> </table> <p>Similarly, the IOI GIS Department prepared soil maps for Linbar Estate 2. The maps were created on 16.8.2019. Six soil series were identified as in table below:</p> <table border="1"> <thead> <tr> <th>Association</th> <th>Landform</th> <th>Parent Materials</th> <th>Main soil units</th> </tr> </thead> <tbody> <tr> <td>Kinabatangan</td> <td>Flood plain</td> <td>Alluvium</td> <td>Gleyic Acrisol, Gleyic Luvisol, Humic, Dystric and Eutric</td> </tr> <tr> <td>Sapi</td> <td>Swamps</td> <td>Alluvium and peat</td> <td>Humic, Dystric and Eutric, Gleysols; Dystric Histosol</td> </tr> </tbody> </table>	Sapi	Swamps	Alluvium and peat	Humic, Dystric and Eutric, Gleysols; Dystric Histosol	Lungmanis	Very low hills: slopes (0-15 ^o) and valley floors	Mudstone and alluvium	Gleyic, Ferric and Orthic Acrisols: Gleyic and Ferric	Silabukan	Low hills and minor valley floor: slopes 0-15 ^o	Mudstone and alluvium	Gleyic, Ferric and Orthic Acrisols, Gleyic, Ferric, Chromic and orthic Lurvisols	Kalabakan	Moderate hills slopes 0-20 ^o	Mudstone, sandstone and miscellaneous rocks	Ferric and Orthic Acrisols, Gleyic, Ferric, Chromic and Orthic Lurvisols	Association	Landform	Parent Materials	Main soil units	Kinabatangan	Flood plain	Alluvium	Gleyic Acrisol, Gleyic Luvisol, Humic, Dystric and Eutric	Sapi	Swamps	Alluvium and peat	Humic, Dystric and Eutric, Gleysols; Dystric Histosol	
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		Brantian	Terrace	Alluvium	Orthic, Ferric and Gleyic Acrisols, Gleyic Podzol														
		Silabukan	Low hills and minor valley floor: slopes 0-15 ⁰	Mudstone and alluvium	Gleyic, Ferric and Orthic Acrisois, Gleyic, Ferric, Chromic and orthic Lurvisols														
		Kalabakan	Moderate hills slopes 0-20 ⁰	Mudstone, sandstone and miscellaneous rocks	Ferric and Orthic Acrisois, Gleyic, Ferric, Chromic and Orthic Lurvisols														
		Lokan	Very high hills slope >25 ⁰	Sandstone and mudstone	Orthic Acrisois, Dystric Cambisol														
		<p>Slope Range at each estate were available and no planting of oil plam was verified at slopes >25⁰, although its percentage land area is small. Example is shown below for Linbar 2 Estate:</p> <table border="1"> <thead> <tr> <th>Slope range</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Flat (0⁰-2⁰)</td> <td>26.53</td> </tr> <tr> <td>Undulating (2⁰ -5⁰)</td> <td>47.96</td> </tr> <tr> <td>Rolling (6⁰-12⁰)</td> <td>20.40</td> </tr> <tr> <td>Hilly (12⁰-15⁰⁰)</td> <td>2.90</td> </tr> <tr> <td>Steep (15⁰-25⁰)</td> <td>1.86</td> </tr> <tr> <td>Very Steep >25⁰</td> <td>0.35</td> </tr> </tbody> </table>				Slope range	Percentage (%)	Flat (0 ⁰ -2 ⁰)	26.53	Undulating (2 ⁰ -5 ⁰)	47.96	Rolling (6 ⁰ -12 ⁰)	20.40	Hilly (12 ⁰ -15 ⁰⁰)	2.90	Steep (15 ⁰ -25 ⁰)	1.86	Very Steep >25 ⁰	0.35
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		Total	100.0	
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 -	Following were replanting program since 2018 and they were not on steep terrain.		Complied
		Estate	Description	
		Sakilan	209 ha replanted at Div.2, USTV on undulating land, near boundary to IJM Plantation, Minat Teguh Estate.	
		Linbar 1	2319 ha replanted at whole of Linbar 1 Estate on flat to rolling landscape.	
		Linbar 2	1959.68 ha replanted at whole of Linbar 2 Estate on flat to rolling landscape.	
7.5.3	There is no new planting of oil palm on steep terrain. - Minor compliance -	There was no new planting at the Sakilan Certification Unit.		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 -	<p>Management establish Group Standard Operating Procedures (StOPs) for estate Operations Master List dated September 2007 to ensure of long term suitability of land for Palm oil cultivation. This manual include planting density, land clearing and preparation, Leguminous cover plant, Manuring, weeding, Pest and disease and others.</p> <p>Soil map was available for all estate refer indicator 7.5.1. Sampling in Linbar 1 estate, the map based from GIS data used on Inventory January 2019 prepared by GIS, Department dated 16 August 2019.</p> <p>The detail of soil type as per below:</p>		Complied

		Association	Parent Material		
		Kinabatangan	Alluvium		
		Sapi	Alluvium		
		Lungmanis	Mudstone and alluvium		
		Silabukan	Mudstone and alluvium		
		Kelabakan	Mudstone and Sandstone		
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 -	No extensive planting on fragile soil, no fragile soil in estate. No new planting in all estate.		Complied	
7.6.3	Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure. - Minor compliance -	Soil survey was done 16 Dec 2014 by IOI Research Centre Sabah. However no new planting is all estate visited.		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 -	No peat soil in Sakilan Certification Unit		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	No peat soil in Sakilan Certification Unit		Complied	

	with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below). - Minor compliance -		
7.7.3	(C) Subsidence of peat is monitored, documented and minimised. - Major compliance -	No peat soil in Sakilan Certification Unit	Complied
7.7.4	(C) A documented water and ground cover management programme is in place. - Major compliance -	No peat soil in Sakilan Certification Unit	Complied
7.7.5	(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. This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure. Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition. - Major compliance -	No peat soil in Sakilan Certification Unit	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.</p> <p>- Major compliance -</p>	No peat soil in Sakilan Certification Unit	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>	No peat soil in Sakilan Certification Unit	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 operating units, Sakilan Group. The Sakilan Certification Unit does not restrict access to clean water or contribute to pollution of water used by communities. The plan, entitled "Water Management Plan for Sakilan Grouping" was reviewed on 28/10/2019. The objectives of the plan are to promote more efficient use, conserve and to maintain the availability of surface and ground water and avoid negative impacts on other users in the catchment area. The plan included:</p> <table border="1" data-bbox="958 1262 1816 1390"> <tr> <td data-bbox="958 1262 1346 1390"> <p>Sakilan POM</p> <ul style="list-style-type: none"> i. Efficiency of usage ii. Renewability of sources iii. Impact of water used </td> <td data-bbox="1346 1262 1816 1390"> <p>Estates (Sakilan, Linbar 1 and 2)</p> <ul style="list-style-type: none"> i. Riparian reserve ii. Drainage management </td> </tr> </table>	<p>Sakilan POM</p> <ul style="list-style-type: none"> i. Efficiency of usage ii. Renewability of sources iii. Impact of water used 	<p>Estates (Sakilan, Linbar 1 and 2)</p> <ul style="list-style-type: none"> i. Riparian reserve ii. Drainage management 	Complied
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		<ul style="list-style-type: none"> iv. Surface and ground water availability v. Drinking water analysis vi. Outgoing water analysis vii. Monitoring of rainfall viii. Water drainage ix. Plantation activities x. Construction 	<ul style="list-style-type: none"> iii. Soil moisture conservation program iv. Workshop and lubricant store v. Sewage and septic tank vi. Sedimentation pond vii. Water for agrochemical use viii. Water sampling point ix. Drinking water analysis x. Stream water analysis. 	<p>Sighted the Sakilan POM water management program implementation as follows:</p> <ul style="list-style-type: none"> i. The mill maintained the rainfall data records for 7 years. Sighted the records for FY 2015/16, 2016/17, 2017/18 and 2018/19. ii. Monitoring pump house area at water catchment pond to ensure no prohibited activity occur such as pesticides spraying. iii. Operate water treatment plant using Alum, Soda Ash, Polymer and Calcium Hypochlorite (Chlorine) daily for domestic and mill use. iv. No overuse of water in the mill (as it will increase the volume of effluent and thereby increase in effluent followed by methane gas emission from the effluent). v. Monitoring of water usage using flowmeter to determine both domestic and mill processing. Mill supply clean water to its line site as well as to nearby estate, Sakilan Estate Division 2. vi. Effluent is discharged to streams at BOD <20mg/l. vii. Undertook monthly analysis of Surface Water Quality Index (WQI). viii. Analyze ground water quality index on yearly basis for heavy metals. ix. Analyze domestic water quality for <i>E. Coli</i> and faecal Coliform every six month. x. Send drinking water quality test to 3rd party laboratory every six monthly. Sample taken for analysis was before and after chlorination. Sighted
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		<p>latest drinking water analysis as follows: Test: After Chlorination Report no.: 20190626/02B Report date: 19/7/2019 Result: Conform to National Standard for Drinking Water Quality.</p> <p>Also sampled the water management program by estates, such as:</p> <p>Sakilan Estate</p> <ul style="list-style-type: none"> i. Establish riparian buffer zone at Sg. Bulu by demarcating with red and white pole as sighted at P97U2. ii. Erection of signboard on prohibition of illegal hunting, catching and collecting wild species, chemical application, farming and building facilities at the buffer zone area. Noted during site visit, there was no evidence of chemical application along the buffer zone at P97U2. Interview with sprayers showed satisfactory awareness on the prohibition of chemical application along the buffer zone. iii. Sighted the estate conducted chemical premixing at designated area. Surplus waste water from the chemical premixing activities were collected in collection sump and recycled back for chemical premixing. <p>Linbar Estate</p> <ul style="list-style-type: none"> i. The estate monitors the stream water quality on quarterly basis by appointed consultant. The report was documented in Environmental Compliance Report submitted to Sabah Environmental Protection Department. Sighted the reports as follows: Report no.: JPAS/PP/02/600-1/11/1/81 Sampling date: 10/1/2019 	
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		<p>Results: all parameters were within permissible limits of class III, NWQSM</p> <ul style="list-style-type: none"> ii. Tank provided to harvest rainwater for washing purposes at line site and workshop. iii. Source of water from man-made pond that also supply water to Nursery ~2km away. <p>Sakilan Estate</p> <p>Clean treated water is supplied free of charge to mill workers line site and nearby Sakilan Division 2 estate workers line site by the Sakilan POM Water Treatment Plant. Linbar 1 & 2 estates workers were also given free treated water by their respective estate water treatment plant. Water is available daily and is pumped to line site on scheduled basis.</p>											
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>River & Riparian Reserve</p> <p>At Sakilan Estate 34.9 ha has been set aside covering 34 field blocks as riparian zone. Sg. Lokan passes through Linbar 1 and Linbar 2 Estates. Also there are small streams that flow into these estates. All the three estates enforced the below DID Guidelines as buffer zone.</p> <table border="1" data-bbox="960 1043 1662 1294"> <thead> <tr> <th>River width (m)</th> <th>River Reserve m)</th> </tr> </thead> <tbody> <tr> <td>>40</td> <td>50</td> </tr> <tr> <td>20-40</td> <td>40</td> </tr> <tr> <td>3-20</td> <td>20</td> </tr> <tr> <td><3</td> <td>5</td> </tr> </tbody> </table>	River width (m)	River Reserve m)	>40	50	20-40	40	3-20	20	<3	5	Complied
River width (m)	River Reserve m)												
>40	50												
20-40	40												
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		<p>Verified there were maintenance of buffer zone, that is, paint red and white circle onto palm trees or placement of wooden peg (red and white stripes) along the natural stream and river to demarcate the riparian buffer zone.</p> <p>There was no spraying of chemicals seen at buffer zone.</p>																			
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>Sakilan POM effluent is in compliance with DOE Compliance Schedule License no.:003460, DOE Ref: ASSH(B)31/162/00091, BOD limit < 50 mg/l. The POM consistently achieved <20mg/l.</p>	Complied																		
7.8.4	<p>Mill water use per tonne of FFB is monitored and recorded.</p> <p>- Minor compliance -</p>	<p>The mill extracts its water supply from Sg. Bulu and pumped into a collection pond before undergo water treatment process. The mill has been monitoring its consumption of water on daily basis.</p> <p>Sighted the water consumption per ton FFB processed by month for FY 2018/19 as follows:</p> <table border="1" data-bbox="1077 906 1697 1353"> <thead> <tr> <th>Month</th> <th>Water consumption</th> </tr> </thead> <tbody> <tr> <td>Jul 18</td> <td>1.95</td> </tr> <tr> <td>Aug 18</td> <td>2.03</td> </tr> <tr> <td>Sep 18</td> <td>2.04</td> </tr> <tr> <td>Oct 18</td> <td>2.03</td> </tr> <tr> <td>Nov 18</td> <td>2.01</td> </tr> <tr> <td>Dec 18</td> <td>1.97</td> </tr> <tr> <td>Jan 19</td> <td>2.02</td> </tr> <tr> <td>Feb 19</td> <td>2.09</td> </tr> </tbody> </table>	Month	Water consumption	Jul 18	1.95	Aug 18	2.03	Sep 18	2.04	Oct 18	2.03	Nov 18	2.01	Dec 18	1.97	Jan 19	2.02	Feb 19	2.09	Complied
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Dec 18	1.97																				
Jan 19	2.02																				
Feb 19	2.09																				

			Mar 19	2.25					
			Apr 19	2.02					
			May 19	1.88					
			Jun 19	2.50					
			Average	2.05					
Criterion 7.9									
Efficiency of fossil fuel use and the use of renewable energy is optimised									
7.9.1	A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented. - Minor compliance -	Continuous Improvement Plan for improving efficiency of diesel usage and to optimize renewable energy is monitored and reported by each Operating Units of Sakilan.	<table border="1"> <thead> <tr> <th>Improve efficiency</th> <th>Optimize use of renewable energy</th> </tr> </thead> <tbody> <tr> <td> Diesel usage <ul style="list-style-type: none"> To continue regular servicing of tractors and gensets for smooth running of engines To minimise the pollution and GHG emission risk by monitoring the effectiveness of diesel by tractors and gensets To record the usage of diesel by vehicles, genset, and maintenances. Electricity Usage </td> <td> Shell and Fiber <ul style="list-style-type: none"> Maximize use of POM boiler use of shell and fiber as fuel source instead of operating gensets that run on diesel. Record the usage of shell and fiber. </td> </tr> </tbody> </table>		Improve efficiency	Optimize use of renewable energy	Diesel usage <ul style="list-style-type: none"> To continue regular servicing of tractors and gensets for smooth running of engines To minimise the pollution and GHG emission risk by monitoring the effectiveness of diesel by tractors and gensets To record the usage of diesel by vehicles, genset, and maintenances. Electricity Usage	Shell and Fiber <ul style="list-style-type: none"> Maximize use of POM boiler use of shell and fiber as fuel source instead of operating gensets that run on diesel. Record the usage of shell and fiber. 	Complied
Improve efficiency	Optimize use of renewable energy								
Diesel usage <ul style="list-style-type: none"> To continue regular servicing of tractors and gensets for smooth running of engines To minimise the pollution and GHG emission risk by monitoring the effectiveness of diesel by tractors and gensets To record the usage of diesel by vehicles, genset, and maintenances. Electricity Usage	Shell and Fiber <ul style="list-style-type: none"> Maximize use of POM boiler use of shell and fiber as fuel source instead of operating gensets that run on diesel. Record the usage of shell and fiber. 								

		<ul style="list-style-type: none"> • Conversion of currents lights to energy saving lights from time to time. • To switch off fan and lights when not in use to reduce electricity usage thus reducing diesel consumption. 		
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.				
7.10.1	(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. - Major compliance -	The GHG emissions for FY 2018/19 has been verified. Source of the emissions were mainly due to fossil fuel consumption, POME treatment and utilization of fertilizer. The fuel and fertilization consumption was documented in Access database and was cross reference to the estate records.		Complied
7.10.2	(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). - Major compliance -	The was no proposed development area in the Sakilan Certification Unit noted. Hence, no New Planting.		Complied
7.10.3	(C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored. - Major compliance -	The Sakilan Continuous Improvement Plan 2019 has documented the potential pollutants inclusive of GHG emissions especially from fossil fuel consumption, treatment of POME and fertilizer usage. Plans have been established with realistic timeline to reduce GHG emissions such as low-emission management practices for		Complied

		<ul style="list-style-type: none"> a. Mill, that is better management of POME, efficient boiler and sent EFB to estate for mulching; b. Plantations, that is, EFB application to reduce inorganic fertilizer use, energy efficient transportation (on-time servicing and maintenance), good water management and restitution of conservation areas. 	
Criterion 7.11 Fire is not used for preparing land and is prevented in the managed area			
7.11.1	(C) Land for new planting or replanting is not prepared by burning. - Major compliance -	Not applicable. Only felling and chipping of palm trees.	Not applicable
7.11.2	The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification. - Minor compliance -	Not applicable. Only felling and chipping of palm trees.	Not applicable
7.11.3	The unit of certification engages with adjacent stakeholders on fire prevention and control measures. - Minor compliance -	Not applicable. Only felling and chipping of palm trees.	Not applicable
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.			
7.12.1	(C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests. A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.	Sakilan Certification Unit has conducted HCV re-assessment for all operating units in November 2018. The report was reviewed annually. Latest review was conducted on 1/8/2019. Subsequent to the re-assessment, a High Conservation Value and Conservation Area Management Action Plan and Continuous Improvement Plan dated 1/11/2019 was developed.	Complied

	<p>- Major compliance -</p>	<p>No HCV Area has been identified in the estates of Sakilan, Linbar 1 and 2. However, there exist a nearby HCV Class II, Segaliud Lokan Forest Reserve at the eastern boundary of Linbar 1 & 2 Estate.</p> <p>Land clearing at the Sakilan Certification Unit were before November 2005, that is, as soon as land was purchased in late 1983 – 1997 and develop into oil palm plantations.</p> <p>Information covering land clearing has been collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>There is no evidence of land clearing sighted during field visits at all estates except for replanting in planted areas. A Conservation Area unplanted steep hill (>25⁰), 2.32 ha on common grounds of Linbar 1 & 2 Estate has been left intact untouched. Natural Vegetation was seen thrived in abundance.</p>	
<p>7.12.2</p>	<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>No new land clearing after 15 November 2018 has taken place as all land were developed for oil palm plantation immediately after they were purchased in late 1983-1997. Thus, the then HCV Assessment remained valid.</p> <p>There was no HCV area identified present in Sakilan, Linbar 1 and Linbar 2 Estate. Only Conservation area was recognized in the estates, listed in HCV Re-Assessment Report dated November 2018, Table 1 Summary of Internal and External HCV/Conservation Area as follows:</p> <ul style="list-style-type: none"> i. Sg. Bulu riparian zone at Sakilan Estate and Sg. Lokan riparian zone at Linbar 1 and Linbar 2 Estate. ii. Estate water pond at each of the above-named estates, iii. Unplanted steep area (>25⁰) the size of 2.32 ha bordering Segaliud Lokan Forest Reserve. This steep area is one whole parcel of which 1.78 ha belongs to Linbar 1 and 0.74 ha belongs to Linbar 2 Estate. iv. Volcano mud pond at Sakilan Estate, and v. Segaliud Lokan Forest Reserve Buffer Zone at Linbar 1 and Linbar 2 Estate. 	<p>Complied</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>		
7.12.3	<p><i>Indicator is not applicable in Malaysia context</i></p>	<p>This indicator is not applicable since there is no indigenous people nor local community nearby.</p>	<p>Not applicable</p>
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</p>	<p>Not applicable</p>
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</p>	<p>Not applicable</p>

7.12.6	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 is found to capture, harm, collect, trade, possess or kill these species. - Minor compliance -	Not applicable	Not applicable
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	Not applicable
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	Not applicable

Appendix B: Approved Time Bound Plan

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 completed in July 2019	No outstanding issues
2.	Sakilan POM	Sakilan, Linbar 1 and Linbar 2	Nov 2008	Re-Certified in Mar 2015	ASA-04 completed in December 2018	No outstanding issues
3.	Pamol Kluang POM	Pamol Timur, Pamol Barat, Mamor, Unijaya, Kahang and Swee Lam	Mar 2009	Re-Certified in Mar 2015	ASA-04 completed in Dec 2018	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 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-03 completed in July 2019.	In progress of closing the NCs
6.	Bukit Leelau POM	Bukit Leelau, Detas, Merchong, Mekassar, Leepang A and Laukin A	Apr 2010	Re-Certified in Nov 2015	ASA-04 completed in August 2019	In progress of closing the NCs

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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
7.	Mayvin POM	Mayvin 1, Mayvin 2, Mayvin 5, Mayvin 6 and Tangkulap	Aug 2010	Re-Certified in Dec 2015	ASA-04 completed in August 2019	In progress of closing the NCs
8.	Pukin POM, Pahang	Pukin, Shahzan 1, Shahzan 2, Segamat and Bukit Serampang	Dec 2010	Re-certified in June 2016	ASA-03 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	Recertification audit completed in November 2018	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
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

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13.	Unico POM-1, Sabah	Unico 6, Ladang Asas (Tas & Halusah), 31 outgrowers and 1 Collection Centre	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	New certification for IOI – Pelita (Sarawak) is in the resolution process	CICOM completed the Capacity Building Program at the end of June 2019. 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. Further and updated progress of this issue could be access through the link below; <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

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						Handing over of the ex-gratia payment ceremony has 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.
16.	PT SKS, Indonesia	SKS 1, SKS 2, and SKS 3	Planned 2019	-	Uncertified Unit	<p>In progress of RSPO audit preparation. RSPO Stage 1 is planned to be conducted in September 2019</p> <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),</p>

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						<p>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 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>

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17.	PT BNS, Indonesia	BNS 1, BNS 2, BNS 3 and BNS 4	Planned 2019	-	Uncertified Unit	<p>In progress of RSPO audit preparation. RSPO Stage 1 is planned to be conducted in September 2019</p> <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 Berkas 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</p>

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18.	PT BSS, Indonesia	BSS 1, BSS 2, BSS 3 and BSS 4	Planned 2019	-	Uncertified Unit	<p>In progress of RSPO audit preparation. RSPO Stage 1 is planned to be conducted in September 2019</p> <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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						<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	<p>NPP and HCSA was approved in April 2018. Currently under development.</p> <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-procedures/public-consultations/loi-group-pt-kalimantan-prima-agro-mandiri</p> <p>HCSA Peer Review Assessment completed on 14 May 2018. The HCSA Peer Review Report and Summary Report could be assessed through the link below:</p> <p>http://highcarbonstock.org/registered-hcs-assessments/</p>

Appendix C: GHG Reporting Executive Summary

The GHG emissions that were produced in **FY July 2018 – June 2019** for **Sakilan Oil Palm Mill** and supply base was calculated using the PalmGHG Calculator version 3.0.1. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

- i. Estates area planted data
- ii. Fuel consumed
- iii. Mill datas 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 **FY July 2018 – June 2019** for **Sakilan Oil Palm** and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	0.68
PK	0.68

Extraction	%
OER	21.5
KER	4.42

Production	t/yr
FFB Process	124,887.34
CPO Produced	26845.09
PKO Produced	5518.15

Land Use	Ha
OP Planted Area	16900 (incl diverion crop from Ldg Sabah)
OP Planted on peat	-
Conservation (forested)	-
Conservation (non-forested)	-
Total	16900

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	48681.90	0.4	67279.6	27.92	-		115,961.5	28.32
CO ₂ Emission from fertilizer	6646.15	0.05	956.14	0.4			7602.29	0.45
NO ₂ Emmission	5524.18	0.05	858.91	0.36			6383.09	0.41
Fuel Consumption	1748.55	0.01	281.39	0.12			2029.94	0.13
Peat Oxidation	0	0	0	0			0	0
Sink								

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Crop Sequestration	-46144	-0.38	-63772.1	-26.46			-109916.11	-26.84
Conservation Sequestration	0	0	0	0			0	0
Total	16456.8	0.13	5603.91	2.33			22060.71	2.46

*Note: Includes both estates and smallholders

Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	1221.83	0.01
Fuel Consumption	1786.48	0.01
Grid Electricity Utilisation	3634.27	0.03
Credit		
Export of Grid Electricity	-1031.56	-0.01
Sales of PKS	-851.8	-0.01
Sales of EFB	-4891.72	-0.04
Total	-132.49	0

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO ₂ e
PK from own mill	3738.91
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 (%)	100
Divert to methane captured (flaring) (%)	0
Divert to methane captured (energy generation) (%)	0

Appendix D: Supply Chain Declaration

A. Monthly Records of Certified and Uncertified FFB Received since the last audit (Dec 2018-Oct 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	December 2018	11,974.15	-	11,974.15
2	January 2019	11,607.46	-	11,607.46
3	February 2019	10,266.51	-	10,266.51
4	March 2019	7,754.95	-	7,754.95
5	April 2019	10,184.14	-	10,184.14
6	May 2019	10,821.22	-	10,821.22
7	June 2019	10,474.37	-	10,474.37
8	July 2019	12,640.70	-	12,640.70
9	August 2019	11,882.54	-	11,882.54
10	September 2019	12,765.67	-	12,765.67
11	October 2019	12,186.86	-	12,186.86
	Total	122,558.57		122,558.57

B. Monthly Records of Certified CPO & PK since the last audit (Dec 2018-Oct 2019)			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	December 2018	2,482.65	792.97
2	January 2019	2,371.45	522.49
3	February 2019	2,140.87	492.63
4	March 2019	1,676.13	396.34
5	April 2019	2,293.47	456.44
6	May 2019	2,347.74	459.03
7	June 2019	2,205.44	414.87
8	July 2019	2,690.60	513.59
9	August 2019	2,783.79	509.29
10	September 2019	3,025.35	622.80
11	October 2019	2,790.95	559.91
	Total	26,808.44	5,740.36

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C. Records of Certified CPO & PK Sold under PalmTrace to Buyers since the last audit (if any) (Dec 2018-Oct 2019)				
No	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Certified PK Sold (mt)
1	IOI Commodity Trading Sdn Bhd	TR-dbcc3a30-bf4c TR-7b88f779-a2b3	2660.15 1189.17	-
2	IOI Commodity Trading Sdn Bhd	TR-ec944ea0-c038	537.61	-
3	IOI Commodity Trading Sdn Bhd	TR-ca494501-64c5	2,729.41	-
4	IOI Commodity Trading Sdn Bhd	TR-375d0c44-3fcc	3,273.93	-
5	IOI Commodity Trading Sdn Bhd	TR-bee40d8e-800b TR-53881ad1-6824	1761.85 876.12	-
6	IOI Commodity Trading Sdn Bhd	TR-5d89c02d-f0d8 TR-a45efc40-5923 TR-ee655f6c-b68d TR-074f3642-04ed TR-7f2d4c52-5792	149.15 261.37 355.5 57.93 3185.73	-
7	IOI Commodity Trading Sdn Bhd	TR-202d3be8-dcfd TR-2bde043d-33cd	977.58 1,569.78	-
8	IOI Commodity Trading Sdn Bhd	TR-377d9c10-3a9a	2,028.14	-
9	IOI Commodity Trading Sdn Bhd	TR-61709490-1f7c	-	611.88
10	IOI Commodity Trading Sdn Bhd	TR-664c17e0-98fa TR-538abdaf-5892	-	568.98 483.85
11	IOI Commodity Trading Sdn Bhd	TR-abdf04bf-4017	-	295.55
12	IOI Commodity Trading Sdn Bhd	TR-f02ccb83-9750	-	574.18
13	IOI Commodity Trading Sdn Bhd	TR-bf1a6ba1-30f2	-	422.23
14	IOI Commodity Trading Sdn Bhd	TR-817c64d1-ed09	-	456.64
15	IOI Commodity Trading Sdn Bhd	TR-ee1e8d9f-a341	-	492.91
16	IOI Commodity Trading Sdn Bhd	TR-f13fedb6-7fd9	-	512.58
17	IOI Commodity Trading Sdn Bhd	TR-354c2c94-664d	-	572.37
18	IOI Commodity Trading Sdn Bhd	TR-ce45aae6-555f	-	590.73
		TOTAL	21,613.42	5,581.90

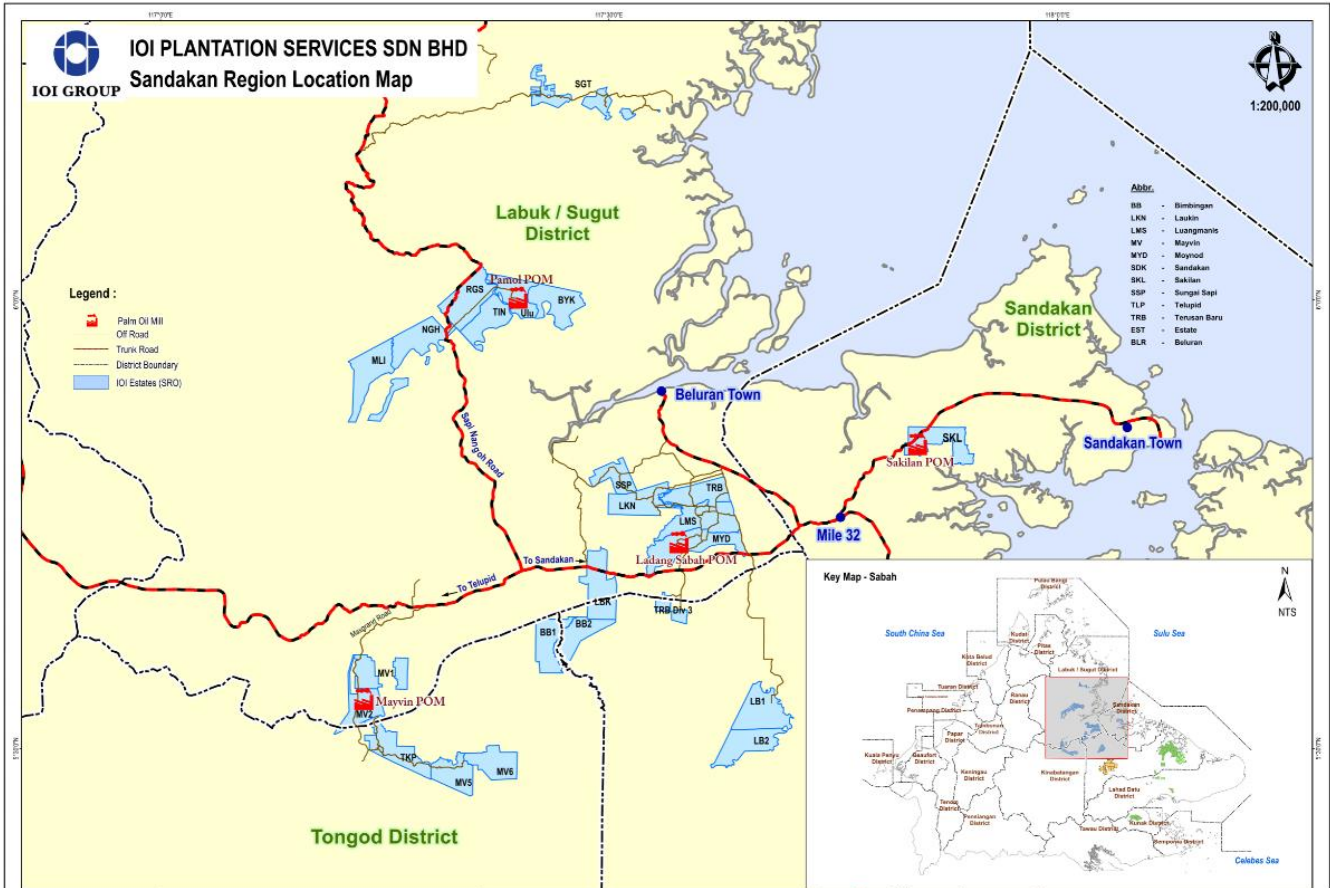
D. Records of CPO & PK Sold under other schemes to Buyers since the last audit (if any) (Dec 2018-Oct 2019)				
No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)

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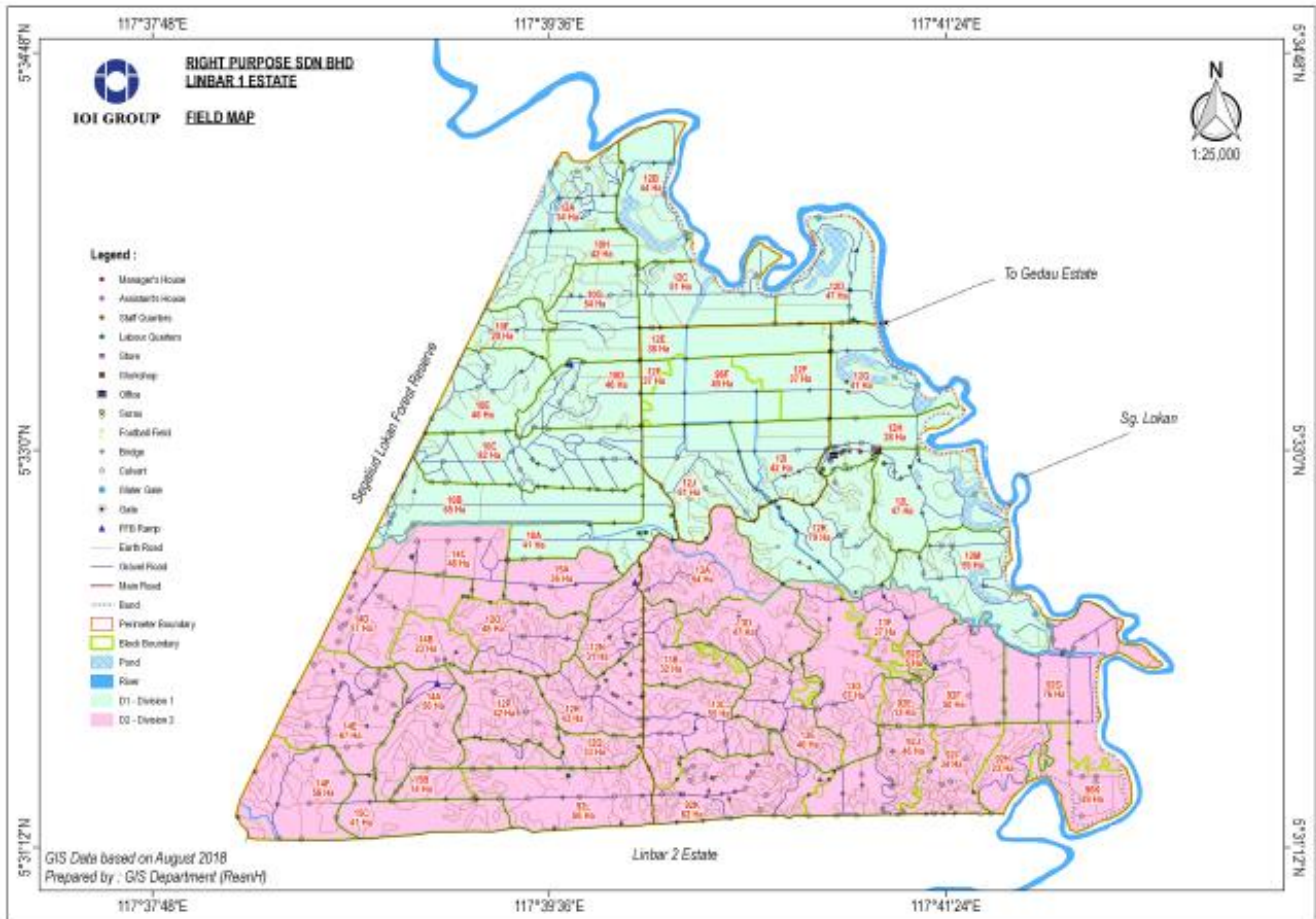
E. Records of CPO & PK Sold as conventional to Buyers since the last audit (if any) (Dec 2018-Oct 2019)			
No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)
Dec' 18- Oct' 19	-	3,928.65	

F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any) (Dec 2018-Oct 2019)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)

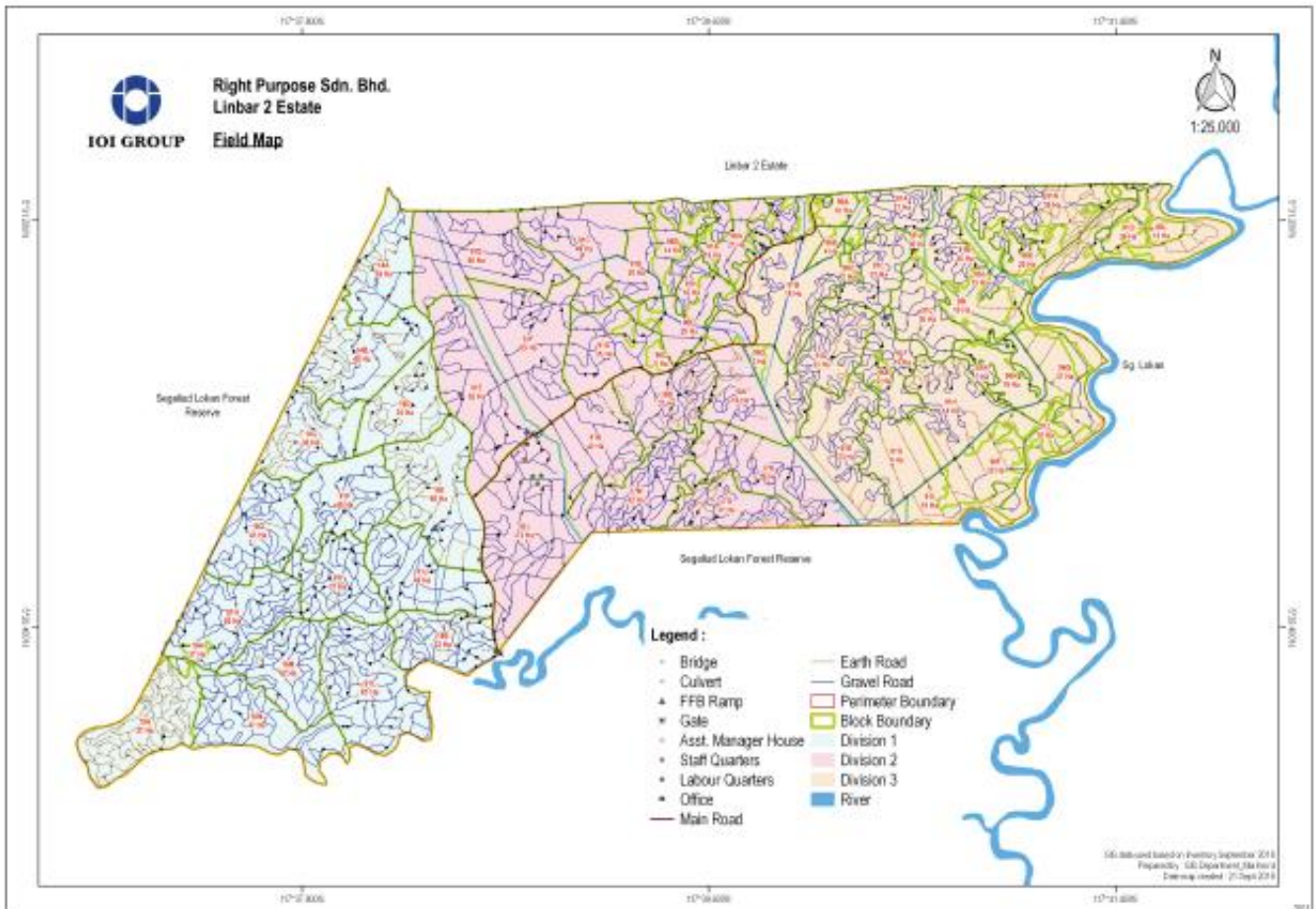
Appendix E: Location Map of Sakilan Palm Oil Mill Certification Unit and Supply bases



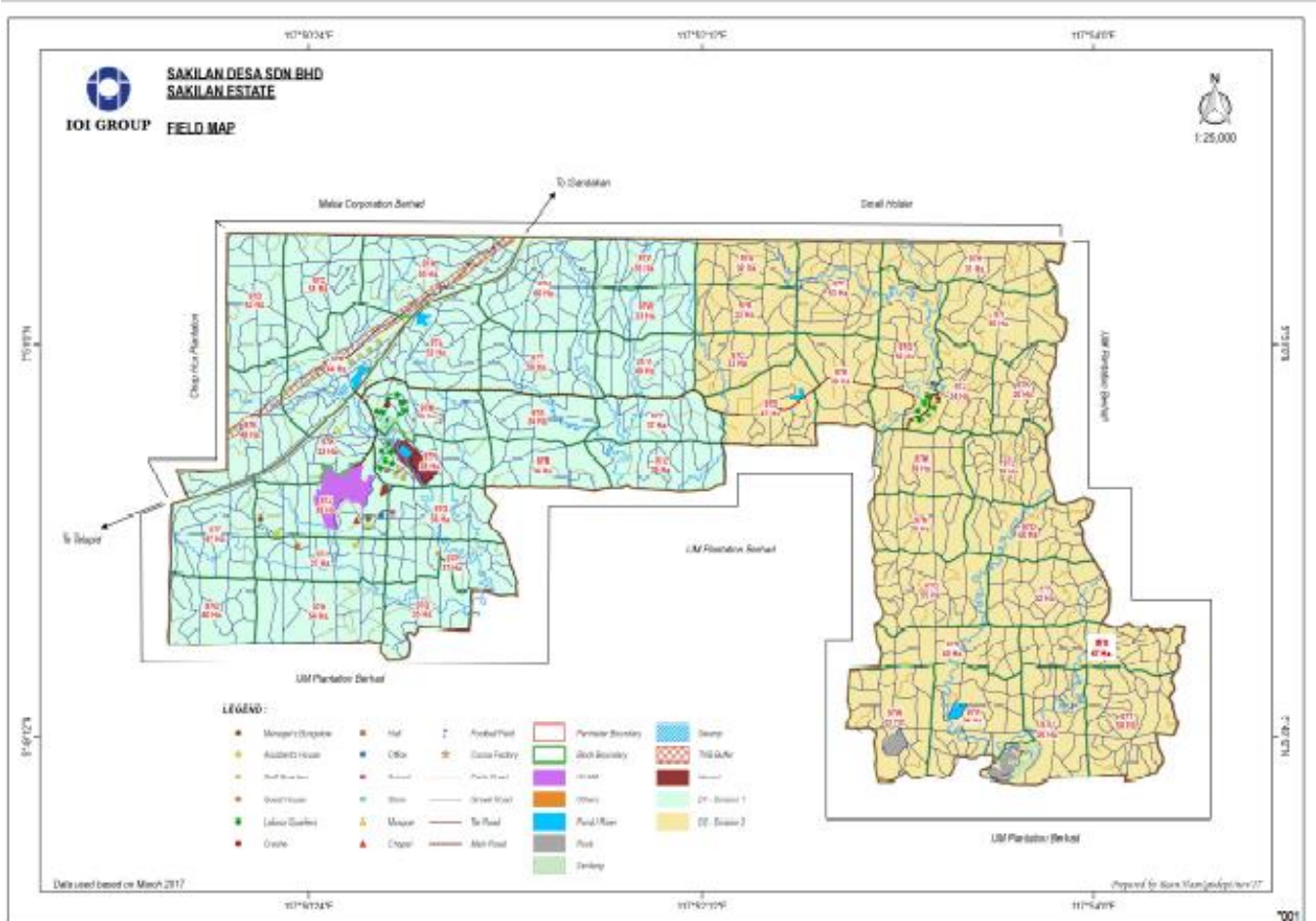
Appendix F: Linbar 1 Estate



Appendix G: Linbar 2 Estate



Appendix H: Sakilan Estate



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

Not applicable as there is no smallholder in Sakilan Certification Unit.

Appendix J: 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