

**RSPO PRINCIPLE AND CRITERIA  
2<sup>nd</sup> Annual Surveillance Assessment (ASA2\_1)  
Public Summary Report**

<b>IOI Corporations Berhad</b>
Head Office: IOI Corporation Berhad Level 8, Two IOI Square, IOI Resort 62502 Putrajaya, Malaysia
<b>Sakilan Palm Oil Mill and supply base Halusah Ladang Sdn Bhd</b> Mile 45, Sandakan/Telupid WDT 164 90009 Sandakan, Sabah, Malaysia

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## Section 1: Scope of the Certification Assessment

1. Company Details			
<b>RSPO Membership Number</b>	2-0002-04-000-00	<b>Date</b>	Member since 17/05/2004
<b>Company Name</b>	Halusah Ladang Sdn. Bhd.		
<b>Address</b>	Head office : Two IOI Square, Level 8, IOI Resort 62502 Putrajaya, Malaysia Certification unit : Sakilan Palm Oil Mill, Mile 45, Sandakan/Telupid WDT 164 90009 Sandakan, Sabah, Malaysia		
<b>Subsidiary of (if applicable)</b>	IOI Corporation Berhad		
<b>Contact Name</b>	Mr. Leang Hon Wai (Senior Plantation Controller, Sandakan Region PMU) Mr. Dickens Mambu (Sustainability Manager, IOI HQ) Mr. Jimi Dalinting (H&S Manager, Sandakan Region, Sabah) Mr. Agos Atan (SPO Department, Sandakan Region, Sabah) Mrs. Veronica (SPO Department, Sandakan Region, Sabah)		
<b>Website</b>	<a href="http://www.ioigroup.com">www.ioigroup.com</a>	<b>E-mail</b>	<a href="mailto:hwleang@ioigroup.com">hwleang@ioigroup.com</a> <a href="mailto:dickens.mambu@ioigroup.com">dickens.mambu@ioigroup.com</a>
<b>Telephone</b>	+603 – 89478888 +6089 563164 +6089 509101/102	<b>Facsimile</b>	+603 8943 2266 +6089 563 164 +6089 509 100

2. Certification Information			
<b>Certificate Number</b>	RSPO 543161	<b>Certificate Issued Date</b>	08/03/2010
		<b>Expiry Date</b>	07/03/2020
<b>Scope of Certification</b>	Palm Oil and Palm Kernel Production from Sakilan Palm Oil Mill and Supply Base (Sakilan Estate, Linbar I Estate & Linbar II Estate)		
Other Certifications			
<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
EU-ISCC-Cert-DE100-20152771	ISCC	SGS Germany GmbH	21/12/2016

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Sakilan Palm Oil Mill (40 mt/hr)	Mile 22, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah.	117° 50' 37.32"	05° 50' 21.41"
Sakilan Estate	Mile 22, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah.	117° 52' 4.66"	05° 50' 54.06"
Linbar I Estate	Mile 45, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah.	117° 40' 11.82"	05° 32' 28.14"

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Linbar II Estate	Mile 45, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah.	117° 39' 21.53"	05° 30' 33.16"
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#### 4. Description of Supply Base

Estate	Mature (ha)	Immature (ha)	Infras & Other (ha)	HCV (ha)	Total Planted (ha)	Total Hectarage	% of Planted
Sakilan Estate	2,142.00	0.00	144.37	10.00	2,142.00	2,296.37	93.28
Linbar I Estate	1,550.00	871.00	207.17	0.00	2,421.00	2,628.17	92.12
Linbar II Estate	1,487.00	355.00	160.17	209.83	1,842.00	2,212.00	83.27
<b>Total</b>	<b>5,179.00</b>	<b>1,226.00</b>	<b>511.71</b>	<b>219.83</b>	<b>6,405.00</b>	<b>7,136.54</b>	<b>89.75</b>

Note: Infras = infrastructure

#### 5. Plantings & Cycle

Estate	Age (Years)					Tonnage / Year		
	0 - 3*	4 - 10*	11 - 20	21 - 25	26 - 30	Estimated (Dec 2015 – Nov 2016)	Actual (Dec 2015 – Nov 2016)	Forecast (Dec 2016 – Nov 2017)
Sakilan Estate	0	0	2,000	0	0	70,835	43,247.26	62,808
Linbar I Estate	871	1,321	78	151	142	27,621	24,721.23	30,691
Linbar II Estate	355	0	302	1,185	0	26,820	28,635.12	26,824
<b>Total</b>	<b>1,226</b>	<b>1,321</b>	<b>2,380</b>	<b>1,336</b>	<b>142</b>	<b>125,276</b>	<b>96,603.61</b>	<b>120,323</b>

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

Estate	Tonnage / year		
	Estimated (ASA2_1) (Dec 2015 – Nov 2016)	Actual (ASA2_1) (Dec 2015 – Nov 2016)	Forecast (ASA3_1) (Dec 2016 – Nov 2017)
Sakilan Estate	70,835	43,247.26	62,808.00
Linbar I Estate	27,621	24,721.23	30,691.00
Linbar II Estate	26,820	28,635.12	26,824.00
<b>Total</b>	<b>125,276</b>	<b>96,603.61</b>	<b>120,323.00</b>

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**7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable**

Independent FFB Supplier	Tonnage / year		
	Estimated (ASA2_1) (Dec 2015 – Nov 2016)	Actual (ASA2_1) (Dec 2015 – Nov 2016)	Forecast (ASA3_1) (Dec 2016 – Nov 2017)
Nil	-	-	-

**8. Certified Tonnage**

Mill	Estimated (ASA2_1) (Dec 2015 – Nov 2016)			Actual (ASA2_1) (Dec 2015 – Nov 2016)			Forecast (ASA3_1) (Dec 2016 – Nov 2017)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO*	PK**
Sakilan Palm Oil Mill	125,276	27,561	6,890	96,603.61	21,844.04	4,681.33	120,323	26,306	6,307

\*OER: 21.86 %; \*\*KER: 5.24%

## Section 2: Assessment Process

### Certification Body:

BSI Services Malaysia Sdn Bhd,  
(ASI Accreditation Number: RSPO-ACC-19)  
Unit 3, Level 10, Tower A  
The Vertical Business Suites, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel +603 2242 4211 Fax +603 2242 4218  
Nicholas Cheong: [Nicholas.Cheong@bsigroup.com](mailto:Nicholas.Cheong@bsigroup.com)  
[www.bsigroup.com](http://www.bsigroup.com)

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia. BSI is accredited for RSPO Supply Chain Certification Systems (SCCS) and Principles & Criteria for Sustainable Palm Oil Production (P&C, Single Site & Group) certification Worldwide.

### Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 13 – 16 December 2016. 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 (Sakilan Estate & Linbar I Estate). 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 methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criteria 2013 (MYNI-2014) and RSPO Supply Chain Certification Standard 2014 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base. The estates sample were determined based on formula  $N = 0.8\sqrt{y}$  where  $y$  is the number of estates while when applicable, the smallholders sample were determined following the RSPO Certification Requirement for Group Certification Standard 2016. The sampling of smallholders were based on the formula  $(0.8\sqrt{y}) \times (z)$ ; where  $y$  is total number of independent group member and where  $z$  is the multiplier defined by the risk assessment. The sampled smallholder (when applicable) is listed in Appendix J. however, no any independent or group smallholders are certified under the Sakilan POM certification unit, hence the requirements became not applicable for this audit.

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.

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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 Appendix E and the sampled smallholder (when applicable) is listed in Appendix J

All the previous nonconformities are remains closed. The assessment findings for the 2<sup>nd</sup> Annual Surveillance Assessment are detailed in Section 3.3.

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.

This report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

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

<b>1. Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1 (Recertification)</b>	<b>Year 2 (ASA 1_1)</b>	<b>Year 3 (ASA 2_1)</b>	<b>Year 4 (ASA 3_1)</b>	<b>Year 5 (ASA4_1)</b>
Sakilan Palm Oil Mill	✓	✓	✓	✓	✓
Sakilan Estate		✓	✓		✓
Linbar I Estate	✓		✓	✓	
Linbar II Estate	✓	✓		✓	✓

[Click here to enter a date.](#)

**Tentative Date of Next Visit:** December 12, 2017 – December 15, 2017

**Total No. of Mandays:** 13.5 mandays

**BSI Assessment Team:**

**Hafriazhar Mohd Mokhtar – Lead Auditor**

Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Papua New Guinea, Solomon Islands and Gabon. During assessment, he covered the mill and estate best practices, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.

**RSPO Public Summary Report  
Revision 4 (November /2016)****Mohamed Hidhir Zainal Abidin – Team Member**

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.

**Mohd Hafiz Mat Hussain – Team Member**

He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2014 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since May 2013 in more than various companies in Malaysia. 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.

**Accompanying Persons:** Nil



### Section 3: Assessment Findings

#### 3.1 Details of audit results

This assessment has been assessed using the following RSPO normative requirements. The assessment details are provided in Appendix A.

- IOI Corporation Berhad Time Bound Plan
- RSPO Group Certification Standard 2016 Checklist
- RSPO P&C for Smallholders TH-WG 2012 Checklist
- RSPO P&C GN-NIWG 2010 Checklist
- RSPO P&C INA-NIWG 2016 Checklist
- RSPO P&C PNG-NIWG 2016 Checklist
- RSPO P&C SI-NIWG 2010 Checklist
- RSPO P&C MY-NIWG 2014 Checklist
- RSPO P&C TH-WG 2011 Checklist
- RSPO Supply Chain Certification Checklist November 2014
- RSPO P&C 2013 Generic Checklist

#### 3.2 Progress against Time Bound Plan

Time Bound Plan		
Requirement	Remarks	Compliance
<b>Summary of the Time Bound Plan</b>		
Does the plan include all subsidiaries, estates and mills?	Yes, the time bound plan includes all operating units in Malaysia and Indonesia.  Since joining RSPO as processor and trader on 17/5/2004, IOI Corporation Bhd. ( <i>hereinafter referred to as IOI</i> ) has developed its Group Standard Operating Procedure (StOP for Good Agricultural Practices) and Group Palm Oil Mill and Estate Standard Operating Procedures (StOPs).	Complied
Is the time bound plan challenging?  <ul style="list-style-type: none"> <li>• Age of plantations.</li> <li>• Location.</li> <li>• POM development</li> <li>• Infrastructure.</li> <li>• Compliance with applicable law.</li> </ul>	Based on the age of plantations, location, mill developments, infrastructure and compliance with applicable law, the time bound plan was deemed to be challenging and IOI has demonstrated very high commitment towards compliance with applicable legal requirements.  Internal assessment against the standard has been completed for most of the operating units in Malaysia and Indonesia.	Complied
Have there been any changes since the last audit? Are they justified?	Yes, due to suspension, Pukin POM and supply base has underwent recertification in 2016, a year earlier than planned. Initial Assessment has completed in October 2016 for Pamol Sabah region re-	Complied

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	certification and awaiting issuance of RSPO certificate.	
If there have been changes, what circumstances have occurred?	The changes involved recertification of existing plantations units, hence altered the cycle of affected certification units.	Complied
Have there been any stakeholder comments?	No.	Complied
Have there been any newly acquired subsidiaries?	No any newly acquired subsidiaries except for Unico Desa POM-2 and Unico POM- 1 and its supply base which were acquired in 2014.	Complied
Have there been any isolated lapses in implementation of the plan?	No	Complied
<b>Un-Certified Units or Holdings</b>		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	IOI has conducted and Internal audit on Uncertified Units to determine its compliance its compliance against clause 4.2.4 (Partial Certification). The Internal audit reports had identified the issues involved, on-going corrective actions and monitoring.	Complied
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	IOI has so far only completed HCV and SEIA for PT KPAM Indonesia which is a new concession land. The NPP will be conducted upon completion of all reports and will be posted on the RSPO for Public Consultation. The other three uncertified units under new concession land are PTSKS, PTBNS & PT BSS are still pending with the acquisition of Governmental 'Hak Guna Usaha' application which is still in progress. Besides, Update on the RSPO Suspension and complaint by Aidenvironment, IOI has submitted progress reports and RSPO has lifted the suspension on the 5 <sup>th</sup> of August 2016 the IOI has been declared RSPO certified effective 8th August 2016. The certification preparations are in progress for the units	Complied
Any new plantings since January 1 <sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.	IOI has so far only completed HCV and SEIA for PT KPAM Indonesia which is a new concession land. The NPP will be conducted upon completion of all reports and will be posted on the RSPO for Public Consultation. The other three uncertified units under new concession land are PTSKS, PTBNS & PT BSS are still pending with the acquisition of Governmental 'Hak Guna Usaha' application which is still in progress.	Complied
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO	IOI Pelita Sarawak is pending resolution of land dispute and RSPO decision. There is no POM yet. Settlement Discussion with local community is	Complied

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Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	presently still ongoing. A follow up dialogue and mediation session with LTK Community will be hold on 20th December 2016. RSPO Secretariat will attend as an observer. Some preliminary agreements between the parties have been reached. Meeting notes are being finalized.	
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	IOI complies with the local legislation such as the Minimum Wages Order 2016 and Sabah Labour Ordinance 2016. IOI also engages with its workers through employee consultative meetings to ensure that labour disputes are being resolved mutually.	Complied
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	IOI has conducted and Internal audit on Uncertified Units to determine its compliance its compliance against clause 4.2.4 (Partial Certification). The Internal audit reports had identified the issues involved, on-going corrective actions and monitoring.	Complied
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	No	Complied

**3.3 Details of findings**

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

During the 2<sup>nd</sup> Annual Surveillance Assessment there ware one (1) Major & two (2) 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 it effectiveness and closed accordingly.

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1411777M1	<b>Requirements RSPO SCCS D2.2</b> The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	Major

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	<p><b>Evidence of Nonconformity</b> Sustainable PK transaction (despatch) from mill for Sales Contract ref. no.: L1580/1612 dated 30/11/2016 with Special Conditions (Exclusive RSPO IP K Premium) quantity: 200mt was not registered and reported through RSPO IT platform or book and claim.</p> <p><b>Statement of Nonconformity</b> Registration and reporting requirements were not met</p> <p><b>Root Cause Determined:</b> E-Trace announcement for despatch out of Palm Kernel (PK) (from the mill) is made when there is a buyer/shipment at IOIEO and only takes effect when the PK sold to a third party. As such, no announcement is made yet when the PK goes out from the mill.</p> <p><b>Corrective Actions:</b> 1) To make sales figure at IOIEO or IOI HQ Marketing traceable internally through mass balance system at mill level as an alternative since the PK shipment from mill is not announced on E Trace. 2) To conduct training awareness on the supply chain system.</p> <p><b>Assessment Conclusion</b> The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed satisfactorily on 20/2/2017. Closure was done off-site since evidences were able to be provided and verified through documentations only.</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1411777N1	<p><b>Requirements</b> <b>Indicator 4.4.1</b> An implemented water management plan shall be in place</p> <p><b>Evidence of Nonconformity</b> Refer to report# EL/W/0816/379 dated 13/9/16, only 4 parameters tested (BOD, COD, O&amp;G and E.coli) and not as per required parameters for WQI study</p> <p><b>Statement of Nonconformity</b> Water management plan was not effectively implemented</p> <p><b>Root Caused Determined:</b> Lack of awareness on the standard requirement for National Water Quality Standard for Malaysia (NWQSM)/Water Quality Index (WQI) study.</p> <p><b>Corrective Actions:</b> 1) To conduct training on the standard requirement for study based on the WQI / NWQSM 2) To make revision on the internal water management plan in particular topic related to water sampling analysis 3) To make revision on water quality parameter to be tested by 3<sup>rd</sup> party accredited laboratory 4) The appointed Environmental Liaison Officer to monitor on the result by 3<sup>rd</sup> party accredited laboratory</p>	Minor

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	5) Training awareness on guidelines for stream water sampling procedure	
	<p><b>Assessment Conclusion</b> The CAP has been submitted and accepted on 26/12/2016. Further verifications on CAP implementation and its effectiveness will be done during next surveillance visit. Minor NC remains open.</p>	

<b>Non-Conformity</b>		
<b>NCR #</b>	<b>Description</b>	<b>Category (Major / Minor)</b>
1411777N2	<p><b>Requirements</b> <b>Indicator 5.3.3</b> A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented</p> <p><b>Evidence of Nonconformity</b> i) Environmental impact assessment management action plan and continuous improvement plan did not include: - Internal transportation activity for centralized storage and disposal ii) Improper storage of SW410 (contaminated rags and gloves) found outside workshop area without proper labeling for identification</p> <p><b>Statement of Nonconformity</b> Waste management plan was not effectively documented and implemented</p> <p><b>Root Caused Determined:</b> 1) An oversight on the part of the Environmental Liaison Officer for not capturing the issue in the Environmental Impact Assessment (EIA) Management plan 2) Lack of awareness on SW management monitoring</p> <p><b>Corrective Actions:</b> 1) To make revision on the internal EIA management plan under topic schedule waste (SW). HSE Manager to check on SW management plan only. 2) To conduct EIA refresher training to all Environmental Liaison Officer. 3) Supervisor and Assistant Manager to monitor the disposal, recording and storage of all SW 4) Regular training on SW management to be conducted</p> <p><b>Assessment Conclusion</b> The CAP has been submitted and accepted on 26/12/2016. Further verifications on CAP implementation and its effectiveness will be done during next surveillance visit. Minor NC remains open.</p>	Minor

<b>Observation</b>	
<b>OBS #</b>	<b>Description</b>
1	Late/no follow-up for renewal of license/permit

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Positive Findings	
PF #	Description
1	Stakeholder interview – positive feedbacks
2	Excellent logistics arrangement and hospitality
3	Appreciate everyone for their full cooperation support

Issues raised by Stakeholders	
<p>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.</p> <p>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. These have been incorporated into the assessment findings.</p> <p>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 Appendix E.</p>	
IS #	Description
1	<p><b>Issues:</b> School teacher - School no football field. - School children can’t play.</p> <p><b>Management Responses:</b> Issue has been discussed during recent stakeholder meeting. School are allowed to use estate’s football field for school children sports use.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
2	<p><b>Issues:</b> – passport was not given when requested to be use to go to town. Crèche minder: Halijah &amp; Rosmah; Harvester: Gabriel Yohanes, Anastasia, Irfan Haking, Jumad Fohdi, Lorence B Gabriel</p> <p><b>Management Responses:</b> Passports of all named employee were being sent to process of renewal of work permits and visa during the time requested back in October 2016. All passports are expected to be returned on January 2017.</p> <p><b>Audit Team Findings:</b> Issue will be follow-up during next assessment.</p>
3	<p><b>Issues:</b> Gedau Estate Manager – Buaya air naik darat musim banjir Ladang Laut – Sungai Kuala Kinabatangan to be desilt – air cetek due to erosion</p> <p><b>Management Responses:</b> Issue has been discussed during recent stakeholder meeting. All workers and communities were being briefed on the crocodile issue. Estate to erect precaution signboard at strategic area. Issue related to</p>

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	silted river will be brought forward in next coming stakeholder meeting with plan to invite the DID personnel.
	<b>Audit Team Findings:</b> Issue will be follow-up during next assessment.

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

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1278692N1	<p><b>Requirements:</b> <b>Indicator 6.5.3</b> Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p><b>Evidence of Nonconformity:</b> Sakilan estate: Visit to the workers housing found that the drainage was not properly maintained and clogged. Furthermore, old toilet's (which still in use) sewage water was directly discharged to the nearby monsoon drain.</p> <p><b>Statement of Nonconformity:</b> Workers housing facilities were not fully maintained.</p> <p><b>Corrective Action:</b> 1. Toilet structure outside the main worker's quarters will be demolished. 2. Workers will not be allowed to construct such structure in the future. 3. Drainages will be maintained regularly. 4. Quarterly maintenance of all monsoon drain behind line site will be fixed. 5. A dedicated staff will be appointed to ensure that all the above will be carried out on timely basis. He will be directly report to the estate manager. 6. To connect the line site drainage to the monsoon drain. 7. Estates Hospital Assistant will inspect line site issues during the weekly line site inspection.</p> <p><b>Assessment Conclusion:</b> Verification during the on-site visit found corrections and corrective actions taken were evidence and effective for satisfactory closure of the nonconformity raised. Hence, minor NC was closed on 20/12/2016.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)

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1278692N2	<p><b>Requirements:</b>  <b>Indicator 4.7.5</b>          Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers.          Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p><b>Evidence of Nonconformity:</b>          Sakilan Estate:          During the field visit to landfill area, it was noted that 4 workers carrying out waste segregation as part of company's initiative to recycle waste. There was a first aid kit at the site. However, the first aid kit provide to the worksite was not stored with basic first aid but alkaline batteries were kept inside the first aid kit.          Further interview with the workers reveal that there is no other first aid kit.</p> <p><b>Statement of Nonconformity:</b>          First aid equipment was incomplete.</p> <p><b>Corrective Action:</b>          1. First aid box with complete set of first aid items has been provided to the landfill workers. Proper training on First Aid has also been conducted.          2. Estate Hospital Assistant will conduct inspection of all first aid kit boxes on biweekly basis as compared to previous practice i.e monthly basis. Replenishment of first aid items will also be done during the biweekly inspection.          3. On the spot inspection by Estate Hospital Assistant will be carried out from time to time. This is to ensure the first aid box contents are as per company OSHMS SOP.</p> <p><b>Assessment Conclusion:</b>          Verification during the on-site visit found corrections and corrective actions taken were evidence and effective for satisfactory closure of the nonconformity raised. Hence, minor NC was closed on 20/12/2016.</p>	Minor
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Observation	
OBS #	Description
1	<p><b>Indicator 2.1.1</b>            It was noted that at the moment effluent management competence person is from Ladang Sabah Mill Sr. Manager (Certificate No. CePPOME/15023) visiting Sakilan Mill to ensure the effluent management is as per the DOE requirement. Sakilan Mill has registered the mill manager with Enviro Academy for the CePPOME training in December 2015 but the training was re-scheduled to April 2016 by the training provider. The progress will be followed during the next surveillance.</p> <p><b>ASA2_1 verification :</b>            Mill manager has attended CePPOME training on 19/3/16 at EiMAS. Verified certificate #CePPOME/16004 validity period 1/6/16-1/6/17.</p>



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**3.3.2 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
AT01 (2.1.2)	Major	IAV 28/11/2008	Closed on 16/12/2008
AT02 (5.3.1)	Major	IAV 28/11/2008	Closed on 16/12/2008
AT03 (4.1.2)	Minor	IAV 28/11/2008	Closed on 16/12/2008
AT04 (4.4.7)	Minor	IAV 28/11/2008	Closed on 16/12/2008
AT05 (5.3.2)	Minor	IAV 28/11/2008	Closed on 16/12/2008
AT06 (5.5.3)	Minor	IAV 28/11/2008	Closed on 16/12/2008
AT07 (6.2.3)	Minor	IAV 28/11/2008	Closed on 16/12/2008
AT08 (6.5.3)	Minor	IAV 28/11/2008	Closed on 16/12/2008
CR01 (2.1.1)	Major	ASA1 28/01/2011	Closed on 27/03/2011
CR02 (4.7.1)	Major	ASA1 28/01/2011	Closed on 27/03/2011
A535834/1 (5.1.2)	Minor	ASA1 28/01/2011	Closed on 17/02/2012
A535834/2 (5.3.2)	Minor	ASA1 28/01/2011	Closed on 17/02/2012
A535834/3 (6.1.3)	Minor	ASA1 28/01/2011	Closed on 17/02/2012
A535834/4 (7.1.2)	Minor	ASA1 28/01/2011	Closed on 17/02/2012
A704230/7 (5.6.2)	Minor	ASA2 17/02/2012	Closed on 27/02/2013
A848092/1 (465161-2M) 5.2.2	Major	ASA3 27/02/2013	Closed on 17/04/2013
A848092/2 (465161-3M) D.3.4; D.4.1	Major	ASA3 27/02/2013	Closed on 17/04/2013
A848092/1 (465161-1) 2.1.3	Minor	ASA3 27/02/2013	Closed on 17/12/2014
1007386M0 4.4.1	Major	ASA4 18/12/2014	Closed 17/02/2014
1146434M1 (2.1.1)	Major	RC 16/1/2015	Closed 9/2/2015
1146434M2 (6.5.1)	Major	RC 16/1/2015	Closed 9/2/2015
1278692N1 (6.5.3)	Minor	ASA1_RC 17/12/2015	Closed on 20/12/2016
1278692N2 (4.7.5)	Minor	ASA1_RC 17/12/2015	Closed on 20/12/2014
1411777M1 – SCCS – D.2.2	Major	ASA2_1 16/12/2016	Closed on 20/2/2017
1411777N1 (4.4.1)	Minor	ASA2_1 16/12/2016	“Open”
1411777N2 (5.3.3)	Minor	ASA2_1 16/12/2016	“Open”

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**Assessment Conclusion and Recommendation:**

Based on the findings during the assessment Sakilan Palm Oil Mill Certification Unit and supply base complies with the RSPO P&C 2013 (MY-NI 2014) , and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Sakilan Palm Oil Mill Certification Unit is approved and continued.

Acknowledgement of Assessment Findings	Report Prepared by
<b>Name:</b>  <b>LEANG HON WAI</b>	<b>Name:</b> <b>Hafriazhar Mohd. Mokhtar</b>
<b>Company name:</b> <b>IOI Corporation Berhad</b> <b>Sakilan Palm Oil Mill &amp; Supply Base</b>	<b>Company name:</b> <b>BSI Services Malaysia Sdn Bhd</b>
<b>Title:</b>  <b>SR PLANTATION CONTROLLER</b> <b>SANDAKAN REGION</b>	<b>Title:</b> <b>Lead Auditor</b>
<b>Signature:</b>  <b>Date: 6/4/2017</b>	<b>Signature:</b>  <b>Date: 31/3/2017</b>

**Appendix A: Summary of Findings**

Criterion / Indicator	Assessment Findings	Compliance
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Criterion / Indicator	Assessment Findings	Compliance	
<b>Principle 1: Commitment to Transparency</b>			
<b>Criterion 1.1:</b> Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	<p>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>- Minor compliance -</p>	<p>Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Requests for information from the Regulatory Department such as DOSH during compliance visit were attended and no noncompliance or complaints were noted.</p> <p>Sighted DOSH Logbook, the annual inspection by DOSH was conducted on 20/9/16. No major issue was raised by DOSH officer. The action plan was established by the management.</p>	Complied
1.1.2	<p>Records of requests for information and responses shall be maintained.</p> <p>-Major compliance</p>	<p>All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed. Sighted Social Feedback/Grievance/Complaint form sampled requests dated 3/9/2016 and 4/10/2016.</p> <p>The action plan from comment by DOSH officer visit on 20/9/16 was sighted.</p> <p>Latest DOE visit was on 27/1/16. Ref# 003293. No non-compliance recorded from the visit.</p>	Complied
<b>Criterion 1.2:</b> Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			
1.2.1	<p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> <li>• Occupational health and safety plans (Criterion 4.7);</li> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> <li>• Details of complaints and grievances (Criterion 6.3);</li> <li>• Negotiation procedures (Criterion 6.4);</li> <li>• Continual improvement plans (Criterion 8.1);</li> <li>• Public summary of certification assessment report;</li> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> <p>- Major compliance –</p>	<p>Publicly available management documents covers 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. All operating units have individual documents and records to demonstrate compliance to this indicator. RSPO Public summary reports are publicly available on request at each certification unit and at the head office.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<b>Criteria 1.3:</b> Growers and millers commit to ethical conduct in all business operations and transactions.		
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. -Minor compliance	Policy dated 11 May 2015 committing to Code of Business Conduct and Ethics as stated in the IOI Corporation Berhad's Annual Report is communicated to all level of employees upon their employment. The Annual report is publicly available on the IOI website.
<b>Principle 2: Compliance with applicable laws and regulations</b>		
<b>Criterion 2.1:</b> There is compliance with all applicable local, national and ratified international laws and regulations.		

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Criterion / Indicator	Assessment Findings	Compliance																																																																
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>Sakilan POM was complied with most of the relevant legal requirement. Sighted some of the evidence as below:</p> <table border="1" data-bbox="660 461 1294 1435"> <thead> <tr> <th>Name</th> <th>Series No</th> <th>Competency</th> <th>Grade</th> </tr> </thead> <tbody> <tr> <td>Mohamad Hairie</td> <td>032/2016</td> <td>Stim Engineer</td> <td>1</td> </tr> <tr> <td>Unddin</td> <td>H/ED/67/07</td> <td>Dandang Stim &amp; Enjin Stim</td> <td>1</td> </tr> <tr> <td>Mohd Darwis</td> <td>H/ED/96/93</td> <td>Dandang Stim &amp; Enjin Stim</td> <td>1</td> </tr> <tr> <td>Sumsudin</td> <td>SB/14/EIS/02/48</td> <td>Dandang Stim &amp; Enjin Stim</td> <td>2</td> </tr> <tr> <td>Mohd Darwis</td> <td>SB/14/EIP/02/19</td> <td>ICE</td> <td>2</td> </tr> <tr> <td>Amran</td> <td>PJ-T-4-B-0182-2009</td> <td>A4</td> <td>-</td> </tr> <tr> <td>Azim</td> <td>NW-NSDK-AGT-R-0039-M</td> <td>AGT</td> <td>-</td> </tr> <tr> <td>Mohd Hairie</td> <td>NW-NSDK-AGT-0066-L</td> <td>AGT</td> <td>-</td> </tr> <tr> <td>Ikam Singh</td> <td>NW-NSDK-AGT-0065-L</td> <td>AGT</td> <td>-</td> </tr> <tr> <td>Abdul Gani</td> <td>NW-NSDK-AE-0016-L</td> <td>AESP</td> <td>-</td> </tr> <tr> <td>Abdul Kadir</td> <td>NW-NSDK-AE-0017-L</td> <td>AESP</td> <td>-</td> </tr> <tr> <td>Sudirman</td> <td>NW-NSDK-AE-0448-M</td> <td>AESP</td> <td>-</td> </tr> <tr> <td>Amirullah</td> <td>NW-NSDK-AE-0449-M</td> <td>AESP</td> <td>-</td> </tr> <tr> <td>Azmi Hughes</td> <td>NW-NSDK-AE-R-0524-M</td> <td>AESP</td> <td>-</td> </tr> <tr> <td>Ikam Singh</td> <td>CePPOME/16004</td> <td>CEPPOME</td> <td>-</td> </tr> </tbody> </table> <p><u>Sakilan POM</u></p> <ul style="list-style-type: none"> <li>• MPOB license, 500293404000 valid until 30/11/17 with processing capacity of 240,000 mt</li> <li>• Trading License, under Ordinance no.16 1948 (license# G162871 valid until 7/1/17)</li> <li>• Labour Department permit, under Section 118, Labour Ordinance (Sabah BAB 67) to employ foreign workers, valid until 30/10/17</li> <li>• Energy Commission license, under Electric Supply Act 1990, license# 2016/00309 for 2600 kW valid until 17/4/17</li> <li>• Diesel Permit, Ref# PPDNK.SDK.02/2002 (SK) NO PERMIT:1674 for total quantity of 19,000 liter. Validity period is from 12/1/16 – 11/1/17. New license approval is still in progress.</li> <li>• Competent Person for Effluent Treatment @ POME, CePPOME, refer to certificate #CePPOME/16004 validity period 1/6/16-1/6/17.</li> </ul>	Name	Series No	Competency	Grade	Mohamad Hairie	032/2016	Stim Engineer	1	Unddin	H/ED/67/07	Dandang Stim & Enjin Stim	1	Mohd Darwis	H/ED/96/93	Dandang Stim & Enjin Stim	1	Sumsudin	SB/14/EIS/02/48	Dandang Stim & Enjin Stim	2	Mohd Darwis	SB/14/EIP/02/19	ICE	2	Amran	PJ-T-4-B-0182-2009	A4	-	Azim	NW-NSDK-AGT-R-0039-M	AGT	-	Mohd Hairie	NW-NSDK-AGT-0066-L	AGT	-	Ikam Singh	NW-NSDK-AGT-0065-L	AGT	-	Abdul Gani	NW-NSDK-AE-0016-L	AESP	-	Abdul Kadir	NW-NSDK-AE-0017-L	AESP	-	Sudirman	NW-NSDK-AE-0448-M	AESP	-	Amirullah	NW-NSDK-AE-0449-M	AESP	-	Azmi Hughes	NW-NSDK-AE-R-0524-M	AESP	-	Ikam Singh	CePPOME/16004	CEPPOME	-	<p>Complied</p>
Name	Series No	Competency	Grade																																																															
Mohamad Hairie	032/2016	Stim Engineer	1																																																															
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Criterion / Indicator	Assessment Findings	Compliance	
	<ul style="list-style-type: none"> <li>• License to employ non-resident employee (Section 118, Sabah Labour Ordinance Chapter 67) no.: JTK.H.SDK.600-4/1/1/10401/003866 valid from 31/10/2016 – 30/10/2017</li> </ul> <p>Sakilan estate license:</p> <ul style="list-style-type: none"> <li>• Diesel &amp; petrol storage license serial no.: S004732; ref. no.: PPDNKK.SDK.29/1997(SK)NO.SK.1104 valid from 30/7/2015 – 29/7/2016 (expired) – conditions to renew 1 month before expiry – renewal application made on 7/10/2016</li> <li>• MPOB license no.: 503335002000 valid from 1/8/2016 – 31/7/2017</li> <li>• Energy Council license for own installation no.: 2016/01476; serial no.: 16875 valid from 12/8/2016-11/8/2017</li> <li>• License to employ non-resident employee (Section 118, Sabah Labour Ordinance Chapter 67) no.: JTK.H.SDK.600-4/1/1/01261/003858 valid from 11/10/2016 – 10/10/2017</li> <li>• Permit for salary deduction (Section 113 (4) Sabah Labour Ordinance Chapter 67) no.: JTK.J.IP.600-1/2/731/(17) valid from 28/7/2015 – 27/7/2016 (expired) – conditions to renew 1 month before expiry – renewal application reply by PTK Sandakan dated 5/9/2016</li> </ul> <p>Linbar 1 estate license:</p> <ul style="list-style-type: none"> <li>• Diesel storage license serial no.: S004894; ref. no.: PPDNKK.SDK.04/2002(SK)NO.SK.1639 valid from 8/1/2016 – 7/1/2017</li> <li>• MPOB (FFB) license no.: 502435102000 valid from 1/9/2016 – 31/8/2017</li> <li>• MPOB (nursery) license no.: 525933011000 valid from 1/1/2016 – 31/12/2016</li> <li>• Energy Council license for own installation no.: 2016/01476; serial no.: 16875 valid from 12/8/2016-11/8/2017</li> <li>• License to employ non-resident employee (Section 118, Sabah Labour Ordinance Chapter 67) no.: JTK.H.KBN.600-4/1/1/01261/0281 valid from 8/5/2016 – 7/5/2017</li> <li>• Permit for salary deduction (Section 113 (4) Sabah Labour Ordinance Chapter 67) serial no.: 11(0784)SDK valid from 28/7/2015 – 27/7/2016 (expired) – conditions to renew 1 month before expiry – renewal application made on 1/4/2016 (to PTK Sandakan) and replied by PTK Sabah (Ibu Pejabat) Kota Kinabalu letter ref.: JTK.H.IP.600-1/2/731/(17) dated 14/12/2016</li> </ul>		
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance -</p>	<p>Latest List of Laws, Covenants &amp; Standards Applicable to Sabah Estate &amp; Mill Operations dated 30/11/2016 prepared by Sustainable Palm Oil Department, Sandakan Region.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
2.1.3 A mechanism for ensuring compliance shall be implemented. - Minor compliance -	Evaluation of legal requirements and compliance status with legal requirement is monitored by operating units, sustainability teams, OHS Manager (and OHS executives) and head office. All 3 sites practiced the same activities.	Complied
2.1.4 A system for tracking any changes in the law shall be implemented. - Minor compliance -	Tracking system was available for all 3 sites to identify changes in the relevant regulations through head office; website information, MPOA and the information are communicated from the IOI Group Head Office. On the site verification. Interviews with office personnel and records indicate that the system is appropriate to the operations and is being recorded accordingly. Further evidence of verification was reviewed in the legal registers at all the 3 sites.	Complied
<b>Criterion 2.2:</b> The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.		
2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	Land ownership such as land title and land lease documents is available. There is no change in the land ownership. All the land belongs to IOI Corporation Berhad. Sakilan Mill: Holds land title no. CL075471242 Sakilan Estate: Holds land title no. CL075471260 & CL075471288 Linbar 1 Estate: Holds land title no. CL095311667	Complied
2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	Boundary stone at Sakilan Estate was sighted at field 1997V (60/290). The management demarcated the boundary with the smallholder by constructing trenches.	Complied
2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the Sakilan certification unit at the time of audit. The land belongs to IOI and land ownership documents verified.	Complied
2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the Sakilan certification unit at the time of audit. The land belongs to IOI and land ownership documents verified.	Complied
2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the Sakilan certification unit at the time of audit. The land belongs to IOI and land ownership documents verified.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	Complied
<b>Criterion 2.3:</b> Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.		
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance -	Complied
2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -	Complied
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	Complied



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Criterion / Indicator		Assessment Findings	Compliance																											
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	The lands were acquired from private plantation companies and owners. Land title and ownership documents available to show land acquisition complied with legal requirements.	Complied																											
<b>Principle 3: Commitment to long-term economic and financial viability</b>																														
<b>Criterion 3.1:</b> There is an implemented management plan that aims to achieve long-term economic and financial viability.																														
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	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. Sakilan Estate 5 Years Business Plan dated 30/11/2016 for financial year period from 2015/16 until 2019/20.  Sakilan POM and supply bases have made progress towards achieving their performance production targets for the current financial year.	Complied																											
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	Sakilan Estate 10 Years Replanting Programme  The replanting programme was established. Sighted Replanting Programme 2016-2025: <table border="1" data-bbox="662 1115 1141 1388"> <thead> <tr> <th>Year</th> <th>Estate</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>Sakilan</td> <td>-</td> </tr> <tr> <td>2017</td> <td>Estate</td> <td>-</td> </tr> <tr> <td>2018</td> <td></td> <td>238</td> </tr> <tr> <td>2019</td> <td></td> <td>246</td> </tr> <tr> <td>2016</td> <td>Linbar 1</td> <td>92</td> </tr> <tr> <td>2017</td> <td>Estate</td> <td>205</td> </tr> <tr> <td>2019</td> <td></td> <td>-</td> </tr> <tr> <td>2020</td> <td></td> <td>-</td> </tr> </tbody> </table>	Year	Estate	Ha	2016	Sakilan	-	2017	Estate	-	2018		238	2019		246	2016	Linbar 1	92	2017	Estate	205	2019		-	2020		-	Complied
Year	Estate	Ha																												
2016	Sakilan	-																												
2017	Estate	-																												
2018		238																												
2019		246																												
2016	Linbar 1	92																												
2017	Estate	205																												
2019		-																												
2020		-																												
<b>Principle 4: Use of appropriate best practices by growers and millers</b>																														
<b>Criterion 4.1:</b> Operating procedures are appropriately documented, consistently implemented and monitored.																														

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -</p>	<p>IOI Corporation Berhad Oil Palm Agricultural Policies last revised July 2005 – Group Standard Operating Procedure (StOP for Good Agricultural Practices) sighted available documented in each operating units.</p> <p>SOP and management systems for monitoring and control of best practice implementation through various SOPs for mill and estates.</p> <p>IOI has prepared Group Palm Oil Mill and Estate Standard Operating Procedures (StOPs) issued on April 2008 (mill) and Oil Palm Agricultural Policies issued on September 2007 (estates). The StOPs and agricultural policies were covering all activities in mill and estate, eg: FFB receiving station, loading ramp, steriliser, threshing station, pressing station, depericarper station, nut &amp; kernel plant, oil room station, boiler station, engine room station, laboratory, water treatment plant, shovel, effluent treatment plant, workshop, confined space, pruning, land clearing, preparation and planting, nursery practices, planting density and planting technique, soil conservation and terracing, establishment and maintenance of LCC, weed control, ablation, manuring, pest and diseases, roads and harvesting.</p> <p>Occupational Safety and Health (OSH) Manual was established, dated 1/8/12 to cover the element for safe operating procedures for all activities in the mill and estate.</p>	<p>Complied</p>
<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -</p>	<p>Record of the visit and reports are held on file "General Manager (GM) Visit Report". Comments given by the GM/MC and response from the manager have been recorded in the GM visit book. The Estate also maintained regulatory compliance visit records such as DOSH Visit Record. Through Senior General Manager (SGM), Senior Plantation Controller (SPC) &amp; Mill Controller (MC) Visit Book Report on site.</p> <p>Internal Audit was conducted once a year by Sustainability Palm Oil Department, the latest internal audit was conducted in September 2016 for SKPOM and supply bases to cover the entire criterion stated in the standard.</p> <p>Mill Controller Visit for Sakilan POM was conducted on 28/10/2016 by Mr Cheok Sing Chia.</p> <p>Senior Plantation Controller Visit for Sakilan Estate was conducted on 27/9/16 by Mr Leang Hon Wai</p> <p>Senior Plantation Controller Visit for Linbar 1 Estate Estate was conducted on 11/8/16 by Mr Leang Hon Wai</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	Records of monitoring and the actions taken are maintained at the mill and estates. Records verified include Mill Controller, Senior Plantation Controller and Senior General Manager visit records as following: <ul style="list-style-type: none"> <li>• Latest visit by MC was done on 28/10/2016 while by SGM was on 26/5/2016.</li> <li>• Sakilan Estate visited by SPC on 27/9/2016</li> <li>Linbar 1 Estate visited by SPC on 17/8/2016</li> </ul> All records related to Internal Audit, Mill Controller Visit and Senior Plantation Controller Visit was maintained and available at Mill and Estate Office.  Quarterly return reporting to DOE via OER "Online Environmental Reporting" for the latest quarter (July to September 2016). Report to report dated 27/10/16, file ref# ASSH/SDK(B)31/152/000/031.	Complied
4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	No FFB sourced from third-party.	Complied
<b>Criterion 4.2:</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	SOPs for good agricultural practices in managing soil fertility was established, refer Section 8.0: Manuring and Section 15.0:Foliar sampling of the group STOPS. The practices consistently monitored by estate operation management and estate inspectorate. The recommendations for improvements are given to maintain the sustainable practices.	Complied

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Criterion / Indicator	Assessment Findings	Compliance																				
<p>4.2.2</p> <p>Records of fertiliser inputs shall be maintained. - Minor compliance -</p>	<p>Fertilizers are applied as per agronomist recommendation. Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators.</p> <p><u>Sakilan Estate</u> Agronomist report by IOI Research Centre department dated 1/8/16, fertilizer recommendation July 16-December 16 was done by agronomist :</p> <ol style="list-style-type: none"> <li>1. NK MIX: 51.97 mt</li> <li>2. RP: 324.80 mt</li> <li>3. Borate: 0.65 mt</li> </ol> <p>The latest application was carried out at 1997K on 29/11/16 for ERP (2.25kg/palm).</p> <p><u>Linbar 1 Estate</u> Agronomist report by IOI Research Centre department dated 19/4/16, fertilizer recommendation Jan 16-December 16 was done by agronomist :</p> <ol style="list-style-type: none"> <li>1. NK MIX (AC based): 962.50 mt</li> <li>2. NK Mix: 462.89 mt</li> <li>3. BRP: 423.52 mt</li> <li>4. Borate: 23.07 mt</li> </ol> <p>The latest application was carried out at 2013D on 19/11/16 for NK Mix (2.5kg/palm).</p>	<p>Complied</p>																				
<p>4.2.3</p> <p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -</p>	<p>Leaf and soil nutrient analysis are commonly used in the diagnosis of fertilizer requirements in oil palms.</p> <p><u>Sakilan Estate</u> Foliar analysis and soil analysis was conducted on 21/10/2015 and the samples were sent to Research Centre, Sabah for tested. The foliar analysis report and oil analysis report was sighted.</p> <p><u>Linbar 1 Estate</u> Foliar analysis and soil analysis was conducted on 31/3/15 and 1/12/2011 and the samples were sent to Research Centre, Sabah for tested. The foliar analysis report and oil analysis report was sighted.</p>	<p>Complied</p>																				
<p>4.2.4</p> <p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -</p>	<p>POME and EFB were applied as per agricultural policies:</p> <ol style="list-style-type: none"> <li>1. Section 8.8.1: Empty Fruit Bunch (EFB) Mulching</li> <li>2. Section 8.8.1: Land Application of Digested Palm Oil Mill Effluent</li> </ol> <table border="1" data-bbox="659 1758 1273 1930"> <thead> <tr> <th>Date</th> <th>Tonnage</th> <th>Type</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>Nov 16</td> <td>116.66mt</td> <td>EFB</td> <td>Sakilan Estate</td> </tr> <tr> <td>Nov 16</td> <td>567.68mt</td> <td>POME</td> <td>Estate</td> </tr> <tr> <td>Aug 16</td> <td>1.10 mt</td> <td>EFB</td> <td>Linbar 1 Estate</td> </tr> <tr> <td>Aug 16</td> <td>1.42 mt</td> <td>POME</td> <td>Estate</td> </tr> </tbody> </table>	Date	Tonnage	Type	Estate	Nov 16	116.66mt	EFB	Sakilan Estate	Nov 16	567.68mt	POME	Estate	Aug 16	1.10 mt	EFB	Linbar 1 Estate	Aug 16	1.42 mt	POME	Estate	<p>Complied</p>
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**Criterion 4.3:**

Practices minimise and control erosion and degradation of soils.

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Criterion / Indicator		Assessment Findings	Compliance																																		
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	Soil series map available for both estates visited. No other soil categorised as problematic or fragile soil. Sighted the type of soil available at Sakilan Estate <table border="1"> <thead> <tr> <th>No.</th> <th>Type of Soil</th> </tr> </thead> <tbody> <tr><td>1</td><td>Batu Hitam</td></tr> <tr><td>2</td><td>Gong Chenak</td></tr> <tr><td>3</td><td>Kechor</td></tr> <tr><td>4</td><td>Kumansi</td></tr> <tr><td>5</td><td>Sabrang</td></tr> <tr><td>6</td><td>Talisai</td></tr> <tr><td>7</td><td>Tanjong Lipat</td></tr> <tr><td>8</td><td>Kinabatangan</td></tr> <tr><td>9</td><td>Sapi</td></tr> <tr><td>10</td><td>Brantian</td></tr> <tr><td>11</td><td>Sook</td></tr> <tr><td>12</td><td>Lungmanis</td></tr> <tr><td>13</td><td>Silabukan</td></tr> <tr><td>14</td><td>Rumidi</td></tr> <tr><td>15</td><td>Kalabakan</td></tr> <tr><td>16</td><td>Lokan</td></tr> </tbody> </table>	No.	Type of Soil	1	Batu Hitam	2	Gong Chenak	3	Kechor	4	Kumansi	5	Sabrang	6	Talisai	7	Tanjong Lipat	8	Kinabatangan	9	Sapi	10	Brantian	11	Sook	12	Lungmanis	13	Silabukan	14	Rumidi	15	Kalabakan	16	Lokan	Complied
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4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	The management still continued to use Agricultural Policies as a management strategy for plantings on slopes above a certain limit, Section 4.0: Soil Conservation and Terracing by constructing of silt pit. Field inspection showed groundcover with soft grass and soft weeds. There is no significant erosion risk was noted during the field visit. Terracing has been constructed to reduce the soil erosion. There are no peat soils or soil categorised as problematic or fragile soil at both estates.	Complied																																		
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Estates has implemented annual road maintenance programme. Example of programme checked at both Estate shows the map indicating road repairs and maintenance for the whole estate roads.	Complied																																		
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at both estates.	Complied																																		
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at both estates.	Complied																																		
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at both estates.	Complied																																		
<b>Criterion 4.4:</b> Practices maintain the quality and availability of surface and ground water.																																					

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.1</p> <p>An implemented water management plan shall be in place. - Minor compliance -</p>	<p>Sustainability department has developed the water management plan for the whole Sakilan complex dated September 2016. Water management plan includes river water monitoring for (upstream and downstream) for Sungai Bulu with the latest sampling result for drinking water done by the mill on 22/6/16 and carried out by Dynakey Laboratories Sdn Bhd. 2 sampling point were checked (before and after chlorination). Refer to certificate of analysis (COA) report# 20160622-02A-0 and 20160622-02B-0 dated 10/8/16. The results shown all parameters are complied with Drinking Water Quality Standard.</p> <p>River water monitoring analysis was conducted on monthly basis as per Compliance Schedule, JPKKS/12/003460. COA for July – September 2016 available for viewing. Refer to COA# 20160920-05-02 dated 27/9/16, COA#20160818-02-0 dated 25/8/16 and COA# 20160719/01A-01C dated 25/7/16. All parameter tested are within limit as stipulated in mill’s compliance schedule</p> <p><u>Sakilan Estate</u> Drinking water analysis dated 20/6/16 by Dynakey Laboratories Sdn Bhd. COA# 20160622-03A-0 and 20160622-03B-0 dated 10/8/16. The results shown all parameters are complied with microbiological test are not detected for E.Coli and Total Coliform.</p> <p>River @ stream water monitoring carried out every 6 monthly. 6 sampling points were selected for monitoring. Refer to the latest monitoring done by Kiwiheng Environment Consultants Sdn Bhd on 29/8/16. Only 4 parameters tested (BOD, COD, O&amp;G and E.coli) not as per required WQI parameter. Refer to minor NC raised.</p> <p>Refer to report# EL/W/0816/379 dated 13/9/16. Oil &amp; Grease – not detected.</p> <p><u>Linbar 1 Estate</u> Drinking water analysis dated 22/6/16 by Dynakey Laboratories Sdn Bhd. COA# 20160622-04B-0 and 20160622-04A-0 dated 10/8/16. The results shown all parameters are complied with microbiological test are not detected for E.Coli and Total Coliform.</p>	<p>Minor nonconformance</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -</p>	<p>Riparian buffer zone maintained at both sides of Streams running through the estate. At Sakilan and Linbar 1 estates the buffer zones are restored during the recent replanting activities. The area near Sg. Lokan was visited again and noted that the riparian has been maintained.</p> <p><u>Linbar 1 Estate</u> River @ stream water monitoring carried out every 4 monthly as per EPD approval @ AEC. 3 sampling points were selected for monitoring namely ( Sg Tengah, Tributary of Sg Logan and Sg Lokan). Refer to the latest monitoring done by Kiwiheng Environment Consultants Sdn Bhd on 13/9/16; ref# EL/W/0816/374. 5 parameters tested ( TSS, O&amp;G, Nitrate, Phosphate and Turbidity)</p> <p><u>Sakilan Estate</u> River water monitoring analysis Report No. EL/W/0815/323 dated 7/9/2015. Total Suspended Solid 14mg/L (below limit of 150mg/L), Oil &amp; Grease, Nitrate 3mg/L and Phosphate were not detected</p>	<p>Complied</p>
<p>4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -</p>	<p>Sakilan palm oil mill's effluent discharge is in compliance with DOE license requirement of below 50mg/L for treated effluent discharge in relation to BOD. It is also within the limits for other indicators such as Oil &amp;Grease and Suspended solids. DOE quarterly report for the 3<sup>rd</sup> quarter dated 27/10/16 submitted to DOE. Latest effluent analysis by Dynakey Laboratories Sdn. Bhd. Refer to COA for July – September 2016 available for viewing. Refer to COA# 20160920-05-02 dated 27/9/16, COA#20160818-02-0 dated 25/8/16 and COA# 20160719/01A-01C dated 25/7/16 found that all parameters are within the approved limit of DOE license. E.g: BOD below 50mg/l.</p>	<p>Complied</p>
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -</p>	<p>Mill has maintained monitoring of water usage for processing FFB which recorded every month. Water for processing is abstracted from water catchment by usin pump. An average of 0.94 m<sup>3</sup> water is used to process per mt of FFB which is below than the targeted value of 1.2 – 1.5Mt/FFB Mt for financial year July 2015 to June 2016.</p>	<p>Complied</p>
<p><b>Criterion 4.5:</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		

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Criterion / Indicator		Assessment Findings	Compliance												
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	Group Standard Operating Procedures (StOPs) : Section 5.0-Cultural Practices and Biological Control by Developing Beneficial Plants for Natural Predators and Agricultural Policies, Section 9.0: Pest and Disease includes the planting of beneficial plants and control of damage by rodents, leaf-eaters, orytes and natural enemies. Beneficial plants such as Turnera subuleta, Antigonon Leptopus, Euphorbia heterophylla and Cassia Cobanensis are grown in the estates. Records of planting of new areas and maintenance of existing areas of beneficial plants, location maps and barn owl census are available.  <table border="1"> <tr> <td></td> <td>Distance</td> <td>Estate</td> </tr> <tr> <td>Beneficial Plant</td> <td>579 chain</td> <td>Sakilan Est.</td> </tr> </table>		Distance	Estate	Beneficial Plant	579 chain	Sakilan Est.	Complied						
	Distance	Estate													
Beneficial Plant	579 chain	Sakilan Est.													
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	Training records for staff and workers on IPM implementation were available and verified to be satisfactory during on-site assessment.  <table border="1"> <tr> <td>Date</td> <td>Training Topic</td> <td>Trainer</td> <td>Estate</td> </tr> <tr> <td>20/10/16</td> <td>IPM</td> <td>Staff</td> <td>Sakilan Est</td> </tr> <tr> <td>24/10/16</td> <td>IPM</td> <td>Ast Mgr</td> <td>Linbar 1 Estate</td> </tr> </table>	Date	Training Topic	Trainer	Estate	20/10/16	IPM	Staff	Sakilan Est	24/10/16	IPM	Ast Mgr	Linbar 1 Estate	Complied
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20/10/16	IPM	Staff	Sakilan Est												
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<b>Criterion 4.6:</b>															
Pesticides are used in ways that do not endanger health or the environment															
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Justification of pesticides applied is available in the agriculture policies. Refer to Agricultural Policies, Section 6.0: Weeding-Weed Control and Section 9.0: Pest and Disease. The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species.	Complied												
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications was maintained.  <table border="1"> <tr> <td></td> <td>15/16</td> <td>Todate (Aug) 2016</td> </tr> <tr> <td>Sakilan Est</td> <td>2.7933 % a.i/ha</td> <td>0.34045 % a.i/ha</td> </tr> <tr> <td>Linbar 1 Est</td> <td>8.73 % a.i/ha</td> <td>2.964 % a.i/ha</td> </tr> </table>		15/16	Todate (Aug) 2016	Sakilan Est	2.7933 % a.i/ha	0.34045 % a.i/ha	Linbar 1 Est	8.73 % a.i/ha	2.964 % a.i/ha	Complied			
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Sakilan Est	2.7933 % a.i/ha	0.34045 % a.i/ha													
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4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in IOI Palm Agricultural Policies. The implementation in the field is consistent with the manual. There is no prophylactic use of pesticides.	Complied												



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4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Complied																				
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Complied																				
Training for both estates was conducted accordingly.																						
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4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	Complied																				
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	Complied																				
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	Complied																				
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	Complied																				
There is no associated smallholder at Sakilan Certification Unit. Training for both estates was conducted accordingly.																						
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4.6.10	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p>- Minor compliance -</p>	<p>The management dispose the empty containers per scheduled waste regulation.</p> <p>Proper disposal of waste material in accordance to company procedures and understood by workers and managers. Interview with management team and employees reveal that proper disposal of waste material is understood. There is no any issue of burning of waste materials. Waste recycling awareness in carried out by the operating units.</p>	Complied																								
4.6.11	<p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance -</p>	<p>Annual medical surveillance for sprayers and pesticide operators were demonstrated.</p> <p>Medical examination programme established for group of sprayer which conducted by DAB OH Sdn Bhd-HQ/10/DOC/00/167.</p> <table border="1" data-bbox="660 853 1273 1357"> <thead> <tr> <th>ID No</th> <th>Date of Medical check up</th> <th>Result</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>AP668336 (Siti Aisa)</td> <td rowspan="5">3/3/16</td> <td>Fit</td> <td rowspan="5">Sakilan Estate</td> </tr> <tr> <td>AS250203 (Massa)</td> <td>Fit</td> </tr> <tr> <td>AS245832 (Halijah)</td> <td>Fit</td> </tr> <tr> <td>AS245834 (Ros)</td> <td>Fit</td> </tr> <tr> <td>AR248358 (Sapiana)</td> <td>Fit</td> </tr> <tr> <td>AS375186 (Absconded)</td> <td rowspan="3">6/10/16</td> <td>Not fit (Hepatitis B)</td> <td rowspan="3">Linbar 1 Estate</td> </tr> <tr> <td>AR360152</td> <td>Fit</td> </tr> <tr> <td>AS375200</td> <td>Fit</td> </tr> </tbody> </table>	ID No	Date of Medical check up	Result	Estate	AP668336 (Siti Aisa)	3/3/16	Fit	Sakilan Estate	AS250203 (Massa)	Fit	AS245832 (Halijah)	Fit	AS245834 (Ros)	Fit	AR248358 (Sapiana)	Fit	AS375186 (Absconded)	6/10/16	Not fit (Hepatitis B)	Linbar 1 Estate	AR360152	Fit	AS375200	Fit	Complied
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4.6.12	<p>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p> <p>- Major compliance -</p>	<p>The test was carried out by Hospital Assistant of estate for the female workers.</p> <table border="1" data-bbox="660 1469 1299 1917"> <thead> <tr> <th>ID No</th> <th>Last test</th> <th>Result</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>AP668336 (Siti Aisa)</td> <td rowspan="5">Nov 16</td> <td rowspan="5">Normal</td> <td rowspan="5">Sakilan Estate</td> </tr> <tr> <td>AS250203 (Massa)</td> </tr> <tr> <td>AS245832 (Halijah)</td> </tr> <tr> <td>AS245834 (Ros)</td> </tr> <tr> <td>AR248358 (Sapiana)</td> </tr> <tr> <td>AS375186 (Absconded)</td> <td>-</td> <td>-</td> <td rowspan="3">Linbar 1 Estate</td> </tr> <tr> <td>AR360152</td> <td rowspan="2">Dec 16</td> <td>Normal</td> </tr> <tr> <td>AS375200</td> <td>Normal</td> </tr> </tbody> </table>	ID No	Last test	Result	Estate	AP668336 (Siti Aisa)	Nov 16	Normal	Sakilan Estate	AS250203 (Massa)	AS245832 (Halijah)	AS245834 (Ros)	AR248358 (Sapiana)	AS375186 (Absconded)	-	-	Linbar 1 Estate	AR360152	Dec 16	Normal	AS375200	Normal	Complied			
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**Criterion 4.7:**

An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:

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<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -</p>	<p>Occupational Safety and Health Policy was established which has been signed by Group Plantation Director of IOI Corporation Berhad dated 11/7/2011.</p> <p>Safety Management plans for 2016 dated 5/1/2016 has been established. The Safety Management plans comprises of OSH legal compliance, emergency response plan (ERP), OSH management system, risk assessment, safety training, safety inspections and safety committee activities. Sample of OSH management system activities as follows :</p> <p><b>i) Chemical Health Risk Assessment (CHRA)</b> CHRA for SKPOM was conducted on 23/3/2015 by DAB OH Sdn Bhd (Dr Mohd Azizan B. Abdul Aziz : JKPP HIE 127/171-2(298)). The CHRA action plan, dated: 18/5/15 was established through the recommendation from the assessor. The chemical register was update on 11/12/2016 by Lab. In-charge.</p> <p>CHRA for Sakilan Estate was conducted on 22/10/12 by Klinik Mansor Sdn Bad (Dr Ahmad Mansor Bin Osir: JKPP HIE 127/171-2(289)). The CHRA action plan, dated: 20/12/14 was established through the recommendation from the assessor. The chemical register was update on 30/11/2016 by Ast. Mgr In-charge.</p> <p>CHRA for Sakilan Estate was conducted on 10/9/13 by Klinik Mansor Sdn Bad (Dr Ahmad Mansor Bin Osir: JKPP HIE 127/171-2(289)). The CHRA action plan, dated: 1/12/13 was established through the recommendation from the assessor. The chemical register was update by Ast. Mgr In-charge.</p> <p><b>ii) Chemical Exposure Monitoring</b> The Initial CEM was conducted on 13/2/2012 by CHRA Industrial Hygiene Services Sdn Bhd, JKPP HIE 127/171-3-1(9).Sighted the Initial CEM Report (IHT 1-0212-(01)) dated 13/3/2012, the results of the monitoring shown that exposure concentration for work unit laboratory, boiler and kernel plant were below the permissible exposure limit (PEL). Thus, the probability of the various hazardous chemical to adversely affect the health of the workers in a short term and long term is low.</p> <p><b>iii)Medical Surveillance</b> 40 workers were sent for medical surveillance on 24/10/2016 for those who are involved with chemical, refer to medical surveillance report by registered OHD, HQ/10/DOC/00/167 under DAB OH Sdb Bhd (Dr Mohd Azizan B. Abdul Aziz). All the workers were found fit to work.</p> <p><b>iv) Audiometric Testing</b> Audiometric testing was conducted on 24/10/16 by DAB OH Sdn Bhd (Dr Mohd Azizan-HQ/10/DOC/00/167). Total workers tested 25. Only 1 worker we found to experience STS. The recommendation by doctor was to retest on 22/01/2017.</p>	<p>Complied</p>

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	<p><b>v) LEV inspection</b> Local Exhaust Ventilation (LEV) Monitoring was conducted on 16/6/2016 by DYNAKEY Laboratories Sdn Bhd (JKKP HIE 127/171-3/2(144). The scheduled preventive maintenance program was established through the recommendation from the assessor. The monthly inspection for Laboratory Fume Hood was conducted accordingly, last inspection was conducted on 10/12/16.</p>		
4.7.2	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. - Major compliance -</p>	<p>HIRARC for all activities was assessed, dated 2/1/15 (SKPOM), 30/11/16 (Sakilan Estate) which was based on Risk Assessment Criteria stated in the procedure (Hazard Prevention and Control Measures Procedure, dated 1/8/2012). Eg: Weighbridge, Loading Ramp, Sterilizer, Tippler, Threshing Station, EFB press, EFB Hopper, EFB Fiberizer, Pressing Station, Oil room, Kernel Plant, Kernel Storage, palm kernel despatch, CPO Storage, CPO despatch, shovel, Electrical work, workshop, Boiler Station, Engine room, harvesting, pruning, scout harvesting, FFB loading and collection, transporting of workers, transporting FFB, FFB loading at ramp, spraying, rat baiting, manuring, workshop, chemical store, fertilizer store, lubricating store, thinning of palms, manual selective weeding, genset maintenance, road maintenance, electrical-wiring and mulching.</p>	Complied

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<p>4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. - Minor compliance -</p>	<p>Training Programme for the year 2016 was established. Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE. Suitable PPE has been provided to the workers based on the information in the MSDS/CSDS and CHRA assessor's recommendation.</p> <table border="1" data-bbox="657 678 1273 1664"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>24/10/16</td> <td>Hearing conservation programme</td> <td>DAB OH Sdn Bhd.</td> <td rowspan="13">SKPOM</td> </tr> <tr> <td>14/10/16</td> <td>Workshop</td> <td>Staff</td> </tr> <tr> <td>25/6/16</td> <td>SOP Engine room</td> <td>Ast Mgr</td> </tr> <tr> <td>18/6/16</td> <td>SOP FFB Grading</td> <td>Grader</td> </tr> <tr> <td>13/6/16</td> <td>SOP Boiler</td> <td>Staff</td> </tr> <tr> <td>16/3/16</td> <td>SOP steriliser</td> <td>Staff</td> </tr> <tr> <td>26/2/16</td> <td>Fire fighting</td> <td>Staff</td> </tr> <tr> <td>20/1/16</td> <td>Chemical hazard</td> <td>Millivest Sdn Bhd.</td> </tr> <tr> <td>20/10/16</td> <td>IPM</td> <td>Staff</td> <td rowspan="7">Sakilan Estate</td> </tr> <tr> <td>21/10/16</td> <td>Sprayer</td> <td>Staff</td> </tr> <tr> <td>29/8/16</td> <td>MSDC/CSDS</td> <td>Staff</td> </tr> <tr> <td>27/8/16</td> <td>Chemical mixing</td> <td>Staff</td> </tr> <tr> <td>14/6/16</td> <td>PPE</td> <td>Staff</td> </tr> <tr> <td>17/6/16</td> <td>Handling Tractor</td> <td>HSE Mgr</td> </tr> <tr> <td>19/8/16</td> <td>Harvesting</td> <td>Staff</td> </tr> <tr> <td>21/10/16</td> <td>Manuring</td> <td>Staff</td> <td rowspan="5">Linbar 1 Est</td> </tr> <tr> <td>30/9/16</td> <td>Spraying/HCV/ Manuring</td> <td>Ast Mgr</td> </tr> <tr> <td>25/7/16</td> <td>Handling Chemical/PPE</td> <td>Ast Mgr</td> </tr> <tr> <td>22/4/16</td> <td>Triple Rinse</td> <td>Ast Mgr</td> </tr> <tr> <td>7/1/16</td> <td>Storage</td> <td>Ast Mgr</td> </tr> <tr> <td>24/2/16</td> <td>Harvesting</td> <td>Ast Mgr</td> </tr> </tbody> </table>	Date	Training Topic	Trainer	Remarks	24/10/16	Hearing conservation programme	DAB OH Sdn Bhd.	SKPOM	14/10/16	Workshop	Staff	25/6/16	SOP Engine room	Ast Mgr	18/6/16	SOP FFB Grading	Grader	13/6/16	SOP Boiler	Staff	16/3/16	SOP steriliser	Staff	26/2/16	Fire fighting	Staff	20/1/16	Chemical hazard	Millivest Sdn Bhd.	20/10/16	IPM	Staff	Sakilan Estate	21/10/16	Sprayer	Staff	29/8/16	MSDC/CSDS	Staff	27/8/16	Chemical mixing	Staff	14/6/16	PPE	Staff	17/6/16	Handling Tractor	HSE Mgr	19/8/16	Harvesting	Staff	21/10/16	Manuring	Staff	Linbar 1 Est	30/9/16	Spraying/HCV/ Manuring	Ast Mgr	25/7/16	Handling Chemical/PPE	Ast Mgr	22/4/16	Triple Rinse	Ast Mgr	7/1/16	Storage	Ast Mgr	24/2/16	Harvesting	Ast Mgr	<p>Complied</p>
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<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -</p>	<p>OSH Committees meeting conducted quarterly and meeting minutes includes issues raised and action taken form workplace inspection report etc. The discussion on the accident review, workplace inspection, safety improvement plan, issues from workers, training, complaints has been discussed and action to be taken. There was no major issue.</p> <p><b>Sakilan POM</b> SHC organization chart for 2016 i) Chairman – En. Ikam Singh (Manager) ii) Secretary – En. Mohamad Hairie (#3: 23/9/16, #2: 16/6/16, #1: 29/3/16)</p> <p><b>Sakilan Estate</b> SHC organization chart for 2016 i) Chairman – En. Ridwan B. Mustamin (Estate Manager) ii) Secretary – Abdul Karim B. Pg. Osman (#3: 23/9/16, #2: 19/7/16, #1: 23/5/16)</p> <p><b>Linbar 1 Estate</b> SHC organization chart for 2016 i) Chairman – En. Jasli B. Nasuli (Estate Manager) ii) Secretary – En. Berthold Kibin (#4:25/11/16, #3: 22/9/16, #2: 28/6/16, #1: 21/3/16)</p>	<p>Complied</p>
<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. - Minor compliance -</p>	<p>Accident and emergency procedures have been communicated to employees, contractors and visitors. Emergency drill was last conducted on 10/11/16 to test the state of readiness during emergency situation. Workers trained in First Aider were present in the mill and field operations. First Aid Kits were available at worksites.</p> <p>Records on all accidents kept and summary sent to Head Office. Quarterly review on accident cases carried out during OSH quarterly meeting. All operating units keeping all the JKKP 6 &amp; 8 forms and available for viewing. Sighted some records of accidents :</p> <p><u>SPOM</u></p> <p>9/4/16-Accident at Oil Room without lost mandays, and Accident investigation report was prepared on 9/4/16 by safety committee. JKKP 8 for 2015 was sent to DOSH on 11/1/2016.</p> <p><u>Sakilan Estate</u></p> <p>30/11/16-Accident at harvesting area (field 97B) with lost mandays (5days), and Accident investigation report was prepared on 9/4/16 by safety committee and JKKP 6 was sent to DOSH on 5/12/16. JKKP 8 for 2015 was sent to DOSH on 9/1/2016.</p> <p><u>Linbar 1 Estate</u></p> <p>No accident happened in 2015 and 2016. JKKP 8 for 2015 was sent to DOSH on 13/1/2016.</p>	<p>Complied</p>

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<p>4.7.6 All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -</p>	<p>Medical care is provided to all the employees. Local workers are covered under SOCSO scheme while foreign workers are covered under foreign workers compensation scheme.</p> <table border="1" data-bbox="660 533 1299 949"> <thead> <tr> <th>Insurance</th> <th>Period</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>SOCSO</td> <td>Oct 16, Nov 16</td> <td>SKPOM</td> </tr> <tr> <td>MSIG Insurance (M) Bhd. (DL-09670232-FWC &amp; DL-09673998-WC)</td> <td>1/10/16-30/9/17</td> <td></td> </tr> <tr> <td>SOCSO</td> <td>Oct 16, Nov 16</td> <td>Sakilan Estate</td> </tr> <tr> <td>MSIG Insurance (M) Bhd. (DL-09670679-FWC)</td> <td>1/10/16-30/9/17</td> <td></td> </tr> <tr> <td>SOCSO</td> <td>Oct 16, Nov 16</td> <td>Linbar 1 Estate</td> </tr> <tr> <td>MSIG Insurance (M) Bhd. (DL-09670515-FWC)</td> <td>1/10/16-30/9/17</td> <td></td> </tr> </tbody> </table> <p>At Linbar 1 Estate – additional 7 foreign workers were covered by FWCS were still in progress:</p> <ol style="list-style-type: none"> <li>1. B4370372</li> <li>2. AR347800</li> <li>3. AS252368</li> <li>4. AR412854</li> <li>5. AS236616</li> </ol> <p>At Sakilan Estate – additional 10 foreign workers were covered by FWCS were still in progress:</p> <ol style="list-style-type: none"> <li>1. B3913742</li> <li>2. B3913741</li> <li>3. B3913781</li> <li>4. B3913773</li> <li>5. B3913779</li> <li>6. AS363584</li> <li>7. AS363613</li> <li>8. AS363601</li> <li>9. AS363579</li> <li>10. AS375332</li> </ol>	Insurance	Period	Remark	SOCSO	Oct 16, Nov 16	SKPOM	MSIG Insurance (M) Bhd. (DL-09670232-FWC & DL-09673998-WC)	1/10/16-30/9/17		SOCSO	Oct 16, Nov 16	Sakilan Estate	MSIG Insurance (M) Bhd. (DL-09670679-FWC)	1/10/16-30/9/17		SOCSO	Oct 16, Nov 16	Linbar 1 Estate	MSIG Insurance (M) Bhd. (DL-09670515-FWC)	1/10/16-30/9/17		<p>Complied</p>
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<p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -</p>	<p>Records on Lost Time Accident (LTA) metrics was maintained and based on JKKP 6, 7 &amp; 8. Sample of accident statistic as shown below :</p> <table border="1" data-bbox="660 1704 1082 1823"> <thead> <tr> <th>Year</th> <th>SKPOM</th> <th>SE</th> <th>L1E</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>4</td> <td>17</td> <td>0</td> </tr> <tr> <td>2016 (as at Nov 16)</td> <td>0</td> <td>15</td> <td>0</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days</p>	Year	SKPOM	SE	L1E	2015	4	17	0	2016 (as at Nov 16)	0	15	0	<p>Complied</p>									
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<p><b>Criterion 4.8:</b> All staff, workers, smallholders and contract workers are appropriately trained.</p>																							

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<p>4.8.1</p> <p>A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.</p> <p>- Major compliance -</p>	<p>Training for RSPO SCCS Supply Chain Certification Standard Requirement &amp; Module D: Identity Preserve (IP) for mill personnel (lab, security &amp; weighbridge) dated 15/8/2016.</p> <p>Training Programme for the year 2016 was established. Awareness and training programme had been carried out to covers all aspects of the RSPO.</p> <table border="1" data-bbox="660 622 1273 1816"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>24/10/16</td> <td>Hearing conservation programme</td> <td>DAB OH Sdn Bhd.</td> <td>SKPOM</td> </tr> <tr> <td>14/10/16</td> <td>Workshop</td> <td>Staff</td> <td></td> </tr> <tr> <td>22/7/16</td> <td>Recycle</td> <td>Staff</td> <td></td> </tr> <tr> <td>25/6/16</td> <td>SOP Engine room</td> <td>Ast Mgr</td> <td></td> </tr> <tr> <td>18/6/16</td> <td>SOP FFB Grading</td> <td>Grader</td> <td></td> </tr> <tr> <td>13/6/16</td> <td>SOP Boiler</td> <td>Staff</td> <td></td> </tr> <tr> <td>16/3/16</td> <td>SOP steriliser</td> <td>Staff</td> <td></td> </tr> <tr> <td>26/2/16</td> <td>Fire fighting</td> <td>Staff</td> <td></td> </tr> <tr> <td>20/1/16</td> <td>Chemical hazard</td> <td>Millivest Sdn Bhd.</td> <td></td> </tr> <tr> <td>13/1/16</td> <td>Effluent</td> <td>Staff</td> <td></td> </tr> <tr> <td>19/7/16</td> <td>Scheduled waste</td> <td>HSE Mgr</td> <td></td> </tr> <tr> <td>1/9/16</td> <td>Sexual Harassment</td> <td>Staff</td> <td></td> </tr> <tr> <td>20/10/16</td> <td>IPM</td> <td>Staff</td> <td rowspan="10">Sakilan Estate</td> </tr> <tr> <td>21/10/16</td> <td>Sprayer</td> <td>Staff</td> </tr> <tr> <td>30/8/16</td> <td>Triple rinse</td> <td>Staff</td> </tr> <tr> <td>30/8/16</td> <td>Spill Kit</td> <td>Staff</td> </tr> <tr> <td>29/8/16</td> <td>MSDC/CSDS</td> <td>Staff</td> </tr> <tr> <td>27/8/16</td> <td>Chemical mixing</td> <td>Staff</td> </tr> <tr> <td>14/6/16</td> <td>PPE</td> <td>Staff</td> </tr> <tr> <td>17/6/16</td> <td>Handling Tractor</td> <td>HSE Mgr</td> </tr> <tr> <td>19/8/16</td> <td>Harvesting</td> <td>Staff</td> </tr> <tr> <td>21/10/16</td> <td>Manuring</td> <td>Staff</td> </tr> <tr> <td>19/7/16</td> <td>S/Waste</td> <td>HSE Mgr</td> <td rowspan="5">Linbar 1 Est</td> </tr> <tr> <td>30/9/16</td> <td>Spraying/HCV/ Manuring</td> <td>Ast Mgr</td> </tr> <tr> <td>25/7/16</td> <td>Handling Chemical/PPE</td> <td>Ast Mgr</td> </tr> <tr> <td>22/4/16</td> <td>Triple Rinse</td> <td>Ast Mgr</td> </tr> <tr> <td>7/1/16</td> <td>Storage</td> <td>Ast Mgr</td> </tr> <tr> <td>24/2/16</td> <td>Harvesting</td> <td>Ast Mgr</td> <td></td> </tr> </tbody> </table> <p>Sakilan Certification unit has established an annual training programme that covers all aspects of the RSPO Principles and Criteria. The plan was available for viewing at all visited operating unit.</p>	Date	Training Topic	Trainer	Remarks	24/10/16	Hearing conservation programme	DAB OH Sdn Bhd.	SKPOM	14/10/16	Workshop	Staff		22/7/16	Recycle	Staff		25/6/16	SOP Engine room	Ast Mgr		18/6/16	SOP FFB Grading	Grader		13/6/16	SOP Boiler	Staff		16/3/16	SOP steriliser	Staff		26/2/16	Fire fighting	Staff		20/1/16	Chemical hazard	Millivest Sdn Bhd.		13/1/16	Effluent	Staff		19/7/16	Scheduled waste	HSE Mgr		1/9/16	Sexual Harassment	Staff		20/10/16	IPM	Staff	Sakilan Estate	21/10/16	Sprayer	Staff	30/8/16	Triple rinse	Staff	30/8/16	Spill Kit	Staff	29/8/16	MSDC/CSDS	Staff	27/8/16	Chemical mixing	Staff	14/6/16	PPE	Staff	17/6/16	Handling Tractor	HSE Mgr	19/8/16	Harvesting	Staff	21/10/16	Manuring	Staff	19/7/16	S/Waste	HSE Mgr	Linbar 1 Est	30/9/16	Spraying/HCV/ Manuring	Ast Mgr	25/7/16	Handling Chemical/PPE	Ast Mgr	22/4/16	Triple Rinse	Ast Mgr	7/1/16	Storage	Ast Mgr	24/2/16	Harvesting	Ast Mgr		<p>Complied</p>
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<p>4.8.2 Records of training for each employee shall be maintained. - Minor compliance -</p>	<p>Records of training for employees available and maintained. Records verified on a sampling basis at the Mill and estates visited covers all aspect of training and RSPO P&amp;C.</p> <p>Records of training for employees available and maintained. Records verified on a sampling basis at the Millland estates visited covers all aspect of training and RSPO P&amp;C. Samples of training record for 2016 as follows :</p> <p>Mill:</p> <ul style="list-style-type: none"> <li>• Chemical hazard training (20/1/16)</li> <li>• Heat Stress training (23/3/16)</li> <li>• SOP "Makmal and Pengurusan Bahan Kimia" Training (13/6/16)</li> <li>• Scheduled Waste Management training (19/7/16)</li> <li>• 3R awareness training (22/7/16)</li> </ul> <p>Sakilan Estate:</p> <ul style="list-style-type: none"> <li>• Safety Training for Childcare Centre training (15/8/16)</li> <li>• Oil trap maintenance training (19/10/2016)</li> <li>• Sprayer Training (14/6/16)</li> </ul>	<p>Complied</p>

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

**Criterion 5.1:**

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

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<p>5.1.1 An environmental impact assessment (EIA) shall be documented. - Major compliance -</p>	<p>The IOI sustainability team has prepared the environmental aspect and impacts assessment in term of Environmental Impact Assessment, management Action Plans and Continual Improvement Plans from December 2015 till November 2016 for Sakilan region. The review conducted on 30 November 2015. Documented EIA, Environmental Impact Assessment, dated 10/8/09 for project title: <i>"Replanting of 4,300 hectares oil pal plantation within Right Purpose Sdn Bhd Plantation Area (Linbar 1 and 2 Estate)Beluran District" was referred to develop the internal EIA."</i> <i>EIA and Agreement of environmental conditions (AEC) @ "Surat Akujanji" dated 27/1/10.</i></p> <p>The report has been approved by the Sabah's EPD on 6/1/15 [(ref.: JPAS/PP/06/600-1/11/1/205)]. Among the environmental aspect and impact identified are:</p> <ol style="list-style-type: none"> <li>1) Soil erosion and water pollution</li> <li>2) Biomass disposal and air pollution</li> <li>3) Impact on water use of local rivers</li> <li>4) Impact form transportation activity</li> <li>5) Impact form usage of agro-chemicals</li> <li>6) Pollution for waste disposal</li> <li>7) Ecological impact</li> <li>8) Socio-economic impact</li> <li>9) Impact under abandonment</li> </ol> <p>Verified Y3/2016 environmental compliance report, ref# KEC/(EV)/M/16/09-10 (July-October 2016) dated 24/8/16</p>	<p>Complied</p>
<p>5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -</p>	<p>The continuous implementation of the improvements activities were checked during the field and document audit. Examples of the improvement include reinstatement of riparian buffer zones, construction of oil traps, management of schedule waste etc. It also installed GreenTube to minimize solids to the minimum level and thus reducing the frequency of de-sludging for the ponds. The responsible person is the Assistant Manager.</p>	<p>Complied</p>

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<p>5.1.3</p>	<p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p> <p>An environmental improvement plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.</p> <p>Environmental Impact Assessment, dated 10/8/09 for project title: "Replanting of 4,300 hectares oil pal plantation within Right Purpose Sdn Bhd Plantation Area (Linbar 1 and 2 Estate)Beluran District "</p> <p><i>EIA and Agreement of environmental conditions (AEC) @ "Surat Akujanji" dated 27/1/10. File reference: JPAS/PP/02/600-1/11/1/81</i></p> <p>The report has been approved by EPD on 27/1/10; JPAS/PP/02/600-1/11/1/81. Among the environmental aspect and impact identified are:</p> <ul style="list-style-type: none"> <li>i)Control of developed area</li> <li>ii)Quality of water resources</li> <li>iii)River protection</li> <li>iv)Soil erosion and sedimentation</li> <li>v)Construction of worker's quarters, workshop and nursery</li> <li>vi)Control of surface run-off water</li> <li>vii)Protection of sensitive area</li> <li>xii)Development of oil palm estate in phases</li> <li>xi)Oil and toxic waste</li> <li>x)Biomass and solid waste disposal</li> <li>ix)Control of air quality and use of fire</li> <li>xii)Termination of project</li> </ul> <p><i>Monitoring protocol through (ECR) for estates by 3<sup>rd</sup> party EPD, Kiwiheng Environmental Consultants Sdn Bhd (EPD Reg: F007) (compliance and impact monitoring; field inspection and water sampling )</i></p> <p>Verified Y3/2016 environmental compliance report, ref# KEC/(EV)/M/16/09-10 (July-October 2016) dated 24/8/16</p>	<p>Complied</p>

**Criterion 5.2:**  
The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and and operations managed to best ensure that they are maintained and/or enhanced.

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5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -	HCV assessment has been reviewed on December 2016 by the executive from the sustainability team who has attended HCV training. At Sakilan Estate (10 ha) classified as conservation area which consist of steep hill, water pond and cemetery. Conservation of natural vegetation are kept undisturbed.  Linbar II: total conservation area – 209.83 ha consist of natural stream tributaries, steep hill and water pond.  Linbar I and Linbar II Estates share a border with the Segaliud Lokan Forest Reserve. Sometime animals sighted such as elephant, sun bear, long-tail macaque, sambar deer, hornbill, eagle, otter, wild boar and flying fox along the boundary with Linbar Estates. Some species at the Forest Reserve are protected under the Protection of Wildlife Act 1972 (Act 76) and Sabah Wildlife Conservation Enactment 1997 and/or classified under IUCN Red List 2008. Forestry Department Officers indicated the adjacent Forestry Department land is relatively undisturbed	Complied
5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -	Regular patrols within the operating unit estates were carried out and findings recorded by the respective Estate executives to monitor the conservation/unplantable/ buffer zone areas. Mechanism for reporting the sightings of various types of wildlife, were found to have been in place. Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented. Signage's that prohibit hunting, fishing and water polluting activities were verified on-site at the both visited estates found to have been satisfactorily maintained.	Complied
5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	Staff and workers were given briefing on company policies that prohibit disturbance of designated protected areas. Signages are maintained at the entrance to the estates prohibiting illegal hunting, fishing and the use of fire. Posters are displayed on the notice boards at muster areas.	Complied
5.2.4 Where a management plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> - Minor compliance -	On-going monitoring of the management plan on the status of any RTE species at the plantation areas is done. Reports are collated and reviewed by the Compliance team for the operating units situated within the region. The updated reports available indicated that there have been no sightings of any RTE species at the operating units. It was only sighted at the estate boundary such as elephant	Complied

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5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	It is verified that there has been no instance of HCV set aside that conflicts with the rights of local communities at the estates visited. Thus negotiated agreement of such nature is not applicable.	Complied
<b>Criterion 5.3:</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	Sakilan operating units have established Waste Management Action Plan For 2016. Few type of waste has been identified i.e. Scheduled Waste, Domestic Waste and Industrial Waste. The source of these wastes were mainly located at mechanical/electrical workshop, chemical store, scheduled waste store, line site, office, mill effluent pond.  Type of scheduled waste generated was verified through 2 <sup>nd</sup> schedule @ notification to DOE. Verified at Sekilan Estate 2 <sup>nd</sup> schedule of waste dated 30/9/16. Type of waste generated namely SW102, SW109, SW305, SW306, SW404 and SW410. Waste inventory dated 13/12/16 was sighted at Sakilan Estate.	Complied

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<p>5.3.2 All chemicals and their containers shall be disposed of responsibly. - Major compliance -</p>	<p>All chemical containers are disposed as per the company procedures. Most of the agrochemical containers are recycled for pre-mixing agrochemicals. Recycling is only for the same purpose. Empty chemical container which has been triple rinsed and pierced will be disposed @ recycled by DOA appointed contractor, New Gates Industries (Borneo) Sdn Bhd. Refer to approval letter, ref# JP KRP (SBH)207/12/49/(19) dated 10/3/14. Latest disposal was carried out on 9/12/16 by New Gates Industries (Borneo) Sdn Bhd, DO# 104664 and 104665 for total of 0.9 mt.</p> <p>Disposal of waste, Clinical waste SW404 transported to the nearby clinic, Luangmanis Clinic</p> <p>i) Waste from treatment (1.5 kg) dated 30/11/16 to Luangmanis Estate. ii) Waste from sharp instrument (1.3 kg) dated 30/5/16.</p> <p>EHA acceptance was verified.</p> <p>Disposal of waste from Linbar 1; own transport arrangement to nearby by for centralized storage and disposal (Ladang Sabah).</p> <p>Inventory of scheduled waste @ 5<sup>th</sup> Schedule has been updated on monthly basis via ESWiS. Refer to inventory for the month of November 2016. Refer# 1221H21144051112016.</p> <p>Disposal of scheduled waste was conducted by DOE registered contractor, Lagenda Bumimas Sdn Bhd for SW102, SW109, SW305, SW110, SW409 and SW410 on 21/10/16. Verified consignment note @ 6<sup>th</sup> Schedule for the above schedule waste:</p> <p>SW102; CN#2016102816CLA0YO submission date on 28/10/16 SW109; CN#20161028166ZD0M4 submission date on 28/10/16 SW305; CN#2016102817WZG16X submission date on 28/10/16 SW110; CN#2016102817ZDHNK5 submission date on 28/10/16 SW409; CN#2016102817XRJH82 submission date on 28/10/16 SW410; CN# 2016102817NY3HJM submission date on 28/10/16</p>	<p>Complied</p>

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5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	<p>Waste management and disposal plan has been included in the environmental management plan. All operating units have Pollution Prevention Plan which incorporated with documented Environmental Impacts Identification and Improvement Plan. IOI has a Schedule waste competent person (CePSWam) as required by DOE (registration No.: CePSWam/00311). It was noted that waste management plan was not effectively implemented for the following activities:</p> <p>i) Environmental impact assessment management action plan and continuous improvement plan did not include: - Internal transportation activity for centralized storage and disposal</p> <p>ii) Improper storage of SW410 (contaminated rags and gloves) found outside workshop area without proper labelling for identification.</p> <p>Thus, minor NC was issued</p>	Minor nonconformance
<p><b>Criterion 5.4:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>Based on record of monitoring of renewable energy usage for financial year 2015/2016, the following were derived: Average shell usage: 30% Average fibre usage: 70% Average fossil fuel (diesel): 20.46 liter/mt CPO produced.</p> <p>Turbine kWh : 1,970,900 (July 2015 – June 2016) kWh/mt CPO : 90.60 vs baseline 97.84 kWh/ mt CPO Genset kWh : 449,490 (July 2015 – June 2016) kWh/mt CPO : 22.96 vs baseline 30.62 kWh/ mt CPO</p>	Complied
<p><b>Criterion 5.5:</b> Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	<p>Based on the action plan to prevent open burning which includes planting cover crops, installing zero burning notice boards, briefing and etc.</p> <p>Furthermore, the Group policy of "Zero burning" is enforced since July 2008. The operating units were all adhered to the policy of "Zero open burning" for any replanting, if any, in the estates. Field inspections made in Linbar II and Sakilan estates field showed no evidence of open burning</p>	Complied

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5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	The operating units have adhered to the zero burning policy for replanting at the estates. There was no evidence of any burning of domestic waste at the housing line sites and at the domestic landfills of the estates during on site field assessment	Complied
<b>Criterion 5.6:</b> Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	Based on the assessment of all polluting activities as of the Environment Aspect and Impact assessment, identified source was boiler chimney. Current monitoring was through online boiler smoke density and alarm and six-monthly boiler stack monitoring for dust particulate. Sampled Boiler stack sampling records: Dust Emission Monitoring Records for chimney 1; dated 3/4/2016 by Green Environmental Services. Report ref. # GES/EM16/778. For 1 <sup>st</sup> quarter 2016, result shown the stack emissions are within limit at 0.3896 g/Nm <sup>3</sup> vs 0.4 g/Nm <sup>3</sup> @ 12% CO <sub>2</sub> .  2nd half : Carried out by Multi-Serve Enterprise, report# MS/SAKILAN POM/2016/BOILER NO.1 (S1) – 2 <sup>nd</sup> half. Result recorded at 0.218 g/Nm <sup>3</sup> vs 0.4 g/Nm <sup>3</sup> @ 12% CO <sub>2</sub> .	Complied
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH <sub>4</sub> ) emission through POME treatment. The company have plans to construct methane capture facilities in POME treatment pond. Project arrangement handled by HQ and the project expected to complete the construction before 2019.  Other less significant GHG emissions identified including CO <sub>x</sub> , SO <sub>x</sub> and NO <sub>x</sub> from various sources including fossil fuel, chemical and fertilizer consumptions.	Complied
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Tools and systems used to monitor significant pollutants includes the DOE CEMS monitoring system for air emissions, water quality at discharge points as per DOE regulations and Scheduled Waste disposal as per the DOE requirements. POME is treated using aerobic and anaerobic ponds. Effluent waste-water samples were taken as per DOE requirement and quarterly reports sent to DOE.  Latest reporting to RSPO ERWG was on 2 December 2016. The calculation was made by using PalmGHG Version 2.1.1. Verified GHG report generated dated 10/12/16.	Complied
<b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.</b>			
<b>Criterion 6.1:</b> Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			



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6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	Sighted the SIA and records sighted being documented as following: <ul style="list-style-type: none"> <li>• Mill management HCV SEIA review meeting dated 16/11/2016 involved related stakeholders</li> <li>• Annual Review meeting dated 16/11/2016 involved related stakeholders</li> <li>• Sakilan Estate management HCV SEIA review meeting dated 26/9/2016 involved related stakeholders</li> <li>• Linbar 1 Estate management HCV SEIA review meeting dated 17/11/2016 involved related stakeholders</li> </ul>	Complied
6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Based on records sighted at mill and estates, meeting attendance and interview with stakeholders found they were invited for the meeting and the issues highlighted by them have been included in the management plan and actions were taken by respective people responsible.	Complied
6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Social management plan has been included in the SIA assessment to mitigate the negative impacts with time frame and person in charge. There were minor negative impacts raised by any external stakeholders, raised mainly issues on security issues and there were on-going plans to hire AP police (security trained by the Sandakan Police). Internal stakeholders raised issues on restoration and repairs of quarters. The repairs are on-going on monthly basis.	Complied
6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	Social Management Plan reviewed annually through the stakeholder consultation and taking into consideration feedback from external and internal stakeholders. Sighted the records of Annual Review for Regional Social Impact Assessment Management Action Plans & Continuous Improvement Plan Sakilan Palm Oil Mill Dated 30/11/2016 attended by 63 stakeholders.	Complied
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No smallholder scheme within the Sakilan Certification Unit.	Not applicable
<b>Criterion 6.2:</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
6.2.1 Consultation and communication procedures shall be documented. - Major compliance -	Based on Group Social Impact Assessment & Management Action Plans (Guidance Document) Plantation Division July 2007 – June 2012 (Reviewed Annually) approved by Group Plantation Director January 2008 under subtitle 9.0 Stakeholder Request Procedure	Complied
6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance -	<ul style="list-style-type: none"> <li>• Sakilan Mill management official appointed for social affair is Assistant Manager since 2/9/2013</li> <li>• Sakilan Estate management official appointed for social affair is Assistant Manager since 22/11/2016</li> <li>• Linbar 1 Estate management official appointed for social affair is Assistant Manager since 1/12/2016</li> </ul>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	List of stakeholders available for all operating units, latest updated on October 2016. It includes internal and external stakeholders such as government departments, contractor, suppliers, nongovernmental organisation and workers representatives.  Complied
<b>Criterion 6.3:</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.		
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	Grievance procedure included in the "Management Plan". Complaint and grievances have been recorded in "Complaint/Grievance Book" for Sakilan Mill, Linbar 1 & Sakilan Estate, which is also called as green book. The "Grievance/Complaints" book is used to record all enquiries beside complaints and grievances. Inspection of the records indicated that the system resolved all disputes in a timely manner. Interview with internal and external stakeholders confirmed that there were no pending complaints.  Complied
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance –	Internal and External disputes/grievances/enquiries are documented in the green book. The staffs that highlight the issues were asked to verify the corrections / issues / repairs after the grievance has been solved. Details and signatures of complaint by staff and people attending to the issues are recorded and all issues were resolved. ECC (Employment Consultative Committee) for resolving employment issues at local level is documented through minutes of meetings which were sighted at all sites. Issues were highlighted by representatives from each site and summary was extended to the higher management for further actions.  Complied
<b>Criterion 6.4:</b> Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	All operating units have a copy of procedure to identify legal, customary rights or user right and people entitled to compensation and the procedures are being monitored by the Social Liaison Officer. All 3 sites have their own Social Liaison Officers. There are no issues at the Certification units at all the sites. This was re-confirmed by stakeholders interviewed.  Complied

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Criterion / Indicator	Assessment Findings	Compliance	
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	SOP within the guidance documents file for calculating and distributing fair compensation which includes various factors such as gender differences, ownership and access to land, rights of long-established communities, differences in ethnic group's proof of legal versus communal ownership of land have been established. Shall there be any unsuccessful negotiations; legal action will be taken as a final measure. There is no issue at Sakilan Mill, Linbar 1 & Sakilan Estate Certification units.	Complied
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	At the time of audit it was noted that there is no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders to date through face to face interviews with the respective stakeholders.	Complied
<b>Criterion 6.5:</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			
6.5.1	Documentation of pay and conditions shall be available. - Major compliance -	Pay and condition documented includes pay slips with details of the calculation. Documentation prepared and maintained by the Chief Clerk at mill and estates and complies with legal requirements as in <i>Semakan semula gaji pekerja IOI menurut Perintah Gaji Minimum 2016</i> dated 1/7/2016.  There were no unauthorised / deductions by force on the employees monthly salary. This was also confirmed and communicated during interview with the local and foreign staff. Sample Payslip checked for;  Sampled workers mill: ID: SKM0755 (Malaysian) ID: SKM0429 (Indonesian) ID: SKM075 (Indonesian)  Sakilan estate workers: ID: 4343 (Malaysian) ID: 4104 (Indonesian) ID: 18801 (Indonesian)  Linbar 1 estate workers: ID: 1230 (Indonesian) ID: 0190 (Indonesian) ID: 0342 (Indonesian)	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>6.5.2</p> <p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>Contract of employment are available and understood by workers. Pay and conditions have been explained to workers by the plantation management during the induction program conducted at the time of arrival. Working contract , salary briefing/deductions for contract checked:</p> <p>Sampled workers mill: ID: SKM0755 (Malaysian) ID: SKM0429 (Indonesian) ID: SKM075 (Indonesian)</p> <p>Sakilan estate workers: ID: 4343 (Malaysian) ID: 4104 (Indonesian) ID: 18801 (Indonesian)</p> <p>Linbar 1 estate workers: ID: 1230 (Indonesian) ID: 0190 (Indonesian) ID: 0342 (Indonesian)</p>	<p>Complied</p>
<p>6.5.3</p> <p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>- Minor compliance –</p>	<p>All the workers are provided with housing, water and electricity from government supply, medical and welfare amenities. There are government schools located in the estate. There is a local government school nearby the mill, named SK Sakilan Desa. Children of foreign workers would be sent to school at Humana school within the Sakilan estate.</p> <p>During the interview with workers at the sites confirmed that they have access to all the facilities. Interviews with local and foreign workers confirmed that all have there is no any issues at the time of assessment conducted.</p> <p>VMO workers housing inspection conducted on 9/12/2016 report sighted available at Sakilan Estate done by Dr. Syed Dawood of Klinik Dr. Syed Sandakan. Previous visit done at Linbar 1 estate was on 19/11/2016.</p>	<p>Complied</p>
<p>6.5.4</p> <p>Growers and millers shall make demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>During the assessment, interview with employees and stakeholders confirmed that access to food are adequately and sufficiently provided and the employees have ability to purchase food of their choice through internal and external shops available in each operating units and within the area of the operating units. Employees who bring their own cooked food from home are able to eat at a designated area.</p>	<p>Complied</p>
<p><b>Criterion 6.6:</b> The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
<p>6.6.1</p> <p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance -</p>	<p>Statement published in Equal Employment Opportunity &amp; Freedom of Association Policy dated 20/8/2009 signed by Group Plantation Director.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Mill employee consultative committee (ECC) meeting latest conducted on 20/9/2016. Sakilan estate employee consultative committee (ECC) meeting latest conducted on 28/9/2016 attended by 10 members. Linbar 1 estate employee consultative committee (ECC) meeting latest conducted on 23/11/2016 attended by 8 members.	Complied
<b>Criterion 6.7:</b> Children are not employed or exploited.			
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	The minimum age for employment is 18 years old. Inspection of employee register confirmed that copy of ID for local employees or passport for foreign employees is checked and verified to ensure the age condition is fulfilled. During field visit children were not observed at any of the working place at both Sakilan mill and estates (Linbar 1 & Sakilan). This was also re-confirmed with stakeholders.	Complied
<b>Criterion 6.8:</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	Equal Opportunity policy dated 20/08/2009 approved by the IOI Group Plantation Director and this is the latest up to date policy. This policy is displayed at the notice boards along with the other policies. Interview with staff and workers reveal they are aware of the policy	Complied
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Interview with staff and workers as well as external stakeholders reveal that there is no discrimination between ethnic groups and among employees. Gender equality is noted where there are female mandores employed and paid equally for the same job carried out	Complied
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Due to shortage of local labour supply in plantations, application for field work by locals is accepted by the estate management directly. All workers are paid equally as per the agreed term and contract stipulated in the employment contract. Promotions to higher post based on skill, capabilities, qualities and medical fitness of the workers	Complied
<b>Criterion 6.9:</b> There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	Policy on preventing sexual harassment "Polisi Pencegahan dan Pemberantasan Gangguan Seksual di Tempat Kerja" is available for prevention and eradication of sexual harassment in the workplace and has been in place since 4/1/2008. At the time of audit there are no reported cases of sexual and other forms of harassment noted or informed by the stakeholders interviewed. Gender Committee comprised of female representatives communicate the awareness on preventing harassment. Meeting was held at all 3 sites on separate dates and there were no issues raised.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	Management protect the reproductive rights of the workers especially women. Female workers and staff interview reveal that they are aware of their right to have children and entitled for two months paid maternity leave. Foreign lady workers are allowed to have children and could return to work when they are ready. Protection of Reproductive Right Policy signed on 2/07/2015. Respecting Human Rights Policy signed on 11/05/2015.	Complied
6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	Grievance mechanism which respects anonymity and protects complainants has been established, implemented, and communicated to all employees. Interview with employees reveal that they are aware of the existing mechanism for complaint submission. Sakilan Mill has formed gender committee specifically to address women issues. Gender committee meeting for mill was held on 23/11/2017, attended by 8 members and there were no issues raised. Earlier meeting dated 20/5/2016.  Gender meeting for Linbar 1 estate was held on 17/10/2016 attended by 9 members	Complied
<b>Criterion 6.10:</b> Growers and mills deal fairly and transparently with smallholders and other local businesses.		
6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	Although there is no any FFB sourced from external suppliers or smallholders, the palm oil mill has the records of current and past FFB prices which in accordance to MPOB pricing and published in the newspaper.	Complied
6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	FFB not sourced from smallholders or out-growers.	Complied
6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	All contracts are fair, legal, and transparent and understood by the contractors.	Complied
6.10.4 Agreed payments shall be made in a timely manner. - Minor compliance -	Payments were made in timely manner for sample agreed payments of following: - Petron Oil (M) Sdn. Bhd. – Sep 2016 bills - Humana Child Aid Society Sabah – Aug & Sep 2016 - Inland Best Sdn. Bhd. – Sep 2016	Complied
<b>Criterion 6.11:</b> Growers and millers contribute to local sustainable development where appropriate.		
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	All operating units contribute to local development through consultation and communication. Continuous donations were made to local schools for activities and assistance for local community events. Sighted sampled contributions as following: - SK Sakilan Desa dated 10/10/2016 - Balai Polis Ulu Dusun dated 30/6/2016	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –	No scheme smallholders in the supply base at all 3 sites visited.	Not applicable
<b>Criterion 6.12:</b> No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	Foreign workers surrendered their passport for office management safekeeping. However passport temporary release allowed in case of needed. Sighted records of passport issuance book available at site.	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	There were no contract substitutions at all sites and this was confirmed that during interviews with workers and external stakeholders.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Equal Opportunity and Non- Discrimination policy is implemented as part of the special labour policy to ensure employees are treated fairly. This policy is available and acknowledged by the site management at all 3 sites visited.	Complied
<b>Criterion 6.13:</b> Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	IOI's Sustainability Policy Statement (signed in March 2014) includes Human Rights at Workplace. This has been stressed in the IOI Corporation Berhad's 2015 annual report and the briefings conducted at all sites. All briefings to employees are documented in the briefing books and acknowledge by the mill and estate managers. This policy covers the necessary aspects of human rights related issues. Interview during the assessment reveal that employees understand their right. IOI head office is in process of reviewing their various social policies for integration into the group.	Complied
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. - Minor compliance -	Company set up learning centre called HUMANA for sites at Sakilan Mill, Linbar 1 Estate and Sakilan Estate. The company provides decent buildings and accessibility to the HUMANA school for foreign workers children as a moral obligation.	
<b>Principle 7: Responsible development of new plantings</b> Sakilan Palm Oil Mill Certification unit and supply base did not carry out any new plantings since November 2005. Further verification on land title related documents was done during the site visit confirmed no newly acquired land within Sakilan POM certification unit. Visit into plantation field in both estates also shown no any visual encroachment of existing plantings into the HCV step-aside area, riparian area as well as other area within estates. Therefore, Principle 7 is not applicable during this annual surveillance. The immature areas are replanted area.			
<b>Principle 8: Commitment to continual improvement in key areas of activity</b>			
<b>Criterion 8.1:</b> Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>8.1.1</p> <p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides(Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);               <ul style="list-style-type: none"> <li>• Optimising the yield of the supply base.</li> </ul> </li> </ul> <p>- Major compliance -</p>	<p>At Sakilan Estate and Linbar 1 Estate, EFB and POME were applied as a nutrient recycling strategy.</p> <p>Some action plan for continuous improvements sighted as following:</p> <p>Sakilan POM:</p> <ul style="list-style-type: none"> <li>- Additional recycle bin</li> <li>- Document store June 2016</li> <li>- Fire water tank 30,00</li> <li>- 500mt BST</li> </ul> <p>Linbar 2:</p> <ul style="list-style-type: none"> <li>- Humana School</li> <li>- New water pump &amp; renovated water treatment</li> <li>- New football field</li> </ul> <p>Linbar 1:</p> <ul style="list-style-type: none"> <li>- New workers quarters x 3 Feb 2016</li> <li>- New tractors</li> <li>- New Genset</li> <li>- New palm top for graders</li> </ul> <p>Sakilan:</p> <ul style="list-style-type: none"> <li>- New football field</li> </ul>	<p>Complied</p>



**Appendix B: Approved Time Bound Plan**

No.	Operating Unit	Certification Status	Updated information for Partial (Clause 4.2.4)
1	Pamol POM, Sabah	Recertification completed in 2014	No outstanding issues
2	Sakilan POM	Recertification completed in 2015	No outstanding issues
3	Pamol Kluang POM	Recertification completed in 2015	No outstanding issues
4	Gomali POM	Recertification completed in 2015	No outstanding issues
5	Baturong POM	Recertification completed in 2015	No outstanding issues
6	Bukit Leelau POM	Recertification completed in 2015	No outstanding issues
7	Mayvin POM	Recertification completed in 2015	No outstanding issues
8	Pukin POM	Certified in 2012	No outstanding issues
9	Leepang POM	Certified in 2013	No outstanding issues
10	Syarimo POM	Certified in 2013	No outstanding issues
11	Ladang Sasbah POM	Certified in 2013	No outstanding issues
12	Morisem POM	Certified in 2013	No outstanding issues
13	IOI Pelita , Sarawak	Uncertified – planned 2019  (New certification for IOI-Pelita (Sarawak) is pending resolution of land dispute and RSPO decision. No POM yet)	Settlement discussion and resolution with local community is presently still on-going. RSPO has been briefed on the 17 September 2015 and 27 October 2015 about IOI- Pelita Mediation Plans. There have been 2 meetings between IOI - Pelita and the LTK community since IOI's discussion with RSPO on the 9 November 2015 and another one on 1 December 2015 – where RSPO has attended the latter as an observer together with local expert from Sarawak) Law Professor specializing in the Rights of Indigenous Community) during the discussions. Next meeting dates are planned on 30 December 2015 or 12 January 2016 subject to receiving confirmation from all parties.
14	Unico POM-1, Sabah	Uncertified – Planned 2018 (Acquired in 2014. OP was planted before 2005. Supply base do consist of external / independent smallholders)	Certification preparation in progress. Delay is expected due to further monitoring of implementation of RSPO requirements with regards to the external FFB suppliers. Therefore, the external audit has been planned in 2018
15	Unico Desa POM-2, Sabah	Uncertified – Planned 2017 (Acquired in 2014. OP was planted before 2005. Supply base comprise of own supply base only).	Certification preparation in progress.
16	PT SKS, Indonesia	Uncertified – Planned 2016 (Acquired in 2009 - new concession land).	Certification preparation in progress. Delay expected on the HGU. Note: NPP issue was considered resolved in

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		POM was commission in February 2015 and Governmental (HGU): "Hak Guna Usaha" application in progress.	May 2012 via letter from RSPO.
17	PT BNS, Indonesia	Uncertified – Planned 2017 (Acquired in 2009 - new concession land). POM was commission in February 2015 and Governmental (HGU): "Hak Guna Usaha" application in progress.	Certification preparation in progress. Pending the issuance of HGU.
18	PT BS, Indonesia	Uncertified – Planned 2019 (Acquired in 2009 - new concession land). No POM yet. Governmental (HGU): "Hak Guna Usaha" application in progress.	Certification preparation in progress. Pending the issuance of HGU. NPP for on-going planting was completed and posted on RSPO website. Note: Discussion with RSPO on compensation for the accidentally cleared HCV is in progress. The alternative option of rehabilitation and restoration is also being planned.
19	PT KPAM, Indonesia	Uncertified – Planned 2020 (Acquired in 2010 - new concession land). No POM planned yet. Re-application of expired Governmental "izin lokasi" in progress and development planned in 2017.	HCV assessment completed. SEIA in progress. NPP notification will be follow once the HCV and SEIA assessments reports are completed and reviewed. Earliest expected in 2017.

**Appendix C: Certification Unit RSPO Certificate Details**

IOI Corporation Berhad  
 Sakilan Palm Oil Mill  
 Mile 45, Sandakan/Telupid, WDT 164  
 90009 Sandakan, Sabah, Malaysia  
 Website : [www.ioigroup.com](http://www.ioigroup.com)  
 RSPO membership number: 2-0002-04-000-00

BSI RSPO Certificate No. : RSPO 543161  
 Date of Initial Certificate Issued: 08/03/2010  
 Date of Expiry: 07/03/2020  
 Applicable Standards: RSPO P&C MYNI-2014; RSPO Supply Chain Certification Standard November 2014 Module D  
 – CPO Mills: Identity Preserved)

Sakilan Palm Oil Mill and Supply Base						
Location Address	Sakilan Palm Oil Mill, Mile 45, Sandakan/Telupid WDT 164 90009 Sandakan, Sabah, Malaysia					
GPS Location	117° 50' 37" E ; 5° 50' 21" N					
CPO Tonnage Total	26,306 mt					
PK Tonnage Total	6,307 mt					
CPO Claimed for Certification*	26,306 mt					
PK Claimed for Certification *	6,307 mt					
Own estates FFB Tonnage	120,323 mt					
Scheme Smallholder FFB Tonnage	-					
Estates	Production Area		Other use (ha)	HCV (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)				
Sakilan Estate	2,142.00	0.00	144.37	10.00	2,296.37	62,808.00
Linbar I Estate	1,550.00	871.00	207.17	0.00	2,628.17	30,691.00
Linbar II Estate	1,487.00	355.00	160.17	209.83	2,212.00	26,824.00
TOTAL	5,179.00	1,226.00	511.71	219.83	7,136.54	120,323.00

**Appendix D: Assessment Plan**

Date	Time	Subjects	Hafri	Hidhir	Hafiz
Monday 12/12/2016	1205 - 1450	<ul style="list-style-type: none"> <li>Audit team travel to Sandakan : Air Asia Flight AK 5194</li> <li>Check in D'North Star Hotel, Bandar Indah, Sandakan</li> </ul>	✓	✓	✓
Tuesday 13/12/2016  <b>Sakilan Palm Oil Mill</b>	0830 - 0900	Opening Meeting <ul style="list-style-type: none"> <li>Opening presentation by Audit Team Leader</li> <li>Confirmation of assessment scope and finalize audit plan (including stakeholder's consultation)</li> </ul>	✓	✓	✓
	0900 - 1200	<b>Sakilan Palm Oil Mill</b> Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	✓	✓	✓
	1200 - 1300	Lunch	✓	✓	✓
	1300 - 1630	<b>Sakilan Palm Oil Mill</b> Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc Verify previous nonconformities	✓	✓	✓
	1630 - 1700	Verify any outstanding issues	✓	✓	✓
Wednesday 14/12/2016  <b>Sakilan Estate</b>	0830 - 1200	<b>Sakilan Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc	-	✓	✓
	0900 - 1200	<b>Meeting with stakeholders</b> (village rep, smallholders, Union Leader, contractor etc)	✓	-	-
	1200 - 1300	Lunch	✓	✓	✓
	1300 - 1630	<b>Sakilan Estate</b> (Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	✓	✓	✓
	1630 - 1700	Verify any outstanding issues	✓	✓	✓

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Date	Time	Subjects	Hafri	Hidhir	Hafiz
Thursday 15/12/2016  <b>Linbar I Estate</b>	0830 - 1200	<b>Linbar I Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	✓	✓	✓
	1200 - 1300	Lunch	✓	✓	✓
	1300 - 1600	<b>Linbar I Estate</b> Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	✓	✓	✓
	1600 - 1630	Verify any outstanding issue and preparation for Closing Meeting	✓	✓	✓
	1630 - 1700	Closing Meeting	✓	✓	✓
Friday 16/12/2016	AM	Meeting with Immigration Department, Sandakan	✓	✓	✓
	1740 - 2020	Audit team travel back to KL : MAS floight Mh 2711	✓	✓	✓

**Appendix E: Stakeholders Contacted**

**Internal Stakeholders**

<b>Sakilan Mill</b>	<b>Sakilan Estate</b>	<b>Linbar I Estate</b>
Mill manager and staffs Boiler operators Engine room operators Electrician Store officer Weighbridge Clerk Lap Assistants Head of central workshop Clinic/hospital assistants Union Representative Foreign worker representative	Estate manager and staffs Field supervisor/mandore Harvesters Sprayers Housewives Union Representative Foreign worker representative	Estate manager and staffs Field supervisor/mandore Harvesters Sprayers Housewives Union Representative Foreign worker representative

**External Stakeholders**

<b>Government Departments</b>	<b>NGOs and others</b>	<b>Local Communities</b>
SK Sakilan Desa Administer SK Seri Manis Administer DOSH, DOE, JTK & Immigration - contacted prior to on-site audit – no issue	Employee Consultative Committee (ECC) representative Contractors Suppliers	Village representative Local community representative Local mosque representative Local church representative

**Appendix F: CPO Mill Supply Chain Assessment Report (Module D: Identity Preserved)**

Requirements	Compliance
<b>D.1. Definition</b>	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>Sakilan mill only receives certified FFB from own supply base. Therefore Identity Preserved Supply chain system and module used. During the P&amp;C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.</p>
<b>D.2 Explanation</b>	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>Sustainable PK transaction (despatch) from mill for Sales Contract ref. no.: L1580/1612 dated 30/11/2016 with Special Conditions (Exclusive RSPO IP K Premium) quantity: 200mt was not registered and reported through RSPO IT platform or book and claim. This indicated that the registration and reporting requirements were not met.</p> <p>Hence, a major nonconformity has been raised on this issue.</p>
<b>D.3 Documented procedures</b>	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>Latest written documented procedures: The details include all elements of the Supply Chain for controlling the receipt, sale and dispatch of palm products. SOP RSPOSC/SOP/IP/3 dated 2 January 2015 for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability covering the implementation of all the elements of supply chain. This developed based on the RSPO SCCS 21 November 2014. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive. The IP model is used because only certified FFB from own supply base.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>The Palm Oil mill has documented procedures SOP RSPOSC/SOP/IP/3 dated 2 January 2015 for the incoming FFB, processing and outgoing palm products (CPO and PK). The procedure covers receiving and processing certified and noncertified FFBs.</p>

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<b>D.4 Purchasing and goods in</b>	
D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBS received.	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. The palm oil mill has system to verify at the weighbridge.</p> <p>Sighted FFB dispatch chit by estate and sampled weighbridge ticket as following:</p> <ul style="list-style-type: none"> <li>- FFB dispatch chit no.: 1534348 date 31/3/2016 from Linbar 2 Estate; Weighbridge ticket no.: 228401</li> <li>- FFB dispatch chit no.: 1496351 date 6/3/2016 from Sakilan Estate; Weighbridge ticket no.: 228032</li> <li>- FFB dispatch chit no.: 1541490 date 31/3/2016 from Linbar 1 Estate; Weighbridge ticket no.: 228397</li> </ul>
<b>D.5 Record keeping</b>	
D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	<p>Inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place. No PKO and Palm kernel meal at the Palm Oil mill. PK is sold to external independent kernel crushing plants. Daily records are prepared at the entry point at the weighbridge. Daily summary and three-monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance. Records verified by internal and external audit.</p> <p>Sighted records of RSPO SCCS Mass Balance Calculation (Internal Process &amp; Output) of Crude Palm Oil (CPO) Financial Year 2015/2016 (July 2016 - June 2016).</p>
<b>D.5 Record keeping</b>	
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.	<p>It was confirmed that only certified source of FFB from own plantation is processed. No possibility of mixing during processing. No non-certified FFB received.</p> <p>Based on contracts sampled as following:</p> <p>CSPK: Sales Contract ref. no.: R37667/1605 date: 16/3/2016 with Special Conditions (RSPO certified CPO) quantity: 500mt</p> <p>CSPK: Sales Contract ref. no.: L1580/1612 date: 30/11/2016 with Special Conditions (Exclusive RSPO IP K Premium) quantity: 200mt</p>
D.6.2 The objective is for 100 % segregated material to be reached.	Records of processing and storage can be trace back to only certified segregated FFB and finish product (CPO and PK) through traceability records. This ensures that 100% segregated materials are reached.



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**Actual Certified Palm Production – December 2015 – November 2016 (ASA2 1)**

Mill	Processing Capacity	CPO	PK
Sakilan Palm Oil Mill	40 mt/hr	21,844.04 mt	4,681.33 mt

**Actual Sales of Certified Palm Products – December 2015 – November 2016 (ASA2 1)**

Mill	CPO (Certified)	Remarks	PK (Certified)	Remarks
Sakilan Palm Oil Mill	0	No physical sales	200mt	Refer D2.2 above

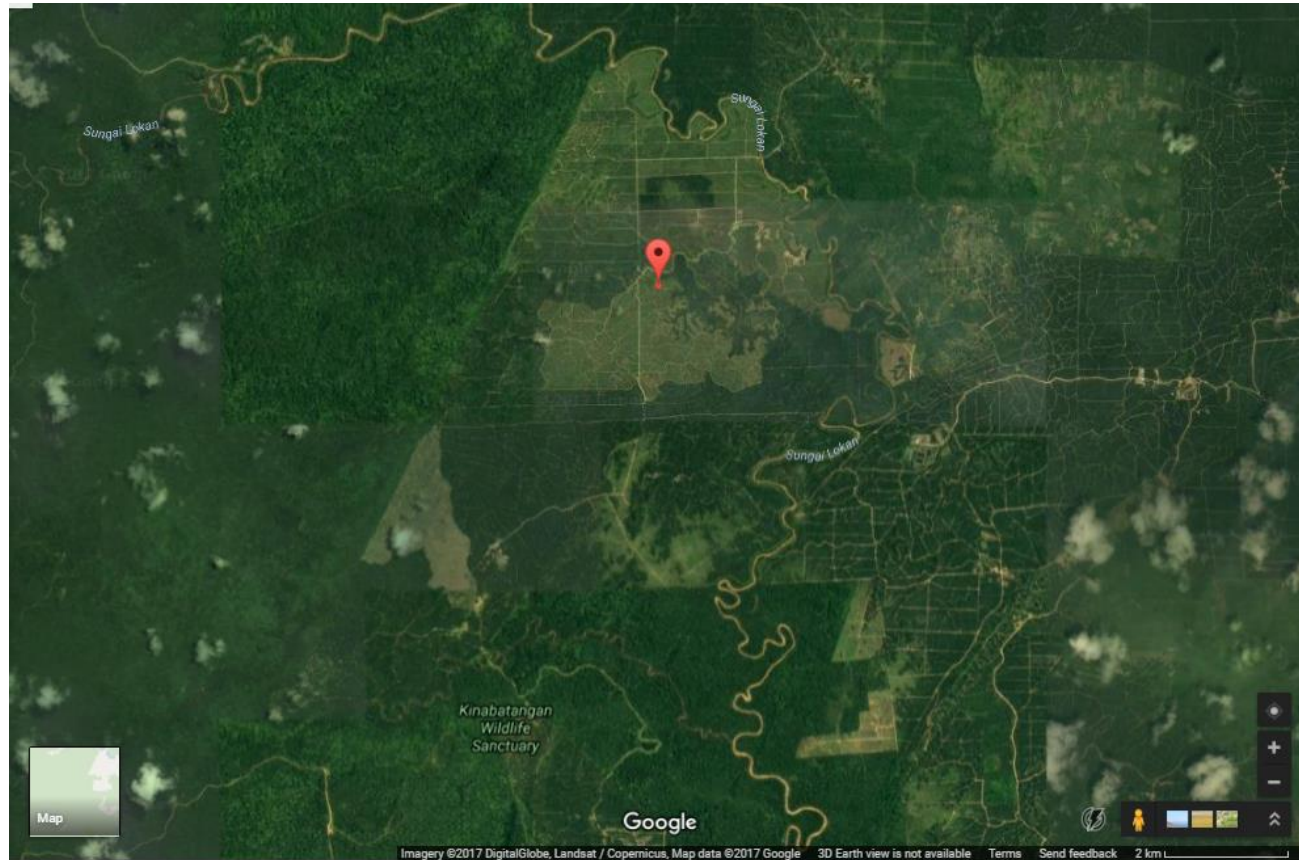
Month	Certified Supply Base (from own certificate scope) (mt)			Total FFB/Month (mt)
	Sakilan Estate	Linbar I Estate	Linbar II Estate	
Dec 2015	1,871.98	1,310.38	2,246.37	5,428.73
Jan 2016	1,888.41	1,108.74	2,208.83	5,205.98
Feb 2016	978.99	758.87	1,281.79	3,019.65
Mar 2016	1,383.96	1,327.45	1,834.47	4,545.88
Apr 2016	1,531.62	1,411.04	2,124.90	5,067.56
May 2016	3,196.85	1,598.29	2,353.12	7,148.26
June 2016	5,775.77	2,779.36	2,811.54	11,366.67
July 2016	6,549.46	3,072.24	3,044.68	12,666.38
Aug 2016	7,082.45	3,201.38	3,282.93	13,566.76
Sept 2016	5,429.02	3,053.52	2,638.56	11,121.10
Oct 2016	4,134.85	2,714.53	2,525.96	9,375.34
Nov 2016	3,423.90	2,385.43	2,281.97	8,091.30
<b>Total</b>	<b>43,247.26</b>	<b>24,721.23</b>	<b>28,635.12</b>	<b>96,603.61</b>

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

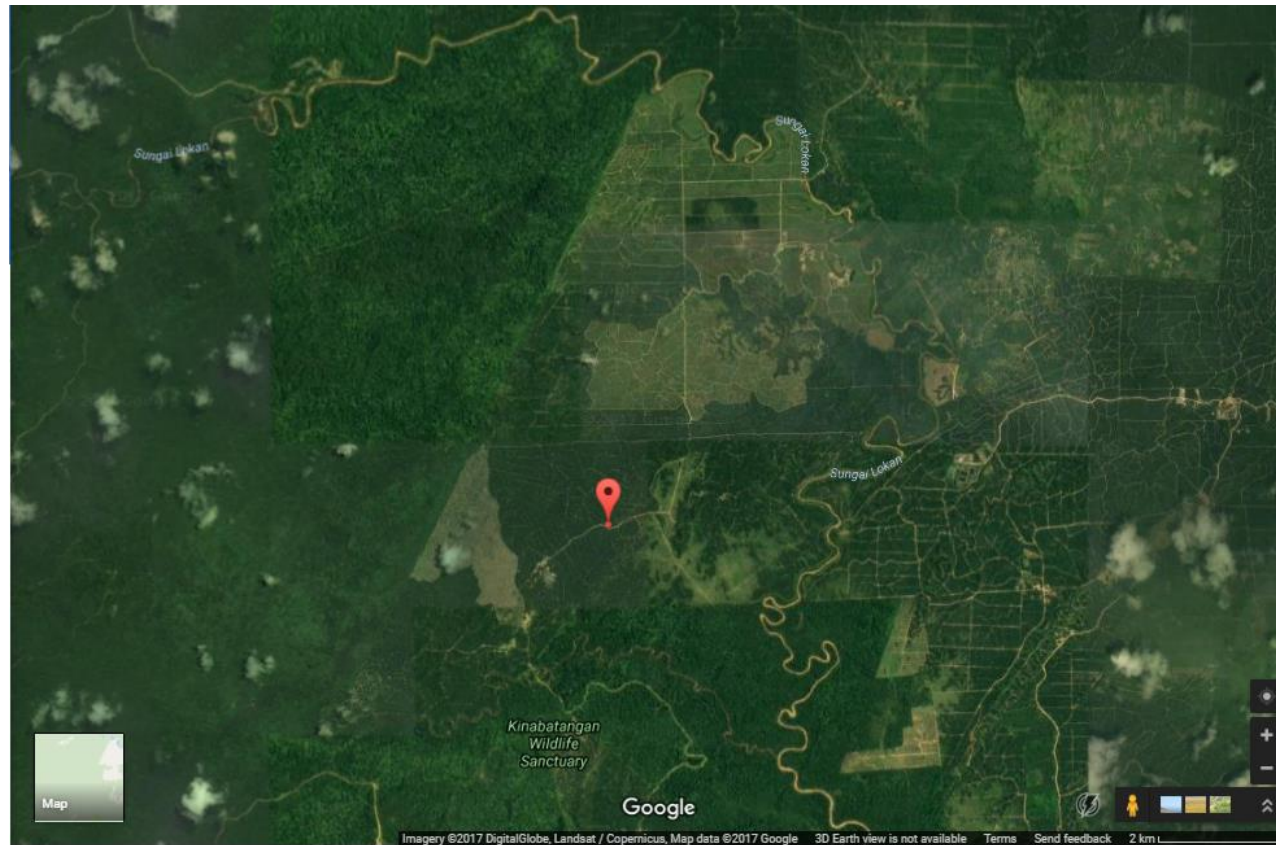
- i) Sakilan Palm Oil Mill Located Inside Sakilan Estate



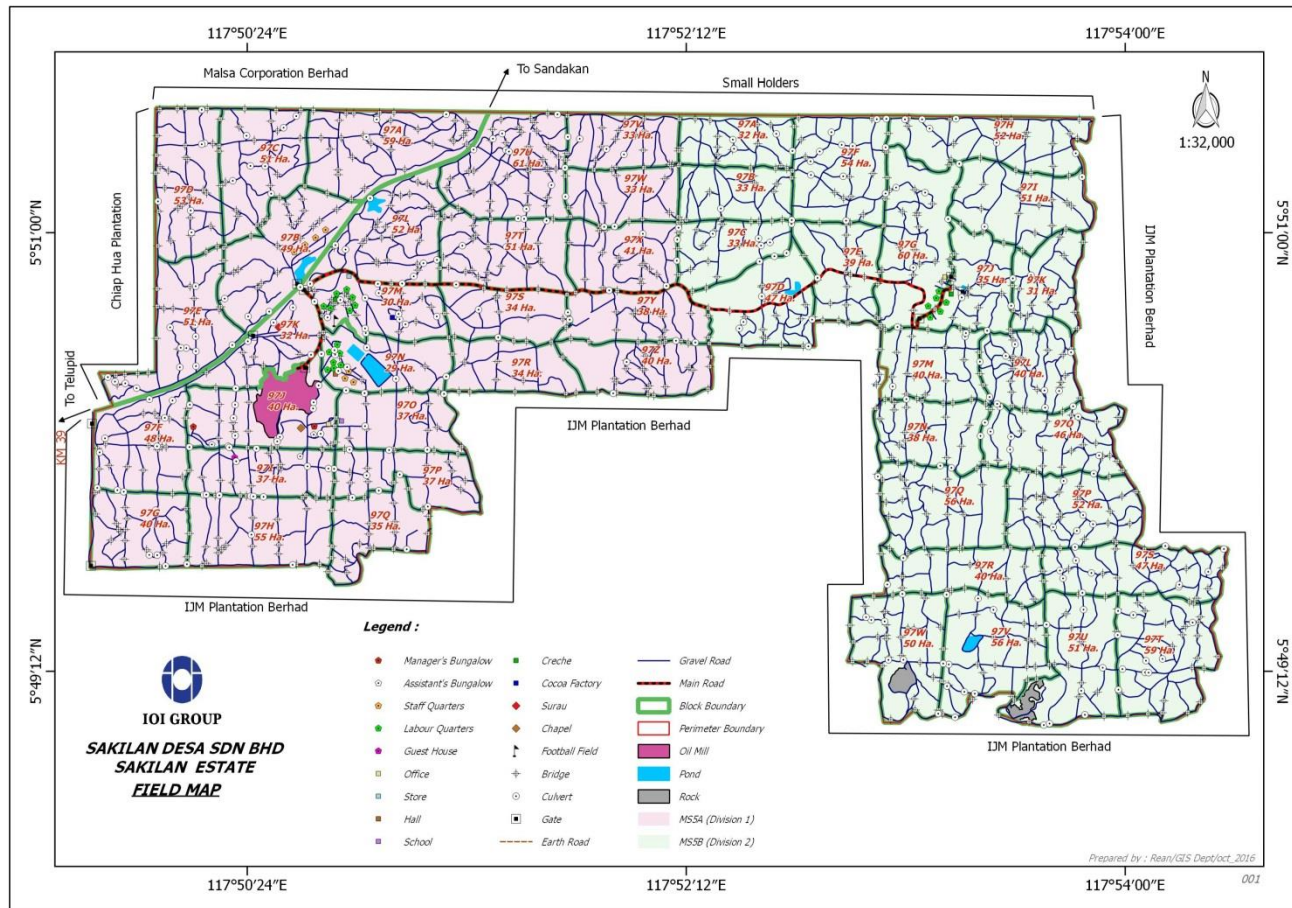
ii) Linbar 1 Estate



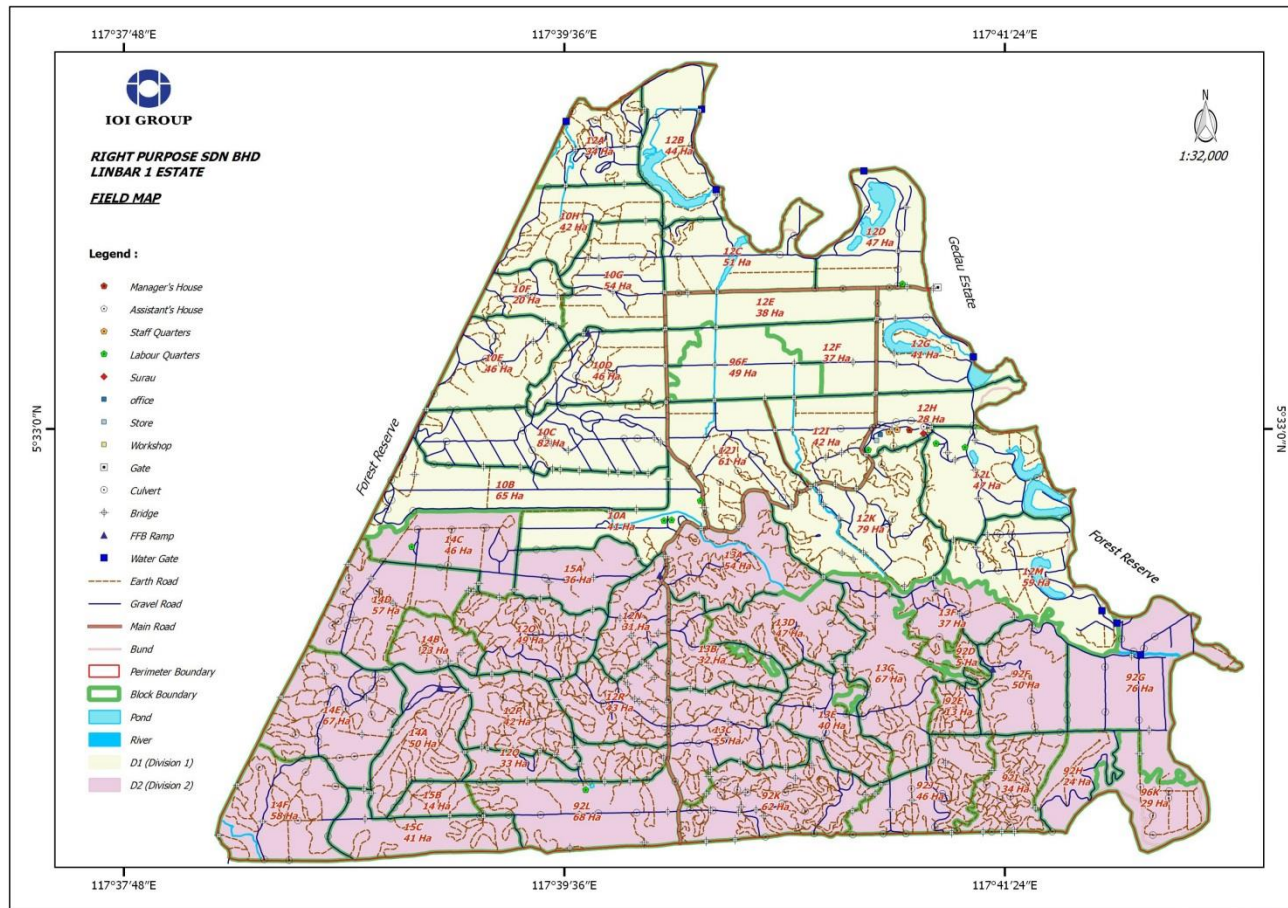
iii) Linbar 2 Estate



**Appendix H: Sakilan Estate Field Map**



**Appendix I: Linbar I Estate Field Map**



**Appendix J: List of Smallholder Sampled**

- Not applicable -

**Appendix K: List of Abbreviations Used**

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CIP	Continual Improvement Plan
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
ECC	Employee Consultative Committee
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EMS	Environmental Management System
ERP	Emergency Response Plan
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
JTK	Jabatan Tenaga Kerja
KER	Kernel Extraction Rate
MPOA	Malaysian Palm Oil Association
MPOB	Malaysian Palm Oil Board
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NGO	Non Governmental Organisation
OER	Oil Extraction Rate
OSH	Occupational Safety & Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RED	Renewable Energy Directive
RSPO	P&C Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SHO	Safety and Health Officer
SIA	Social Impact Assessment
StOP	Standard Operation Procedure
SPOM	Sakilan Palm Oil Mill
TBP	Time Bound Plan
WTP	Water Treatment Plant