

RSPO – 1st Annual Surveillance Assessment (ASA1_RC)

IOI Corporation Berhad
Head Office: Two IOI Square, IOI Resort, 62502 Putrajaya, Malaysia.
Certification Unit: Sakilan Palm Oil Mill Mile 45, Sandakan/Telupid, Sandakan, Sabah, Malaysia.

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Section 1 Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	2-0002-04-000-00	Date	Member since: 17 May 2004
Company Name	IOI Corporation Berhad		
Address	Two IOI Square, IOI Resort, 62502 Putrajaya, Malaysia		
Mill Address	Sakilan Palm Oil Mill, Mile 45, Sandakan/Telupid, wdt 164, 90009 Sandakan, Sabah, Malaysia.		
Subsidiary of (if applicable)	Halusah Ladang Sdn. Bhd.		
Contact Name	Ms. Yeo Lee Nya (Head Office) Mr. Jimi Dalinting (H&S Manager) & Mrs. Veronica (Sustainability Team)		
Website	www.ioigroup.com	E-mail	yeo.leenya@ioigroup.com veronica.abel@ioigroup.com jimidal61@yahoo.com
Telephone	+60389478888 (Head Office) +6089563164 (Mill)	Facsimile	+60389432266 (Head Office) +6089563164 (Mill)

2. RSPO Certification Information			
Certificate Number	SPO543161	Date	8 March 2010
Scope of Certification	Palm Oil and Palm Kernel Production Mill: Sakilan Palm Oil Mill Supply Base: Sakilan Estate, Linbar I Estate and Linbar II Estate		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-DE 100-20141910	ISCC	SGS Germany GmbH	22 December 2015

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Sakilan Palm Oil Mill	Mile 45, Sandakan/Telupid, wdt 164, 90009 Sandakan, Sabah, Malaysia.	117° 50' 37"	5° 50' 21"
Sakilan Estate	Batu 22, Jalan Labuk-Sandakan, 90009 Sandakan, Sabah, Malaysia.	117° 50' 37"	5° 54' 21"
Linbar I Estate	Batu 70, Jalan Sandakan - Telupid, 90009 Sandakan, Sabah, Malaysia.	117° 41' 00"	5° 33' 07"
Linbar II Estate	Batu 70, Jalan Sandakan - Telupid, 90009 Sandakan, Sabah, Malaysia.	117° 39' 00"	5° 30' 00"

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4. Description of Certified Supply Base

Estate	Mature (ha)	Immature (ha)	Total Planted Area (ha)	Infrastructure & Other (ha)	Total Hectarage	% of Planted
Sakilan Estate	2,142	0	2,142	154.37	2,296.37	93.28
Linbar I Estate	1,350	1,071	2,421	207.17	2,628.17	93.30
Linbar II Estate	1,619	223	1,842	370.00	2,212.00	83.27
Total	5,111	1,294	6,405	731.54	7,136.54	90.18

5. Plantings & Cycle

Estate	Age (Years) & Hectares					FFB Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (Year 2015)	Actual (Year 2015)	Forecast (Year 2016)
Sakilan Estate	0	0	2,142	0	0	60,310	56,331	70,835
Linbar I Estate	1,071	997	78	275	0	25,641	24,948	27,621
Linbar II Estate	223ha	0	302	1,317	0	34,214	42,078	26,820
Total	1,294	997	2,522	1,592	0	120,165	123,357	125,276

*Note: Jan – Nov 2015 (Actual); December 2015 (projection)

6. Certified Tonnage

Mill	Estimated (Previous Year Jan 2015 – Dec 2015)			Actual (This Year Jan 2015 – Dec 2015)			Forecast (Next Year Jan 2016 – Dec 2016)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Sakilan Palm Oil Mill Capacity: 40mt/Hour	120,165	26,523	6,909	121,946	26,848	6,707	125,276	27,561	6,890

*Note 1: Jan – Nov 2015 (Actual); December 2015 (projection)

*Note 2: On February 2015, an amount of 528.59 mt FFB from Sakilan Estate, 144.95mt from Linbar 1 estate and 297.10mt from Linbar 2 estate were diverted to Ladang Sabah POM due to Sakilan POM annual maintenance. On September 2015, FFB sent to Ladang Sabah POM from Linbar 1 estate: 139.55mt and Linbar 2 estate 300.94mt due to mill minor breakdown in processing capacity.

Section 2 Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
B-08-01 (East), Level 8, Block B, PJ8,
No. 23, Jalan Barat, Seksyen 8,
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Assessment Methodology, Programme, Site Visits

The on-site assessment was conducted from 15 - 17 December 2015. The audit programme is included as Appendix C. The approach to the audit was to treat the mill and its supply bases as a RSPO Certification Unit. Mill was audited together with the sample estates (Sakilan and Linbar II). 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, review of documentation and monitoring data. RSPO P&C MYNI-2014 was used as checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

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

The nonconformities that were assigned during the recertification audit (RAV) which was closed during the last assessment were followed up to ensure it is remaining closed. Previous nonconformities are remains closed. The assessment findings 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 internally reviewed by Certification Reviewer prior to certification decision by BSI.

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Assessment Program: The following table would be used to identify the locations to be audited each year in the next 5 year cycle.

1.Assessment Program					
Name (Mill / Supply Base)	Year 1 (Recertification)	Year 2 (ASA1)	Year 3	Year 4	Year 5
Sakilan Palm Oil Mill	√	√	√	√	√
Sakilan Estate		√	√		√
Linbar I Estate	√		√	√	
Linbar II Estate	√	√		√	√

Tentative Date of Next Visit: December 2016

Total No. of Mandays: 13.5 Man-days

BSI Assessment Team:

Muhammad Haris B. Abdullah – Lead Assessor

He holds Master in Business Administration from the University Utara Malaysia and Bachelor of Business Administration (Hons) Majored in Human Resource Development from the Open University Malaysia. He has more than 3 years working experience in oil palm plantation and conducting social impact assessments of agriculture, agriculture best practices, and environmental impact assessment and workers welfare. He completed the RSPO Lead Auditor Training in April 2013 and passed the course. He is also passed the ISO 14001, ISO 9001, OHSAS 18001 Lead Auditor Training Courses and qualified as EICC auditor. He has completed International Sustainable and Carbon Certification (ISCC) Lead Auditor Training Courses. Recently he has attended the RSPO P&C Social and Labour Standards and the Mechanics of Social Auditing Workshop on 17 – 19 September in Bangkok, Thailand. He had assisted with conducting audits of oil palm plantation for more than 7 companies against the RSPO P&C in Indonesia and in Malaysia for the past 4 years. During this assessment, he assessed on the aspect of environment, Safety and Health, Legal, Social and community engagements, Stakeholders consultation, and workers welfare. He is able to speak and understand Bahasa Malaysia, English, Tamil and Bahasa Indonesia.

Senniah Appalasamy – Team Member

He holds degree in Resource Economics from Agriculture University, Malaysia. He has vast experience in Plantation crop management covering oil palm plantation, rubber, cocoa and pepper for more than 10 years. He is also experience in manufacturing sector as a quality controller and production management. He is involved in RSPO implementation and assessment since 2008 as a team member and subsequently as a lead auditor with RSPO approved certification body covering assessment with RSPO P&C, RSPO SCCS, RSPO NPP and RSPO Group Certification in Malaysia, Indonesia and Thailand. He has completed ISO 9001:2008, RSPO SCCS awareness training, RSPO Lead Auditor Training Course, RSPO SCCS Lead Auditor Training Course, RSPO – RED Lead Auditor Training Course, RSPO P&C Social Auditing Workshop on 21 – 23 January 2014 in Yogyakarta, Indonesia, International Sustainable Carbon Certification (ISCC) Lead Auditor training, Sustainability Report Assurance (SRA) Assessor Training, ISO 14001 Lead Auditor Training Course and OHSAS 18001 Lead Auditor Training Course. Besides RSPO, he is also qualified as ISCC lead auditor and SRA Lead Assessor. He have experience in other standards i.e. Global Gap Option 1 and 2 (Fruit, vegetable and aquaculture) and GMP B+ as team member. For this assessment he assess Mill and Estate best practices, supply chain, OSH, HCV, Legal, Environment, Social issues, stakeholder interview etc. He is able to speak and understand Bahasa Malaysia, English, Tamil and Bahasa Indonesia.

Suresh Kumar – Team member

Suresh is a fulltime employee with BSI Services Malaysia. He graduated from University of Northumbria, Newcastle, U.K. B.Eng (Mechanical), He attended internal RSPO training in 1 December 2015. He has completed the ISO 9001:2008 Quality Management System Lead Auditor training. Currently he is an ISO 9001:2008 Auditor. He has more than 5 years of auditing experience since Nov 2010 covering the quality management system in various industries. He is involved as Social aspects during the RSPO Assessment. For this assessment he assessed the Social Impacts of the Mill and Estate. He is able to speak and understand Bahasa Malaysia, English and Tamil.

Accompanying Persons: Not Applicable

Section 3 Summary of Assessment Findings**3.1 Details of audit results are provided in the following Appendix:**

- ☒ RSPO P&C NYNI 2014 Checklist – **Appendix A:** Summary report of the Assessment.
- ☒ IOI Corporation Berhad's Time Bound Plan – **Appendix B**
- ☒ RSPO Supply Chain Certification Checklist – **Appendix E:** CPO Mill Supply Chain Assessment Report.

3.2 Progress against Time Bound Plan

IOI Corporation Berhad owns and operates 14 Palm Oil Mills and 81 estates in Peninsular Malaysia and Sabah (additional mill and estates from new acquisition). The FFB from three IOI Estates Sugut (Sabah), Sejam and Tegai Estates (Sarawak) are processed at Mills owned by other companies. IOI Corporation Berhad has prepared latest Time Bound Plan to achieve RSPO Certified Sustainable Palm Oil for all of its Oil Mills. Time Bound Plan to certify newly acquired Unico Desa mill 1 and the second Unico Desa Mill is included along with the property in Indonesia. The changes are a positive approach by IOI to ensure all the entities included in the Time Bound Plan. Any isolated lapse, systematic failure as well as any changes in the latest TBP will be followed up during the subsequent assessments. The Sustainability Department gave an update on the on-going mediation process between IOI-Pelita and Long Teran Kanan (LTK). The detail of the chronology of the case was briefly recorded in the TBP Appendix B.

Review of the Time Bound Plan and compliance to partial certification requirements were assessed during this assessment. BSI also received a complaint from Aidenvironment in regards to the IOI TBP in the BSI's previous assessment reports. It was commented that the TBP was not clearly described. BSI Conducted meeting with Aidenvironment's representative during RT13 to discuss the concerns from Aidenvironment and to improve the reporting. To provide better clarity document review and interview with the IOI Sustainability Manager was conducted during the RT13. As per the RSPO requirement for new acquisition under rules for partial certification, IOI is committed to certify Unico-Desa two palm oil mills by 2017. The changes made in the TBP are to include specific timeline for the property in Indonesia. At the moment BSI considers IOI's Time Bound Plan to conform to the RSPO requirements for Partial Certification subject to the condition and resolution of the IOI-Pelita issue and complaint resolution in regards to property in Indonesia.

IOI has conducted due diligence on the present plantation operations and provided positive statement that there is no known labour dispute that are not being resolved through an agreed process, legal non compliances, land disputes (other than the LTK disputes). Recent replacement of HCV at property in Indonesia revealed through the independent verification is being placed under the compensation panel. BSI has reviewed IOI's Time Bound Plan and considers the programme to be challenging to implement as it will require settlement of issues stated above. The latest progress of the Time bound Plan is as per in Appendix B.

3.3 Details of findings

During the first annual surveillance assessment there were 2 Minor nonconformities raised. Sakilan Palm Oil Mill and Supply Base Estates have submitted Corrective Action Plan for the nonconformities. Corrective action plans with respect to the nonconformities was reviewed by the BSI audit team and accepted. The effectiveness of the corrective action will be verified during next surveillance assessment.

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1278692N1	Requirements 6.5.3 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.	Minor
	Evidence of Nonconformity 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.	
	Statement of Nonconformity Workers housing facilities were not fully maintained.	
	Corrective action plan submitted: 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. 6. Estates Hospital Assistant will inspect line site issues during the weekly line site inspection.	

Non-Conformity		
NCR #	Description	Category (Major/Minor)
1278692N2	Requirements 4.7.5 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
	Evidence of Nonconformity 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 provided 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.	

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	<p>Statement of Nonconformity First aid equipment was incomplete.</p>	
	<p>Corrective action plan submitted:</p> <ol style="list-style-type: none"> 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. 	

Positive Findings	
PF #	Description
1	All operating units have maintained good relationship with the local community and other stakeholders. Positive feedback was given to the audit team during interview.
2	The estate management continues to maintain well the road leading to Linbar 1 and 2 estates.
3	Safety signs are continuously maintained well and clearly marked with walkways.
4	Sakilan mill continue to maintain the GeoTube system for continuous POME de-sludge and potentially serving as methane avoidance system.
5	The mill has is maintaining OER above 22%.
6	Documentations are well updated and current.

Observation	
OBS #	Description
1	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.

Issues raised by Stakeholders

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

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. 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 D.

IS #	Description
1	<p>Issues Local and foreign workers and their Representative: No social or pay and condition issues highlight. The operating units continue to provide employees with adequate facilities.</p> <p>Management Responses Management willing to listen to employees' feedback for further improvement.</p> <p>Audit Team Findings No other issues.</p>
2	<p>Issues: Contractors: Contractors confirm payment is prompt as per agreed contract.</p> <p>Management Responses: Payment is made as per the agreed terms.</p> <p>Audit Team Findings: No other issues.</p>
3	<p>Issues: Labour Department officer: Confirmed that there were no labour issues. He also highlighted that "Workers' Minimum housing standards" act is not fully enforced yet in east Malaysia but companies are encouraged to comply with the act.</p> <p>Management Responses: Management will request IOI engineering department to liaise with Labour Department for future workers housing developments.</p> <p>Audit Team Findings: No other issues.</p>
4	<p>Issues: Village Representative: The management has done lot of contributions to the local community. He also highlighted that the management has maintained road which is shared by the local community. Employment opportunity is given to nearby communities.</p> <p>Management Responses: Management always gives employment priority to locals but sometime difficult to get local to join plantation.</p> <p>Audit Team Findings: Positive remarks from the village representative. No any boundary disputes or complaints highlighted.</p>

3.3.1 Status of Nonconformities Previously Identified and Observations

Previous nonconformity was addressed effectively and remains closed. The implementation of Corrective Action Plans were followed up and found to be effectively implemented.



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Non-Conformity		
NCR #	Description	Category (Major/Minor)
No outstanding Previous NC	Requirements: -	-
	Evidence of Nonconformity: -	
	Statement of Nonconformity: -	
	Action Taken: -	
	Status: -	

Observation	
OBS #	Description
Nil	-
	-

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	"open"
1278692N2 (4.7.5)	Minor	ASA1_RC 17/12/2015	"open"

<p>Assessment Conclusion and Recommendation:</p> <p>Based on the findings during the first surveillance assessment of Sakilan Palm Oil Mill Certification Unit and supply base complies with the RSPO P&C MYNI 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.</p>	
<p>Acknowledgement of Assessment Findings</p>	<p>Report Prepared by</p>
<p>Name: Mr. Jimi Dalinting</p>	<p>Name: Muhammad Haris Bin Abdullah</p>
<p>Company name: IOI Corporation Berhad</p>	<p>Company name: BSI Services (M) Sdn. Bhd</p>
<p>Title: SPO Coordinator (Sabah)</p>	<p>Title: RSPO Lead Auditor</p>
<p>Signature: </p> <p>Date: 11/2/2016</p>	<p>Signature: </p> <p>Date: 5 February 2016</p>

Appendix A: Summary of Findings

Criterion / Indicator		Assessment Findings	Compliance
Principle 1: Commitment to Transparency			
Criterion 1.1: 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	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. - Minor compliance -	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.	Complied
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed. Sample checked: DOE requested for participation in futsal tournament on 16/11/2015. Management had responded with 10 participants dated 25/11/2015 via email.	Complied
Criterion 1.2: 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	Publicly available documents shall include, but are not necessary limited to: • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). - Major compliance –	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.	Complied
Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.			

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Criterion / Indicator	Assessment Findings	Compliance
1.3.1	<p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>-Minor compliance</p>	<p>Complied</p>
<p>Principle 2: Compliance with applicable laws and regulations</p>		
<p>Criterion 2.1:</p>		
<p>There is compliance with all applicable local, national and ratified international laws and regulations.</p>		
2.1.1	<p>Evidence of compliance with relevant legal requirements shall be available.</p> <p>- Major compliance -</p> <p>Legal register covering the applicable local and international laws and regulations are available. Compliance to each applicable law and regulation is monitored by the operating units and sustainability team. Compliance found on permits and licenses checked during the document review. At the mill machineries are having valid permits and current.</p> <p><u>Sakilan Mill:</u> Sample permits includes; - MPOB license (502435102000 – valid until 30/11/15) and the license is application is currently going through renewal. A letter of renewal was being produced as evidence(ref#15/SKM/MPOB/Licence),Renewal was for the period of 1 Dec 2015 – 30 Nov 2016, - AGT: NW-NSDK-AGT-0066-L valid till 22/2/2017 - AESP: NW-NSDK-AE-0016-L valid till 17/1/2017 - Steam Engineer: Registration No.: 107/2012 – Grade 2 - Labour Department Permit No. JTK.H.SDK.600-4/1/1/10401/003866), License due date-30-10-2017. 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. Thus, an observation was raised and the progress will be followed during the next surveillance.</p> <p><u>Linbar2:</u> Sample permits includes; -MPOB License(502435102000) is valid till 31/08/2016 -HA Registration No. 17689 (1/6/2015). -Labour Department Permit No.JTK.H.KBN.600-4/1/1/01261/0282)</p> <p><u>Sakilan Estate:</u> -MPOB License(503335002000) is valid until 31/07/2016 -HA Registration No. Q1997 etc. -Labour Department Permit No.JTH.H.KBN.600-4/1/1/01261/003858, License due date- 10/10/2016</p>	<p>Complied</p>
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance -</p> <p>All operating units maintain documented system for identifying, evaluating, reviewing and updating applicable regulations and other requirements. The legal register at Sakilan Mill, Linbar2, and Sakilan Estate were updated on 30/11/2015.</p>	<p>Complied</p>

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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
Criterion 2.2: 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. <u>Linbar II estate:</u> Holds country lease hold land title No. 095311667 <u>Sakilan estate & Mill:</u> Holds country lease hold land title No. 075471242	Complied
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	It was noted that legal boundaries are clearly demarcated and visibly maintained throughout the estate. Mill is located inside Sakilan Estate and sharing the estate boundary. Verification carried out during the field visit.	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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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
Criterion 2.3: 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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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
Principle 3: Commitment to long-term economic and financial viability			
Criterion 3.1: 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 documented and with three years projection includes FFB production, CPO, OER, and KER, costs of production, CAPEX and OPEX. There is no scheme smallholder within the supply base.	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 operating units have a long range replanting plan until 2024. <u>Linbar II estate:</u> 200ha will be replanted in 2015/16 Financial year. <u>Sakilan estate:</u> The next replanting will be in 2018 for 423ha.	Complied
Principle 4: Use of appropriate best practices by growers and millers			
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.			
4.1.1	Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	SOP and management systems for monitoring and control of best practice implementation through various SOPs for mill and estates. IOI has prepared Group Palm Oil Mill Standard Operating Procedures (StOPs) issued on April 2008 (mill) and December 2008 (estates). 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.	Complied

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4.1.2 A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	Consistent implementation of SOPs is checked through Mill controller visit dated 19/11/15 and General Manager visit dated 25/11/2015 recorded in "General Manager & Mill Controller Visit Book". He highlighted that mill has achieved OER 22.4% and KER 5.10%. GM visit at estate on quarterly basis to review estate performance against IOI standard. GM visit was on 9/10/2015. 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. Mill was visited by "Jabatan Keselamatan dan Kesihatan Pekerjaan (Department of Occupationally Health and Safety) dated 20/8/15. Improvement notice to review HIRARC for confined Space was issued. Improvement on HIRARC was submitted to DOSH and closed on 11/12/15 by DOSH officer from DOSH Sandakan Branch. DOE visit dated 10/6/15. GM visit at Sakilan was on 24/7/2015. Actions were taken for the advice from GM.	Complied
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 and General Manager visit records. Last Mill Controller visit was on 19/11/2015. Comments given by the Mill Adviser and response from the mill manager have been recorded. As for the estates, General Manager visits the estates on monthly basis (latest visit dated 9/10/2015) for monitoring estate operation. Reports are available and the estate managers replied the GM's comments on 13/10/2015.	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.	Not applicable
Criterion 4.2: 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 -	Good agriculture practices from the SOP are followed to manage soil fertility to ensure optimal and sustained yield through annual fertilizer application program. Beside in-organic fertilizer, organic fertilizer in the form of POME and EFB is applied as per recommendation from IOI Research Centre. Agronomist visited the estates on 6/8/2015 and gave fertilizer recommendations on 5/11/2015. Amended fertilizer recommendation was sent to Linbar 2 estate operating units on 21/8/2015 and Sakilan estates on 6/5/2015.	Complied

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4.2.2 Records of fertiliser inputs shall be maintained. - Minor compliance -	Nutrient efficiency is taken into account of the age of plantations and soil conditions. The nutrient recycling strategy should include any use of biomass for by-products or energy production. The monthly report fertilizer inputs applied in the field is sent to General Manager for review as part of monitoring exercise Manuring records are maintained in the daily costing books and summarised at the end of the month.. Manuring records verified reveal that application follows recommendation. Linbar 2 Monthly fertilizer application monitoring report for the Sept. 2015 indicate that in Sept. 2015, field number 91F & 91D was applied with Ammonium Chloride at rate of 2kg/palm. Sakilan estate applied 3kg/palm organic fertilizer IOI Bio-Energy.	Complied
4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	There is evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Leaf sampling carried out annually to determine the changes in the nutrient level in the palm by analysing the leaf tissue. Soil analysis carried out on 5 years cycle to determine the nutrient levels in the soil. The analysis result is used for the fertilizer recommendations to ensure long term soil fertility and nutrient efficiency. At Linbar 2, Soil sampling was carried out on 16/11/2015 for the financial year 2015/2016. Leaf sampling at Sakilan was on Feb-March 2015. No leaf sampling at Linbar 1 and 2 due to the palms are going for replanting.	Complied
4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	The nutrient recycling strategy includes use of biomass for by-products such as EFB application and energy production at mill by recycling the shell and fibre. Sakilan Palm Oil Mill continues to utilise the Geotube to filter the solid from the POME and the solid later used by the estates as organic fertilizer. EFB application continuously applied along the inter-row at mature area at rate of 35-40mt/ha. Immature palms are mulched with EFB surrounding the palm circle to suppress noxious weeds. POME land application is carried out at Sakilan Estate was visited and verified. Palm residues from the replanting are recycled back to the land as part of nutrient recycling strategy.	Complied
Criterion 4.3: Practices minimise and control erosion and degradation of soils.		
4.3.1 Maps of any fragile soils shall be available. - Major compliance -	Soil map available at the estates. There was no fragile soil on the Sakilan and Linbar 2 estates visited. Soil map and field visit further reveal that there is no fragile soil. The soil map indicating the soil type, slope, drainage level, and limiting factors – in order to determine the land suitability at each soil complex.	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 -	Planting on terraces is carried out on slopes as part of management strategy for slope planting. Recently replanted areas are flat to undulating. Company procedure for replanting on slopes. Company has SOP for soil and water conservation for the slope replanting. The procedure is conserving through cover crop, EFB application, frond stacking, platform, silt pit, terrace contour and stop bund. Rainfall data maintained on monthly basis. Total rainfall of the month of Nov. 2015 was 408mm (19 rainy days).	Complied
4.3.3 A road maintenance programme shall be in place. - Minor compliance -	Road maintenance programme available at all the estates covers road grading, patching, surfacing, culvert and bridge maintenance. Colour code used for each month and progress recorded on the estate map. Road maintenance programme for 2015 is available. Sample records shows road grading work has been completed in November 2015 at field No. 97I and 97J. Diversion of water runoff from the field roads are diverted into terraces and silt pits.	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 -	Estates have ground cover management to ensure ground cover is maintained with soft grass. Immature area planted with cover crop. No peat soil. Estates and mill have water management program for the purpose of water conservation as per 4.4.1.	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 -	No peat soil.	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 -	No fragile and problematic soil in the estates.	Complied
Criterion 4.4: 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.</p> <p><u>Mill</u>: The water management plan for 2015/2016 has been reviewed on October 2015. Water management plan includes river water monitoring. Research Centre carried out water analysis in the river (upstream, midstream, and downstream) with the last sampling result for drinking water done by the mill was dated 28/7/15. Analysis by Dynakey Laboratories Sdn Bhd. cert. No. 20150616-01A-0 and 20150616-01B-0. The results shown all parameters are complied, E.Coli and Coliform not detected.</p> <p><u>Linbar 2</u>: Drinking water Analysis dated 28/7/2015 by Dynakey Laboratories Sdn Bhd. cert. No. 20150616-04A-0 and 20150616-04B-0. The results shown all parameters are complied, E.Coli and Coliform not detected.</p> <p>River water monitoring (for replanting area) Report No. EL/W/0915/337 dated 25/9/2015. Total Suspended Solid 23mg/L (below limit of 150mg/L), Oil & Grease – not detected, Nitrate 3mg/L and Phosphate – not detected. Reported to EPD in October 2015 (Report Ref: KEC-(EV)/M/15/09-10) for the period of July – October 2015 (file ref: JPAS/PP/02/600-1/11/1/81).</p> <p><u>Sakilan</u>: Drinking water Analysis dated 28/7/2015 by Dynakey Laboratories Sdn Bhd. cert. No. 20150616-02B-0. The results shown all parameters are complied, E.Coli and Coliform not detected.</p> <p>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 & Grease – not detected, Nitrate 3mg/L and Phosphate – not detected.</p>	<p>Complied</p>
<p>4.4.2</p> <p>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 II 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 2</u>: River water monitored result dated 24/11/15 cert. No. 20151117-01-0. BOD: Upstream 3.4mg/L. Downstream 2.3mg/L.</p> <p><u>Sakilan</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 & Grease – not detected, Nitrate 3mg/L and Phosphate – not detected.</p>	<p>Complied</p>

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4.4.3	<p>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 & Grease and Suspended solids.</p> <p>DOE quarterly report for the 3rd quarter dated 12/10/15 submitted to DOE. Latest effluent analysis was done on 17/11/2015 by Dynakey Laboratories Sdn. Bhd (Ref. No.: 20151117/01A-01C) found all parameters are within the approved limit of DOE license. E.g: BOD below 50mg/l.</p>	Complied
4.4.4	<p>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 using pump. An average of 1.01 m³ water is used to process per mt of FFB which is below than the targeted value of 1.2 – 1.5Mt/FFB Mt.</p>	Complied
<p>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		
4.5.1	<p>Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -</p> <p>Estates has applied and recognised IPM techniques by incorporating biological, mechanical and physical methods to minimise the use of chemicals such planting of beneficial plants such as <i>Turnera subulata</i>, <i>Cassia cobanensis</i>, and <i>Antigonon leptopus</i>, are a continuous practice in the estates visited. Beneficial plants are continuously being planted at the ratio of 1dm per ha. Areas planted were verified during the field visit.</p>	Complied
4.5.2	<p>Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -</p> <p>IPM training includes workers involved in rat baiting and for those carrying out pest census. Training mostly from the R&D personnel and executives with plantation working experience. <u>Linbar 2 estate:</u> IPM training which covers rat baiting, beneficial plant was conducted on 21/5/2015 by estate executive to the workers.</p>	Complied
<p>Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment</p>		
4.6.1	<p>Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -</p> <p>Similar to last assessment, justification of all pesticides used is in the SOPs and covers all agrochemicals use. The justification is appropriate for the operations in the estates and included in the CHRA Report (Linbar 2) dated 10/9/2013 Report No.CHRA2013091002 and CHRA Report dated 22/10/2013 No. CHRA2012102201. Register of chemical dated 30/11/2015.</p>	Complied

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<p>4.6.2</p> <p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -</p>	<p>Records of pesticides includes active ingredients used, LD50, area treated (field 91HB), amount of active ingredients applied per hectare and number of rounds applied (2 rounds) maintained by estates. Records are updated and comply with the requirement. Estates are maintaining the records of pesticide used and their active ingredients applied per ha. No paraquat usage.</p> <p><u>Linbar 2</u>: 0.0731 ai/ha of glyphosate 41% has been used in during July – Nov. 2015.</p> <p><u>Sakilan</u>: 0.5820 ai/ha of glyphosate 41% has been used in during July – Nov. 2015</p>	<p>Complied</p>
<p>4.6.3</p> <p>Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -</p>	<p>All the estate’s policy is to minimize the use of pesticides in accordance with IPM. No prophylactic use of pesticides noted during the field visit and records verification. IPM is used as part of the initiative to reduce pesticide use through biological control for leaf eating pest by planting of beneficial plants.</p>	<p>Complied</p>
<p>4.6.4</p> <p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -</p>	<p>All estates eliminated the use of Paraquat. Alternatives agrochemicals such as Glyphosate are used to control weeds. During this audit there were no class 1a and 1b agrochemical usage by the estates.</p>	<p>Complied</p>
<p>4.6.5</p> <p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -</p>	<p>Training on safe handling training and application of the pesticides are given to pesticide operators. Inspections of the Mills and the Estates visited indicated that safe work practices were being implemented. The safety signage was installed at work stations and chemical store at the mill and estate. Workers are provided with appropriate safety equipment and protective equipment. Product MSDS are available and explained to applicators. Interview with workers reveal that they are aware of the agrochemical negative impacts and aware of precaution methods.</p>	<p>Complied</p>
<p>4.6.6</p> <p>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 -</p>	<p>Storage of all pesticides are as prescribed in the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations. Chemical storage area was visited during the site visit. Pesticide containers generated from the estates are triple rinsed and pierced to prevent misuse. There are times these empty containers used for storage of pre-mix agrochemical before transported to the application site.</p>	<p>Complied</p>

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4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	Pesticides use is through justifiable census using agriculture best practices that minimize risk and impacts.	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 -	No aerial pesticide spraying.	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 -	No associated smallholders within the supply base. Regular training and briefing on pesticide handling carried out includes provision of appropriate information materials, safety and health information and environment. Information on pesticides is displayed next to the pesticides in the store and at notice board.	Complied
4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	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.	Complied
4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	Annual medical surveillance pesticide operators carried out for all pesticide operators and those identified in CHRA. <u>Linbar 2</u> : CHRA dated 10/9/2013 valid for 5 years cover chemical hazard risk assessment. The CHRA was carried out by the DOSH approved assessor HIE/127/171-2 (289). The last medical surveillance was done on 28 September 2015. The medical report reveals that one worker (RN00126) found medically unfit to work as agrochemical sprayer. OHD Doctor (HQ/10/DOC/00/167 MMC No. 47101) recommendation was to transfer the worker to a work area which does not expose to pesticide (form USECHH 5i). The worker is transferred out and now working as general worker to collect loose fruits. <u>Sakilan</u> : CHRA dated 22/10/2012 valid for 5 years cover chemical hazard risk assessment. The CHRA was carried out by the DOSH approved assessor HIE/127/171-2 (289). The last medical surveillance was done on 13/2/2015 at Elopura Clinic by OHD Doctor (HQ/12/DOC/00/259).	Complied
4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	Field inspections, records and interviews with internal and external stakeholders reveal that no pregnant or breast-feeding woman had been offered work as pesticide operator.	Complied

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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Criterion / Indicator	Assessment Findings	Compliance
<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.</p> <p>- Major compliance -</p>	<p>All the operating units has maintained an approved Health and Safety Policy dated since 18 May 2007 that is displayed prominently on notice boards in English and Bahasa Malaysia and approved by the IOI top management. The health and safety plan monitored by the Safety & Health (SH) Manager from the head office. The safety and health plan cover all the relevant activities in the mill and estate. The activities are recorded and implemented and monitored by the Sabah Group's SH Manager. The health and safety plan includes action that Mill and estates ensures the workplace, machinery, equipment, transport and processes under their control are safe and without undue risk to health.</p> <p><u>Mill:</u> Medical surveillance by OSH Doctor (DOSH No. HQ/12/DOC/00/259) at mill conducted on 9/11/15 by Elopura sdn Bhd. Total of 14 employees attended medical surveillance. Medical report confirms all employees fit to continue work. Audiometric test was done on 16/10/2015 at Klinik Mansor Sdn. Bhd (Report No.: ATP/2015042801).</p> <p><u>Estates:</u> Refer to 4.6.11 above.</p>	<p>Complied</p>
<p>4.7.2</p> <p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>All operations where health and safety is an issue were risk assessed through HIRARC, and procedures and actions documented and implemented to address the identified issues. All precautions attached to products are properly observed and applied to the workers. Reviewed and updated of the health and safety risk assessments is carried out annually through HIRARC assessment assisted by the SH Manager. Latest review was conducted review on January 2015.</p> <p><u>Mill:</u> Chemical Hazard Risk Assessment (CHRA) dated 23/3/15 by DOSH registered assessor JKPP HIE 127/17-2 (298) and Occupational Doctor: HQ/10/DOC/00/167.</p> <p><u>Sakilan & Linbar 2:</u> CHRA dated 10/9/2013 valid for 5 years cover chemical hazard risk assessment. The CHRA was carried out by the DOSH approved assessor HIE/127/171-2 (289). Latest HIRARC revision was on 26/11/2015. Sakilan estate reviewed HIRARC on 4/9/2015 to review the Transporting of workers to review after the accident during the transportation activity.</p>	<p>Complied</p>
<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p>Safe working awareness training had been carried out and covers all work groups and contractors. Interview with employees and contractors reveal that all those involved had been adequately trained in safe working practices. Adequate and appropriate personal protective equipment (PPE) provided to cover all potentially hazardous operations (such as pesticide application, machine operations, and land preparation, harvesting etc) and as required in CHRA and HIRARC.</p>	<p>Complied</p>

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<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>The responsible person for the safety and health issues is the Manager and Assistant Manager in the operating units. The management of the mill and estates conduct quarterly OSH committee meeting.</p> <p><u>Mill</u>: OSH Meeting conducted on 26/03/15; 30/06/15; 18/09/15. Proposed date for next safety meeting is on 22/12/15.</p> <p><u>Linbar 2 Estate</u>: OSH Meeting conducted on 6/02/15; 21/05/15; 26/08/15 and 30/11/15.</p> <p><u>Sakilan Estate</u>: OSH Meeting conducted on 31/03/15; 29/06/15; 30/09/15 and 9/12/15.</p> <p>During the OSH meeting health, safety and welfare issues discussed and worksite inspection was carried out.</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.</p> <p>- Minor compliance -</p>	<p>Accident and emergency procedures had been written in English and Bahasa Malaysia and briefed to staff, workers, contractors and visitors. ERP is communicated with the employees and field/mill supervisors. Interview with the employees and supervisors reveal that they understand the emergency procedures. ERP training such as firefighting training is conducted to test the emergency preparedness. Workers trained in First Aiders were present in the mill and field operations and contact details are posted on the notice boards.</p> <p>At 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 provided 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>Thus, Minor nonconformity was raised.</p>	<p>Minor Nonconformity</p>
<p>4.7.6</p> <p>All workers shall be provided with medical care, and covered by accident insurance.</p> <p>- Minor compliance -</p>	<p>Local workers are covered under SOCSO scheme while foreign workers are covered under foreign workers compensation scheme.</p> <p><u>Mill</u>: MSIG Insurance (M) Sdn. Bhd Policy No.: DL-09174904-FWC valid till 30/9/2016 covering 74 workers valid until 30/9/2015.</p> <p><u>Sakilan Estate</u>: MSIG Insurance (M) Sdn. Bhd Policy No.: DL-09174857-FWC valid till 30/9/2016 covering 157 workers.</p> <p><u>Linbar1 Estate</u>: MSIG Insurance (M) Sdn. Bhd Policy No.: DL-09173863-FWC valid till 30/9/2016 covering 151 workers.</p> <p><u>Linbar2 Estate</u>: MSIG Insurance (M) Sdn. Bhd Policy No.: DL-09174328-FWC valid till 30/9/2016 covering 153 workers.</p> <p>All workers have access to free medical care at the estate clinic.</p>	<p>Complied</p>

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4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	<p><u>Mill:</u> Lost time accidents are monitored on monthly basis. LTI cases upto 2/12/15 was 3 compared with 2014 was 3. There is no fatal accident reported. Accident Report sent to DOSH through JKPP 8 annually. For the year 2014 was sent to DOSH on 10/1/2015. Accident/Incident investigation report dated 28/11/15 conducted for the accident dated 26/11/15.</p> <p><u>Linbar 2 estate:</u> 5 LTI cases were recorded as at Nov' 2015. Last accident was recorded on 24/11/15.</p> <p><u>Sakilan estate:</u> JKPP 6 submissions to DOSH dated 14/9/2015 for the accident happened on 2/9/15. JKPP 8 submitted to DOSH on 6/1/2015. LTI days until Nov. 2015 is 5 compared with 2014 was 7 days.</p>	Complied
<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>		
4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	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.	Complied
4.8.2 Records of training for each employee shall be maintained. - Minor compliance -	<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&C. Samples of training record for 2015 as follows :</p> <p><u>Mill:</u></p> <ul style="list-style-type: none"> • Water treatment SOP training (29/11/15) • Oil Room SOP training (19/11/15) • Effluent Treatment Training (27/10/15) • First Aid training (19/10/15) • Emergency drill (24/5/15) • Supply Chain training (20/10/2015). <p><u>Linbar 2 estate:</u></p> <ul style="list-style-type: none"> • Passenger Tractor SOP training (3/12/15) • Workshop SOP training (26/11/15) • Chemical handling training (18/9/15) • Manuring SOP training (29/7/2015) • Crèche operator training (28/3/15) • Schedule waste management training (21/10/15) <p><u>Sakilan estate:</u></p> <ul style="list-style-type: none"> • Chemical handling training (20/10/15) • Manuring SOP training (19/10/2015) • First Aid training (30/10/15) 	Complied
<p>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</p>		
<p>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.</p>		

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5.1.1 An environmental impact assessment (EIA) shall be documented. - Major compliance -	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 2014 till November 2015 for Sakilan region. The review conducted on 30 November 2015.	Complied
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 -	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.	Complied
5.1.3 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. - Minor compliance -	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.	Complied
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 operations managed to best ensure that they are maintained and/or enhanced.		
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 2015 by the executive from the sustainability team who has attended HCV training. At Sakilan Group estates 10.7ha. Conservation of natural vegetation are kept undisturbed. Linbar 1 and Linbar 2 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 / 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

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5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance -</p>	Complied
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance -</p>	Complied
5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance -</p>	Complied
<p>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	Complied
5.3.2	<p>All chemicals and their containers shall be disposed of responsibly.</p> <p>- Major compliance -</p>	Complied
5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>- Minor compliance -</p>	Complied
<p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		

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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 -	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. Based on record of monitoring of renewable energy usage for year 2015, the following were derived: Average shell usage: 30% Average fibre usage: 70% Average fossil fuel (diesel): 14.11liter/mt CPO produced.	Complied
Criterion 5.5: 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.		
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 -	Based on the action plan to prevent open burning which includes planting cover crops, installing zero burning notice boards, briefing and etc. 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.	Complied
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
Criterion 5.6: 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 of dust particulate. Sampled Boiler stack sampling records: Measurement of Dust Particulate Concentration on 25/3/2015 by Green Environmental Services (Report ref. # GES/EM15/692) for Stack Flue Gas Boiler no. 1. Result shown the stack emissions are within limit at 0.3871 g/Nm ³ .	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 ₄) 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 _x , SO _x and NO _x from various sources including fossil fuel, chemical and fertilizer consumptions.	Complied

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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 8 December 2015. The calculation was made by using PalmGHG Version 2.1	Complied
Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.			
Criterion 6.1: 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.			
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	Sustainability department has conducted a social impact assessment on November 2015 for Sakilan Palm Oil Mill. Latest stakeholder meeting was done on 26/11/2015 for the whole Sakilan complex(Sakilan Mill, Linbar 2 Estate, Sakilan Estate) attended by 51 stakeholders.	Complied
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	At Sakilan Mill, Linbar 2 estate and Sakilan estate, 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. Latest stakeholder meeting was done on 26/11/2015 for the whole Sakilan complex attended by 51 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
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			

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6.2.1 Consultation and communication procedures shall be documented. - Major compliance -	Consultation and communication procedure for stakeholders is through IOI website: www.ioigroup.com or otherwise for those who do not have access to internet may follow on-site Stakeholders Request Procedure which available at operating units. Verbal request by phone call are made by government departments through IOI Group General Line: +60389478888 or written request addressed to: Two IOI Square, IOI resort, 62502 Putrajaya, Malaysia is still in practice. Written procedure held on file Management Plan point 10.0 Stakeholders Request Procedure. No changes noted.	Complied
6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance -	<u>Sakilan Mill</u> : The mill has appointed cadet assistant manager as the management official for any social issues. Appointment letter dated 1/7/14 sighted during the audit. <u>Linbar 2</u> : The estate has appointed the assistant manager for any social issues. <u>Sakilan Estate</u> : The Assistant Manager is the responsible person for all issues.	Complied
6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	The mill and estates have an updated list of stakeholders. It includes internal and external stakeholders such as government departments, contractor, suppliers, non-governmental organisation and workers representatives. Latest stakeholder meeting was done on 26/11/2015 for the whole Sakilan complex attended by 51 stakeholders.	Complied
Criterion 6.3: 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, Linbar2 & 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

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.4: 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
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, Linbar2 & 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
Criterion 6.5: 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.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>6.5.1</p> <p>Documentation of pay and conditions shall be available. - Major compliance -</p>	<p>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.</p> <p>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.</p> <p>Sample Payslip checked;</p> <p><u>Sakilan Mill:</u> Foreign Employee#(SKM0378,SKM0601,SM0703,SKM0377) Local Employee#(SKM0726,SKM0702,SKM0521,SKM0464)</p> <p><u>Linbar 2 Estate:</u> Foreign Employee#(LB20689,LB23137,LB20670,LB23136) Local Employee#(LB20684,LB20684, LB22582,LB22558)</p> <p><u>Sakilan Estate:</u> Foreign Employee#(SKL0293,SKL0859,SKL0330,SKL1269) Local Employee#(SKL2913,SKL1398,SKL0462SKL,SKL0043)</p>	<p>Complied</p>
<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. - 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.</p> <p>Sample contract checked: Working contract , salary briefing/deductions</p> <p><u>Sakilan Mill:</u> Employee #SKM0739(joined in 22/08/2015), Employee #SKM0743(Joined in 18/09/2015)</p> <p><u>Linbar 2 Estate:</u> Employee #LB20684(Joined in 2/06/2014) Employee #LB20670(Joined in 15/03/2010)</p> <p><u>Sakilan Estate</u> Employee #SKL4227(Joined in 09/02/2015) Employee #SKL0293(Joined in 01/07/2007)</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<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, called SK Sakilan Desa.</p> <p>Children of foreign workers would be sent to school at Humana school within the Sakilan estate. Same for Linbar2 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>Electricity charges for quarters are done only at the Sakilan Estate as the electricity is running 24hours and power is from the Sakilan Mill. The Sakilan Management already has a plan in place to allow charges of RM10. RM10 is per house unit and not per head count.</p> <p><u>Sakilan estate:</u> 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. Therefore, minor nonconformity was raised.</p>	<p>Minor Nonconformity</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>Criterion 6.6: 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>The company has statement on workers freedom of association (Polisi Hak Sama Rata dan Kebebasan Berpersatuan Pekerja) dated 20/08/2009.</p>	<p>Complied</p>

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6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Workers are represented in the ECC- Employee Consultative Committee. Last ECC meeting was conducted on 17/09/2015 attended by 14 workers representatives. Issues highlighted were discussed and agreed for further action by the management. Example; fire extinguishers proposed to be at the new quarters. This was agreed during the meeting. At Linbar 2 estate, last ECC meeting was conducted on 15/09/2015 attended by 14 representatives from all operations within the Estate. Issues highlighted were discussed and further actions were confirmed during the meeting. At Sakilan estate, last ECC meeting was conducted on 18/09/2015 attended by 10 representatives from all operations within the Estate. Issues highlighted were discussed and further actions were confirmed during the meeting.	Complied
Criterion 6.7: 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 (Linbar2 & Sakilan). This was also re-confirmed with stakeholders.	Complied
Criterion 6.8: 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 mandors 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
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.		

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Criterion / Indicator	Assessment Findings	Compliance
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
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. Meeting was held on 15/10/2015, attended by 7 members and there were no issues raised. Linbar2 Estate has a gender committee and the 27/11/2015, attended by 8 members and there were no issues raised. Sakilan Estate has a gender committee and the 29/10/2015, attended by 7 members and there were no issues raised. Suggestions and briefings were done during the meeting to remind the lady representatives on their rights.	Complied
Criterion 6.10: 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

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Criterion / Indicator	Assessment Findings	Compliance
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. Sakilan Mill- Contract of Palm Kernel transporter (Uniharvest Sdn.Bhd.) dated 20/07/2013 was checked. Linbar2 estate – Contract for External Transportation of FFB & EFB (Syarikat Pengangkutan Kurnia Maju), dated 1/07/2015 was checked, External Transportation of FFB & EFB. Sakilan Estate – Contract of Terus Maju for the transporting of FFB from Ramp (Div.2) to Sakilan Palm Oil Mill dates 1/07/2015 was checked.	Complied
6.10.4 Agreed payments shall be made in a timely manner. - Minor compliance -	Payment records of the above contractors were as per the contract term. Payments are made in a timely manner as per contract terms and re-confirmed by the contractors interviewed. Sample checked: Invoice #UH1566 , Sakilan Palm Oil Mill Statement of Account, Summary of transport-D.O Sample checked: Payment voucher S/N: 75635 with date of payment on 16/11/2015. Sample checked: Payment voucher S/N: 63023 with date of payment on 12/11/2015.	Complied
Criterion 6.11: 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.	Complied
6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –	No scheme smallholders in the supply base at all 3 sites toured.	Not applicable
Criterion 6.12: 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 -	Workers, staff and stakeholder interview confirm that there is no form of forced labour or trafficked labour in the operating units. All workers are legalised as per the requirements from local authorities.	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
Criterion 6.13: Growers and millers respect human rights.		

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Criterion / Indicator	Assessment Findings	Compliance
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 -	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 –	Complied
<p>Principle 7: Responsible development of new plantings Sakilan Palm Oil Mill Certification unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this assessment. The immature areas are replanted area.</p>		
<p>Principle 8: Commitment to continual improvement in key areas of activity</p>		
<p>Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>		
8.1.1	<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"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of the supply base. <p>- Major compliance -</p>	Complied

Appendix B: Time Bound Plan - IOI Group

No.	Operating Unit	Certification Status	Updated information for Partial Certification (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 Sabah 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). POM was commission in February 2015 and Governmental (HGU): "Hak Guna Usaha" application in progress.	Certification preparation in progress. Delay expected on the HGU. Note: NPP issue was considered resolved in May 2012 vis 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	Certification preparation in progress. Pending the issuance of HGU.

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		progress.	Note: NPP issue was considered resolved in May 2012 vis letter from RSPO.
18.	PT BSS, 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: IOI Corporation Bhd – Sakilan Certification Unit RSPO Certificate Details

IOI Corporation Berhad
 Sakilan Palm Oil Mill, Sandakan Regional Office,
 Mile 45, Sandakan/Telupid, wdt 164,
 90009 Sandakan, Sabah,
 Malaysia.

Website: www.ioigroup.com

RSPO Membership number: 2-0002-04-000-00

BSI RSPO Certificate N^o: SPO 543161

Date of Initial Certificate Issued: 8 March 2010

Applicable Standards: RSPO P&C MYNI-2014; RSPO Certification System June 2007 (revised March 2011); Procedure for Annual Surveillance Assessments: October 2009; RSPO Supply Chain Certification Standard 21 November 2014
 Module D - CPO Mills: Identity Preserved

Sakilan Palm Oil Mill and Supply Base					
Location Address	Mile 45, Sandakan/Telupid, wdt 164,, 90009 Sandakan, Sabah, Malaysia.				
GPS Location	Longitude: 117° 50' 37" E Latitude: 5° 50' 21"				
CPO Tonnage Total	27,561				
PK Tonnage Total	6,890				
CPO Claimed for Certification	27,561				
PK Claimed for Certification	6,890				
Own estates FFB Tonnage	125,276				
Scheme Smallholder FFB Tonnage	NIL.				
Non-company suppliers FFB Tonnage - Other adjacent estates	NIL.				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Sakilan Estate	2,142	0	154.37	2,296.37	70,835
Linbar I Estate	1,350	1,071	207.17	2,628.17	27,621
Linbar II Estate	1,619	223	370.00	2,212.00	26,820
Total	5,111	1,294	731.54	7,136.54	125,276

Appendix D: Assessment Plan

PRELIMINARY AGENDA					
Date	Time	Subjects	Haris	Senniah	Suresh
Monday 14/12/2015	AM	Audit Team travelling to the site.	√	√	√
	PM	Meeting external stakeholders	√	√	√
Tuesday 15/12/2015	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). 	√	√	√
	09.00 – 12.30	Sakilan Palm Oil Mill 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.	√	√	-
	09.00 – 12.30	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc.)	-	-	√
	12.30 – 13.30	Lunch	√	√	√
	13.30 – 16.30	Sakilan Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, SCCS, 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.	√	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√	√
Wednesday 16/12/2015	08.30 – 12.30	Linbar 2 Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	12.30 – 13.30	Lunch	√	√	√
	13.30 – 16.30	Linbar 2 Estate 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).	√	√	√
	16.30 - 17.00	Interim Closing Briefing	√	√	√
Thursday 17/12/2015	8.30 – 12.30	Sakilan Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	12.30 – 13.30	Lunch	√	√	√

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PRELIMINARY AGENDA					
Date	Time	Subjects	Haris	Senniah	Suresh
	13.30 – 16.00	Sakilan Estate 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).	√	√	√
	16.00 – 17.00	Verify any outstanding issues & Preparation for closing meeting	√	√	√
	17.00 – 18.00	Closing Meeting	√	√	√
Friday 18/12/2015	AM	Audit Team travelling back to KL.	√	√	√

Appendix E: Stakeholders Contacted

<p>Internal Stakeholders</p> <p>Managers and Assistants Male Mill Staff/Workers Female Mill Staff/Workers Foreign Workers Male and Female Estate workers Hospital Assistants Female Assistant at Clinic Foreign workers Representatives Gender Committee Secretary</p>	<p>External Stakeholders</p> <p>Head/Representatives of the Villages Mosque Committee</p>
<p>Contractors & Suppliers</p> <p>FFB Transport Contractor General Supplier</p>	<p>Government Departments</p> <p>Labour Department Health Department Police Department</p>

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

Requirements	Compliance
D.1. Definition	
<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&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&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>
D.2 Explanation	
<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&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>Sakilan mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim). Previous registration was Segregation. Based on the SCCS November 2014, the mill is using IP.</p>
D.3 Documented procedures	
<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> <ul style="list-style-type: none"> a) Complete and up to date procedures covering the implementation of all the elements in these requirements; 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>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. 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 non-certified FFBs.</p>
D.4 Purchasing and goods in	
<p>D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p>	<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</p>

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	the weighbridge.
D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The facilities aware of this procedure and stated in the.
D.5 Record keeping	
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.	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.
D.6 Processing	
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.	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.
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.

Actual Tonnage Certified Palm Production - 01 January 2015 - 31 December 2015 (Re-Certification)

Mill	Capacity	CPO	PK
Sakilan Palm Oil Mill	40 mt/hr	26,848mt	6,707mt

Actual Tonnage Sales of Certified Palm Products - 01 January 2015 - 31 December 2015 (Re-Certification)

Mill	Certified CPO Sales	Certified PK Sales	Remarks
Sakilan Palm Oil Mill	9,759.62 mt	- Nil -	Physical sales through eTrace at the time of audit.

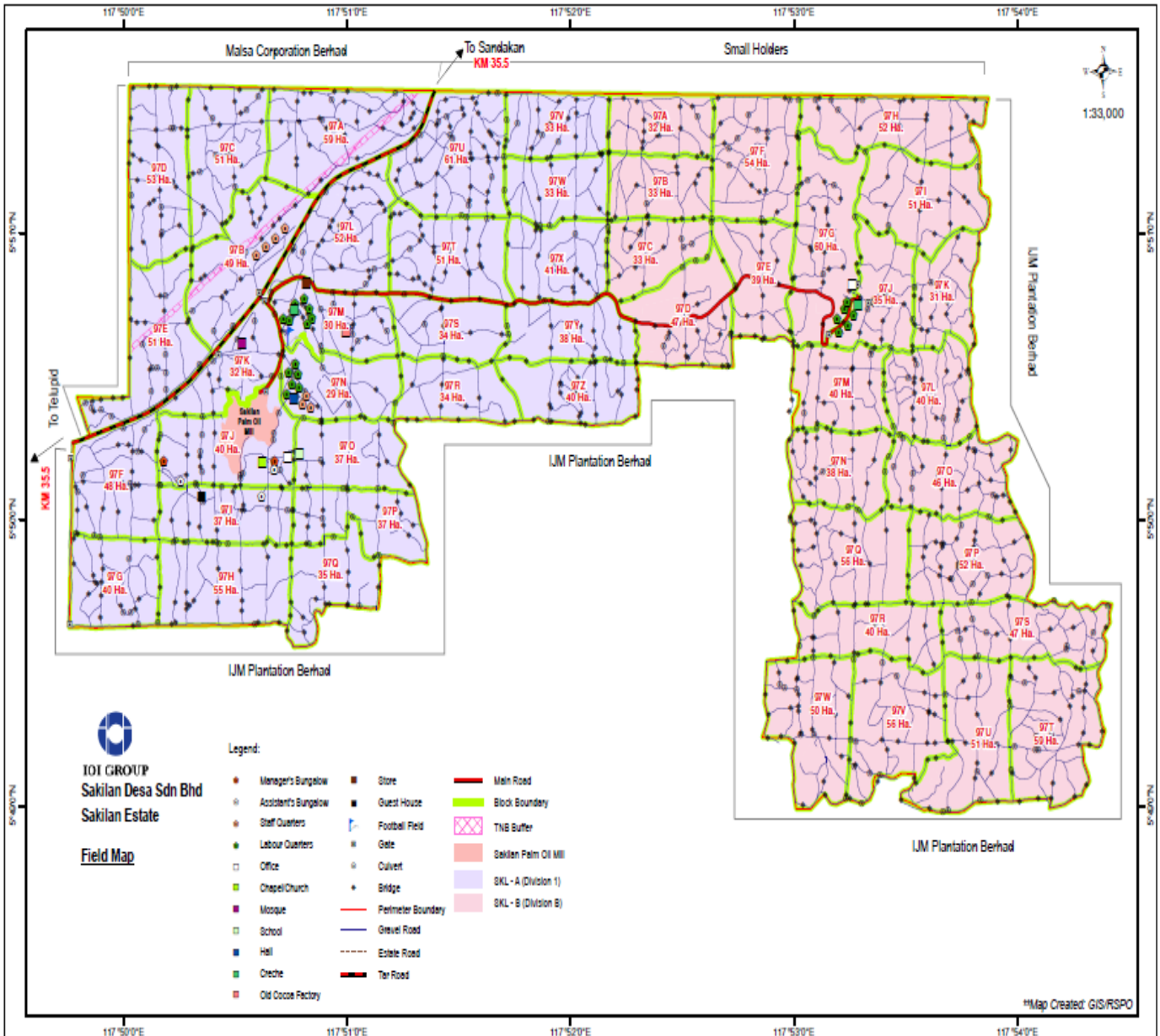
Actual Tonnage Certified FFB Received Monthly - 01 January 2015 - 31 December 2015 (Re-Certification)

Month	Sakilan	Linbar 1	Linbar 2	Total FFB/Month
January 2015	3,911	1,454	2,799	8,164
February 2015**	2,113	903	1,859	4,875
March 2015	2,981	1,561	3,090	7,632
April 2015	3,637	2,033	4,024	9,694
May 2015	5,383	2,517	4,573	12,473
June 2015	6,164	2,056	4,059	12,279
July 2015	5,473	1,926	3,500	10,899
August 2015	5,452	2,167	3,746	11,365
Sept. 2015**	5,448	2,290	3,494	11,232
Oct. 2015	5,409	2,733	4,185	12,327
Nov. 2015	3,605	2,001	3,665	9,271
Dec. 2015*	6,226	3,023	2,485	11,734
Total	55,802	24,664	41,479	121,945

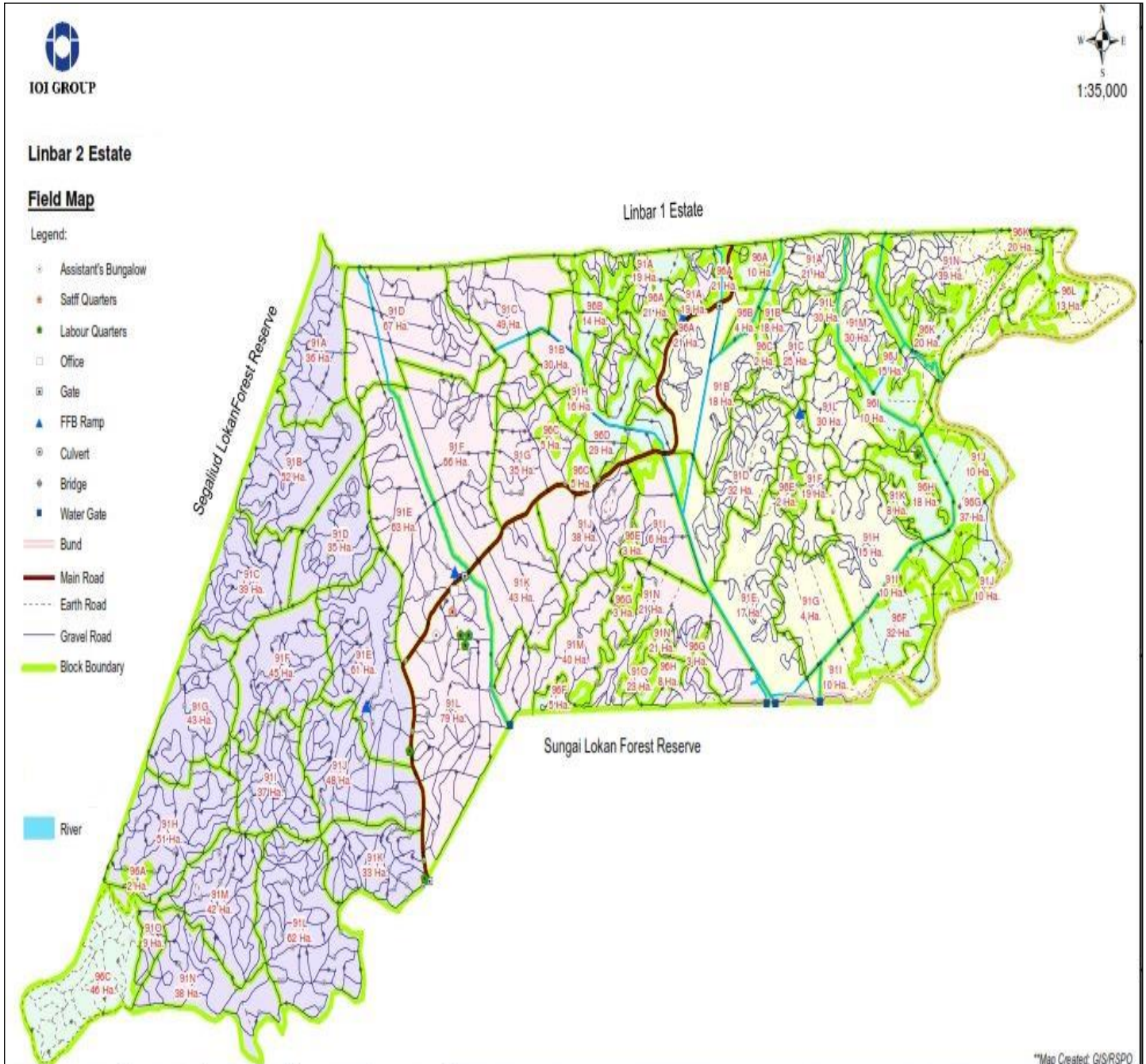
*Note 1: Jan – Nov 2015 (Actual); December 2015 (projection)

**Note 2: On February 2015, an amount of 528.59 mt FFB from Sakilan Estate, 144.95mt from Linbar 1 estate and 297.10mt from Linbar 2 estate were diverted to Ladang Sabah POM due to Sakilan POM annual maintenance. On September 2015, FFB sent to Ladang Sabah POM from Linbar 1 estate: 139.55mt and Linbar 2 estate 300.94mt due to mill minor breakdown in processing capacity.

Appendix G: Sakilan Estate Field Map



Appendix H: Linbar II Estate Field Map



Appendix I: 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
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EMS	Environmental Management System
ERP	Emergency Response Plan
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NGO	Non Governmental Organisation
OSH	Occupational Safety & Health
PK	Palm Kernel
PKO	Palm Kernel Oil
PPE	Personal Protective Equipment
RAV	Recertification Assessment Visit
RC	Re-Certification
RED	Renewable Energy Directive
RSPO P&C	Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure