

# IOI Corporation Berhad

RSPO Membership No: 2-0002-04-000-00

PLANTATION MANAGEMENT UNIT

## **Gomali Grouping**

Estates at Segamat & Tangkak (Johor),  
Bahau, Gemas & Gemencheh (Negeri Sembilan),  
Durian Tunggal & Jasin (Melaka), Malaysia

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# Assessment Report

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**INTERTEK CERTIFICATION INTERNATIONAL SDN BHD**  
(188296-W)

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Gomali Grouping: ASA-02

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**ANNUAL SURVEILLANCE ASSESSMENT**  
**PUBLIC SUMMARY REPORT**

**IOI CORPORATION BERHAD**

RSPO Membership No: 2-0002-04-000-00

**PLANTATION MANAGEMENT UNIT**

**Gomali Grouping**

Estates at Segamat & Tangkak (Johor), Bahau,  
Gemas & Gemencheh (Negeri Sembilan),  
Durian Tunggal Jasin (Melaka), Malaysia

**Certificate No:**

Issued date:

Expiry date:

**RSPO 930588**

23 Aug 2015

22 Aug 2020

**Assessment Type**

Initial Certification (Main Assessment)

Annual Surveillance Assessment (ASA-01)  
(Transfer CB)

Annual Surveillance Assessment (ASA-02)

Annual Surveillance Assessment (ASA-03)

Annual Surveillance Assessment (ASA-04)

Re-Certification Assessment

**Assessment Dates**

20–24 Jun 2016

12–16 Jun 2017

**Intertek Certification International Sdn Bhd**

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## 1.0 SCOPE OF ASSESSMENT

### 1.1 Introduction

This Surveillance Assessment was conducted on the Plantation Management Unit (PMU) Gomali Grouping of IOI Corporation Berhad (hereafter abbreviated as IOI), from **12-16 Jun 2017**, to assess the organization's operations of the mill and its supply bases for compliance against the RSPO Principles and Criteria (Apr 2013), Malaysian National Interpretation (MYNI 2014) and the RSPO Supply Chain Certification Standard (Nov 2014) for the Palm Oil Mill.

The plantation management unit (PMU) or management unit is equivalent to a certification unit as defined in the RSPO Certification Systems Document. Each PMU consists of one mill and its supply bases which are made up of estates owned and/or managed by IOI.

### 1.2 Location (address, GPS and map) of palm oil mill and estates

Gomali Grouping consists of one (1) palm oil mill, namely Gomali Palm Oil Mill and eleven (11) estates as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estates. The location maps are provided in **Appendix C**.

**Table 1: Address of Palm Oil Mill, Estates and GPS Location**

Name	Address	GPS Reference	
		Latitude	Longitude
Gomali POM (Capacity: 90 MT/hour)	5th Mile, Jalan Gemas Batu Anam, K.B. No. 102, 85100 Batu Anam, Segamat, Johor, Malaysia	2°36'37.68" N	102°40'45.44" E
1. Gomali Estate	5th Mile Jalan Gemas Batu Anam, KB. No 102, 85100 Batu Anam, Segamat, Johor, Malaysia	2°36'48.94" N	102°39'21.12" E
2. Paya Lang Estate	Batu Anam, 85100 Segamat, Johor.	2°36'28.53" N	102°41'41.36" E
3. Bahau Estate	Batu 5 Jalan Bahau Rompin 72100 Bahau Negeri Sembilan	2°48'30.75" N	102°26'44.47" E
4. Bertam Estate	Flora Horizon Sdn Bhd Bertam Estate, 76100 Durian Tunggal, Melaka.	2°17'55.6" N	102°17'30.11" E
5. Bukit Dinding Estate	1 1/2 Miles, Jalan Mentakab, 28600 Karak, Pahang	3°22'39.8" N	102°05'31.36" E
6. Kuala Jelei Estate	Kuala Jelei Estate, 5km Jalan Tampin, 72109 Bahau, Negeri Sembilan.	2°46'21.56" N	102°22'52.27" E
7. Tambang Estate	Tambang Estate, Batu Anam, Segamat, 85100 Johor.	2°38'26.33" N	102°42'53.17" E
8. Regent Estate	2 <sup>nd</sup> Mile Jalan Batang Melaka 73200 Gemencheh, Negeri Sembilan	2°30'29.81" N	102°24'8.23" E
9. Sagil Estate	Sagil Estate, 8 Milestone, Jalan Tangkak - Segamat, 84900 Tangkak, Johor.	2°19'33.84" N	102°38'6.56" E
10. Jasin Lalang Estate	5km From 15 Miles Air Merbau Jalan Jasin Bemban, Jasin, Melaka	2°15'4.13" N	102°24'44.81" E
11. Sembilan Tani Estate (associated outgrower)	Kampung Kuala Gemas, Gemas, Negeri Sembilan	2°38'15.97" N	102°37'03.81" E

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### 1.3 Description of supply base (fruit sources)

The supply base i.e. FFB sources to the POM at Gomali Grouping PMU are from the abovementioned 11 estates of which 10 are owned by IOI whilst the Sembilan Tani Estate is owned by an Associated Outgrower. Verification done on site during current assessment confirmed that there has been no change in the supply base of FFB to the said PMU since the previous year assessment.

Details of the planted hectareage for the FFB supply to the PMU are as shown in Table 2 below.

**Table 2: Estate Area Summary**

Estate	Area Summary (ha) – FY Jul 2015 / Jun 2016		Area Summary (ha) – – FY Jul 2016 / Jun 2017	
	Certified Area	Planted Area	Certified Area	Planted Area
Gomali Estate	2,532.01	2,194	2,532.01	2,177
Paya Lang Estate	2,179.29	1,971	2,179.29	1,971
Bahau Estate	2,577.39	2,580	2,577.39	2,379
Bertam Estate	634.88	413	634.88	413
Bukit Dinding Estate	1,660.47	1,442	1,660.47	1,442
Kuala Jelei Estate	679.26	634	679.26	634
Tambang Estate	2,010.74	1,883	2,010.74	1,881
Regent Estate	2,300.27	2,140	2,300.27	2,139
Sagil Estate	2,547.02	2,177	2,547.02	2,177
Jasin Lalang Estate	1,569.67	1,496	1,569.67	1,496
Sembilan Tani Estate (associated outgrower)	256.87	256.87	256.87	256.87
<b>Total:</b>	<b>18,947.87</b>	<b>17,186.87</b>	<b>18,947.87</b>	<b>16,965.87</b>

Notes:

1. This Assessment covered the overall land use for oil palm plantation areas, and the identified Conservation areas including any HCV areas (if any) marked out at the estates.
2. The estates sampled for this Assessment have been selected based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and any high conservation value areas.

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### 1.4 Summary of plantings and cycle

The 11 estates been developed since 1989 and are presently in the 2<sup>nd</sup> cycle of planting. The age profile is as shown in Table 3.

**Table 3: Age Profile of Planted Oil Palm – FY Jul 2016 / Jun 2017**

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total (ha)
Gomali Estate	1994 – 1998	1 <sup>st</sup> cycle	2,177	0	2,177
	2011 – 2013	2 <sup>nd</sup> cycle			
Paya Lang Estate	1995 – 1999	1 <sup>st</sup> cycle	1,971	0	1,971
	2013 – 2014	2 <sup>nd</sup> cycle			
Bahau Estate	1990 – 1996	1 <sup>st</sup> cycle	2,135	244	2,379
	2001 – 2012	2 <sup>nd</sup> cycle			
	2016	2 <sup>nd</sup> cycle			
Bertam Estate	2001 – 2002	1 <sup>st</sup> cycle	413	0	413
Bukit Dinding Estate	1990 – 1992	1 <sup>st</sup> cycle	1,442	0	1,442
	2011 – 2012	2 <sup>nd</sup> cycle			
Kuala Jelei Estate	1997 – 1998	1 <sup>st</sup> cycle	634	0	634
	2010 – 2012	2 <sup>nd</sup> cycle			
Tambang Estate	1994 – 2003	1 <sup>st</sup> cycle	1,669	212	1,881
	2015 - 2016	2 <sup>nd</sup> cycle			
Regent Estate	1989 – 2005	1 <sup>st</sup> cycle	1,858	281	2,139
	2006 – 2009	2 <sup>nd</sup> cycle			
	2014	2 <sup>nd</sup> cycle			
Sagil Estate	1992 – 1998	1 <sup>st</sup> cycle	2,177	0	2177
	1999 - 2012	2 <sup>nd</sup> cycle			
	2014	2 <sup>nd</sup> cycle			
Jasin Lalang Estate	1991 – 1996	1 <sup>st</sup> cycle	1,352	144	1,496
	1999 – 2011	2 <sup>nd</sup> cycle			
	2015	2 <sup>nd</sup> cycle			
Sembilan Tani Estate (associated outgrower)	1992 – 2013	1 <sup>st</sup> cycle	236.87	20	256.87
	2014 - 2015	2 <sup>nd</sup> cycle			
<b>Total</b>			16,064.87	901	16,965.87



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### 1.5 Summary of Land Use - Conservation and HCV Areas

The summary of Conservation and HCV Areas as identified in the PMU during this assessment is as shown in Table 4 below:

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	FY Jul 2015 / Jun 2016 Hectarage – Ha	FY Jul 2016 / Jun 2017 Hectarage – Ha
<b>1</b>	<b>Planted Area (ha) – Oil Palm</b>		
	- Mature (Production)	16,313.87	16,064.87
	- Immature (Non-Production)	873	901
<b>2</b>	<b>Conservation Area (ha)</b>		
	- comprising buffer zones along small streams, hilly areas, swampy and unplatable areas	4.0	4.0
<b>3</b>	<b>HCV Area (ha)</b>		
	- comprising buffer zones near forest reserves, water catchments, burial & religious sites	30.57	30.57

### 1.6 Other certifications held and Use of RSPO Trademarks

IOI-Gomali Grouping is also certified to the International Sustainability and Carbon Certification (ISCC). The RSPO's trademarks and logo are not used by the PMU audited. Instructions for use were provided and acknowledged by the PMU through a signed Memorandum of commitment agreeing to adhere to the latest "RSPO Rules on Communications & Claims" during the assessment.

### 1.7 Organizational information / Contact Person

At Head Office:

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Sustainability Manager  
IOI Corporation Berhad  
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IOI Resort, 62502, Putrajaya  
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Fax: 603-89478988  
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At Gomali Grouping - PMU:

Mr. Ravi Tony  
Manager  
Sustainability, Safety and Health (Peninsular)  
IOI Plantation Services Sdn Bhd  
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### 1.8 Tonnages Verified for Certification

1.8.1 The breakdown of all the suppliers and their tonnages of FFB supplied to the POM at Gomali Grouping based on the reporting period for current assessment are as shown in Table 5 below:

**Table 5: Tonnages Verified for Certification - Jul 2016 / Jun 2017 (Actual + Projected)**

#	Estate /Supplier	FFB Processed (MT)	Main Receiving Palm Oil Mill	RSPO P&C Certification By CB
1.	Gomali Estate	42,487.96	Gomali POM	Intertek
2.	Paya Lang Estate	38,255.57	Gomali POM	Intertek
3.	Bahau Estate	41,359.30	Gomali POM	Intertek
4.	Bertam Estate	21,707.47	Gomali POM	Intertek
5.	Bukit Dinding Estate	38,060.69	Gomali POM	Intertek
6.	Kuala Jelei Estate	19,712.99	Gomali POM	Intertek
7.	Tambang Estate	38,931.92	Gomali POM	Intertek
8.	Regent Estate	42,314.85	Gomali POM	Intertek
9.	Sagil Estate	52,250.60	Gomali POM	Intertek
10.	Jasin Lalang Estate	41,189.92	Gomali POM	Intertek
11.	Sembilan Tani Estate (associated outgrower)	11,905.98	Gomali POM	Intertek
	<b>Gomali Grouping estates:</b>	<b>388,177.25</b>		
	<b>Other certified FFB supply:</b>	-		
12	IOI Pukin Grouping estates (i.e. Pukin, Shahzan 1 and Shahzan 2 estates)	8,421.10	Pukin POM	Intertek
	<b>Grand total:</b>	<b>396,598.35</b>		

1.8.2 Total annual tonnages of FFB supplied from the supply base to Gomali Grouping POM during the previous period, current assessment and projected period are as shown in Table 6 below:

**Table 6: Annual Tonnages of FFB**

Estate / Supplier	FFB Processed in FY Jul 2015 / Jun 2016 - Actual		FFB Processed in FY Jul 2016 / Jun 2017 - Actual + Projected		FFB Processed in FY Jul 2016 / Jun 2017 - Projected	
	MT	%	MT	%	MT	%
Gomali Grouping	318,992.20	91.5	388,177.25	97.88	382,260	100
Other certified IOI estates	29,490.61	8.5	8,421.10	2.12	0	0
<b>Total</b>	<b>348,482.81</b>	<b>100</b>	<b>396,598.35</b>	<b>100</b>	<b>382,260</b>	<b>100</b>
SCCS Model for POM	IP		IP		IP	





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1.8.3 The annual certified tonnages of CPO and PK production by the PMU as assessed and verified during the current assessment are detailed as shown in Table 7 below:

**Table 7: Annual Certified Tonnages of CPO and PK**

POM	FY Jul 2015/ Jun 2016 - Actual		FY Jul 2016/ Jun 2017 - Actual + Projected		Jul 2017/ Jun 2018 - Projected	
<b>Total Certified FFB Processed (MT)</b>	348,482.81		396,598.35		382,260	
<b>Total Certified CPO Production (MT)</b>	73,957.09	OER: 21.22%	85,938.64	OER: 21.67%	83,141.55	OER: 21.75%
<b>Total Certified PK Production (MT)</b>	18,106.18	KER: 5.20%	20,743.81	KER: 5.23%	19,113	KER: 5.00%

Note:

The POM has established and maintained procedures for the book keeping and monitoring requirements for the CPO at the mill. It is verified the POM has procedures for the 'Identity Preserved – IP' model in accordance with the RSPO Supply Chain Certification Standards (SCCS) requirements. Verified activities and checked items for the **SCCS of the POM are reported in section 3.1.1.**

## 1.9 Time Bound Plan for Other Plantation Management Units and Requirements for Partial Certification

The IOI Plantations Group is a member of RSPO since 2004 and has been taking an active role in support of the RSPO certification.

Todate IOI Group manages a total of 19 Plantation Management Units (PMU) which comprise 16 palm oil mills and over 90 oil palm estates throughout Malaysia and Indonesia.

Currently, 12 of its PMUs have been certified with another 7 managed units still 'non-certified'.

IOI Group had reviewed their Time Bound Plan (TBP) from time to time with progressive declarations on new acquisitions of land for oil palm plantations since 2009 and recent years which have encountered operational issues at Sarawak, Malaysia and Kalimantan, Indonesia as stated under the updated Time Bound Plan.

On overall, IOI Group had declared its commitment to complete RSPO certifications on all its 'non-certified' units, targeted by 2019.

In addition, IOI Group had also submitted a positive assurance statement to assure its commitment to continued compliance with RSPO requirements for all its certified and non-certified units.

IOI had conducted an internal audit on the uncertified units to determine its compliance against Clause 4.2.4 (Rules on Partial Certification). The Internal audit reports had identified the issues involved, on-going corrective actions and monitoring.

Details of the updated Time Bound Plan as submitted by IOI and reviewed by Intertek are shown in **Appendix E.**

Intertek had also referred to the RSPO's Complaints website for the tracking of issues and the latest updates available on cases of legitimate complaints which may be filed against the IOI Group and also IOI's statements of response and actions currently being undertaken to comply with their Sustainability commitments which are indicated in **Appendix F.**

The publicly available updates of announcements on the progress of formal complaints as documented by RSPO and responses made by IOI Group are continually reviewed by Intertek to ensure that all issues as formally lodged and recorded against the IOI Group units are duly considered prior to conducting any new or ongoing certification assessments.



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**1.10 Abbreviations Used**

CB	Certification Body	IUCN	International Union for Conservation of Nature
CHRA	Chemical Health & Risk Assessment	KER	Kernel Extraction Rate
CPO	Crude Palm Oil	LTA	Lost Time Accidents
CSDS	Chemical Safety Data Sheets	MSDS	Material Safety Data Sheets
CSPO	Certified Sustainable Palm Oil	MTCS	Malaysia Timber Certification Scheme
CSPK	Certified Sustainable Palm Kernel	NCR	Non-Conformance Report
EFB	Empty Fruit Bunch	NGO	Non-Government Organization
EHS	Environmental Health & Safety	OER	Oil Extraction Rate
EIA	Environmental Impact Assessment	OHS	Occupational Health & Safety
ETP	Effluent Treatment Plant	PEFC	Programme for the Endorsement of Forest Certification
FFB	Fresh Fruit Bunch	PK	Palm Kernel
GAP	Good Agriculture Practice	PMU	Plantation Management Unit
HCV	High Conservation Values	POM	Palm Oil Mill
Intertek	Intertek Certification International Sdn Bhd	POME	Palm Oil Mill Effluent
IOI	IOI Corporation Berhad	PPE	Personal Protective Equipment
IPM	Integrated Pest Management	SCCS	Supply Chain Certification Standard
ISCC	International Sustainability & Carbon Certification	SOP	Standard Operating Procedure

**2.0 ASSESSMENT PROCESS****2.1 Assessment Methodology, Plan and Site Visits**

Since 11 May 2017, Intertek has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on Gomali Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From **12-16 Jun 2017**, the Assessment team conducted the Surveillance Assessment in which 3 out of the 11 estates of Gomali Grouping, namely Bukit Dinding, Kuala Jelei and Gomali estates, as well as the palm oil mill were assessed for compliance against the RSPO requirements. The number of estates sampled was based on a minimum sample of  $0.8\sqrt{y}$  where  $y$  is the number of management sub-units and the selection was made based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and high conservation value areas.

During the on-site assessment, relevant documents and records, including Standard Operating Procedures (SOP), management plans, hectare development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance. The Assessment team using the process approach auditing technique covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment and other requirements. Stakeholders' interviews were conducted during the assessment and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

Gomali Grouping POM was also assessed against the requirements of RSPO Supply Chain Certification Standard (Nov 2014) for CPO mill. This part of the assessment covered the verification of implementation of documented procedures and availability of records to demonstrate compliance against all the elements for the 'Identity Preserved' - IP Module requirements. These include documented procedure, purchasing and goods in, record keeping, sales and goods out, processing, monitoring and traceability of the CSPO and CSPK quantities, training for staff and claims. The details of the Assessment Plan (actual on-site) are provided in **Appendix B**.

After completion of the on-site field assessment, Intertek also performed the evaluation of conformity against the RSPO Certification System requirements for CB. The assessment report, findings and associated documents were evaluated through an independent review by the Intertek Internal Technical Reviewer/Panel for comments prior to the approval of this report and final decision on the certification by Intertek.

**2.2 Date of next scheduled visit**

The next scheduled visit will be the Annual Surveillance Assessment which will be carried out within a 12-month period prior to the annual certificate expiry date.

**2.3 Qualifications of the Lead Assessor and Assessment Team**

Competency details of the Lead Assessor and Assessment Team are given in **Appendix A**.

**2.4 Certification Body**

Intertek Certification International Sdn Bhd is part of the Intertek Group, which is a worldwide technical services organization dedicated to reducing clients' risks by providing technical inspection services, management system certification in quality, environmental, occupational safety & health and product certification, RSPO SCC, ISCC, Marine Sustainability Chain-of-Custody, MTCS and PEFC Chain-of Custody certification in applicable industry sectors including the agricultural and forestry sectors. Intertek operates globally providing clients with a wide-ranging technical inspection expertise and access to thousands of skilled specialists worldwide. Intertek Group's certification business is ranked in the top 10 worldwide, and is available globally offering certification across a wide range of industries.

**2.5 Process of stakeholder consultation**

Stakeholder consultations began with notification of the upcoming assessment through the websites of RSPO, IOI and Intertek. E-mails were sent to applicable stakeholders including government agencies, NGOs and local



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communities. E-mails and telephone enquiries were made prior to the actual assessment and stakeholder's response and feedback received were followed up accordingly.

During the assessment, stakeholders were interviewed and their feedbacks were recorded. Among the stakeholders consulted were workers, trade union leaders, women representatives; local community leaders, representatives of government departments / agencies, NGOs, suppliers and contractors.

Details on stakeholders' feedback, PMU response and Intertek verification / comments are provided in **section 3.3**.

Among the list of key stakeholders consulted was the following:

### Government Agencies (by emails)

1. Department of Lands And Mines (Kuala Lumpur)
2. Department of Environment (Kuala Lumpur)
3. Department of Forestry Peninsular Malaysia (Kuala Lumpur)
4. Department of Immigration (Kuala Lumpur)
5. Department of Irrigation & Drainage (Kuala Lumpur)
6. Department of Labour (Kuala Lumpur)
7. Department of Occupational Safety & Health (Kuala Lumpur)
8. Department of Orang Asli Affairs (Kuala Lumpur)
9. Department of Wildlife & National Parks (Kuala Lumpur)
10. Department of Environment, Johor
11. Department of Forestry, Johor
12. Department of Immigration, Johor
13. Department of Irrigation & Drainage, Johor
14. Department of Labour, Johor
15. Department of Occupational Safety & Health, Johor
16. Department of Wildlife & National Parks, Johor
17. Land and Mines Office, Johor
18. Pertubuhan Keselamatan Sosial (SOCSO), Johor
19. Department of Immigration, Pahang
20. Department of Irrigation & Drainage, Pahang
21. Department of Labour, Pahang
22. Department of Occupational Safety & Health, Pahang
23. Department of Wildlife & National Parks, Pahang
24. Land and Mines Office, Pahang

### Statutory Bodies (by emails)

25. Malaysian Palm Oil Board (MPOB)
26. Malaysian Palm Oil Board (MPOB) - Northern Region
27. Malaysian Palm Oil Board (MPOB) - Central Region
28. Malaysian Palm Oil Board (MPOB) - Southern Region
29. Malaysian Palm Oil Board (MPOB) - Eastern Region
30. Malaysian Palm Oil Board (MPOB) - Sarawak Region
31. Malaysian Palm Oil Board (MPOB) - Sabah Region
32. Malaysia Palm Oil Association (MPOA)
33. Malaysia Palm Oil Association Kuala Lumpur (MPOA)
34. Malaysia Palm Oil Association Sabah (MPOA)

### NGOs (by emails)

35. All Women's Action Society (AWAM)
36. BCSDM - Business Council for Sustainable Development in Malaysia
37. Borneo Child Aid Society (Humana)
38. Borneo Resources Institute Malaysia (BRIMAS)
39. Borneo Rhino Alliance (BORA)
40. Center for Orang Asli Concerns COAC
41. Centre for Environment, Technology and Development, Malaysia - CETDEM
42. Consumers Association Of Penang - CAP
43. EcoKnights
44. ENO Asia Environment
45. Environmental Management and Research Association of Malaysia (ENSEARCH)



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46. Environmental Protection Society Malaysia (EPSM)
47. Friends of the Earth, Malaysia
48. Future in Our Hands Society, Malaysia
49. Global Environment Centre
50. HUTAN - Kinabatangan Orang-utan Conservation Programme
51. Institute of Foresters, Malaysia (IRIM)
52. JUST - International Movement for a Just World
53. Malaysian CropLife & Public Health Association (MCPA)
54. Malaysian Environmental NGOs - MENGO
55. Malaysian National Animal Welfare Foundation – MNAWF
56. Malaysian Nature Society Johor
57. Malaysian Nature Society Pahang
58. Malaysian Plant Protection Society (MAPPS)
59. National Council of Welfare & Social Development Malaysia - NCWSDM
60. National Union of Plantation Workers (NUPW)
61. Partners of Community Organisations (PACOS)
62. Pesticide Action Network Asia and the Pacific (PAN AP)
63. Proforest - South East Asia Regional Office
64. R.E.A.C.H. - Regional Environmental Awareness Cameron Highlands
65. SUARAM - Suara Rakyat Malaysia
66. SUHAKAM - National Human Rights Society - Persatuan Kebangsaan Hak Asasi Manusia
67. Sustainable Development Network Malaysia (SUSDEN)
68. Tenaganita Sdn Bhd
69. The Malaysian Forum of Environmental Journalist (MFEJ)
70. TRAFFIC Southeast Asia - Wildlife trade & trafficking monitoring programme
71. Transparency International - Malaysian Chapter
72. Treat Every Environment Special Sdn Bhd. (TrEES)
73. UNION – AMESU
74. United Nations Development Programme - UNDP Malaysia
75. Wetlands International (Malaysia)
76. Wild Asia Sdn Bhd
77. World Wide Fund for Nature (WWF) Malaysia

### Local community (On-site interviews)

78. Consultative Committee & Gender representatives
79. Workers & Workers representatives
80. Village Heads & representatives
81. Suppliers & Contractors representatives



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**3.0 ASSESSMENT FINDINGS**

**3.1 Summary of findings**

**Principle 1: Commitment to transparency**

<b>Criterion 1.1</b>		
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>1.1.1</b> There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p><b>Minor Compliance</b></p>	<p>The PMU has established and implemented documented procedures (Stakeholder Request – Corporate Level, Stakeholder Request – POM Level, Stakeholder Request – Estate Level) for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>IOI had provided a detailed response to the Greenpeace report “A Deadly Trade-Off” dated 27 Sep 2016 concerning policy violations in IOI’s third-party supply chain – for more details, please refer to: <a href="http://ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=819">http://ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=819</a></p> <p>On 28 Apr 2017, Greenpeace announced their decision to suspend their campaign against IOI Corporation and re-engage with the company: <a href="http://www.greenpeace.org/international/en/press/releases/2017/Palm-oil-giant-IOI-moves-to-eliminate-deforestation-and-human-rights-abuses-from-supply-chain/">(http://www.greenpeace.org/international/en/press/releases/2017/Palm-oil-giant-IOI-moves-to-eliminate-deforestation-and-human-rights-abuses-from-supply-chain/)</a>.</p> <p>Date of public notification of this assessment of the PMU was made on 11 May 2017.</p> <p>There were no further request for information/issues from external stakeholders.</p>	Complied
<p><b>1.1.2</b> Records of requests for information and responses shall be maintained.</p> <p><b>Major Compliance</b></p>	<p>The PMU had established and maintained an updated site specific list of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, etc.</p> <p>The POM and estates have conducted their respective internal and external stakeholders’ consultations in Apr 2017.</p> <p>Meeting minutes were adequately maintained. The meetings and consultations were noted to be attended by the various categories of stakeholders.</p> <p>Records of participants and feedback given were maintained and appropriate actions taken as follows:</p> <p>(1) Safety &amp; Health Campaign 2017 to be conducted jointly with PERKESO Segamat.</p> <p>(2) To ensure FFB lorry transporters maintain safe speed limits.</p> <p>(3) Improve the road condition.</p> <p>(4) Control the problem of wild dogs in the estates.</p>	Complied
<b>Criterion 1.2</b>		



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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.

Indicators	Findings and Objective Evidence	Compliance
<p><b>1.2.1</b> Management documents that are made available to the public shall include, but are not necessarily limited to: <b>Major Compliance</b></p>	<p>Management documents relating to environmental, social and legal issues were verified to be maintained and available to the public (notices and websites) and updated by IOI, HQ.</p> <p>On 8 Aug 2016, IOI Corporation Berhad published a revised Group Sustainable Palm Oil Policy (SPOP) alongside a detailed Sustainability Implementation Plan (SIP) in consultation with a wide range of their stakeholders, both customers and civil society. IOI further revised its Sustainability Palm Oil Policy (SPOP) on <b>12 Jun 2017</b> to reflect their serious intent towards sustainability and sustainability practices, (<a href="http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845">http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845</a>) (see <b>Appendix F, item (3)</b>).</p> <p>The following types of mandatory documents are available to the public upon request:</p> <ul style="list-style-type: none"> <li>• land titles/user rights,</li> <li>• occupational health and safety plan,</li> <li>• plans and impact assessments relating to environment and social impacts,</li> <li>• pollution prevention plans,</li> <li>• details of complaints &amp; grievances,</li> <li>• negotiation procedures</li> <li>• continuous improvement plan</li> <li>• Public summary of certification assessment report.</li> <li>• Human Rights Policy.</li> </ul> <p>These publicly available documents include key indicators of performance like waste management and disposal plans for the mill and estates.</p> <p>Also, Continual Improvement Action Plans include targets for waste reduction and pollution prevention.</p>	<p>Complied</p>
<ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> </ul>	<p>Copies of all land titles were available and have been maintained at the POM and Estates. HQ kept the original copies.</p>	<p>Complied</p>
<ul style="list-style-type: none"> <li>• Occupational health and safety plans (Criterion 4.7);</li> </ul>	<p>Policy and HIRAC documented for the mill and estates. The HIRAC was also reviewed on 03 Jan 2017.</p> <p>Detailed Occupational Safety and Health Plans have been established and documented for the POM and estates by the Safety &amp; Health Manager.</p> <p>The Plans had been reviewed (annually), up-dated and approved by the respective managers for the mill and estates.</p> <p>The OSH Programme 2017 include the following:</p> <ul style="list-style-type: none"> <li>• Safety &amp; Health Committee meetings were held quarterly. Latest meeting was on 23 Mar 2017.</li> <li>• Annual medical surveillance,</li> <li>• Accident Reporting &amp; Investigation,</li> <li>• Workplace inspection,</li> <li>• CHRA assessment,</li> <li>• Air compressors annual inspection,</li> <li>• Warning signs,</li> </ul>	<p>Complied</p>

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	<ul style="list-style-type: none"> <li>• Chemical Register,</li> <li>• SOP for safe work,</li> <li>• PPE usage,</li> <li>• MSDS/CSDS,</li> <li>• JKPP 8 reporting of accidents annually,</li> <li>• Emergency Response Plan (ERP),</li> <li>• Emergency drills,</li> <li>• Inspections (line site, fire extinguisher, first aid box, chemical store, ELCB, PPE checklist, Vehicle daily inspection, gen set maintenance, ramp inspection, bridge and tanks inspection),</li> <li>• Monthly KPI Report on HSE performance,</li> <li>• Monthly Safety inspection &amp; audit by Safety Officer,</li> </ul> <p>Programmes for protecting workers' health and safety were satisfactorily implemented.</p>	
<ul style="list-style-type: none"> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> </ul>	<p>Environmental aspect and impact assessment conducted for the POM and estates and reviewed in May 2017. Management Action Plan and Continual Improvement Plan documented and implemented.</p> <p>Social Impact Assessment was also carried out and suitably reviewed in Apr and May 2017 by the IOI Sustainability Team together with the respective Mill and Estate Managers. Positive and negative impacts identified. Action plans were documented and implemented.</p>	Complied
<ul style="list-style-type: none"> <li>• HCV documentation summary (Criteria 5.2 and 7.3);</li> </ul>	<p>The Assessment reports on 'Internal HCV and Conservation Areas' were reviewed in Apr 2017. The Management Action Plans were implemented and monitored at the respective estates.</p>	Complied
<ul style="list-style-type: none"> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> </ul>	<p>Pollution Prevention Management Plans were reviewed in May 2017. Action items include mitigation measures for pollution control (smoke emission, POME / effluent discharge), pesticides reduction, scheduled wastes (chemicals, drums, tyres, used PPE, hydraulic oil) and organic/domestic wastes disposal, reuse and recycling (paper, glass, scrap iron).</p>	Complied
<ul style="list-style-type: none"> <li>• Details of complaints and grievances (Criterion 6.3);</li> </ul>	<p>The mill and respective estates had maintained the Complaints and Grievances Logbook. Logbook entries were examined and found to be in order. Employees Consultative Council (ECC) representatives interviewed had confirmed that there were no serious issues.</p> <p>Refer to Appendix F (Summary of RSPO Complaints Panel Decisions and RSPO Case Tracking on IOI Group) concerning the following complaints against IOI:</p> <p>(1) RSPO Case Tracker on: PT SUKSES KARYA SAWIT (SKS), PT BERKAT NABATI SAWIT (PT BNS), PT BUMI SAWIT SEJAHTERA (PT BSS) SUBSIDIARY OF PT SAWIT NABATI AGRO (PT SNA), IOI Group  Weblink: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/80">http://www.rspo.org/members/complaints/status-of-complaints/view/80</a></p> <p>(2) RSPO Case Tracker on: IOI Pelita Sdn Bhd  Weblink: <a href="http://www.rspo.org/members/complaints/status-of-complaints/view/4">http://www.rspo.org/members/complaints/status-of-complaints/view/4</a></p>	Complied
<ul style="list-style-type: none"> <li>• Negotiation procedures (Criterion 6.4);</li> </ul>	<p>Presently, there is no new conflict/dispute requiring negotiation on compensation at this PMU. Negotiation procedure and flowchart was available and maintained.</p> <p>The status on the ongoing negotiations on land issues against IOI Group plantations in Sarawak and Kalimantan are accessible via website link:  <a href="http://www.rspo.org/members/status-of-complaints">http://www.rspo.org/members/status-of-complaints</a></p>	Complied





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	Refer also to details in <b>Section 1.9: Timebound Plan.</b>	
<ul style="list-style-type: none"> <li>Continual improvement plans (Criterion 8.1);</li> </ul>	Continual Improvement Plans in key operations for the mill and estates have been identified, documented and implemented.	Complied
<ul style="list-style-type: none"> <li>Public summary of certification assessment report;</li> </ul>	Public summary of certification assessment reports are available from the company upon request.	Complied
<ul style="list-style-type: none"> <li>Human Rights Policy (Criterion 6.13).</li> </ul>	<p>The Human Rights Policy has been documented and incorporated as part of the Sustainability Palm Oil Policy revised on 08 Aug 2016 and signed by the Group CEO. IOI further revised its Sustainability Palm Oil Policy (SPOP) on <b>12 Jun 2017</b>.</p> <p>(<a href="http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845">http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845</a>) (see <b>Appendix F, item (3)</b>).</p> <p>Copies of the policy found to be displayed at prominent locations in the POM and estates. Briefing and communication to all levels of the workforce, both administrative and operations departments were provided.</p>	Complied
<p><b>Criterion 1.3</b>            Growers and millers commit to ethical conduct in all business operations and transactions.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>1.3.1</b> 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><b>Minor Compliance</b></p>	<p>IOI Group has a documented policy "Code of Business Conduct and Ethics" signed by the CEO and Head of Sustainability (Malaysia/Indonesia) on 11 May 2015. The following are included:</p> <ul style="list-style-type: none"> <li>- Diversity and Respect in the workplace,</li> <li>- Equal Opportunity Employment,</li> <li>- Protecting the Environment,</li> <li>- Safety, Health and Security at Work,</li> <li>- Managing Documents,</li> <li>- Intellectual Property and Information,</li> <li>- Management and Security in our Computing Environment,</li> <li>- Data Privacy</li> <li>- Employee Privacy in the Communication and Computing Environment</li> <li>- Gifts, Benefits or Entertainment,</li> <li>- Bribes and Kickbacks,</li> <li>- Employment of Family Members and Relatives.</li> </ul> <p>Copies of the policy found to be displayed at prominent locations in the POM and estates.</p>	Complied

**Principle 2: Compliance with applicable laws and regulations**

<p><b>Criterion 2.1</b>            There is compliance with all applicable local, national and ratified international laws and regulations.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>2.1.1</b> Evidence of compliance with relevant legal requirements shall be available.</p> <p><b>Major Compliance</b></p>	<p>The Legal Register covering the applicable local and international laws and regulations is available at the mill and estates and was verified to be reviewed for any relevant updates.</p> <p>The relevant legislations identified and listed were among others regarding safety and health, environmental management, pollution management, chemical handling,</p>	Complied



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	<p>usage &amp; storage, schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities.</p> <p>Licenses and permits (License for Trading, License for Employment of Foreign Workers, Workers Wages Deduction Permit, Domestic and Consumer Permit for Keeping Diesel, Petrol &amp; Fertilizer, MPOB license, DOSH (Department of Occupational Safety and Health) Certificates, DOE (Department of Environment Permit, etc.) were renewed and evidenced to be valid.</p> <p>Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty chemical and lubricants containers collected at six monthly intervals by DOE licensed contractor.</p> <p>Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated.</p> <p>Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and electricians were noted to be with valid certificates from relevant authorities (DOSH and Energy Commission). The POM has maintained a boiler register that indicate the date of commission, cleaned, inspected, tested or repaired. Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator, steam separator, vacuum oil dryer, etc. issued by DOSH.</p> <p>Valid license for diesel generators issued by Energy Commission (“Suruhanjaya Tenaga”).</p> <p>Valid licenses for authorized gas tester (ACT), authorized entrant and standby by person for confined space activities in POM.</p> <p>Occupational Health and Safety Act 1994 – safety and health meetings to be conducted at quarterly intervals. Noise Monitoring Report is available.</p> <p>Legal documents (work permits, passports) of foreign workers in the estates. Insurance coverage is available for foreign workers in the estates.</p> <p>Based on the site observations, interviews and records checked, there was evidence of compliance with the relevant laws, regulations, local and international laws at the POM and estates. There were no cases of any violation or actions imposed by relevant authorities. Statutory returns to relevant authorities found to be in compliance.</p>	
<p><b>2.1.2</b> A documented system, which includes written information on legal requirements, shall be maintained. <b>Minor Compliance</b></p>	<p>The listing of all the relevant laws applicable included the international laws and conventions ratified by the Malaysian government are documented in the Legal register.</p> <p>The documented system for identifying, determining, reviewing and updating applicable legal and other requirements has been satisfactorily implemented.</p>	<p>Complied</p>
<p><b>2.1.3</b> A mechanism for ensuring compliance shall be implemented. <b>Minor Compliance</b></p>	<p>The mechanism for ensuring compliance involved updating (when necessary) and an annual review with the compliance status indicated in the Legal Register (Flowchart on mechanism of tracking) was implemented.</p> <p>The PMU had also conducted an internal audit for determining compliance of its operations with legal requirements and records were maintained.</p>	<p>Complied</p>



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<p><b>2.1.4</b> A system for tracking any changes in the law shall be implemented. <b>Minor Compliance</b></p>	<p>Tracking of changes in the relevant laws are communicated and received from the IOI Group HQ. The PMU subsequently ensured that the changes were adequately updated. Based on the site observations, interviews and records updated, the system used is appropriate to the operations at the PMU.</p>	<p>Complied</p>
<p><b>Criterion 2.2</b> The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>2.2.1</b> Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available. <b>Major Compliance</b></p>	<p>Copies of the land titles of all estates were maintained and noted to be legally owned by the IOI Group.  The original copies are maintained by the Corporate Head Office. The legal use of the land confirmed to be for the cultivation of oil palms and agricultural use. There were no recorded or known disputes over the ownership of the land. No changes to the land ownership or new land acquisition since the last assessment. The sole Associated Outgrower, i.e. Sembilan Tani Estate, has legal ownership over his land (256.87 ha) since 1990s and has been a long term FFB supplier to IOI Gomali POM. The said outgrower's estate is situated some 20 km away from the Gomali POM.</p>	<p>Complied</p>
<p><b>2.2.2</b> There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. <b>Minor Compliance</b></p>	<p>It was verified that there has been no change to the stated land titles and designated use for cultivation of oil palm and agricultural use.  Locations of several boundary stones and pole markers were visited and verified to be within the boundary perimeter of the estates.  On-site verification confirmed that there has been no planting beyond the legal demarcated boundary areas of the mill and estates.</p>	<p>Complied</p>
<p><b>2.2.3</b> 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). <b>Minor Compliance</b></p>	<p>There has been no dispute on the land rights in this PMU. As such, the process of fair compensation and FPIC is currently not required to be applied.</p>	<p>Not applicable</p>
<p><b>2.2.4</b> 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. <b>Major Compliance</b></p>	<p>There were no land conflicts in this PMU.</p>	<p>Not applicable</p>
<p><b>2.2.5</b> 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 and relevant authorities where applicable). <b>Minor Compliance</b></p>	<p>There are no land disputes in the PMU. As such the process of participatory mapping is not applicable for verification of implementation.</p>	<p>Not applicable</p>



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<p><b>2.2.6</b> 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. <b>Major Compliance</b></p>	<p>No evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p>	<p>Not applicable</p>
<p><b>Criterion 2.3</b> Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>2.3.1</b> Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). <b>Major Compliance</b></p>	<p>The estate lands at the PMU are legally owned or leased by IOI and no other users were identified in the land area. The existing estates are not encumbered by any customary land rights and therefore the process of participatory mapping is not required. Existing maps available at the PMU are verified to be within the legal boundaries of the PMU.</p>	<p>Complied</p>
<p><b>2.3.2</b> 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. <b>Minor Compliance</b></p>	<p>The estate lands were acquired from private plantation owners or leased from the respective State Governments of Johor, Melaka and Negeri Sembilan, for a period of 99 years. Records are available to show such land acquisition complied with legal requirements and does not infringe on any legal rights that require free, prior and informed consent (FPIC).</p>	<p>Complied</p>
<p><b>2.3.3</b> All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. <b>Minor Compliance</b></p>	<p>No cases of land claims in this PMU. As such this process is not applicable for verification.</p>	<p>Not applicable</p>
<p><b>2.3.4</b> Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. <b>Major Compliance</b></p>	<p>This process is not applicable during current assessment.</p>	<p>Not applicable</p>

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**Principle 3: Commitment to long-term Economic & Financial Viability**

<b>Criterion 3.1</b>																										
There is an implemented management plan that aims to achieve long-term economic and financial viability.																										
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>																								
<p><b>3.1.1</b> A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p><b>Major Compliance</b></p>	<p>Business Plans for 5 years (FY 2016/2017 to FY 2020/2021) for the PMU have been prepared by the Palm Oil Mill and estates.</p> <p>Details of the Business Plans include the following:</p> <p>(1) Staff and Labour requirements;</p> <p>(2) Crop projection; FFB yield/ha trends;</p> <p>(3) Mill extraction rates; OER trends;</p> <p>(4) Cost of Production; Cost/mt FFB trends;</p> <p>(5) Cost of Production; Cost/MT CPO trends;</p> <p>(6) Financial indicators covering cost of labour, supervision, maintenance, depreciation, etc.).</p> <p>(7) Provisions for sustainability efforts and improvement programmes (environmental, social, Occupational Safety &amp; Health, training, etc.).</p> <p>The Mill and Estate Managers monitor the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.)</p> <p>There is evidence of monitoring of costs against budget to achieve specified targets.</p> <p>Performances are discussed in the monthly meetings held at the PMU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit.</p> <p>Monthly, quarterly, half-yearly and yearly reports are submitted to the HQ.</p>	Complied																								
<p><b>3.1.2</b> 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.</p> <p><b>Minor Compliance</b></p>	<p>Annual replanting program had been prepared up to FY 2020/2021 for the audited estates as follows:</p> <table style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: center;">2019</th> <th style="text-align: center;">2020</th> <th style="text-align: center;">2021</th> <th style="text-align: center;">2022</th> <th style="text-align: center;">2023</th> </tr> </thead> <tbody> <tr> <td>Bukit Dinding Estate (ha):</td> <td style="text-align: center;">64</td> <td style="text-align: center;">15</td> <td style="text-align: center;">0</td> <td style="text-align: center;">38</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Kuala Jelei Estate (ha):</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">62</td> <td style="text-align: center;">65</td> </tr> <tr> <td>Gomali Estate (ha):</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">229</td> </tr> </tbody> </table>		2019	2020	2021	2022	2023	Bukit Dinding Estate (ha):	64	15	0	38	0	Kuala Jelei Estate (ha):	0	0	0	62	65	Gomali Estate (ha):	0	0	0	0	229	Complied
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**Principle 4: Use of appropriate best practices by growers and millers**

<b>Criteria 4.1</b>		
Operating procedures are appropriately documented, consistently implemented and monitored.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>4.1.1</b> Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p><b>Major Compliance</b></p>	<p>POM has documented SOPs for its processes, including that of Supply Chain Certification System requirements for the mill. Examples of SOPs for the POM are:</p> <ul style="list-style-type: none"> <li>- SOP for FFB Receiving Station</li> <li>- SOP for Loading Ramp</li> <li>- SOP for Steriliser</li> <li>- SOP for Threshing Station</li> <li>- SOP for Pressing Station</li> <li>- SOP for Depericarperzation Station</li> </ul>	Complied



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	<ul style="list-style-type: none"> <li>- SOP for Oil Room Station</li> <li>- SOP for Boiler Station</li> <li>- SOP for Engine Room Station</li> <li>- SOP for Laboratory</li> <li>- SOP for Water Treatment Plant</li> <li>- SOP for Shovel</li> <li>- SOP for Threshing Station</li> <li>- SOP for Effluent Treatment Plant</li> <li>- SOP for Workshop</li> </ul> <p>The estates have the following documented SOPs:</p> <ul style="list-style-type: none"> <li>- SOP for Oil Palm DxP Seed Production</li> <li>- SOP for Oil Palm Planting Density</li> <li>- SOP for Pre Nursery Seedlings</li> <li>- SOP for Large Polybag Nursery</li> <li>- SOP for Land Clearing</li> <li>- SOP for Land Preparation for new planting and replanting</li> <li>- SOP for Tidal Gates</li> <li>- SOP for Oil Palm Planting Technique</li> <li>- SOP for Planting Leguminous cover plant</li> <li>- SOP for Manuring</li> <li>- SOP for Weeding</li> <li>- SOP for Pest and disease</li> <li>- SOP for Harvesting</li> <li>- SOP for road maintenance</li> <li>- SOP for workshop</li> <li>- SOP for buffalo healthcare</li> <li>- SOP for foliar sampling</li> <li>- SOP for POME application</li> <li>- SOP for Fertilizer sampling for analysis</li> </ul> <p>Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.</p>	
<p><b>4.1.2</b> A mechanism to check consistent implementation of procedures shall be in place. <b>Minor Compliance</b></p>	<p>There is a mechanism to check the implementation of the SOPs. Records had been kept by the staff concerned for each operation to monitor the procedure and progress of work, and these records would be checked by the Assistant Manager and the Manager regularly. These records had been verified to indicate satisfactory implementation during the visit.</p> <p>Internal audits conducted on the POM, Bukit Dinding Estate, Kuala Jelei Estate and Gomali Estate on 16/01/2017, 14/02/2017, 28/02/2017 and 20/04/2017 respectively.</p>	<p>Complied</p>
<p><b>4.1.3</b> Records of monitoring and any actions taken shall be maintained and available, as appropriate. <b>Minor Compliance</b></p>	<p>Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estates. Overall, these records verified to be satisfactory.</p> <p>At POM, it is verified that the Spot Check Log Sheets were maintained for both day and night shift operations</p> <p>Daily Muster Chits were available at estates and actual field activities were verified during on-site field inspection..</p> <p>Verified that spraying, manuring and harvesting activities were carried out as stated in the Muster Chits.</p>	<p>Complied</p>



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<p><b>4.1.4</b> The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).  <b>Major Compliance</b></p>	<p>It was verified the sole source of FFB from third-party origin was from Sembilan Tani Estate (associated outgrower) only, which was clearly stated and recorded in the FFB receiving documents.</p> <p>The main bulk of FFB crop was supplied by the IOI owned estates under the PMU.</p>	<p>Complied</p>
<p><b>Criteria 4.2</b>  Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>4.2.1</b> 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.  <b>Minor Compliance</b></p>	<p>Annual fertilizer inputs had been monitored through fertilizer recommendations made by Agronomist of IOI Research Centre, Peninsular Malaysia.</p> <p>Good Agricultural Practice (GAP) for minimization of soil erosion and maintenance of soil fertility are maintained via the frond stacking and fertilizer application as per the recommendations provided by the Agronomist.</p> <p>These had been verified through the records for fertilizer application. Estates provided the evidence of GAP and was verified during the audit.</p> <p>Soil sampling and leaf sampling records provided guide for the fertilizer application and all recommendations had been properly followed at estate levels.</p> <p>Noted that proper pesticide/herbicide spraying had also been done.</p>	<p>Complied</p>
<p><b>4.2.2</b> Records of fertiliser inputs shall be maintained.  <b>Minor Compliance</b></p>	<p>Records of fertilizer application had been verified to be in order.</p>	<p>Complied</p>
<p><b>4.2.3</b> There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.  <b>Minor Compliance</b></p>	<p>Leaf sampling and analysis had been carried out annually and soil sampling and analysis on a 5 year cycle to determine the nutrient levels.</p> <p>Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long term soil fertility and nutrient efficiency.</p> <p>Records of the sampling and analysis had been verified to be satisfactory.</p>	<p>Complied</p>
<p><b>4.2.4</b> 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.  <b>Minor Compliance</b></p>	<p>Geotubes used to filter the solid from the POME and the solid would be used by the estates for field application as organic fertilizer.</p> <p>Verified that dried POME are bagged and applied in the designated field blocks at the PMU estates. Application of POME in "Daily/Monthly Summary Report of Effluent Solids" maintained by the POM.</p> <p>Land application of effluent water discharges will cease on 30 Jun 2016 (as per the DOE instructions).</p> <p>All the EFB from the POM are delivered to the estates as evidenced by the "Daily/Monthly Summary Report of EFB" maintained by the POM.</p> <p>EFB Mulching records indicate the amounts and locations of EFB application in the Gomali Estates. EFB mulching not practiced in Bukit Dinding Estate and Kuala Jelei Estate due to long distance from the POM.</p> <p>EFB mulching had been carried out in mature area along the inter-row, and around the circle in the immature palms.</p>	<p>Complied</p>



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Criteria 4.3 Practices minimise and control erosion and degradation of soils.		
Indicators	Findings and Objective Evidence	Compliance
<p><b>4.3.1</b> Maps of any fragile/marginal soils shall be available. <b>Major Compliance</b></p>	<p>Based on the soil maps and field visit verification, there was no fragile soil or marginal soil existence on the estates. Soil series noted are: Bukit Dinding Estate: mainly Batu Anam, Durian, Bungor, Telemong Kuala Jelei Estate: mainly Marang, Batu Anam, Malacca Gomali Estate: mainly Batu Anam, Durian, Malacca.</p>	Complied
<p><b>4.3.2</b> A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. <b>Minor Compliance</b></p>	<p>Best Management Practices followed to control and minimize soil erosion and degradation during replanting or any activities involving earth disturbance. Steps taken for erosion control are soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways. There was no soil erosion noted during the field visit. Leguminous cover crop, <i>macuna bracteata</i> was well established.  <b>At Gomali Estate, there was no map and/or record to indicate the locations of the planting terraces constructed on land with slope more than 6°.</b></p>	Minor# OCL-01
<p><b>4.3.3</b> A road maintenance programme shall be in place. <b>Minor Compliance</b></p>	<p>Estate roads were maintained in good and satisfactory condition. Road maintenance programme verified to be established and implemented. No road grading was in progress at the estates during site visit. Estate roads were noted to be satisfactorily maintained at the fields visit.</p>	Complied
<p><b>4.3.4</b> Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. <b>Major Compliance</b></p>	<p>It was confirmed during assessment on site that there is no peat soil on the estates.</p>	Not Applicable
<p><b>4.3.5</b> Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. <b>Minor Compliance</b></p>	<p>There was no peat soil on the estates as confirmed by auditor's on-site assessment</p>	Not Applicable
<p><b>4.3.6</b> A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). <b>Minor Compliance</b></p>	<p>Based on the estate soil maps and visit to the estates, there were no other fragile and problematic soils on the estates.</p>	Complied
Criteria 4.4 Practices maintain the quality and availability of surface and ground water.		
Indicators	Findings and Objective Evidence	Compliance
<p><b>4.4.1</b> An implemented water management plan shall be in place. <b>Minor Compliance</b></p>	<p>Documented water management plan verified to be in place for the palm oil mill and estates and was reviewed on 07/06/2017. The plan includes steps such as soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways.  At Bukit Dinding Estate, water supply for domestic use is from the local water authority. Domestic water supplied from the Gomali POM treatment plant to Gomali Estate, Paya Lang Estate and Tambang Estate. The water is extracted from</p>	Complied



	<p>Sungai Muar (License from Suruhanjaya Perkhidmatan Air Negeri (SPAN). The treated water tested twice per year for compliance with the Ministry of Health Specification for Drinking Water Quality. Water quality test report dated 12/06/2016 verified to be within permissible specifications.</p> <p>Rainfall data is also verified to be monitored as part of the water management plan.</p>	
<p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.  <b>Major Compliance</b></p>	<p>Buffer zones had been maintained on both sides of streams in the estates as verified during on-site field inspection. No evidence of spraying around palms marked as boundary for the buffer zones.</p> <p>Appropriate signages were placed with demarcation of buffer zone area. Workers are aware of the non-usage of chemicals within the buffer zone,</p> <p>The rivers passing through the estates audited are Sungai Pertang in Bukit Dinding Estate, Sungai Muar in Kuala Jelei Estate. In Gomali Estate, there are only streams to Sungai Muar.</p> <p>There was no construction of bunds/ weirs/dams across the rivers or waterways passing through the estates.</p>	Complied
<p>4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6).  <b>Minor Compliance</b></p>	<p>Water samples taken once a year at upstream, midstream and downstream of streams to Sungai Muar. Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids and Ammoniacal Nitrogen. Analysis results meet the DOE requirements. Tests carried for pH, BOD, COD, Total Solids, Suspended Solids and Ammoniacal Nitrogen. Analysis results meet the DOE requirement of BOD &lt; 100 ppm.</p> <p>Stack emission monitoring by CEMS – Refer to 5.6.3</p>	Complied
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.  <b>Minor Compliance</b></p>	<p>Water usage in the mill monitored monthly and YTD average usage is 0.85 m<sup>3</sup>/tonne FFB which is noted to be lower than the industrial norm of 1.2m<sup>3</sup> to 1.5 m<sup>3</sup>/tonne FFB.</p>	Complied
<p><b>Criteria 4.5</b>  Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p>4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored.  <b>Major Compliance</b></p>	<p>IPM Plan includes the planting of beneficial plants and control of damage by rodents.</p> <p>Records on planting of beneficial plants had been verified on the estates.</p> <p>Programme for planting of beneficial plants such as <i>Cassia cobanensis</i> (60%), <i>Turnera subulata</i> (20%), and <i>Antigonon leptopus</i> (20%) and records on areas planted had been verified together with the respective maps to be satisfactory.</p> <p><b>Thus corrective action for Obs# AL-01 issued concerning the beneficial plants ratio during previous surveillance verified to be effective.</b></p> <p>Rat baiting would be carried out only should rat damage exceed 5 % on FFB. Rat baiting records for Gomali Estate and Bukit Dinding Estate verified to be available.</p> <p>Barn owl also used for the control of rodents. Barn owl census carried out and location maps were available.</p> <p>Pest infestation was noted to be minimal at the estates. No cases of infestation by bagworms. At Gomali Estate, some</p>	Complied



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	palms in Fields 99A and 04A suffered attack by rhinoceros beetle. Spraying of cypermethrin integrated with pheromone traps carried out.	
<b>4.5.2</b> Training of those involved in IPM implementation shall be demonstrated. <b>Minor Compliance</b>	IPM training was conducted for all those involved in IPM implementation. Training records for staff and workers on IPM implementation were available and was verified to be satisfactory during estate office and field assessment.	Complied
<b>Criteria 4.6</b> Pesticides are used in ways that do not endanger health or the environment.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<b>4.6.1</b> 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. <b>Major Compliance</b>	Register of agrochemicals use with written justification had been reviewed. The types of chemicals used are as follows: 1) Glyphosate isopropyl amine - Supremo 2) Metsulfuron methyl – Ellytech 3) 2, 4 - Dimethyl amine – 2,4-D Amine 4) Triclopyr Butoxyethyl Esther – Garlon  Specific pesticides had been used to deal with the respective target pest, weed or disease.  Inventory and stock cards were maintained and updated.	Complied
<b>4.6.2</b> 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. <b>Major Compliance</b>	Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications has been satisfactorily implemented. Over the past 12 months, the estates audited was verified to have used the new reporting format with the required details correctly completed.  As was indicated in the SOP, the records are maintained are being kept for a minimum of 5 years. Verified that the records are satisfactorily maintained.	Complied
<b>4.6.3</b> 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 industry's Best Practice. <b>Major Compliance</b>	It had been the policy of the estates to minimize the use of pesticides in accordance with IPM plan.  The pesticide reduction program is monitored on usage per hectare basis. Overall, there has been a slight decline in pesticide usage per hectare on a year to year basis.  No prophylactic use of pesticides had been carried out at the estates for the period concerned.	Complied
<b>4.6.4</b> 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 industry's Best Practice. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). <b>Minor Compliance</b>	Use of paraquat had been eliminated since 31 Dec 2011 in the IOI Group Estates.  Alternatives such as Glyphosate Isopropylamine, Metsulfuron Methyl, and Triclopyr Butoxyethyl Esther had been used with the elimination of paraquat.  First Aid Kits were available during pesticides spraying in the fields (4 <sup>th</sup> Schedule).  Portable signboard noted to be displayed at areas of spraying activity (5 <sup>th</sup> Schedule).	Complied
<b>4.6.5</b> 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	All pesticide operators ((there are no contractor's workers) have attended training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974.	Complied

<p>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).  <b>Major Compliance</b></p>	<p>Appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, and overalls) have been provided and used by the pesticides operators.  All precautions attached to the pesticides (MSDS) have been observed, applied and understood by the workers.  Programme and training records verified to be satisfactory. The training include spraying technique, precautions and symptoms of symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems.  The emergency shower and eye wash were verified to be available and in proper working order at the pesticide mixing area. The PMU has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE.</p>	
<p><b>4.6.6</b> 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). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations.  <b>Major Compliance</b></p>	<p>Storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974.  Emergency shower and eye wash are available near the pesticides store in case of accidents.  Material Safety Data Sheets (MSDS) are available in the store. The MSDS are in English and Bahasa Malaysia (understood by the workers).  Used chemical containers were either reused as containers for spraying solution. For disposal as scheduled waste, empty pesticide containers are triple rinsed and pierced at the bottom.</p>	<p align="center">Complied</p>
<p><b>4.6.7</b> Application of pesticides shall be by proven methods that minimise risk and impacts.  <b>Minor Compliance</b></p>	<p>Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off. Warning notice displayed in the area being sprayed with pesticides  Programme and training records verified to be satisfactory.</p>	<p align="center">Complied</p>
<p><b>4.6.8</b> 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.  <b>Major Compliance</b></p>	<p>It is the policy of the company not to carry out aerial application of pesticides. This policy has been followed by the PMU.</p>	<p align="center">Complied</p>
<p><b>4.6.9</b> Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8).  <b>Minor Compliance</b></p>	<p>The Annual Training Plan includes training on pesticides handling. All new pesticides operators were trained before being assigned to work with pesticides. In addition, based upon training needs, the existing pesticide operators (there are no contractor's workers) attended continual training to enhance their knowledge and skills on pesticides handling.  Information and safety precautions on the pesticides displayed on the notice board and next to the pesticides in the store.</p>	<p align="center">Complied</p>
<p><b>4.6.10</b> Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).  <b>Minor Compliance</b></p>	<p>Scheduled waste of palm oil mill had been disposed of through a DOE licensed scheduled waste contractor.  The scheduled wastes from the estates are sent to the POM for disposal.  Empty pesticide containers are triple rinsed and pierced for disposal as scheduled waste.</p>	<p align="center">Complied</p>



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	Records of scheduled waste collection at 180 days interval verified to be satisfactory.	
<p><b>4.6.11</b> Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.  <b>Major Compliance</b></p>	<p>CHRA for Bukit Dinding Estate carried on 20/03/2017. The CHRA reports for Gomali POM, Kuala Jelei Estate and Gomali Estate were on 20/03/2014 and to be reviewed in Mar 2019. It was verified that the CHRA recommendations has been satisfactorily followed.</p> <p>Annual medical surveillance in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2 for all pesticide operators at Bukit Dinding Estate, Kuala Jelei Estate and Gomali Estate was carried between on 30/04/2017, 22/03/2017 and 10/05/2017 respectively.</p> <p>Medical surveillance reports of individual sprayers were checked and no abnormalities reported by the Medical Doctor. The medical reports showed that there was no case of low blood cholinesterase levels. Any worker with such health condition is unfit for work with pesticides. No such cases in the PMU as at the date of assessment.</p> <p><b>Corrective action for Obs# AL-02 issued on the review of medical surveillance report (cholinesterase test results) verified to be effective.</b></p> <p>Pesticides operators were interviewed during field visits and feedback received that they do not have any symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems.</p> <p>Besides the annual medical surveillance, monthly clinical tests (to check lungs gastro intestinal, urinary system, nails, skin, etc.) also carried out by Health Assistant on sprayers and records maintained indicate no cases of toxic reactions.</p>	Complied
<p><b>4.6.12</b> No work with pesticides shall be undertaken by pregnant or breast-feeding women.  <b>Major Compliance</b></p>	Verified from records, field inspections and interviews that no pregnant or breast-feeding woman had been offered work as pesticide operator.	Complied
<p><b>Criteria 4.7</b>  An occupational health and safety plan is documented, effectively communicated and implemented.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p>The occupational health and safety plan shall cover the following:</p> <p><b>4.7.1</b> An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.  <b>Major Compliance</b></p>	<p>Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory Machinery Act was documented and implemented.</p> <p>OSH Policy found to be clearly displayed at POM and in the estates office. Adequate posters, regulations, newsletters were prominently displayed on notice boards. Interviewed workers demonstrated awareness towards occupational safety and health.</p> <p>The Safety &amp; Health Officer is in charge of safety and health planning, operation &amp; coordination. Mill/Assistant Mill Managers and Estate Managers / Assistant Estate Managers are also directly involved.</p>	Complied
<p><b>4.7.2</b> 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.  <b>Major Compliance</b></p>	<p>Risk assessment carried out on operations where health and safety is an issue in order to determine the significant hazards. Significant hazards determined and documented include noise exposure, pesticides/chemicals exposure, accident, fire. Procedures and actions implemented to mitigate the hazards.</p> <p>There was an assessment of noise levels in the POM on 28&amp;29 Jul 2015 as seen in the Consultant Report. Work</p>	Complied



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	<p>areas previously identified with high noise levels are the boiler station, engine room and sterilization unit where noise level exceeded 85 db.</p> <p>Mill management have taken steps to reduce the noise levels by construction of a room to isolate the gen sets, reducing the exposure time to high noise and mandatory use of both ear plugs and ear mufflers.</p> <p>Annual audiometric test conducted for all 108 POM employees on 03 May 2017. The audiometric reports of some employees indicated as having mild to moderate hearing impairment and recommended to wear hearing protector. Baseline audiogram and occupational and medical history records of workers maintained.</p> <p>The employees exposed to high noise levels were interviewed. The workers are aware of the danger of hearing loss due to prolonged exposure to high noise. The workers knew about the complaints process and mechanism available.</p> <p>“Permit to work” system applied at the POM. Staff and workers have been trained and certified by NIOSH for gas entrant and stand-by involving work in confined space.</p> <p>Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear mufflers) verified to be provided to and being used by the workers. Associated training provided to address safety and health issues.</p> <p>Warning signs sighted at high noise areas and ear plugs and ear mufflers to be worn. There are also warning signs to use other PPE such as helmet and safety boots.</p> <p>An audit for determining compliance with the minimum standards had been conducted on all types of PPE used.</p> <p>Adequate fire extinguishers and hose reels found to be located at strategic locations, operational and maintained in good conditions. Location map of fire extinguishers is available.</p> <p>First Aid equipment was available at POM, estates and at worksites. Samples of First Aid box was checked and contents found to be complete and in usable order during field visit. Training for workers in First Aid was carried out in the mill and estates and records maintained.</p> <p>The POM and estates have established their accident reporting KPI and incident monitoring implemented. Yearly reporting of JKPP8 regulations was submitted to JKPP on time, i.e. in January of each year. The Safety &amp; Health Officer maintains records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities captured to prevent mishaps.</p>	
<p><b>4.7.3</b> 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. <b>Major Compliance</b></p>	<p>Training programme planned for FY 2016/2017 includes training for all categories of workers.</p> <p>Appropriate trainings on safe working practices are planned for:</p> <ul style="list-style-type: none"> <li>- workers exposed to machinery and high noise levels,</li> <li>- workers working in confined space,</li> <li>- harvesters</li> <li>- pesticides operators</li> <li>- manurers</li> </ul>	<p>Complied</p>



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	<p>The training programme included the various types of training such as fire fighting and fire drill, exposure to high noise levels and control measures for protection of hearing and audiometric tests, understanding MSDS/CSDS and first aid training.</p> <p>The above trainings were conducted and records were available. Evaluation carried out on each of the trainings to determine its effectiveness.</p> <p>Appropriate PPE (safety helmets) had been provided to FFB harvesters and loaders at the place of work to cover all potentially hazardous operations.</p>	
<p><b>4.7.4</b> 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. <b>Major Compliance</b></p>	<p>The responsible person (usually the Mandore or Headman) had been identified.</p> <p>Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified to be satisfactory.</p>	Complied
<p><b>4.7.5</b> Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. <b>Minor Compliance</b></p>	<p>Accident and emergency procedures had been written in English and Bahasa Malaysia and briefed to staff, workers, contractors and visitors.</p> <p>Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites.</p> <p>Records on all accidents had been verified to be maintained satisfactorily.</p> <p>Quarterly review on accident cases had been carried out during quarterly meeting of Safety, &amp; Health Committee.</p>	Complied
<p><b>4.7.6</b> All workers shall be provided with medical care, and covered by accident insurance. <b>Minor Compliance</b></p>	<p>Medical care had been provided to all the workers.</p> <p>Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with insurance company, MSIG Insurance Berhad.</p>	Complied
<p><b>4.7.7</b> Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. <b>Minor Compliance</b></p>	<p>Records on Lost Time Accident (LTA) metrics had been verified to be satisfactorily maintained.</p> <p>Regent estate had reported 1 case of LTA &gt; 5 days in year 2016 i.e. 41 days, which was appropriately followed up and submitted to JKKP.</p>	Complied
<p><b>Criteria 4.8</b> All staff, workers, smallholders and contract workers are appropriately trained.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>4.8.1</b> 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. <b>Major Compliance</b></p>	<p>A formal training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System have been established and implemented.</p> <p>Training for various categories of operators, including all field and office staff, with regards to their duties and training needs had been reviewed and found acceptable.</p>	Complied
<p><b>4.8.2</b> Records of training for each employee shall be maintained. <b>Minor Compliance</b></p>	<p>Records of training for each employee, including new employees were available and maintained.</p>	Complied



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

<b>Criteria 5.1</b>		
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>5.1.1</b> An environmental impact assessment (EIA) shall be documented.</p> <p><b>Major Compliance</b></p>	<p>The Environmental Aspect and Impacts Assessment were conducted and well documented prepared in May 2017.</p> <p>The assessment documents had included the identification of aspects from field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal and also road maintenance. The report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as relevant conservation activities applicable to the PMU</p> <p><b>Corrective action for Obs# SH-01 issued concerning replacement of old signboards verified to be effective.</b></p>	Complied
<p><b>5.1.2</b> 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 action plan. The action plan shall identify the responsible person/persons.</p> <p><b>Minor Compliance</b></p>	<p>There were no major changes to the identified impacts since the establishment of the documents above.</p> <p>Impacts such as smoke emissions, noise levels, POME and EFB management were verified at the Gomali POM.</p> <p><b>However, at Bukit Dinding Estate, an area has been identified for the collection of spring water for domestic use and is not included in the review. This area has no demarcation on the extent of the buffer zone areas.</b></p> <p><b>NOTE: As a Minor NC# SH-01 and Obs# SH-02 have been raised against the same requirement in the previous assessment, this finding is now upgraded to Major NC as it is a recurring non-conformance.</b></p>	<b>Major NC# SH-01</b>
<p><b>5.1.3</b> This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p><b>Minor Compliance</b></p>	<p>The monitoring of the documented environmental improvement plans is ongoing.</p> <p>Implementation and monitoring of the documented environmental improvement plans will be reviewed on an annual basis. The review will take into consideration the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone, clearing of overgrown natural vegetation and debris along the streams</p>	Complied
<b>Criteria 5.2</b>		
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.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>5.2.1</b> Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p><b>Major Compliance</b></p>	<p>HCV assessment was conducted by the IOI Group HQ and documented in a report dated July 2011 and reviewed on 28 Apr 2017.</p> <p>The exercise has taken into consideration all aspects of environmentally sensitive areas such as ponds, streams, wildlife boundaries and was documented.</p> <p>Visits to site confirmed that the Kuala Jelei Estate borders oil palm plantations all along its perimeter boundary. For Bukit Dinding Estate, it is surrounded by oil palm estates at the Northern and Southern borders, while at the Eastern side it</p>	Complied



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	<p>borders the Kemasul Forest Reserve. A part on the western side also borders a forested area.</p> <p>Conservation areas/environmentally sensitive areas i.e. buffer zones along the stretches of streams which pass through the estate had been identified and being monitored.</p> <p>HCV and other environmentally sensitive areas were documented and inspected on site. Boundaries bordering the forest reserves were well demarcated with trenches to deter wildlife from going into the estate.</p>	
<p><b>5.2.2</b> 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 an action plan.</p> <p><b>Major Compliance</b></p>	<p>Regular patrols within the POM and estates were being carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas.</p> <p>Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented.</p> <p>Also, signage that prohibit hunting, fishing and water polluting activities were verified on-site at all estates visited, i.e. Bukit Dinding and Kuala Jelei Estates and found to have been satisfactorily maintained.</p>	Complied
<p><b>5.2.3</b> There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted 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><b>Minor Compliance</b></p>	<p>There was evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signage erected around the affected areas which prohibit such activities.</p> <p>Training programme on RTE has also been organised and attended by personnel across the organisation.</p> <p>The RTE training was carried out and extended to personnel on 17 Apr 2017.</p>	Complied
<p><b>5.2.4</b> Where an action plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the action plan.</li> </ul> <p><b>Minor Compliance</b></p>	<p>Management plans were established and monitoring outcomes were reviewed by the Estate managers.</p> <p>Verification were also made during on-site assessment and found to be satisfactory implemented at both the Bukit Dinding and Kuala Jelei Estates.</p> <p>The overall management plan on the status of HCV/RTE of the Gomali plantation group is collated, reviewed and monitored by the HQ sustainability team and is ongoing.</p>	Complied
<p><b>5.2.5</b> 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><b>Minor Compliance</b></p>	<p>It was verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estates visited, i.e. Bukit Dinding and Kuala Jelei Estate.</p> <p>Thus negotiated agreement of such nature is not applicable.</p>	Not applicable
<p><b>Criteria 5.3</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>5.3.1</b> All waste products and sources of pollution shall be identified and documented.</p> <p><b>Major Compliance</b></p>	<p>Visits made to the PMU (Bukit Dinding Estate, Kuala Jelei Estate and Gomali mill) showed that all waste products and sources of pollution were identified and documented.</p> <p>The documentation and identification of all the waste products such as scheduled waste, domestic waste, clinical waste and recyclable waste such as metal, plastic, mill waste and polluting materials, e.g. EFB, POME, Stack emissions and boiler ashes were maintained and monitored at the POM.</p>	Complied





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	<p>Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers/drums (SW 409), used filters (SW 410), clinical waste (SW 404) and used batteries (SW 102). Records on the usage and disposal were well recorded and documented.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained at the POM.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory carried out in the Gomali mill and estates. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p>	
<p><b>5.3.2</b> All chemicals and their containers shall be disposed of responsibly.</p> <p><b>Major Compliance</b></p>	<p>At the mill, the disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned.</p> <p>Stores for scheduled waste were inspected and audited at site i.e. POM and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>The mill has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor (Kualiti Alam Sdn Bhd. Latest disposal was carried on the 06 May 2017.</p>	Complied
<p><b>5.3.3</b> A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p><b>Minor Compliance</b></p>	<p>The waste management and disposal plan were in place at both the PMU. It has been documented and implemented as required and is being carried out responsibly.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory in all the Plantations visited. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p> <p>Waste disposal was done by an appointed contractor that is licensed by the Department of Environment.</p> <p>The solid waste management and disposal plan using landfills was no longer practiced at both estates. The waste disposal was done by using services of waste contractor.</p> <p>Recycling of crop residues / biomass i.e. EFB and POME had been implemented. Management EFB application plans and progress reports were verified to be satisfactory.</p> <p>Recycling bins of three different colour codes for specific recycle waste were available in the POM and were used for solid waste segregation and recycling.</p> <p><b>At Bukit Dinding Estate, it was found that unwanted plastic materials and unused fertilizer bags were scattered all over the plantation ground. The management and disposal of plantation waste such as empty fertilizer bags were not effectively implemented.</b></p>	Minor NC# SH-01
<p><b>Criteria 5.4</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>5.4.1</b> A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p><b>Minor Compliance</b></p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p>	Complied

	<p>Visit to Gomali mill showed evident that they are compiling the data, document it for further action to improve on their efficiency of using the renewable and non-renewable energy.</p> <p>Apart from use of diesel for generating electricity, palm fiber was also used to generate electricity through steam turbine and boiler. The processing of the CPO was done using the turbine generation.</p> <p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fiber and PK shells were used as renewable energy/fuel on a 70:30 ratio basis.</p> <p>It was verified that energy usage are being monitored daily, especially at the POM for better control and comparison of trends.</p>	
<p><b>Criteria 5.5</b> Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>5.5.1</b> There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p><b>Major Compliance</b></p>	<p>IOI Group had observed the policy of 'Zero open burning' for any replanting, if any, at the estates.</p> <p>Field inspections made at Bukit Dinding Estate and Kuala Jelei Estate showed no evidence of open burning.</p>	<p>Complied</p>
<p><b>5.5.2</b> 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.</p> <p><b>Minor Compliance</b></p>	<p>The PMU adhered to the 'zero burning' policy for replanting at the estates.</p> <p>During the audit, there were no replanting activities carried out in the PMU.</p> <p>Also, there was no evidence of any burning of domestic waste at the housing line sites and PMU during on site field assessment.</p>	<p>Complied</p>
<p><b>Criteria 5.6</b> Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>5.6.1</b> An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).</p> <p><b>Major Compliance</b></p>	<p>Monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS) and supported by the Ringelmann Smoke Chart. Report showed evident that the emission is within the permissible limits of DOE as verified by documents made available during the on-site visit to the Gomali mill.</p> <p>POME treatment, monitoring and land application is monitored, maintained and adhered to DOE regulations.</p>	<p>Complied</p>
<p><b>5.6.2</b> Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p><b>Major Compliance</b></p>	<p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done. e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at the PMU.</p> <p>GHG calculation report has also been submitted to RSPO on 17 Jun 2017.</p>	<p>Complied</p>



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<p><b>5.6.3</b> 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.</p> <p><b>Minor Compliance</b></p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place.</p> <p>Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements</p> <p>Water samples were regularly taken and tested by mill environment officer in charge and analyzed to ensure compliance to DOE requirements at final discharge points The water samples were sent for analysis. This was conducted by ENV Consultancy &amp; Monitoring Services. Records are maintained and verified on-site to have met the permissible regulatory limits.</p>	<p>Complied</p>
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**Principle 6: Responsible consideration of employees, and of individuals and communities affected by growers and mills**

<b>Criterion 6.1</b>		
Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>6.1.1</b> A social impact assessment (SIA) including records of meetings shall be documented.</p> <p><b>Major Compliance</b></p>	<p>At Gomali PMU, the respective Social Impact Assessment reports and Management plans at all estates and mill was specifically and individually documented by the Sustainability Team of IOI. Revision on the SIA is conducted annually for example in Gomali POM latest revision of the SIA was on 30 May 2017 and in Kuala Jelei Estate on 29 May 2017.</p> <p>External stakeholders' consultation was held separately in the mill and in each estate, for example in Gomali POM stakeholder consultation was conducted together with Gomali, Tambang and Paya Lang estates on 26 Apr 2017 with 22 attendance. Whilst external stakeholder consultation for Kuala Jelei Estate was conducted on 12 Apr 2017 in combination with Regent Estate and Bahau Estate. Attendance list of 22 stakeholders were verified.</p> <p>External stakeholders attended the consultations include contractors, suppliers, government agencies, police, villagers, neighbouring plantations, etc.</p> <p>Internal stakeholders' consultations for the POM and the 3 estates assessed were conducted and written comments from internal stakeholders were sighted.</p>	<p>Complied</p>
<p><b>6.1.2</b> There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p><b>Major Compliance</b></p>	<p>The group has considered issues of social impact to employees and communities affected by their activities. Records of meeting with stakeholders indicated discussions held were generally on matters pertaining to access roads and use rights, working conditions, cultural/festival activities, health facilities and other community concerns.</p> <p>In all meeting minutes, e.g. ECC and Gender Committee, list of attendance and photos of the session were kept in file showing evidence of participation of affected parties. Through verification of entries made in the Complaints &amp; Grievance Book in POM and estates and interviews made, it was clear that the workers are well informed of issues related to their</p>	<p>Complied</p>

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	rights.	
<p><b>6.1.3</b> 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.</p> <p><b>Major Compliance</b></p>	<p>A time table of activities identified was sighted with time frame on implementation plans. Site inspection carried out confirmed that the implementations were in progress. Latest Social Plans sighted are for the period of May 2016-Jun 2017 in all estates audited and from Jan-Dec 2017 for Gomali POM.</p> <p><b>In ASA-01 (year 2016) OBS# JMD-01 raised as follows:</b></p> <p><b>“Comments received from different sources, e.g. external and internal stakeholder consultations, GCC meetings, ECC meetings, grievance books, are not consolidated in a specific mitigation plans document.”</b></p> <p><b>However, actions taken did not adequately addressed the requirement. Thus the observation upgraded to a Major NC in this current assessment ASA-02.</b></p>	<p><b>Major NC#</b> <b>JMD-01</b></p>
<p><b>6.1.4</b> 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.</p> <p>There shall be evidence that the review includes the participation of affected parties.</p> <p><b>Minor Compliance</b></p>	<p>The plans are reviewed annually together with affected parties as mentioned especially the workers were consulted during the ECC meetings, daily morning muster and individual reports made in the Grievance Books maintained.</p>	<p>Complied</p>
<p><b>6.1.5</b> Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p><b>Minor Compliance</b></p>	<p>Sembilan Tani Estate is the only smallholder supplying to the Gomali PMU. Efforts have been taken to assist Sembilan Tani Estate to achieve certifiable status, including providing technical and material assistance, e.g. trainings on spraying, minimum wages. Sembilan Tani Estate however, was not selected for this surveillance audit.</p>	<p>Complied</p>
<p><b>Criterion 6.2</b></p> <p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>6.2.1</b> Consultation and communication procedures shall be documented.</p> <p><b>Major Compliance</b></p>	<p>IOI's Group consultation and communication procedures are available via website link:  <a href="http://www.ioigroup.com/Corporateresponsibility/environment_plantation.cfm">http://www.ioigroup.com/Corporateresponsibility/environment_plantation.cfm</a></p> <p>The PMU has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. its workers, government agencies, contractors, neighbouring plantations by personal invitation to attend the internal and external stakeholders' consultation meetings. These meetings and consultations are recorded and filed properly.</p>	<p>Complied</p>
<p><b>6.2.2</b> A management official responsible for these issues shall be nominated.</p> <p><b>Minor Compliance</b></p>	<p>Records sighted show evidence of the existence of appointed teams headed by estate managers assisted by assistant managers. e.g. Social Liaison Officers as listed in the Stakeholder Consultation meeting minutes on 26 Apr 2017 were Mr. See Itt Ping for Gomali POM and Mr. Mohammad Akmal Azwan for Gomali Estate.</p>	<p>Complied</p>
<p><b>6.2.3</b> A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties,</p>	<p>The list of stakeholders, communication and actions taken were maintained in Stakeholders File. Consultations with various stakeholders held and meeting minutes have been verified during the audit.</p>	<p>Complied</p>

<p>and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p><b>Minor Compliance</b></p>		
<p><b>Criterion 6.3</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>6.3.1</b> 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.</p> <p><b>Major Compliance</b></p>	<p>All estates in Gomali PMU have established complaints and grievances procedures and they were all well implemented. Complaints and Grievances logbooks were sighted in all audited estates and actively used by workers.</p> <p>Timelines for response to complaints and grievances are either through the logbook or ECC representatives are appropriately established and implemented. Generally respond time for minor requests will be within 2-3 days.</p> <p>Complaints and Grievances Logbooks are for complaints which are not private and confidential in nature. For reports which are related to private matters such as sexual harassment reports separate logbooks are prepared and always kept under lock and key locations. Complainants are given the option whether the make the report personally or through nominated workers' representatives.</p> <p>It is verified during on-site interviews that there were no incidents of dispute or grievance of a serious nature.</p> <p>Since Feb 2014 IOI PMU had developed "Dasar Pemberi Maklumat" (Whistleblowing) which was approved by "Jawatankuasa Audit dan Pengurusan Risiko".</p>	<p>Complied</p>
<p><b>6.3.2</b> Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p><b>Major Compliance</b></p>	<p>The PMU have a system for handling compensation claim in an effective, timely and appropriate manner. So far there has not been any dispute raised which was verified during on-site interviews with the workers.</p>	<p>Complied</p>
<p><b>Criterion 6.4</b> Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>6.4.1</b> A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p><b>Major Compliance</b></p>	<p>There were some borders at the estates audited in Gomali PMU adjacent to villages.</p> <p>There were no past cases requiring any negotiation or compensation pertaining to this criterion. There have been no changes in this status as at the period of verification on site.</p>	<p>Complied</p>
<p><b>6.4.2</b> 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</p>	<p>The IOI Group has a procedure for calculating and distributing compensation which is available. To date, there has been no dispute by any parties reported at the Gomali PMU.</p>	<p>Complied</p>

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<p>and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p><b>Minor Compliance</b></p>		
<p><b>6.4.3</b> 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.</p> <p><b>Major Compliance</b></p>	<p>To date, there has been no dispute by any parties reported. Therefore the process and outcome of compensation is not applicable during current assessment.</p>	<p>Not applicable</p>
<p><b>Criterion 6.5</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>6.5.1</b> Documentation of pay and conditions shall be available.</p> <p><b>Major Compliance</b></p>	<p>Offer letters and work contracts for local staff and foreign workers are verified. The contracts met the industry minimum standards including included extra pays under the statutory fringe benefits.</p> <p>The payslips for workers at the estates and mill were verified to contain all necessary information and can easily be understood by the workers, e.g. type and rate of works completed, days offered, days worked, days absent, total deduction, etc.</p> <p>A review of some field workers' pay slips showed that the calculation of pay is clearly itemised, for example:</p> <ul style="list-style-type: none"> <li>• Normal day field work wage [Daily Rated or Piece Rated]</li> <li>• Normal working day overtime</li> <li>• Working rest day</li> <li>• Overtime for working rest day</li> <li>• Working public holiday</li> <li>• Overtime for working public holiday</li> <li>• Out-turn incentives [December pay slips only]</li> <li>• Conversion of annual leave into annual payment renewal [December pay slips only]</li> </ul> <p>Based on instruction circulated in IOI Memorandum dated 02 Feb 2015 all estates and mill managements at the PMU are instructed to use workers contracts in national language of the foreign workers hired. Implementation of this instruction was verified during the audit.</p>	<p>Complied</p>
<p><b>6.5.2</b> Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p><b>Major Compliance</b></p>	<p>Pay conditions are clearly detailed in the workers contracts which include pay system used, working hours, overtime, holiday entitlements, etc. List of deductions made were verified as signed by the workers and clearly dated. These deductions are allowed by "Jabatan Tenaga Kerja [JTK]" with a valid permit verified in the POM and all estates audited.</p> <p>Contract agreements are available in foreign workers native languages, e.g. Nepal, Indonesia, Bangladesh and Indian. Some addendums were sighted to include the requirement from Minimum Wages Order 2016 and signed by the workers.</p> <p>Based on interviews with the workers and sampled pay slips in each operating unit audited, it was verified that the pay and conditions as stated in Employment Act 1955, Minimum Wages Order 2016 and other relevant regulations are satisfactorily</p>	



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	<p>complied with.</p> <p>Workers who received below minimum wages were verified through available records that these were mainly due to non-attendance without prior permission and/or failure to achieve daily target set by the management. JTK was consulted and confirmed that these group of workers are not covered under the Minimum Wages Order 2016. Thus it is not required by law for the management to top up the wages of workers who are having these issues.</p> <p>IOI management have taken a number of steps to remedy the issue, including allowing workers to work at least three rest days in a month as stated in memorandum from IOI Human Resource Manager, Plantation Division dated 15 Mar 2017. Another memorandum from Mr. Tan Kim Ha, Senior Manager dated 20 Jan 2017 with instruction to increase the rate for Mandore and checkers in all estates in IOI Gomali group. With these efforts, IOI management hope to ensure that workers will get at least RM1,200/month based on meeting among managers dated 10 Mar 2017.</p> <p>Currently wages in IOI Gomali group are either paid by direct transfer into workers back account or by cash. Thus no issue with sundry shops are charging fees for cheque cashing service.</p> <p>Working hours stated in the workers contract is eight hours daily with one hour rest in between. Records sighted during the audit showed that managements of each operating unit are able to trace the eight working hours for each individual worker. After completion of the first eight hours, workers on the daily rate will be paid overtime and workers on piece rate will continue be paid on piece rate.</p> <p>Compliance to other regulatory requirements were also verified including insurance coverage, VLP payment, reporting of absconded workers, etc.</p> <p>To date, JTK have never received any complaints from local nor foreign workers against IOI Gomali group with regards to unjust pay and working conditions. There was also no complaint raised during any meeting and stakeholder consultation nor recorded in any Grievance Book.</p> <p>Verification on effectiveness of corrective action taken for Major NC# JMD-01 issued in ASA-01 [2016] was also conducted and found to be satisfactory.</p> <p><b>It was found that permits from the Labour Department concerning wages deduction for NUPW membership and insurance scheme were not kept in files as instructed by the Labour Department.</b></p> <p><b>Gomali POM managed to immediately acquire the permit issued by Labour Department from NUPW Secretariat.</b></p> <p><b>Furthermore, at Kuala Jelei Estate, only the year 2011 permit was available, which was already outdated. The Labour Department had already issued a new permit in year 2014.</b></p>	<p align="center">OBS# JMD-02</p>
<p><b>6.5.3</b> Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p>	<p>PMU Gomali grouping has provided adequate housing, water supplies, medical, educational and welfare amenities in accordance with IOI guidelines stated in the Workers' Minimum Standard of Housing and Amenities Act 1990 which is only applied in Peninsular Malaysia.</p> <p><b><u>Housing, electricity and water supply</u></b></p>	



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<p><b>Minor Compliance</b></p>	<p>Workers are given a small patch of land to grow vegetables/ fruit trees and keep poultry around their houses in order to reduce the cost of living. The workers staying in the estate are provided with free electricity and treated pond water 24 hours daily.</p> <p><b>Schools</b> Schools for local workers' children are at the vicinity of Gomali PMU.</p> <p><b>Sundry shops</b> Sundry shops available outside at each estate audited. From interviews with the workers in PMU it was found that most household sundries, including frozen foodstuffs were available on sale. The workers also go out to town once a month after pay day to buy sundries.</p> <p><b>Medical clinics</b> Clinics manned by HA are available in most estates audited. The Health Attendance are responsible on monitoring and maintaining acceptable living standard in the workers quarters, e.g. buildings maintenance, rubbish collection, drainage system, children education, etc., this monitoring is conducted through weekly linesite inspection and VMO visit. The Health or Medical Assistants are well experienced in handling minor health issues. VMO visit which is conducted twice a month will also include visits to the linesite before examining patients referred by the HA. Service and medicines provided by the clinic free of charge and cover the dependents of the workers as well. Workers of the contractors staying in the linesites are also admitted to the clinic if necessary free of charge.</p> <p>Effectiveness of corrective action taken for Minor NC# JMD-02 issued in ASA-01 [2016] was also conducted and found to be satisfactory.</p> <p>However, a non-compliance was raised as follows:</p> <ol style="list-style-type: none"> <li><b>At Kuala Jelei Estate linesite, it was found that a number of roof extensions constructed personally by the workers on their houses are poorly built and may collapse at any time. This situation caused concerns on the safety of the occupants in the houses but was not identified in the weekly linesite inspections.</b></li> <li><b>There were no rubbish bins provided at the surau located in Kuala Jelei Estate linesite and rubbish, mostly food wrappers, found to be scattered around the surau.</b></li> </ol> <p><b>A Minor NC ref. JMD-02 was raised under Indicator 6.5.3 in ASA-01 (year 2016) assessment on issues that are completely different from the issues mentioned above in current assessment ASA-02. Thus, it is not considered as a repetition of non-conformance and not upgraded into a major non-conformance.</b></p>	<p align="center"><b>Minor NC# JMD-02</b></p>
<p><b>6.5.4</b> Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. <b>Minor Compliance</b></p>	<p>Gomali PMU has ensured that the workers have access to adequate, sufficient and affordable food by providing the workers with local sundry shops within the group compound.</p> <p>Most of the estates visited however are located close the some small townships which are reachable by local transportation, e.g. Bukit Dinding Estate is near to Karak town, Kuala Jelei Estate is near to Bahau town and Gomali Estate was near to Gemas town.</p>	<p align="center">Compiled</p>





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<p><b>Criterion 6.6</b>  The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>6.6.1</b> A published statement in local languages recognising freedom of association shall be available.  <b>Major Compliance</b></p>	<p>The published statements of policy which recognizes employee's freedom of association, was noted to be available and widely displayed in Bahasa Malaysia and English.</p> <p>Each estates audited in Gomali PMU had formed the ECC as a mechanism to cater the collective bargaining needs of the workers. Results of ECC meetings were minuted and available for verification.</p> <p>It is also verified that most of the local workers are members of NUPW which is represented in the ECC.</p>	Complied
<p><b>6.6.2</b> Minutes of meetings with main trade unions or workers representatives shall be documented.  <b>Minor Compliance</b></p>	<p>Employee collective bargaining was made through the Employees Consultative Council (ECC) which has representation from the different levels of workers who are elected by the workers.</p> <p>In all meeting minutes of ECC, list of attendance and photos of the session were kept in file showing evidence of participation of affected parties. For example latest ECC meeting was conducted on 19 Apr 2016 and on 20 Sep 2016 in Kuala Jelei Estate. In Gomali POM latest NUPW meeting was on 25 Apr 2017 and ECC latest meeting on 16 May 2017.</p>	Complied
<p><b>Criterion 6.7</b>  Children are not employed or exploited.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>6.7.1</b> There shall be documentary evidence that minimum age requirements are met.  <b>Major Compliance</b></p>	<p>The PMU has a policy of not employing child labour (persons below 16 years) in accordance with Labour Act 350, Children and Young Persons (Employment), evident in the "Policy Statement of No Child Labor" available.</p> <p>The age of new hires were verified against their birth dates in their identification cards including those of the foreign workers. It was verified through interviews at the respective estates that the minimum age requirements of the workers were met.</p>	Complied
<p><b>Criterion 6.8</b>  Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>6.8.1</b> A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.  <b>Major Compliance</b></p>	<p>The policy statements which recognize Equal Job Opportunity were widely available and displayed in local languages and English. Inspections including interviews in the estates of Gomali PMU, checking of the employment records including migrant workers, pay slips and deductions of wages (according to law) confirmed that this criteria has been maintained.</p>	Complied
<p><b>6.8.2</b> Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.  <b>Major Compliance</b></p>	<p>There is a documented "Policy on Foreign Workers". Migrant workers are recruited within the framework of Employment Act 1955, Sabah Labor Ordinance 2005, Immigration Act 1959/63 and Workmen's Compensation Act 1952. The employment of foreign workers were implemented without affecting the opportunities for local communities.</p> <p>Local workers are covered under SOCSO scheme and the</p>	Complied



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	<p>migrant workers are covered under Foreign Workers Compensation scheme (FWCS).</p> <p>Interviews with foreign workers revealed their satisfaction with the PMU for job opportunities and many welfare amenities for example free housing, water and electricity supplies as well as medical care.</p> <p>Foreign workers are aware of the grievance procedures through the various Committees, including the ECC, Gender Consultative Committee (GCC) and sprayer group communication through participation at the SIA consultative meetings. It was verified that there has been no issue of discrimination at the PMU.</p>	
<p><b>6.8.3</b> It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p><b>Minor Compliance</b></p>	<p>Under the employment process, applicants for field worker positions are usually accepted by the estate management with very minimal requirements due to a shortage of labour supply in the plantation industry.</p> <p>For management and supervisory positions, the PMU has considered the needs of technical and other related skills depending on the nature of the work offered.</p> <p>It was verified that the promotions to higher position at the estates and POM were based on evaluations which considered the skill, capabilities, qualities and medical fitness of the employees. It was evident from interviews with employees and verification of records that there has been no discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age.</p>	<p>Complied</p>
<p><b>Criterion 6.9</b> There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>6.9.1</b> A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p><b>Major Compliance</b></p>	<p>The "Policy on Sexual Harassment" for prevention and eradication of sexual harassment in the workplace is available and verified to be communicated to all employees and implemented in the PMU.</p> <p>Record books for documenting such cases are available and kept under lock and key.</p> <p>Interviews with PMU field workers and office staff, both male and female, revealed their knowledge of the policy, their rights as male and female worker, the definition of sexual and other forms of harassment and understanding of the mechanism to lodge a complaint of sexual or other harassment.</p> <p>The GCCs comprised of both male and female representatives for both genders to communicate their grievances or complaints related to sexual harassment effectively. Latest meeting-cum-briefing session specific for female workers was conducted in Bukit Dinding Estate on 03 Jun 2017, in Kuala Jelei Estate on 17 Apr 2017 and in Gomali Estate on 12 Apr 2017. Briefing session for male and contract workers were also verified.</p> <p><b>It was found at Kuala Jelei Estate that a member of Gender Consultative Committee, who is also assigned to represent the committee to write and investigate reports related to sexual harassment, is not aware of the sensitivity of such reports. She admitted that any report received will be kept in an open drawer.</b></p> <p><b>However, upon verification there was no sexual harassment report received in the estate so far.</b></p>	<p>Obs# JMD-01</p>



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<p><b>6.9.2</b> A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. <b>Major Compliance</b></p>	<p>There is a policy in place for the protection of reproductive rights of the workers especially for women workers in PMU. This has been adequately implemented as all the female staff and workers are fully aware that they are entitled for two months paid maternity leave. Noted there was no pregnant female staff or estate general workers at the time of audit.</p>	<p>Complied</p>
<p><b>6.9.3</b> A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. <b>Minor Compliance</b></p>	<p>There is an established mechanism in the form of "Grievance procedure" to manage grievances from internal and external stakeholders and as well as from the general public. The procedure is explained in a flow chart and available in Bahasa Malaysia for easy understanding of the local people. The display of this Grievance Procedure in the staff offices, muster call stations and at the public areas is verified on audit. Sensitive grievances and complaints are treated as private and confidential thus protecting the anonymity of the complainants, for example the sexual harassment reports. The sexual harassment report books are kept under lock and key and accessible only to assigned personnel within the Gender Consultative Committee.</p>	<p>Complied</p>
<p><b>Criterion 6.10</b> Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p><b>6.10.1</b> Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. <b>Minor Compliance</b></p>	<p>Sembilan Tani Estate is the only smallholder supplying to Gomali POM and there was no evidence to suggest of any unfair business practices between both parties including the prices of FFB.</p>	<p>Complied</p>
<p><b>6.10.2</b> 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). <b>Major Compliance</b></p>	<p>Gomali PMU maintained records on current and past prices paid for FFB. Monthly prices are displayed at the POM office and FFB price data are available to the public upon request.</p>	<p>Complied</p>
<p><b>6.10.3</b> Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. <b>Minor Compliance</b></p>	<p>All parties having contractual agreements with the PMU had entered their contracts with adequate understanding of the terms and conditions set between both parties. Evidence was obtained during the viewing of the contracts sampled which among others included the office staff, field workers of both genders; various contractors providing labour, transport and maintenance works at the PMU. On site stakeholder interviews and consultation carried out with the various parties further confirmed their understanding of the contracts entered. Based on the documented contracts sighted, review of meeting minutes with stakeholders as maintained in the respective files, there was no evidence to suggest of any unfair, illegal or non-transparent practices in the grouping dealings with the local community businesses.</p>	<p>Complied</p>
<p><b>6.10.4</b> Agreed payments shall be made in a timely manner. <b>Minor Compliance</b></p>	<p>Payment of wages to office staff is consistently made on 25<sup>th</sup> of every month. The field workers pay is made no later than seventh day of every month. Only when the seventh day of the month falls during weekend the payment is made before tenth</p>	<p>Complied</p>

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	<p>day of the month. However, this happens in a very rare occasion.</p> <p>PMU by local business clearly stated that services rendered or purchases made will be paid within 60 days. This is a standard practice and the PMU received no complaints from any local business on delay of payments during the verification visit. The PMU also shows no pending payments to contractors or suppliers beyond the given period.</p>	
<p><b>Criterion 6.11</b>                  Growers and millers contribute to local sustainable development where appropriate.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>6.11.1</b> Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.  <b>Minor Compliance</b></p>	<p>The commitment to contribute towards local communities is evident and verified as sampled below:</p> <p><u>Gomali Estate</u></p> <ol style="list-style-type: none"> <li>1. POME fertilizer donation to SK Batu Anam and SK Mensudut Pindah.</li> <li>2. No restriction for school bus to enter the estate to fetch school children to schools located within the estate boundary.</li> <li>3. Road maintenance in front of school is managed by the estate.</li> <li>4. The estate also repairs the water tank tower in the school as requested by the school management.</li> </ol> <p><u>Kuala Jelei Estate</u></p> <ol style="list-style-type: none"> <li>1. Permission to Orang Asli in the nearby village to use the estate road to transport rubber logs out of their land for land clearing purposes.</li> </ol>	Complied
<p><b>6.11.2</b> Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity  <b>Minor Compliance</b></p>	<p>Sembilan Tani Estate is the only smallholder supplying to the Gomali PMU. Efforts have been taken to assist Sembilan Tani Estate to achieve certifiable status, including providing technical and material assistance, e.g. supplying high quality seedling and advisory services on estate management.</p>	Complied
<p><b>Criterion 6.12</b>                  No forms of forced or trafficked labour are used.</p>		
<p><b>6.12.1</b> There shall be evidence that no forms of forced or trafficked labour are used.  <b>Major Compliance</b></p>	<p>All migrant workers at the PMU are legal with passports and valid working permits thus no evidence of trafficked workers were found during the audit.</p>	Complied
<p><b>6.12.2</b> Where applicable, it shall be demonstrated that no contract substitution has occurred.  <b>Minor Compliance</b></p>	<p>No incidents have been found and this is confirmed through interviews with external stakeholders that contract substitution has never occurred.</p>	Complied
<p><b>6.12.3</b> Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.  <b>Major Compliance</b></p>	<p>A policy on Equal Opportunity was adopted and implemented by Gomali PMU verified to have covered all necessary aspects of migrant workers related issues. On 01 Mar 2016, IOI also adopted a new Special Labour Policy and Procedures especially covering migrant workers.</p>	Complied
<p><b>Criterion 6.13</b>                  Growers and millers respect human rights.</p>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>



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<p><b>6.13.1</b> 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). <b>Major Compliance</b></p>	<p>Clauses pertaining to Human Rights Policy were stated in the Equal Opportunity and Non-Discrimination Policy. Adoption of the Special Labour Policy and Procedures especially covering migrant workers on 01 Mar 2016 covers majority of the principles in the UN Guiding Principles on Business &amp; Human Rights 2011.</p>	<p>Complied</p>
<p><b>6.13.2</b> As long as children of plantation workers of Sabah and Sarawak are not secured a right to go to government school, the plantation companies should engage in a process to secure the children of the plantation workers access to education as a moral obligation. <b>Minor Compliance</b></p>	<p>Not applicable as the PMU is in Peninsular Malaysia.</p>	<p>Not applicable</p>

**Principle 7: Responsible development of new plantings**

Today, the PMU has not carried any new plantings after Nov 2005 which may be applicable under requirements of the RSPO New Planting Procedure. The requirements of Principle 7 were verified to be 'Not applicable' to this PMU during this assessment.

It was verified during current on-site assessment that the PMU has declared and submitted its Land Use Change details for analysis for its plantings since Nov 2005 as per the calculations specified in the RSPO PalmGHG v 3.0.1. The GHG Calculation Report was submitted to RSPO Secretariat on 17 Jun 2017.

Based on the details provided in the record of submission, verified that there is no potential liability under the RSPO Remediation and Compensation Procedure at this PMU.

**Principle 8: Commitment to continual improvement in key areas of activity**

<b>Criteria 8.1</b>		
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>8.1.1</b> The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides(Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);</li> <li>• Encourage optimising the yield of the supply base.</li> </ul> <p><b>Major Compliance</b></p>	<p>Action plans for continual improvement at the POM and Estates were documented, monitored and implemented.</p> <p><u>At POM:</u></p> <ol style="list-style-type: none"> <li>1. Cleaning of water tank at the pump house for domestic use (executive bungalows and workers quarters).</li> </ol> <p><u>At Estates:</u></p> <ol style="list-style-type: none"> <li>1) Increase the planting of beneficial plants (<i>Turnera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>) along the roads;</li> <li>2) Recycling of Fertilizer bags and empty pesticide containers to be returned to supplier. In addition, waste will also be segregated accordingly to the plastic and organic materials;</li> <li>3) Construction of more barn owls boxes;</li> </ol> <p><u>At Gomali Estate – Social:</u></p> <ol style="list-style-type: none"> <li>1. POME fertilizer donation to SK Batu Anam and SK Mensudut Pindah.</li> <li>2. No restriction for school bus to enter the estate to fetch school children to schools located within the estate boundary.</li> <li>3. Road maintenance in front of school is managed by the estate.</li> <li>4. The estate also repairs the water tank tower in the school as requested by the school management.</li> </ol> <p><u>At Kuala Jelei Estate – Social:</u></p> <p>Permission to Orang Asli in the nearby village to use the estate road to transport rubber logs out of their land for land clearing purposes.</p>	Complied

**3.1.1 Supply Chain Certification Standards Findings - on CPO Mill**

The Supply Chain model applied at the POM during this assessment is **Module D – CPO Mills: Identity Preserved (IP)**.

Details of findings are as follows:

<b>D.1 Definition</b>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
<p><b>D.1.1</b></p> <p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&amp;C).</p> <p>Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering</p>	<p>The POM only processed FFB from its own supply base (see <b>Section 1.3</b>).</p> <p>It was verified that there was no sources of FFB from any outgrowers or independent suppliers / smallholders.</p> <p>The CPO Mill is therefore applying the Identity Preserved (IP) module.</p>	Complied



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<p>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><b>D.2 Explanation</b></p>		
<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&amp;C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the POM is recorded in this Assessment 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 has been recorded in each annual assessment report (see <b>Section 1.8.2 Table 6 and Section 1.8.3 Table 7</b>).</p>	<p>Complied</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>The POM 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>Complied</p>
<p><b>D.3 Documented procedures</b></p>		
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p>	<p>Documented procedure for IP Module is: RSPOSC/SOP/IP/3 issue 04, 02/01/2015. The procedure has covered the implementation of all elements of IP Module.</p>	<p>Complied</p>
<p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements</p>	<p>The documented procedure and its implementation confirmed to have complied with all the specified requirements of Identity Preserved (IP) Module D that include controlling the FFB receipt, processing, sales, CPO and PK dispatch, and records keeping.</p>	<p>Complied</p>
<p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>Mill manager, Mr. TS Chai, has the overall responsibility and authority for implementation and compliance with the documented procedure. He and other relevant staff under his charge demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard - Module D requirements and its implementation. Interviews of the relevant staff confirmed their knowledge of the RSPO Supply Chain Certification requirements for the respective areas of operations.</p>	<p>Complied</p>



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	The Palm Oil Mill Organization Chart and job responsibilities of employees (Mill Manager, Assistant Manager, Engineers, Assistant Engineers, Technicians, Security Officer, Weighbridge Operator, Laboratory Chemist and clerks) have been suitably defined in the IOI Management System Manual.	
D.3.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	For the period FY 2016/2017, the POM only received and processed FFB mainly from the PMU estates (including from Sembilan Tani estate - associated outgrower) and also some certified FFB from IOI Pukin estates. The PMU did not receive any non-certified FFB from any other external sources or suppliers. All supplies of FFB were subjected to verification of documents and quality checks by weighbridge personnel.	Complied
<b>D.4 Purchasing and goods in</b>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
D.4.1 The facility shall verify and document the tonnages and sources of certified and non-certified FFBs received.	The Mill had maintained record of tonnages and supply source of FFB from the respective estates at the weighbridge station, in the dispatch chit and weighbridge ticket and these are reported daily to the Gomali POM office as well as the IOI Head Office at Putrajaya. There were no non-certified FFBs.	Complied
D.4.2 The facility shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The Mill monitors FFB reception, CPO and PK production. IOI HQ and POM has an internal monitoring and reporting mechanism for advising the CB of production variations such as projected overproduction situation, when such issue arises. So far, there is no projected overproduction.	Complied
<b>D.5 Record keeping</b>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	The records and reports are available from the computerized system. Also, hard copies of records and reports are properly filed and readily accessible. Inspection of records and reports at the Mill confirmed these were accurate, complete and updated daily. As per the SOP, the records and reports are archived and stored in the Mill Office for a minimum period of 5 years. The weighbridge ticket for delivery of CPO and PK indicates the product as certified and IP Module. For ISCC, the registration no. is indicated. Transaction documents and bookkeeping of FFB, CPO and PK are done daily and monthly summary submitted to Head Office. A tonnage balance recording system that shows FFB deliveries, CPO and PK production and dispatch is balanced every 3 months.	Complied
<b>D.6 Processing</b>		
<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified	Confirmed from records that Gomali POM only received and processed certified FFB from the PMU own estates and Sembilan Tani estate (associated outgrower) under the Gomali grouping in FY2016/2017. The processing facility has established and implemented a clear procedure and mechanism for the IP module.	Complied



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material including during transport and storage.	Review and on-site verification confirmed that the mechanism was implemented and in compliance with the module requirements at the mill including transport and storage. The POM does not produce PKO. The PK is sold and there is no outsourcing of the PK crush to an independent palm kernel crusher.	
D 6.2 The objective is for 100 % segregated material to be reached.	Documents and records provided documented evidence for the FFB receipt and processed, CPO and PK produced to be traceable to certified material. The product type and supply chain module indicated as CSPO/IP and CSPK/IP on relevant documents.	Complied

### 3.1.2 Status on Supply Chain on POM:

Based on the documents and records presented during the on-site verifications made, it is concluded that the Gomali POM has been able to comply with the requirements of the RSPO SCCS under the 'IP' module and is thus eligible for 'IP' trading for its palm products for year 2017/2018.

### 3.1.3 Monitoring of Certified Products traded:

Trading of CSPO and CSPK are via RSPO PalmTrace and ISCC e-platforms. The records maintained at the POM relied on internal communications from the trading arm of IOI based at the HQ, Putrajaya Jaya. Based on records maintained at the POM, the quantities (tonnages) traded as verified during assessment are as follows:

	CSPO - Actual Jul 2015-Jun 2016 (MT)	CSPK - Actual Jul 2015-Jun 2016 (MT)	CSPO - Actual Jul 2016 till current (MT)	CSPK - Actual Jul 2016 till current (MT)
<b>RSPO certified</b>	51,978.26	-	30,709.18	4,300
<b>Book &amp; Claim</b>	-	14,382	-	-
<b>ISCC</b>	21,063.50	3,764	19,731.45	9,941.24
<b>Total Traded</b>	73,041.76	18,106	50,440.63	14,241.24
<b>Actual Produced</b>	73,957.09	18,106	60,568.95	14,324.34

Notes:

- Based on records maintained at the POM, it was verified that the total volume of CSPO traded has not exceeded the annual certified quantity.
- All PK is delivered out as CSPK to an external Kernel Crushing Plant outside the PMU.

### 3.2 Status of Identified Noncompliance and Corrective Actions, Observations and Positive Elements.

The status of the Noncompliances (NCR) and Observations (OBS) identified against the MYNI Compliance Indicators is as per the details below:

Assessment Type	Year	Noncompliance (NCR)	Observations (OBS)	Follow up status
Re-Certification Assessment (by previous CB-SGS)	2015	2 (Major)	6	Actions taken on the NCRs and OBS were verified during ASA-01. However it was found that 1 NCR (2015) was not effectively implemented and a new NCR was issued in ASA-01.

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Annual Surveillance-01 (by Intertek)	2016	3 (1 Major, 2 Minor)	5	Actions taken on the NCRs and OBS verified to be effective during ASA-02 except for the Obs# JMD-01, Minor NC# SH-01 and Obs# SH-02
Annual Surveillance-02 (by Intertek)	2017	9 (6 Major, 3 Minor)	2	Next assessment

### 3.2.1 Year 2017 ASA-02: 9 NCRs (6 Major and 3 Minor)

NCR	MYNI Indicator	Details of NCR	
Major OCL-01	4.6.11	Date issued: 16/06/2017	
		<b>Nonconformance:</b> At Bukit Dinding Estate, 2 out of the 6 Bangladeshi pesticide sprayers have black nails. However, this observation was not recorded in the monthly medical check sheet by the Hospital Assistant. Also, there was no record of any action taken to verify the source or cause of the black nails. Noted that the medical surveillance report of these pesticide sprayers stated that these workers are normal and fit for work as pesticide sprayers by the DOSH registered medical doctor.	
		Root Cause and Corrective Action: <b>Root Cause</b> Records showed that the Hospital Assistant examines all pesticide sprayers every month. As he was unsure of some workers with some finger nails problems, he referred them to the panel clinic on 22/4/2017. The Doctor diagnosed the problem as fungus inspection and appropriate medication was given. Moreover, the Occupational Health Doctor (OHD) also carried out medical surveillance for all pesticide workers on 13/4/2017 but did not highlight this problem as work related.	
		<b>Corrective Action</b> The 2 Bangladeshi workers were sent to the OHD again on 21 <sup>st</sup> June 2017 for a second evaluation and the OHD confirmed that the black finger nails are not due to pesticides exposure. The letters from the Occupational Health Doctor are attached as evidences.	
		Verification (Corrective Action): On-site verification carried out. Evidences are acceptable, i.e. copy of email to the Occupational Health Doctor (OHD) for another medical examination and the medical reports from the OHD confirmed that the black nails are due to fungal infection and not due to organophosphate exposure. The workers concerned were referred to the panel clinic for treatment. The corrective action satisfactorily addressed the non-conformance.	
		<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 03/08/2017</b>
		Verification (for effectiveness): Next assessment.	

NCR	MYNI Indicator	Details of NCR	
Major OCL-02	4.7.1	Date issued: 16/06/2017	
		<b>Nonconformance:</b> A lorry JQX 7306 from Regent Estate was observed to be speeding along the road out of the Gomali POM after FFB delivery at 10.03 am on 12/06/2017.	



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		<p>Root Cause and Corrective Action:</p> <p><b><u>Root Cause</u></b> Though contracts issued to all Contractors include the clause to ensure that they and their employees obey the Company's rules and regulations when inside our estate &amp; mill compounds, this particular driver breached the regulations on 12/06/17.</p> <p><b><u>Corrective Action(s)</u></b></p> <ol style="list-style-type: none"> <li>1) Gomali Mill sent a memo on the same day to Regent estate to inform them regarding the speeding lorry and the allowed speed limit.</li> <li>2) Regent estate then sent a letter to the contractor (Metallic Milestone Sdn Bhd) on 13/06/17 to warn him to ensure that all their drivers obey the Company's rules and regulations and that serious action will be taken if they continue to disobey.</li> <li>3) A memo was also sent to all estates to request them to:             <ol style="list-style-type: none"> <li>a) Send a memo to all contractors including CPO, FFB, EFB and other contractors to ensure that their vehicles are road worthy and the drivers obey speed limits when driving;</li> <li>b) Conduct a retraining/briefing to all workers especially tractor drivers and vehicle owners to observe speed limits and ensure that their vehicles are road worthy with proper lightings, brakes, horns, signal lights etc.</li> <li>c) Display 50km/jam signboards at the entrance and on both sides of all roads leading to and from the mills.</li> <li>d) Display 30km/jam signboards on both sides of field roads</li> <li>e) Display 20km/jam signboard at the entrance and inside the mill compounds</li> <li>f) Inform AP's, workers and Management personnel to make reports to Manager if any vehicles are found speeding or driven recklessly inside our compounds</li> </ol> </li> <li>4) Signboards displayed at Gomali estate and Gomali mill.</li> </ol>		
		<p>Verification (Corrective Action):</p> <p>On-site verification carried out. Following evidences are acceptable:            (1) Memo to Regent Estate on the issue.            (2) Letter of warning to transport contractor concerned (Metallic Milestone Sdn Bhd) a.            (3) Memo to all other transport contractors concerning speed limits and road worthiness of vehicles.            (4) Erected signboards on speed limits at various locations.            The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 40%;"><b>Date closed: 04/08/2017</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 04/08/2017</b>
<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 04/08/2017</b>			
		<p>Verification (for effectiveness): Next assessment.</p>		

NCR	MYNI Indicator	Details of NCR
Major OCL-03	4.7.3	Date issued: 16/06/2017
		<b>Nonconformance:</b> <b>At Bukit Dinding Estate, one of the 8 manurers was found to be wearing a short apron that apparently had been shortened due to a tear in the apron.</b>



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	<p>Root Cause and Corrective Action:</p> <p><b>Root Cause</b> Though manurers and chemical sprayers have been trained on safe operating procedures and the proper usage of PPE, one of the manurers cut his apron short when the apron got torn by undergrowth and fronds.</p> <p><b>Corrective Action</b> All operating centres have been instructed to use the latest revised Safe Operating Procedures (SaOP) to conduct retraining for sprayers, manurers, mandores and staffs to remind them on the proper usage of PPE and that no alterations will be allowed. Staffs and mandores are to take along spare PPE to work areas and issue to workers if any PPE is worn out or damaged.</p>		
	<p>Verification (Corrective Action):</p> <p>On-site verification carried out. Following evidences are acceptable: (1) Attendance List of Bukit Dinding SaOP Retraining for manurers on 17/06/2017. (2) Photos of Bukit Dinding SaOP Retraining for manurers (3) SaOP (Training notes) used for training Bukit Dinding manurers. The corrective actions satisfactorily addressed the non-conformance.</p>		
	<table border="1"> <tr> <td><b>NC status verified by auditor: Closed by OCL</b></td> <td><b>Date closed: 03/08/2017</b></td> </tr> </table>	<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 03/08/2017</b>
<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 03/08/2017</b>		
	<p>Verification (for effectiveness): Next assessment.</p>		

NCR	MYNI Indicator	Details of NCR
Major OCL-04	8.1.1	Date issued: 16/06/2017
		<b>Nonconformance:</b> Gomali POM had identified a number of continuous improvement items. However, the documentation of the action plan for continuous improvement was mixed up such that it was not able to relate its implementation to the continuous improvement items.
		<p>Root Cause and Corrective Action:</p> <p><b>Root Cause</b> As the mill and estate management collectively discuss management and continuous improvement plans before the action plans are generated, we inadvertently combined some items that were unrelated to Gomali mill in the Environmental Impact Assessment and Environmental Management Plan (EIA &amp; EMP)</p> <p><b>Corrective Action</b> Gomali mill's EIA &amp; EMP and continuous improvement reports were reviewed once again to check and remove unrelated items. <b>Appendix 7 – Amended page 59 of Gomali mill's EIA &amp; EMP report.</b></p>
		<p>Verification (Corrective Action):</p> <p>On-site verification carried out. Amended EIA and EMP of Gomali POM are acceptable. The corrective action satisfactorily addressed the non-conformance.</p>
		<table border="1"> <tr> <td><b>NC status verified by auditor: Closed by OCL</b></td> <td><b>Date closed: 04/08/2017</b></td> </tr> </table>
<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 04/08/2017</b>	
		Verification (for effectiveness): Next assessment.

NCR	MYNI Indicator	Details of NCR
Major	5.1.2	Date issued: 16/06/2017



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SH-01		<p><b>Nonconformance:</b> At Bukit Dinding Estate, an area has been identified for the collection of spring water for domestic use. However, this area has no demarcation on the extent of the buffer zone areas. <b>NOTE: As a Minor NC# SH-01 and Obs# SH-02 have been raised against the same requirement in the previous assessment, this finding is now upgraded to Major NC as it is a recurring non-conformance.</b></p>	
	Root Cause and Corrective Action:		
	<p><b>Root Cause</b> As the areas were well maintained with minimum activities carried out in the buffer zones, Bukit Dinding estate management felt that it was not required to demarcate the area or display sign boards.</p>		
	<p><b>Corrective Action</b></p> <ul style="list-style-type: none"> <li>i The buffer zone around the catchment pond has been identified &amp; palms have been marked with red paint.</li> <li>ii Sign boards on prohibited activities around the catchment pond were erected.</li> </ul>		
	<p>Verification (Corrective Action): On-site verification carried out. Following evidences are acceptable: (1) Palms around the catchment pond marked with red paint. (2) Sign boards erected around the catchment pond. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 03/08/2017</b>
Verification (for effectiveness): Next assessment.			

NCR	MYNI Indicator	Details of NCR	
Major JMD-01	6.1.3	Date issued: 16/06/2017	
		<p><b>Nonconformance:</b> In ASA-01 (year 2016) Observation ref. OBS JMD-01 raised as follows: “Comments received from different sources, e.g. external and internal stakeholder consultations, GCC meetings, ECC meetings, grievance books, are not consolidated in a specific mitigation plans document.” However, actions taken did not adequately addressed the requirement. Thus the observation upgraded to a Major NC in this current assessment ASA-02.</p>	
		<p>Root Cause and Corrective Action:</p> <p><b>Root cause</b> Comments and issues are recorded in the minutes of meetings (ECC, GCC, stakeholders etc.) whenever issues are highlighted at the various meetings which are held at different times throughout the year. As all issues are recorded and addressed as prompt as possible, operating centers felt that consolidating the comments in another mitigation plans document will only be duplicating the actions taken.</p>	
		<p><b>Corrective Action</b> The major issues highlighted in the various meetings and grievance books are consolidated in the Mitigation of Issues and Actions Taken/Planned document.</p>	
		<p>Verification (Corrective Action): On-site verification carried out. Submitted Mitigation Plan dated 23/06/2017 was reviewed and found to be acceptable. The corrective action satisfactorily addressed the non-conformance.</p>	
		<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 04/08/2017</b>
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NCR	MYNI Indicator	Details of NCR	
Minor OCL-01	4.3.2	Date issued: 16/06/2017	
		<b>Nonconformance:</b> At Gomali Estate, there was no map and/or record to indicate the locations of the planting terraces constructed on land with slope more than 6°.	
		Root Cause and Corrective Action: <b>Root Cause</b> As we had topography (contour) maps for all fields, we felt that it was sufficient to cover this requirement	
		<b>Corrective Actions</b> A map of palms planted on terraces with more than 6° was prepared – Gomali Estate Terraces Map.	
		Verification (Corrective Action): On-site verification carried out. Terrace Map for Gomali Estate was reviewed and found to be acceptable. The corrective action satisfactorily addressed the non-conformance.	
		<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 04/08/2017</b>
		Verification (for effectiveness): Next assessment.	

NCR	MYNI Indicator	Details of NCR	
Minor SH-01	5.3.3	Date issued: 16/06/2017	
		<b>Nonconformance:</b> At Bukit Dinding Estate, it was found that unwanted plastic materials and unused fertilizer bags were scattered all over the plantation ground. The management and disposal of plantation waste such as empty fertilizer bags were not effectively implemented.	
		Root Cause and Corrective Action: <b>Root Cause</b> After loading loose fruits (placed on fertilizer bags) onto tractors, the loaders are supposed to hang the fertilizer bags on the palm trees. However due to lackadaisical attitude and sometimes due to urgency, some workers fail to hang the fertilizer bags on the palm tress	
		<b>Corrective Action</b> Management have carried out the following corrective actions: The workers involved (mandores, bunch checkers, loaders, tractor drivers) have been given a retraining on field cleanliness and the proper way to hang up the fertilizer bags. They have also been reminded that action will be taken against them if they fail to comply.	
		Verification (Corrective Action): On-site verification carried out. Following evidences are acceptable: (1) Training Attendance List of training on plantation cleanliness and reusing of empty fertilizer bags conducted on 29/06/2017. (2) Photos of training on hanging of empty fertilizer bags on palms. (3) The areas concerned have been cleaned up. The corrective actions satisfactorily addressed the non-conformance.	
		<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 03/08/2017</b>
		Verification (for effectiveness): Next assessment.	



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NCR	MYNI Indicator	Details of NCR
<b>Minor JMD-01</b>	<b>6.5.3</b>	Date issued: 16/06/2017
		<p><b>Nonconformance:</b></p> <ol style="list-style-type: none"> <li><b>1. At Kuala Jelei Estate linesite, it was found that a number of roof extensions constructed personally by the workers on their houses are poorly built and may collapse at any time. This situation caused concerns on the safety of the occupants in the houses but was not identified in the weekly linesite inspections.</b></li> <li><b>2. There were no rubbish bins provided at the surau located in Kuala Jelei Estate linesite and rubbish, mostly food wrappers, found to be scattered around the surau.</b></li> </ol> <p><b>A Minor NC ref. JMD-02 was raised under Indicator 6.5.3 in ASA-01 (year 2016) assessment on issues that are completely different from the issues mentioned above in current assessment ASA-02. Thus, it is not considered as a repetition of non-conformance and not upgraded into a major non-conformance.</b></p>
		<p>Root Cause and Corrective Action:</p> <p><b><u>Root Cause 1</u></b> Though the Hospital Assistant (HA) inspects the linesite every week, he only checks on the cleanliness, grass-cutting and repairs required to the estate's permanent structures.</p> <p><b><u>Corrective Action 1</u></b> The HA was reminded that it is his duty to ensure that all safety, health and social issues are identified and recorded in the weekly linesite inspection book. Crucial matters are to be highlighted to Management immediately. Extensions to houses that are poorly built and pose danger to occupants will be repaired / torn down.</p> <p><b><u>Root cause 2</u></b> As a "buka puasa" function was held at the surau on 13/6 (the night before the audit) and the rubbish bin was full and kept behind the surau, the workers threw rubbish on the floor.</p> <p><b><u>Corrective Action 2</u></b> The Management has arranged for workers to clean up the surau and provided a bigger rubbish bin to the surau.</p> <p><b>Appendix 12 Rubbish bin provided and rubbish cleaned up at the surau.</b></p>
		<p>Verification (Corrective Action):</p> <p>On-site verification carried out. Following evidences are acceptable: (1) The illegal extensions had been recorded in the Weekly Linesite Inspection together with other issues. Illegal roofing extensions have been removed. (2) Rubbish around the surau had been cleared and rubbish bin provided at the surau. The corrective actions satisfactorily addressed the non-conformance.</p>
		<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;"><b>NC status verified by auditor: Closed by OCL</b></td> <td style="width: 40%;"><b>Date closed: 04/08/2017</b></td> </tr> </table>
<b>NC status verified by auditor: Closed by OCL</b>	<b>Date closed: 04/08/2017</b>	
		Verification (for effectiveness): Next assessment.

### 3.2.2 Year 2016: ASA-01 (1 Major, 2 Minor NCRs)

NCR	MYNI Indicator	Details of NCR
	<b>6.5.2</b>	Date issued: 24 Jun 2016



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<p><b>Major JMD-01</b></p>		<p>Nonconformance:</p> <p>Information pertaining to the work conditions in the estates:</p> <p>It was reported by NGO-FinnWatch in 2015, that the video presentations at the foreign workers country of origin did not correctly depict the reality of their actual work conditions in the estates. This fact was collaborated by some of the stakeholders interviewed during the current audit.</p> <p>The company in its response to the NGO-FinnWatch report claimed that 'an up-to-date video depicting actual work conditions in the estates company has been provided to the agency conducting the hiring at the home country of the foreign workers during recruitment. The company also stated they have no control over the videos shown by the agency to the applicants during the hiring process because the hiring for other plantation companies are also being conducted by the same agency at the same time.' However, the company (IOI) has to ensure that during the recruitment process, any agency engaged in the country of origin of the foreign workers are showing information videos which accurately depict the work conditions prior to hiring the workers.</p> <p>Root Cause(s):</p> <p>The workers who viewed the video showing harvesting done mechanically (cartas) and loose fruits collected using some sort of vacuum must have been Bangladeshi workers who were recruited under the Government to Government program. They must have watched the Sime Darby's video which was provided by the Malaysian Govt. Agency (MCAB) to the Bangladesh Govt. Under the G to G system, our company had no control right from the selection of workers, medical checkup or the screening of the videos. We only receive the workers upon arrival in Malaysia. However, this type of Bangladesh G to G recruitment ceased in February 2016.</p> <p>Corrective action</p> <p>We are now mainly recruiting Indonesian workers and Indian workers.</p> <p>Appendix 1 – IOI has provided up-to-date videos to recruitment agencies depicting actual work conditions in our estates.</p> <p>Appendix 2 – A letter has been issued to agents to instruct them to ensure that:</p> <ol style="list-style-type: none"><li>1) The video depicting the working conditions in our estates are shown to the workers.</li><li>2) The terms and conditions of the employment contracts are explained to the workers in their native language</li><li>3) The workers are requested to sign the employment contract if they agree to our terms and conditions</li><li>4) The agent is to record the workers saying that they have read and understood the terms and conditions of the employment contract and they agree to work in IOI estates freely and voluntarily without any coercion.</li><li>5) The agent is to send the signed employment contracts together with the video recording to us, either through the workers when they arrive in Malaysia or through courier.</li></ol> <p>Verification (Corrective Action):</p> <p>Copy of latest video presentation for recruitment by IOI Group HR for use during the ongoing recruitment process at the countries where the foreign workers are sourced i.e. Indonesian and Indian (in place of previous or other video presentations earlier used) was submitted on 25 July 2016 and noted to provide a fairly accurate information on the actual work conditions at the IOI group estates.</p> <p>Copy of communications by IOI Group HR Manager via email instructions to the respective representatives at the recruiting agencies, together with revised Workers Employment Contracts (to be translated in the local languages e.g. Indonesian &amp; Hindi) were also submitted.</p> <p>Off-site verification is done and the said proposed corrective actions are considered to be acceptable for the closure subject to follow-up verification during next assessment.</p>
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	NC status verified by auditor: Closed by AL	Date closed: 1 Aug 2016
	Verification of effectiveness: In ASA-02: Verified that the video presentation provide a fairly accurate information on the actual work conditions at the IOI group estates and such video has been made available to respective representatives at the recruiting agencies.	
	NC status verified by auditor: Accepted by OCL	Date verified: 16/06/2017

NCR	MYNI Indicator	Details of NCR	
<b>Minor JMD-02</b>	<b>6.5.3</b>	Date issued: 24 Jun 2016	
		Nonconformance:  <u>Expenses for foreign workers repatriation due to illness</u>  The articles in Workers' Contract below referred;  <ol style="list-style-type: none"> <li>1. Article 11(b) "[Air passage to be borne by the employer] when the Employer terminate this Employment Contract due to no fault of the Employee."</li> <li>2. Article 12(c) stated "The Employee shall bear the cost of return to his Country of Origin from Malaysia if the Employee failed the FOMEMA Medical Examination."</li> <li>3. Article 12(d) stated "If the Employee prematurely terminates this contract before expiry he may do so at his own expense for returning to his Country of Origin..."</li> </ol> <p>There are 2 cases found in Paya Lang Estate in which the foreign workers were sent back to their respective home country at their own expenses due to illness before their expiry of their work contract.</p> <p>During the audit it is noted that the policy and procedures developed by the estate management on the repatriation of workers due to illness is not clear and has led to ambiguities.</p>	
		Root Cause: Though IOI plantations has practiced bearing the repatriation costs of employees who are certified medically or physically unfit for work due to accidents or exposure to hazardous substances or disease, a few new Managers were unaware of this practice.	
		Corrective Action: A memo entitled 'Guidelines on Repatriation of Foreign Workers Due to Illness or Medically Unfit' dated 11 July 2016 has been circulated to all Heads and Managers of operating centres (Appendix 1)	
		Verification (Corrective Action): Evidences submitted i.e. copy of the said memo and briefing done for the Staff and Managers are verified and considered to have satisfactorily addressed the issue and acceptable for closure.	
		NC status verified by auditor: Closed by AL	Date closed: 1 Aug 2016
		Verification of effectiveness: In ASA-02: Verified that there was no further case of foreign worker bearing the expense on his own during repatriation of foreign worker.	
NC status verified by auditor: Accepted by OCL	Date verified: 16/06/2017		



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NCR	MYNI Indicator	Details of NCR	
Minor SH-01	5.1.2	Date issued: 24 Jun 2016	
		Nonconformance:	
		The Management plan for mitigation of environmental impacts, timeframe for action and responsible persons were not adequately followed up by the Estate managers.	
		At Paya Lang Estate, a pond area has been identified and left in its current state. This area was previously used as retention pond for the mitigation of flood. This area need to be identified as conservation area, buffer zones demarcated, but there was no indication on the ground it is so.	
		Also, the 2 ponds at Sagil Estate have not been identified for conservation. This area is left in its natural condition/state. There was no buffer zone identified and demarcated on the ground.	
		For both the estates, signage on the conservation areas was not available.	
		Root Cause: Though the ponds have been conserved in their natural states with no activities carried out around it, we were unaware of the requirement to display a 'Conservation Area' signboard.	
		Corrective Action: 'Conservation Area' and 'Buffer Zone' signboards have been displayed at the following premises: 1) Paya Lang estate pond – Appendix 1 (Conservation and Buffer Zone signboards – Before and After Photos) 2) Sagil estate pond 1 – Appendix 2 (Conservation and Buffer Zone signboards – Before and After Photos) 3) Sagil estate pond 2 – Appendix 3 (Conservation and Buffer Zone signboards – Before and After Photos)	
Verification (Corrective Action): Evidences submitted i.e. copy of the said Appendices 1-3, attached photographs and briefing record for workers were verified and considered to have satisfactorily addressed the issue and acceptable for closure.			
NC status verified by auditor: Closed by AL		Date closed: 1 Aug 2016	
Verification of effectiveness: In ASA-02 Assessment, verified that the implementation of the corrective action is <b>NOT</b> effective in <b>Bukit Dinding Estate</b> .			
NC status verified by auditor: Upgraded to Major NC# SH-01		Date verified: 16/06/2017	

**3.2.3 Year 2017: ASA-02 (2 Observations)**

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS JMD-01	6.9.1	Kuala Jelei Estate	It was found at Kuala Jelei Estate that a member of Gender Consultative Committee, who is also assigned to represent the committee to write and investigate reports related to	16 Jun 2017		Follow up at next assessment

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			<p>sexual harassment, is not aware of the sensitivity of such reports. She admitted that any report received will be kept in an open drawer.</p> <p>However, upon verification there was no sexual harassment report received in the estate so far.</p>			
OBS JMD-02	6.5.2	Gomali POM, Gomali Estate, Kuala Jelei Estate	<p>It was found that permits from the Labour Department concerning wages deduction for NUPW membership and insurance scheme were not kept in files as instructed by the Labour Department.</p> <p>Gomali POM managed to immediately acquire the permit issued by Labour Department from NUPW Secretariat.</p> <p>Furthermore, at Kuala Jelei Estate, only the year 2011 permit was available, which was already outdated. The Labour Department had already issued a new permit in year 2014.</p>	16 Jun 2017		Follow up at next assessment

### 3.2.4 Year 2016: ASA-01 (5 Observations)

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS: AL-01	4.5.1	Paya Lang estate	Beneficial Plants: Planting plan and monitoring of <i>Cassia cobanensis</i> is to be improved to follow the ratio as indicated under the GAP.	24 Jun 2016	16 Jun 2017	Closed
OBS: AL-02	4.6.11	Sagil estate	Annual Medical Surveillance: Cholinesterase test results should be reviewed by qualified personnel to determine if any further actions is needed.	24 Jun 2016	16 Jun 2017	Closed
OBS: SH-01	5.1.1	PMU Estates	Old and worn out signage need to be refurbished or replaced.	24 Jun 2016	16 Jun 2017	Closed
OBS: SH-02	5.1.2	Regent Estates	Map of estates i.e. Regent Estate, need to be updated to its current status. Sungai Chemengkoh was not shown in the map although the buffer zone and its extent were demarcated at the field blocks. Buffer zone demarcation at the field blocks need to be corrected at both Sagil Estate and Regent Estate.	24 Jun 2016	Upgraded to Major NC# SH-01 during ASA-02 Assessment	Issue verified to be inadequately addressed.



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<b>OBS JMD-01</b>	<b>6.1.3</b>	Mill and estates	Comments received from different sources, e.g. external and internal stakeholder consultations, GCC meetings, ECC meetings, grievance books, are not consolidated in a specific mitigation plans document.	24 Jun 2016	Upgraded to Major NC# JMD-01 during ASA-02 Assessment	Issue verified to be inadequately addressed.
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### 3.2.5 Identified Positive Elements

- 1) The PMU has contributed towards the local economy and provided employment opportunities, financial funding for education, social and religious activities.
- 2) The PMU has provided and maintained proper infrastructure such as roads, housing and sport facilities

### 3.3 Summary of Feedback Raised by Stakeholders and Findings

Prior to and during the Assessment, written and verbal feedback communicated from the stakeholders on the environmental and social performance of the PMU operations were sourced. All pertinent feedback issues were reviewed and followed up for verification and these had been accordingly incorporated into the report findings. See table below:

#### 3.3.1 Feedback Raised by Stakeholders (Surveillance Assessment ASA-01 – Year 2016)

Communication done via email on 19 May 2016 to various categories of stakeholders:

Stakeholders' Feedback	PMU Response	Intertek verification / comment on further action (if any)	Further action from PMU (if any)
Concerns and suggestions received during interviews and stakeholder consultations include representatives from government agencies (including teachers), suppliers, transporters, contractors and village heads within and near the locality of the PMU. Total: 12 nos - Local community 28 nos - Workers at POM, Estates (local and foreign, male and female) The issues raised were:			
<b>Government Agencies</b>			
1. Maintain the buffer zones especially for rivers flowing through IOI estates. 2. Consult with PERHILITAN for design of traps if conflicts occurred with animals such as wild boars and monkeys. 3. If possible to build viaduct to ensure animal safe road crossing inside the fields.	The PMU has taken note of this matter and will consider the improvements needed.	To be followed up during the next Assessment.	-
<b>Local Communities</b>			



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1. Better rapport between local people in the villages with the estate management. 2. Improvement is required on road around workers quarters.	The PMU has taken note of this matter and will consider the improvements needed.	To be followed up during the next Assessment.	-
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### 3.3.2 Feedback Raised by Stakeholders (Surveillance Assessment ASA-02 – Year 2017)

Communication done via email on 11 May 2017 to various categories of stakeholders (see list under para 2.5):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
<b>Government Agencies:</b> No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
<b>Non-Governmental Organizations:</b> No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
<b>Local Communities - Stakeholders' Consultation:</b> Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 15 Jun 2017. A total of 7 stakeholders (5 government agencies, 1 transporters, 1 local communities and 1 contractor) were present at the consultation. They were interviewed by the auditors without the presence of any of the PMU staff. Concerns and suggestions received during interviews and stakeholder consultations:  1. Gomali PMU is listed among the lowest user of free health checkup vouchers issued by SOCSO. Representative from SOCSO would like to remind the management to submit the list of workers eligible for the vouchers.	Gomali PMU responded that the list had been submitted to the SOCSO office. But the management will resubmit the list to the correct person.	To be followed up during the next Assessment.	-



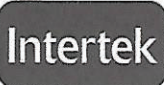
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<p><b>Local Communities - Interviews:</b> Interviews of sampled staff and workers were also conducted by the auditors during field visits from 12 to 16 Jun 2017 at the PMU:</p> <p>Staff/Workers sampling: POM = 14 males, 5 females Estate Offices = 38 males, 16 females Field/sites visit = 73 males, 7 females</p> <p>No issues raised by the sampled staff and workers.</p> <p>1. Orang Asli from Kg. Jeram near to Kuala Jelei Estate might be submitting another request for permission to use the estate road to get to their own rubber plantation for land clearing activities.</p>	<p>No response needed.</p> <p>Kuala Jelei Estate management will act accordingly once they receive the request from the Orang Asli.</p>	<p>No response needed.</p> <p>To be followed up during the next Assessment.</p>	<p>Nil</p>
<p><b>Other Interested parties:</b> No feedback received.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>



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**4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION**

Based on the findings above, IOI Corporation Gomali Grouping had been able to demonstrate its compliance with the RSPO Principles and Criteria (April 2013), Malaysian National Interpretation (MYNI 2014) and the RSPO Supply Chain Certification Standard (Nov 2014) for Palm Oil Mill.

Therefore, it is recommended that the certification of IOI Corporation Gomali Grouping be approved and continued.

Signed for and on behalf of  
Intertek Certification International Sdn Bhd

Dr. Ooi Cheng Lee  
Lead Assessor

Date: 06 Aug 2017

**4.1 Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings**

This is to acknowledge and confirm the assessment visits described in this report and the acceptance of the contents and findings in this assessment report.

Signed for and on behalf of  
IOI Corporation Bhd

**IOI PLANTATION SERVICES SDN BHD**

Company No: 1050782-T

**SAFETY, HEALTH & SUSTAINABILITY DEPT**

Mr Pavi Tony,

Manager

Sustainability, Safety and Health (Peninsular)

**MANAGER**

Date: 07 Aug 2017  
JKKP IS 127438/2/1596



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### 4.2 INTERTEK- RSPO P&C Certificate details for IOI Gomali Grouping

Certificate No:	RSPO 930588
New issue date	23 August 2017
Expiry date	22 August 2020
Organization	IOI Corporation Berhad
Address of Head Office:	Level 8, Two IOI Square, IOI Resort, 62502 Putrajaya, Malaysia
RSPO Membership No:	2-0002-04-000-00
Plantation Management Unit:	Gomali Grouping
Address of POM:	5th Mile, Jalan Gemas Batu Anam, K.B. No. 102, 85100 Batu Anam, Segamat, Johor, Malaysia
Standards:	RSPO Principles and Criteria (Apr 2013); Malaysian National Interpretation (2014); RSPO Supply Chain Certification Standard (Nov 2014) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernels
Supply Chain module for POM	Identity Preserved (IP)

Details of the Mill and Supply bases covered by this certificate and the tonnage approved are:

Name	Address	GPS Reference		Certified Area (ha)
		Latitude	Longitude	
Gomali POM (Capacity: 90 MT/hour)	5th Mile, Jalan Gemas Batu Anam, K.B. No. 102, 85100 Batu Anam, Segamat, Johor, Malaysia	2°36'37.68" N	102°40'45.44" E	<b>18,947.87</b>
Gomali Estate	5th Mile Jalan Gemas Batu Anam, KB. No 102, 85100 Batu Anam, Segamat, Johor Malaysia	2°36'48.94" N	102°39'21.12" E	
Paya Lang Estate	Batu Anam, 85100 Segamat, Johor.	2°36'28.53" N	102°41'41.36" E	
Bahau Estate	Batu 5 Jalan Bahau Rompin 72100 Bahau Negeri Sembilan	2°48'30.75" N	102°26'44.47" E	
Bertam Estate	Flora Horizon Sdn Bhd Bertam Estate, 76100 Durian Tunggal, Melaka.	2°17'55.6" N	102°17'30.11" E	
Bukit Dinding Estate	1 1/2 Miles, Jalan Mentakab, 28600 Karak, Pahang	3°22'39.8" N	102°05'31.36" E	
Kuala Jelei Estate	Kuala Jelei Estate, 5km Jalan Tampin, 72109 Bahau, Negeri Sembilan.	2°46'21.56" N	102°22'52.27" E	
Tambang Estate	Tambang Estate, Batu Anam, Segamat, 85100 Johor.	2°38'26.33" N	102°42'53.17" E	
Regent Estate	2 <sup>nd</sup> Mile Jalan Batang Melaka 73200 Gemenchah, Negeri Sembilan	2°30'29.81" N	102°24'8.23" E	
Sagil Estate	Sagil Estate, 8 Milestone, Jalan Tangkak - Segamat, 84900 Tangkak, Johor.	2°19'33.84" N	102°38'6.56" E	
Jasin Lalang Estate	5km From 15 Miles Air Merbau Jalan Jasin Bemban, Jasin, Melaka	2°15'4.13" N	102°24'44.81" E	
Sembilan Tani Estate (associated outgrower)	Kampung Kuala Gemas, Gemas, Negeri Sembilan	2°38'15.97" N	102°37'03.81" E	





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The annual certified tonnages produced at the PMU are detailed as follows:

<b>Gomali POM</b>	<b>Annual Tonnages (MT)</b>
Certified FFB	<b>382,260</b>
Certified CPO	<b>83,141.55</b>
Certified PK	<b>19,113</b>
Supply chain module	Identity Preserved (IP)



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### Appendix A:

#### Qualifications of Lead Assessor and Assessment Team

##### **Dr. Ooi Cheng Lee (OCL) Lead Assessor / Team Leader / Technical Expert**

(Palm Oil Mill, Environment, OHSAS, Social, HCV, Land Use and Supply Chain)

- PhD in Welding, Cranfield University, UK
- M.Sc. (Engineering) in Metallurgy, University of Birmingham, UK
- B.App.Sc (Hons), Science University of Malaysia
- Diploma in Translation for Science and Technology, Malaysia Translation Society

Dr. Ooi Cheng Lee is an IRCA Lead Auditor and Lead Tutor for ISO 9001. He is also involved in auditing in other integrated management systems. He has successfully completed the RSPO Lead Assessor Course for Principles and Criteria (RSPO P&C) and the RSPO Supply Chain Certifications (RSPO SCC). He is currently involved in the management of all types of system and process/product certification in Intertek. He has more than 32 years work experience in product and process specifications, research & development, inspection and testing, quality assurance, engineering development, training, product certification, auditing and quality management system certification. He has conducted assessments of organizations in Malaysia, Singapore, Indonesia, Vietnam, Philippines, China, Myanmar, Cambodia and other regional countries. Assessments include those of rubber and oil palm plantations in Malaysia and Indonesia. His previous position as the General Manager of Lloyd's Register Quality Assurance (LRQA) Malaysia include the management of all types of systems certification, including that of environmental (ISO 14001), safety & health (OHSAS 18001) and Clean Development Mechanisms (CDM). He is currently the General Manager in Intertek Certification International Sdn. Bhd. He is a member of the Internal Review Panel for RSPO Assessment reports since May 2011. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2012.

##### **Mr. Szali Hasni – Assessor / Technical Expert**

(Environment, Conservation and HCV area)

- Bachelor of Science (Forestry)

Mr. Szali Hasni (SH) has over 25 years work experience in the forestry sector. He is an IRCA Auditor for ISO 9001 and auditor for the PEFC Chain-of-Custody Certification. He has successfully completed training in the Intertek In House RSPO P&C, MYNI. He was a member in the stakeholder consultation and development of the Malaysian Criteria & Indicators (MC&I) for Forest management Certification. He has been involved in the auditing of Forest Management Certification for the Perak State Forestry Department and Pahang State Forestry Department. He has also been involved with a German based company in testing their criteria for carbon tracing in an oil palm plantation in 2011. He had also acted as the regional consultant to International Tropical Timber Organization (ITTO) for the Asia Pacific region in the Evaluation and Monitoring of Projects funded by the organization from 1994 to 1998. Projects funded are mainly forestry related such as reforestation, conservation, community forestry apart from other research based projects.

##### **Mr. Jumat Majid – Assessor – Social Responsibility and Workers Welfare**

– BSc (Social Science)

Mr Jumat Majid (JM) has over 13 years work experience in the agriculture sector. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001:2008 and RSPO P&C MY-NI Lead Assessor course. He has also successfully completed training programs in Organic Agriculture Development and had performed organic agriculture inspections and assessments for more than 6 years. He has been involved in NGO work in the areas of social impact assessments within the South East Asia region. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2010.

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### Appendix B:

#### Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
12 Jun 17 Monday  (Day 1)	8.00 am – 11.00 am	Travel to Gomali Palm Oil Mill		
	11.00 am – 11.30 am	<b>Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)</b>		
	11.30 am – 1.00 pm	Document Review and Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM		
	1.00 pm – 2.00 pm	Lunch Break		
	2.00 pm – 5.00 pm	<b>OCL</b>	<b>SH</b>	<b>JMD</b>
		<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P4 Best Practices at Mill</li> <li>• P8 Continual Improvement</li> <li>• SCC for POM</li> </ul>	<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>
		<ul style="list-style-type: none"> <li>• Verification of effectiveness of corrective actions for non-conformances</li> <li>• Review of Time Bound Plan</li> <li>• Verification for compliance with rules on partial certification</li> </ul>		
	5.00 pm – 6.00 pm	Travel to Hotel & Break		
6.00 pm – 7.00 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity		
		OCL	SH	JMD
13 Jun 17 Tuesday  (Day 2)	8.30 am – 12.30pm	<b>Site assessment at Bukit Dinding estate</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P4 Best Practices at Estates</li> <li>• P7 New Plantings</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Bukit Dinding estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Bukit Dinding estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>
		Lunch Break		
	1.30 pm - 5.30 pm	<b>Continue site assessment at Bukit Dinding estate</b>		
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
	6.30 pm – 7.30 pm	Team Meeting and Discussion		



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Date	Time	Assessors and Assessment Activity		
14 Jun 17 Wednesday  (Day 3)	8.30 am – 12.30pm	<b>OCL</b>	<b>SH</b>	<b>JMD</b>
		<b>Site assessment at Kuala Jelei estate</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P4 Best Practices at Estates</li> <li>• P7 New Plantings</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Kuala Jelei estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Kuala Jelei estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Kuala Jelei estate		
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
6.30 pm – 7.30 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity		
15 Jun 17 Thursday  (Day 4)	8.30 am – 12.30pm	<b>OCL</b>	<b>SH</b>	<b>JMD</b>
		<b>Site assessment at Gomali estate</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P4 Best Practices at Estates</li> <li>• P7 New Plantings</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Gomali estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P5 Environmental, Conservation &amp; HCV</li> <li>• P8 Continual Improvement</li> </ul>	<b>Site assessment at Gomali estate</b> <ul style="list-style-type: none"> <li>• P2 Laws &amp; regulations</li> <li>• P6 Employees, Individuals &amp; Communities incl. Gender Issues</li> <li>• P8 Continual Improvement</li> </ul>
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Gomali estate		
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
6.30 pm – 7.30 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity		
16 Jun 17 Friday  (Day 5)	8.30 am – 11.00 am	<b>OCL</b>	<b>SH</b>	<b>JMD</b>
		<b>Site assessment at Palm Oil Mill</b> <ul style="list-style-type: none"> <li>• P1 Transparency</li> <li>• P2 Laws &amp; regulations</li> <li>• P3 Economic &amp; Financial Viability</li> <li>• P4 Best Practices at Mill</li> <li>• P8 Continual Improvement</li> <li>• SCC for POM</li> </ul>	<b>Stakeholders' Consultation on the following categories (see Notes 1 and 2 below):</b> <ul style="list-style-type: none"> <li>• <b>Contractors</b></li> <li>• <b>Suppliers</b></li> <li>• <b>Transporters</b></li> <li>• <b>NGOs</b></li> <li>• <b>Government Department / Agencies</b></li> <li>• <b>Local Community</b></li> </ul> Notes	



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			<p>1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders <u>prior</u> to the assessment.</p> <p>2. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement</p>
	11.00 am – 12.00 pm	Preparation for Closing Meeting	
	12.00 pm – 12.30 pm	Team Meeting and Discussions with POM Management Representative	
	12.30 pm – 1.00 pm	<b>Closing Meeting &amp; Briefing at Palm Oil Mill Office</b>	
	1.00 pm onwards	Travel back to Kuala Lumpur	

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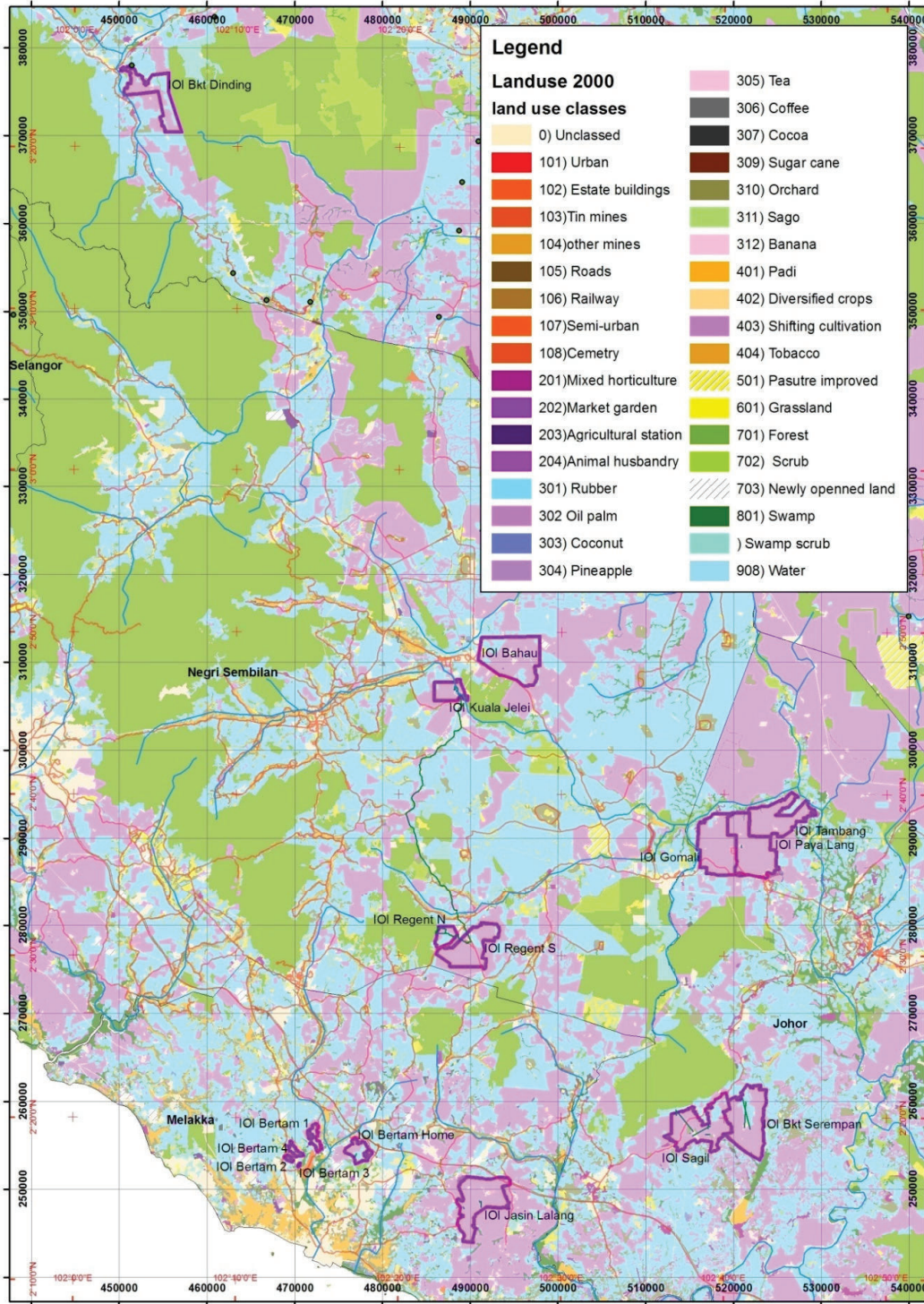
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Appendix C-1:

Location Map of IOI Gomali Grouping, Johor, Malaysia



**Appendix C-2:  
Location Map of IOI Gomali PMU**



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### Appendix C-3-1: Map of Gomali estate



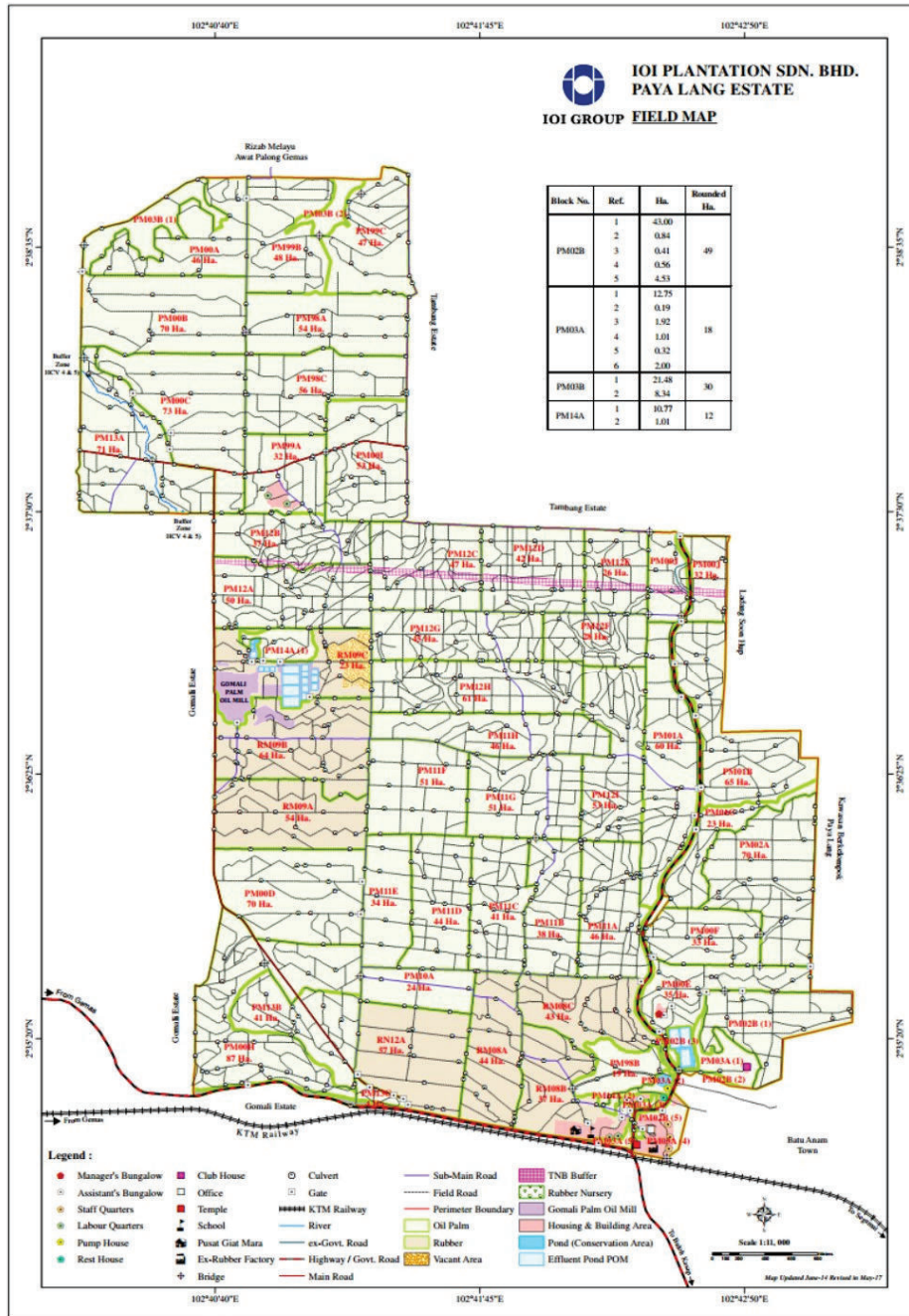


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**Appendix C-3-2:**  
**Map of Paya Lang estate**



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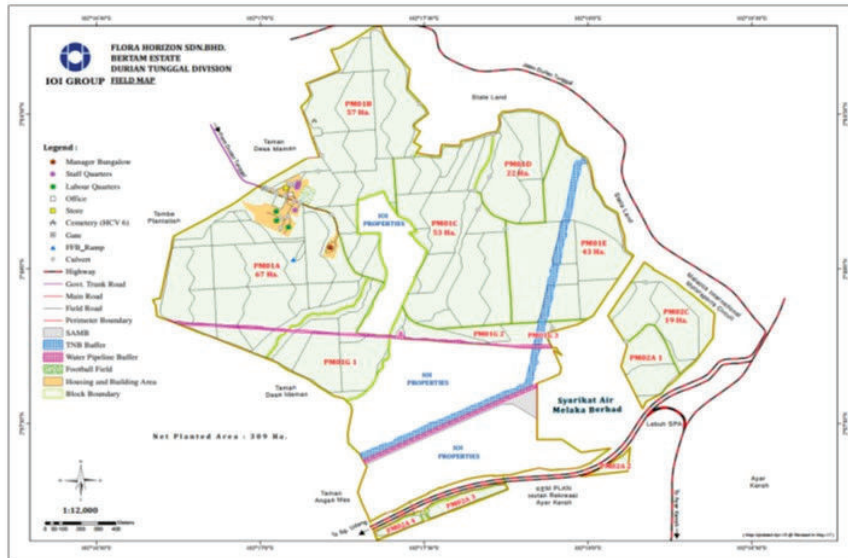
(188296-W)

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**Appendix C-3-3:  
Map of Bahau estate**



**Appendix C-3-4:  
Map of Bertam estate (Durian Tunggal Division)**

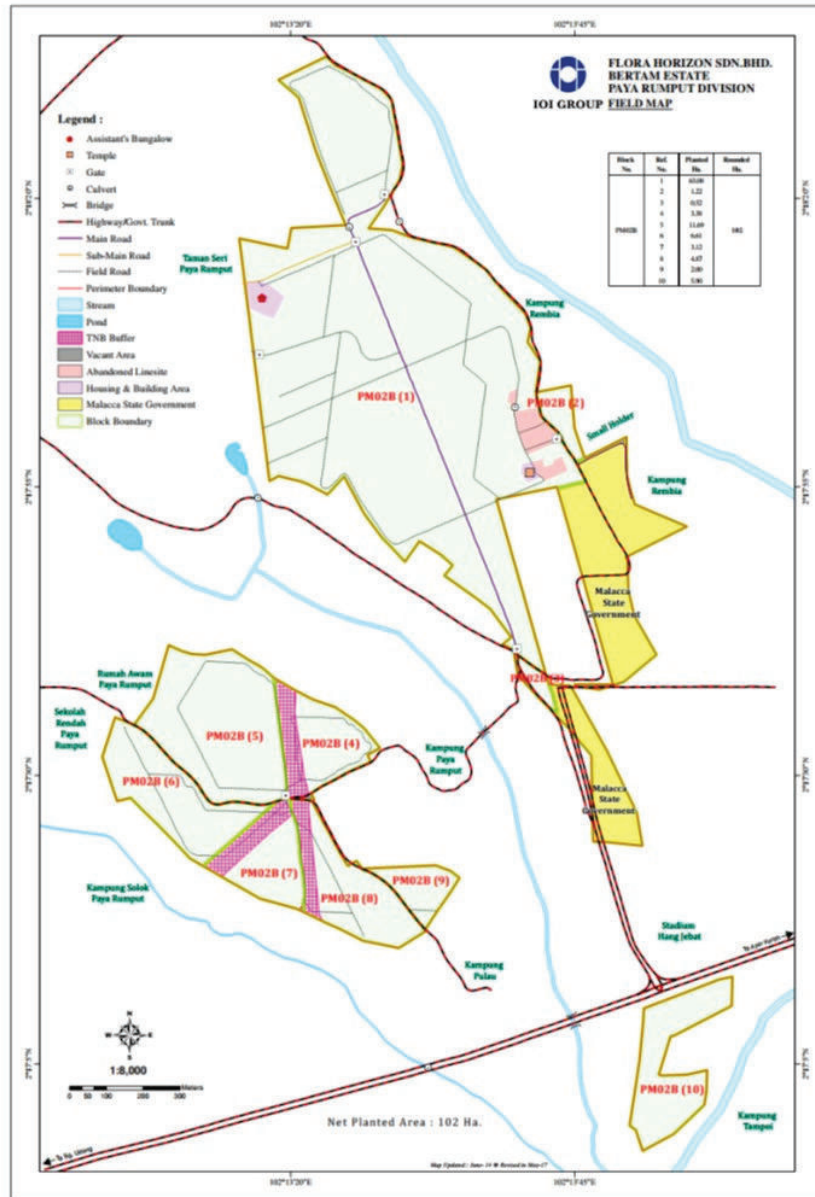


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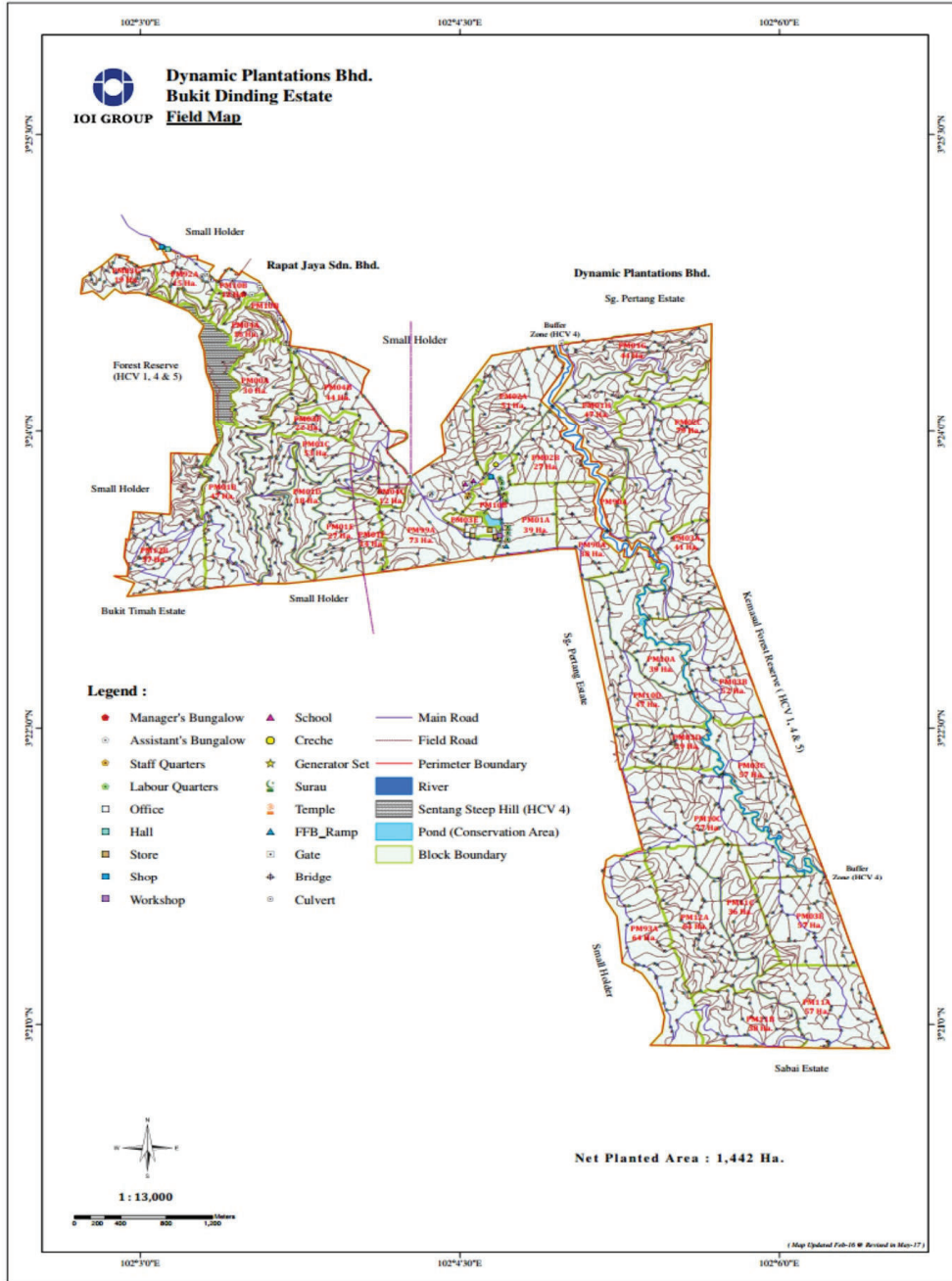
(188296-W)

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**Appendix C-3-4:**  
**Map of Bertam estate (Paya Rumput Division)**



**Appendix C-3-5:  
Map of Bukit Dinding estate**

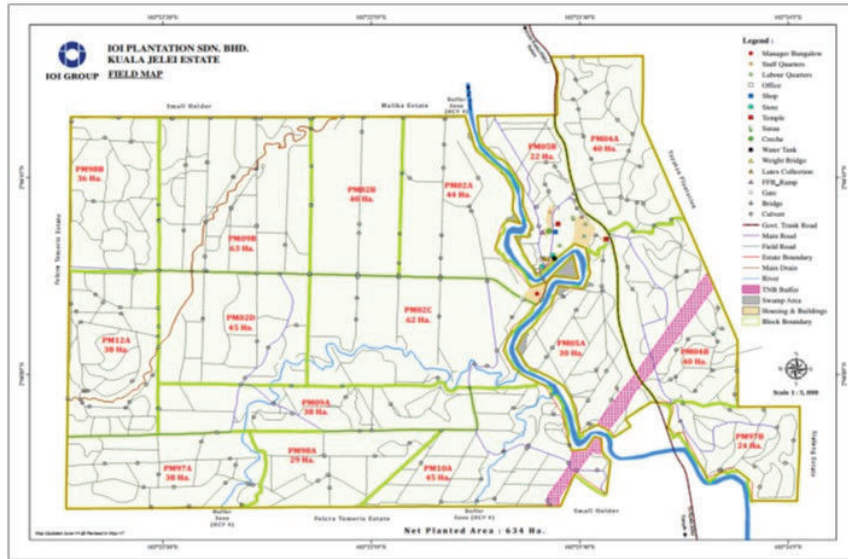


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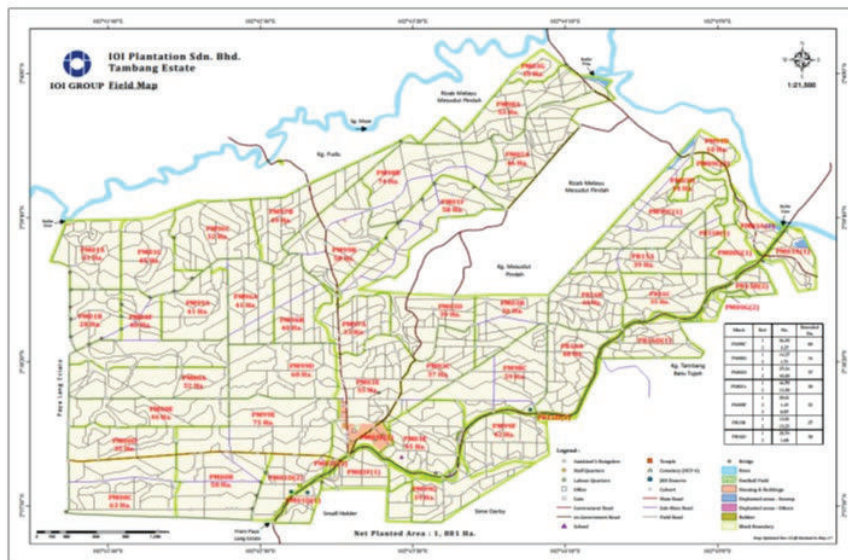
(188296-W)

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**Appendix C-3-6:  
Map of Kuala Jelei estate**



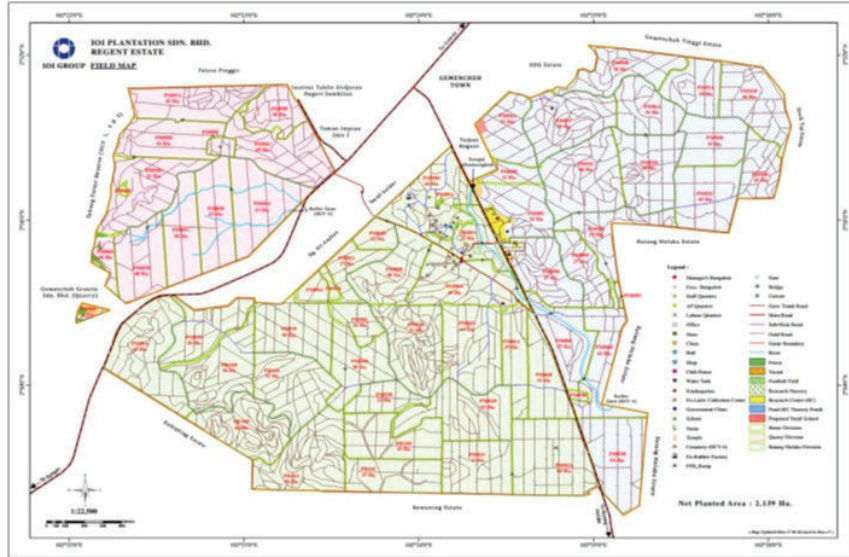
**Appendix C-3-7:  
Map of Tambang estate**



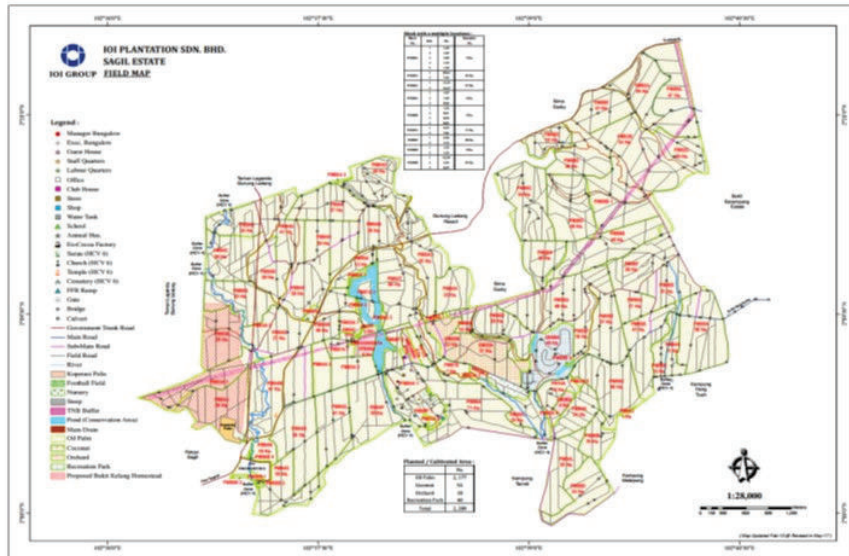
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**Appendix C-3-8:  
Map of Regent estate**



**Appendix C-3-9:  
Map of Sagil estate**

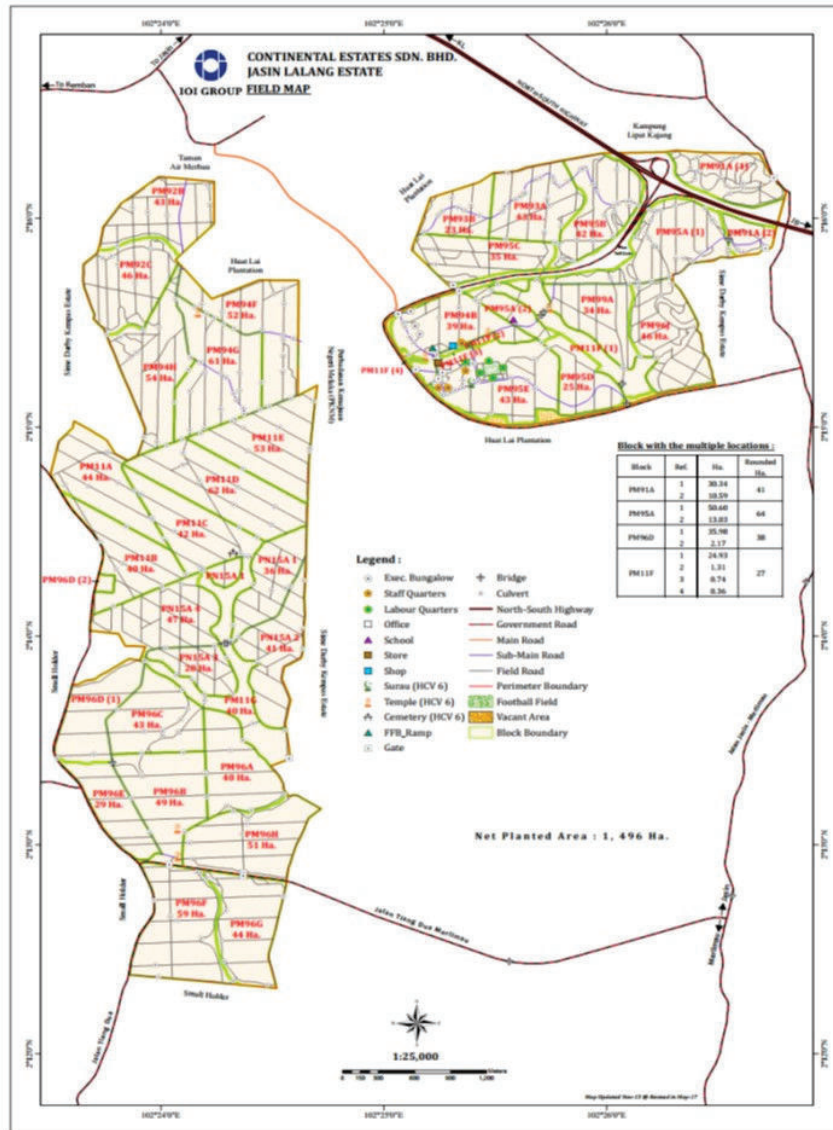


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### Appendix C-3-10: Map of Jaslin Lalang estate



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**Appendix D:**

**Photographs of findings at Gomali Grouping (ASA-02)**



PPE worn by pesticide sprayers at Bukit Dinding Estate.



Pesticide sprayer at Bukit Dinding Estate with black nail.



Manurers at Bukit Dinding Estate being interviewed.



Harvesters at Bukit Dinding Estate being interviewed.



Vehicle used for the transportation of sprayers at Gomali Estate.



Chemicals store and Scheduled Waste store at Gomali Estate.



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### Appendix E:

#### Time Bound Plan

Details of Time Bound Plan as submitted by IOI Plantation Services Sdn Bhd (May 2017)

No	PMU	Main Assessment	Certification Status	Status	Updated Information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified Units
1.	Pamol (Sabah) POM, Sabah	May 2008	Re-Certified in December 2016	Initial Assessment completed on October 2016	No outstanding issues
2.	Sakilan POM	Nov 2008	Re-Certified in Mar 2015	ASA-02 completed in December 2016	No outstanding issues
3.	Pamol Kluang POM	Mar 2009	Re-Certified in 2015	ASA-02 is completed in Dec 2016	No outstanding issues
4.	Gomali POM	Aug 2009	Re-Certified in Aug 2015	ASA-01 completed for June 2016	No outstanding issues
5.	Baturong POM	Sept 2009	Re-Certified in Oct 2015	ASA-01 completed for 2016	No outstanding issues
6.	Bukit Leelau POM	Apr 2010	Re-Certified in Nov 2015	ASA-01 completed for September 2016	No outstanding issues
7.	Mayvin POM	Aug 2010	Re-Certified in Dec 2015	ASA-01 is planned on October 2016	No outstanding issues
8.	Pukin POM, Pahang	Dec 2010	Re-certified in June 2016	ASA -01 completed for March 2017	No outstanding issues
9.	Leepang (Sabah) POM	Aug 2012	Certified in Dec 2013	ASA-03 completed for 2016	No outstanding issues
10.	Syarimo POM	Sept 2012	Certified in Mar 2013	ASA-03 completed for 2016	No outstanding issues
11.	Ladang Sabah POM	Oct 2012	Certified in Apr 2013	ASA-03 completed for 2016	No outstanding issues
12.	Morisem POM, Sabah	Sept 2013	Certified in Dec 2013	ASA-03 completed for 2016	No outstanding issues
13.	<b>IOI – Pelita, Sarawak</b>	<b>Planned - 2019</b>	<b>Uncertified Unit</b>	New certification for IOI – Pelita (Sarawak) is pending resolution of land dispute and RSPO decision. No POM yet.	<p>Settlement Discussion with local community is presently still ongoing.</p> <p>A Dialogue and Mediation session with LTK Community was held on the 5<sup>th</sup> August 2016. Ms. Oi Soo Chin from RSPO attended as an observer. Some preliminary agreements between the parties have been reached. Meeting notes are being finalized.</p> <p>On 1<sup>st</sup> Dec 2016, a draft agreement which gives the native community land use right was presented to the LTK A and LTK B communities. It was followed by a meeting for the</p>



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No	PMU	Main Assessment	Certification Status	Status	Updated Information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified Units
					terms of the settlement agreement on 20 <sup>th</sup> December 2016. Additional terms were included (by request of the committee) and agreement was formally sent to Miri Residence (mediator) office before 30 <sup>th</sup> December 2016
14.	Unico POM-1, Sabah	Planned - 2018	Uncertified Unit	Acquired in 2014. Established OP plantation (before 2005). Supply base do consist of external / independent smallholders.	Certification preparations in progress.
15.	Unico Desa POM-2, Sabah	Planned - Sept 2017	Uncertified Unit	Acquired in 2014. Established OP plantation (before 2005). Supply base comprised of own estates.	Certification preparations in progress.
16.	PT SKS, Indonesia	Planned - 2017	Uncertified Unit	Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental 'Hak Guna Usaha' (HGU) application in progress	Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5 <sup>th</sup> August 2016 has lifted the Suspension effective 8 <sup>th</sup> August 2016.  Certification preparations in progress. Pending issuance of HGU.
17.	PT BNS, Indonesia	Planned - 2017	Uncertified Unit	Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental HGU application in the process.	Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5 <sup>th</sup> August 2016 has lifted the Suspension effective 8 <sup>th</sup> August 2016.  Certification preparations in progress. Pending issuance of HGU.
18.	PT BSS, Indonesia	Planned - 2019	Uncertified Unit	Acquired in 2009 (new concession land). No POM yet, still in development phase. Governmental 'Hak Guna Usaha' application in progress.	Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5 <sup>th</sup> August 2016 has lifted the Suspension effective 8 <sup>th</sup> August 2016.



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No	PMU	Main Assessment	Certification Status	Status	Updated Information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified Units
					Certification preparations in progress. Pending issuance of HGU.
19.	PT KPAM, Indonesia	Planned - 2020	Uncertified Unit	Acquired in 2010 (new concession land). No POM planned yet, all necessary permits are up to date.	HCV Assessment completed and the SEIA in progress.  The NPP will be conducted upon completion of all reports and will be posted on the RSPO for Public Consultation.

**Appendix F:****Summary of RSPO CP decisions and RSPO Case Tracking on IOI Group**

- 1) Updated RSPO Announcement on IOI – Suspension of IOI's RSPO certificates is lifted by the RSPO Board of Governors effective 8 August 2016  
Weblink: <http://www.rspo.org/news-and-events/announcements/update-on-the-status-of-ioi-groups-certification>

- 2) Monitoring by RSPO Complaints Panel (CP)  
Weblink: <http://www.rspo.org/members/status-of-complaints?keywords=IOI&country=&category=>

RSPO Case Tracker on: PT SUKSES KARYA SAWIT (SKS), PT BERKAT NABATI SAWIT (PT BNS), PT BUMI SAWIT SEJAHTERA (PT BSS) SUBSIDIARY OF PT SAWIT NABATI AGRO (PT SNA), IOI Group  
Weblink: <http://www.rspo.org/members/complaints/status-of-complaints/view/80>

Updates (according to RSPO complaint case tracker) as follows:

**26 May 2017** Complaints Panel's Decision on IOI Ketapang (PT BSS, PT SKS and PT BNS) Complaints  
**20 Jun 2017** IOI submitted an updated Action Plan and response to the Complaints Panel's decision letter

- 3) Updated IOI Group Newsletters  
IOI Launches Revised Palm Oil Sustainability Policy and Sustainability Implementation Plan (8 Aug 2016)  
Weblink: <http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=813>

IOI Corporation further updates its Sustainability Palm Oil Policy

**12/06/2017**, Corporate Communications

<http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845>

IOI Corporation Berhad (IOI) has further revised its Sustainability Palm Oil Policy (SPOP) to reflect their serious intent towards sustainability and sustainability practices, specifically:

- (a) policy commitment by Third-Party Suppliers,
- (b) committed to apply the newly revised High Carbon Stock Approach (HCSA) methodology and its associated social requirements.
- (c) further enhanced commitments in the area of Human Rights and Workplace which include amongst others, no recruitment fees charged to workers at any stage in the recruitment process, in both receiving and sending countries, payment of monthly minimum wage in accordance with the current labour regulations, access of trade unions to workers and to adopt both the Free and Fair Labor Principles and UN Guiding Principles on Business and Human Rights. IOI is also committed to return all passports to our migrant workers by year end.

Revised SPOP: <http://www.ioigroup.com/Content/S/PDF/IOISPOPwithTPSAnnex.pdf>