

IOI Corporation Berhad

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

MILL & PLANTATION MANAGEMENT UNIT

Gomali POM & Estates 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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ANNUAL SURVEILLANCE ASSESSMENT
PUBLIC SUMMARY REPORT

IOI CORPORATION BERHAD

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MILL & PLANTATION MANAGEMENT UNIT

Gomali POM & Estates Grouping

Estates at Segamat & Tangkak (Johor),
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Durian Tunggal Jasin (Melaka), Malaysia

Certificate No:

Issued date:

Expiry date:

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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

28 May – 2 Jun 2018

Intertek Certification International Sdn Bhd

D-28-3, Level 28, Menara Suezcap 1, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur, Malaysia.

Tel: +00 (603) 7931 0032 Fax: +00 (603) 7931 0419 Email: ia.mysbaenquiry@intertek.com

Website: www.intertek.com

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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 **28 May – 2 June 2018**, 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 (Jun 2017) 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	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 nd 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 th Mile, 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) – Previous (Year 2017)		Area Summary (ha) – Current (Year 2018)	
	Certified Area	Planted Area	Certified Area	Planted Area
Gomali Estate	2555.75	2177	2555.75	2171
Paya Lang Estate	2426.79	1971	2426.79	1971
Bahau Estate	2835.50	2639	2835.50	2639
Bertam Estate	448.80	413	448.80	411
Bukit Dinding Estate	1660.43	1442	1660.43	1442
Kuala Jelei Estate	679.26	634	679.26	634
Tambang Estate	2019.85	1881	2019.85	1881
Regent Estate	2300.27	2139	2300.27	2137
Sagil Estate	2547.02	2177	2538.60	2169
Jasin Lalang Estate	1569.67	1496	1569.67	1496
Sembilan Tani Estate (associated outgrower)	256.87	212	256.87	212
Total:	19300.21	17181	19291.79	17163

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.
3. Changes in the Certified areas and Planted areas are verified to be updated in current audit in 2018.

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1.4 Summary of plantings and cycle

The 11 estates been developed since 1990s and most are presently in the 2nd cycle of planting. The age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm (Current Year: 2018)

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total (ha) – Planted
Gomali Estate	1994-2013	1 st & 2 nd	2171	0	2171
Paya Lang Estate	1998-2014	1 st & 2 nd	1971	0	1971
Bahau Estate	1990-2017	1 st & 2 nd	2187	452	2639
Bertam Estate	2001-2002	1 st	411	0	411
Bukit Dinding Estate	1990-2017	1 st & 2 nd	1378	64	1442
Kuala Jelei Estate	1997-2012	1 st & 2 nd	634	0	634
Tambang Estate	1994-2017	1 st & 2 nd	1539	342	1881
Regent Estate	1993-2017	1 st & 2 nd	1750	387	2137
Sagil Estate	1993-2017	1 st & 2 nd	2042	127	2169
Jasin Lalang Estate	1991-2015	1 st & 2 nd	1352	144	1496
Sembilan Tani Estate (Associated outgrower)	1994-1998	1 st	212	0	212
		Total	15,647	1,516	17,163

1.5 Summary of Land Use

The summary of Land use as identified in the PMU during this assessment is as shown in Table 4 below:

Table 4: Statement of Land Use (including Conservation and HCV Areas)

#	Statement of Land Use (Ha)	Hectarage – Ha (Current year: 2018)
1	Planted Area (ha) – Oil Palm	
	Mature (Production)	15,647
	Immature (Non-Production)	1516
2	Conservation Area (ha)	
	Comprising unplantable areas such as steep & hilly areas and swampy areas.	2.18
3	HCV Area (ha)	
	Comprising buffer areas near river riparian, forest reserves, water catchments, burial & religious sites.	82.72

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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:

Dr. Raymond Alfred
Sustainability Manager
IOI Corporation Berhad
Level 28, IOI City Tower 2,
Lebuh IRC, IOI Resort City, 62502, Putrajaya
Tel: 603-89478888
Fax: 603-89478988
Email: raymond.alfred@ioigroup.com

At Gomali Grouping - PMU:

Mr. Ravi Tony
Manager
Sustainability, Safety and Health (Peninsular)
IOI Plantation Services Sdn Bhd
Tel: 019-5587152
Fax: 03-8947 8988
Email: ravi.tony@ioigroup.com

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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 under Certification (2018)
Actual (Jan - April 2018) + Projected (May - Dec 2018)

#	Estate /Supplier	FFB Processed (MT)	Main Processing Palm Oil Mill	Certification By CB
1	Gomali Estate	55250.13	Gomali Mill	Intertek
2	Paya Lang Estate	44246.81	Gomali Mill	Intertek
3	Bahau Estate	54544.88	Gomali Mill	Intertek
4	Bertam Estate	13853.06	Gomali Mill	Intertek
5	Bukit Dinding Estate	36911.71	Gomali Mill	Intertek
6	Kuala Jelei Estate	17481.23	Gomali Mill	Intertek
7	Tambang Estate	48211.00	Gomali Mill	Intertek
8	Regent Estate	53344.46	Gomali Mill	Intertek
9	Sagil Estate	59187.83	Gomali Mill	Intertek
10	Jasin Lalang Estate	36076.01	Gomali Mill	Intertek
11	Sembilan Tani Estate (Associated outgrower)	2543.86	Gomali Mill	Intertek
	a) Sub-total by PMU estates:	421,650.98		
	External under Parent group (certified):			
	-	-	-	-
	b) Sub-Total other certified estates:	-	-	-
	External / Other supplies (non-certified)			
	-	-	-	-
	c) Sub-total non- certified estates:			
	Grand total:	421,650.98		

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1.8.2 Total annual tonnages of FFB supplied 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 (3 year Monitoring)

Estate / Supplier	FFB Processed in Year 2017 - Actual		FFB Processed in Year 2018 - Actual & Projected		FFB for processing in Year 2019 - Projected	
	MT	%	MT	%	MT	%
Grouping estates: (certified)	366,852.45	97.76	421,650.98	100.0%	405,171	100.0%
External Suppliers: (certified)	8,421.1	2.24	-	-	-	-
External Suppliers: (non-certified)	-	-	-	-	-	-
Total	375,273.55	100.0%	421,650.98	100.0%	405,171	100.0%
SCCS Model for POM	IP		IP		IP	

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 – FFB, CPO & PK

POM	Year 2017 - Actual		Year 2018 - Actual & Projected		Year 2019 - Projected	
Total Certified FFB Processed (MT)	375,273.55		421,650.98		405,171	
Total Certified CPO Production (MT)	78,688.9	OER: 20.97%	90,655	OER: 21.50%	89,134	OER: 22.00%
Total Certified PK Production (MT)	18,688.56	KER: 4.98%	21,083	KER: 5.00%	22,284	KER: 5.50%

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.**

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1.9 Time Bound Plan and multiple management units

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

To date 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 4.5 (Minimum requirements for multiple management units) of the RSPO Certifications Systems for Principles & Criteria (Jun 2017). 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 25 Apr 2018, 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 28 May - 2 Jun 2018, the Assessment team conducted the current assessment in which 4 out of the 11 estates of Gomali Grouping, namely Bahau, Bertam, Jasin Lalang and Tambang estates, as well as the palm oil mill were assessed for compliance against the RSPO requirements.

The number of estates sampled was based on the sampling methodology provided under the **RSPO Certifications Systems for Principles & Criteria (Jun 2017)** i.e. **minimum sample of x estates = $(0.8\sqrt{y}) \times z$** , where y is the number of estates and z is the multiplier as defined by the risk assessment. The z multiplier value was determined as High Risk ($z = 1.4$) for this PMU considering the geographical location and distance of the estates, complexity of the labour force, landscape setting and presence of HCV or peat, complexity of supply sheds, number of communities and known conflicts, legality etc. Additionally the estates selection was made based on their potential risks on environmental sensitive issues such as their proximity to forest reserves, hill sides, riparian zones and HCV areas.

During the on-site assessment, relevant documents and records, including Standard Operating Procedures (SOP), management plans, hectareage 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 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.

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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 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 (SOCISO), 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)
35. National Union of Plantation Workers (NUPW)
36. All Malaysian Estates Staff Union (AMESU)

NGOs (by emails)

37. All Women's Action Society (AWAM)
38. BCSDM - Business Council for Sustainable Development in Malaysia
39. Borneo Child Aid Society (Humana)
40. Borneo Resources Institute Malaysia (BRIMAS)
41. Borneo Rhino Alliance (BORA)

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42. Center for Orang Asli Concerns COAC
43. Centre for Environment, Technology and Development, Malaysia - CETDEM
44. EcoKnights
45. ENO Asia Environment
46. Environmental Management and Research Association of Malaysia (ENSEARCH)
47. Environmental Protection Society Malaysia (EPSM)
48. Friends of the Earth, Malaysia
49. Future in Our Hands Society, Malaysia
50. Global Environment Centre
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 Plant Protection Society (MAPPS)
56. National Council of Welfare & Social Development Malaysia - NCWSDM
57. National Union of Plantation Workers (NUPW)
58. Partners of Community Organisations (PACOS)
59. Pesticide Action Network Asia and the Pacific (PAN AP)
60. Proforest - South East Asia Regional Office
61. R.E.A.C.H. - Regional Environmental Awareness
62. SUARAM - Suara Rakyat Malaysia
63. SUHAKAM - National Human Rights Society - Persatuan Kebangsaan Hak Asasi Manusia
64. Sustainable Development Network Malaysia (SUSDEN)
65. Tenaganita Sdn Bhd
66. The Malaysian Forum of Environmental Journalist (MFEJ)
67. TRAFFIC Southeast Asia - Wildlife trade & trafficking monitoring programme
68. Transparency International - Malaysian Chapter
69. Treat Every Environment Special Sdn Bhd. (TrEES)
70. United Nations Development Programme - UNDP Malaysia
71. Wetlands International (Malaysia)
72. Wild Asia Sdn Bhd
73. World Wide Fund for Nature (WWF) Malaysia

Local community (On-site interviews)

74. Consultative Committee & Gender representatives
75. Workers & Workers representatives
76. Village Heads & representatives
77. Suppliers & Contractors representatives

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3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

Criterion 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
Indicators	Findings and Objective Evidence	Compliance
1.1.1 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. Minor Compliance	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. IOI group responses to stakeholders in the public domain is noted to be progressively updated in their corporate communications website with latest being Weblink: http://www.ioigroup.com/Content/S/PDF/Quarterly%20Sustainability%20Update_20180730_final.pdf Date of public notification of this assessment of the PMU was made on 25 Apr 2018. There were no further request for information/issues from external stakeholders.	Complied
1.1.2 Records of requests for information and responses shall be maintained. Major Compliance	The PMU had established and maintained an updated site specific list of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, etc. The POM and estates have conducted their respective internal and external stakeholders' consultations in Apr 2018. Meeting minutes were adequately maintained. The meetings and consultations were noted to be attended by the various categories of stakeholders. Records of participants and feedback given were maintained and appropriate actions taken as follows: (1) Safety & Health Campaign 2018 conducted jointly with PERKESO, Johor. (2) Maintaining safe driving practices for lorry transporters (3) Improve the road conditions at POM and estates	Complied
Criterion 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
Indicators	Findings and Objective Evidence	Compliance
1.2.1 Management documents that are made available to the public shall include, but are not necessarily limited to: Major Compliance	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. 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	Complied

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	<p>customers and civil society. IOI further revised its Sustainability Palm Oil Policy (SPOP) on 12 Jun 2017 to reflect their serious intent towards sustainability and sustainability practices, (http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845) (see Appendix F, item (3)).</p> <p>The following types of mandatory documents are available to the public upon request:</p> <ul style="list-style-type: none"> • land titles/user rights, • occupational health and safety plan, • plans and impact assessments relating to environment and social impacts, • pollution prevention plans, • details of complaints & grievances, • negotiation procedures • continuous improvement plan • Public summary of certification assessment report. • Human Rights Policy. <p>These publicly available documents include key indicators of performance like waste management and disposal plans for the mill and estates. Also, Continual Improvement Action Plans include targets for waste reduction and pollution prevention.</p>	
<ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); 	<p>Copies of all land titles were available and have been maintained at the POM and Estates. HQ kept the original copies.</p>	<p style="text-align: center;">Complied</p>
<ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); 	<p>Policy and HIRAC documented for the mill and estates. The HIRAC was also reviewed in Jan 2018.</p> <p>Detailed Occupational Safety and Health Plans have been established and documented for the POM and estates by the Safety & 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 2018 include the following:</p> <ul style="list-style-type: none"> • Safety & Health Committee meetings were held quarterly. • Annual medical surveillance, • Accident Reporting & Investigation, • Workplace inspection, • CHRA assessment, • Air compressors annual inspection, • Warning signs, • Chemical Register, • SOP for safe work, • PPE usage, • MSDS/CSDS, • JKKP 8 reporting of accidents annually, • Emergency Response Plan (ERP), • Emergency drills, • 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), • Monthly KPI Report on HSE performance, • Monthly Safety inspection & audit by Safety Officer, 	<p style="text-align: center;">Complied</p>

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	Programmes for protecting workers' health and safety were satisfactorily implemented.	
<ul style="list-style-type: none"> Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); 	<p>Environmental aspect and impact assessment conducted for the POM and estates and reviewed in May 2018. 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 2018 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"> HCV documentation summary (Criteria 5.2 and 7.3); 	The Assessment reports on 'Internal HCV and Conservation Areas' were reviewed in Apr 2018. The Management Action Plans were implemented and monitored at the respective estates.	Complied
<ul style="list-style-type: none"> Pollution prevention and reduction plans (Criterion 5.6); 	Pollution Prevention Management Plans were reviewed in May 2018. 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).	Complied
<ul style="list-style-type: none"> Details of complaints and grievances (Criterion 6.3); 	<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: http://www.rspo.org/members/complaints/status-of-complaints/view/80</p> <p>(2) RSPO Case Tracker on: IOI Pelita Sdn Bhd Weblink: http://www.rspo.org/members/complaints/status-of-complaints/view/4</p>	Complied
<ul style="list-style-type: none"> Negotiation procedures (Criterion 6.4); 	<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: http://www.rspo.org/members/status-of-complaints</p> <p>Refer also to details in Section 1.9: Timebound Plan.</p>	Complied
<ul style="list-style-type: none"> Continual improvement plans (Criterion 8.1); 	Continual Improvement Plans in key operations for the mill and estates have been identified, documented and implemented.	Complied
<ul style="list-style-type: none"> Public summary of certification assessment report; 	Public summary of certification assessment reports are available from the company upon request.	Complied
<ul style="list-style-type: none"> Human Rights Policy (Criterion 6.13). 	<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 12 Jun 2017.</p> <p>(http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845). (see Appendix F, item (3)).</p>	Complied

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	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.	
Criterion 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.		
Indicators	Findings and Objective Evidence	Compliance
1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	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: <ul style="list-style-type: none"> - Diversity and Respect in the workplace, - Equal Opportunity Employment, - Protecting the Environment, - Safety, Health and Security at Work, - Managing Documents, - Intellectual Property and Information, - Management and Security in our Computing Environment, - Data Privacy - Employee Privacy in the Communication and Computing Environment - Gifts, Benefits or Entertainment, - Bribes and Kickbacks, - Employment of Family Members and Relatives. Copies of the policy found to be displayed at prominent locations in the POM and estates.	Complied

Principle 2: Compliance with applicable laws and regulations

Criterion 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.		
Indicators	Findings and Objective Evidence	Compliance
2.1.1 Evidence of compliance with relevant legal requirements shall be available. Major Compliance	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. The relevant legislations identified and listed were among others regarding safety and health, environmental management, pollution management, chemical handling, usage & storage, schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities. Licenses and permits (License for Trading, License for Employment of Foreign Workers, Workers Wages Deduction Permit, Domestic and Consumer Permit for Keeping Diesel, Petrol & Fertilizer, MPOB license, DOSH (Department of Occupational Safety and Health) Certificates, DOE (Department of Environment Permit, etc.) were renewed and evidenced to be valid. Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty chemical	Complied

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	<p>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>2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. Minor Compliance</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 style="text-align: center;">Complied</p>
<p>2.1.3 A mechanism for ensuring compliance shall be implemented. Minor Compliance</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 style="text-align: center;">Complied</p>
<p>2.1.4 A system for tracking any changes in the law shall be implemented. Minor Compliance</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.</p> <p>Based on the site observations, interviews and records updated, the system used is appropriate to the operations at the PMU.</p>	<p style="text-align: center;">Complied</p>
<p>Criterion 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>2.2.1 Documents showing legal ownership or lease, history of land</p>	<p>Copies of the land titles of all estates were maintained and noted to be legally owned by the IOI Group.</p>	<p style="text-align: center;">Complied</p>

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<p>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.</p> <p>Major Compliance</p>	<p>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.</p> <p>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.</p> <p>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 out grower's estate is situated some 20 km away from the Gomali POM.</p>	
<p>2.2.2 There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.</p> <p>Minor Compliance</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.</p> <p>Locations of several boundary stones and pole markers were visited and verified to be within the boundary perimeter of the estates.</p> <p>On-site verification confirmed that there has been no planting beyond the legal demarcated boundary areas of the mill and estates.</p>	Complied
<p>2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>Minor Compliance</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>	Not applicable
<p>2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>Major Compliance</p>	<p>There were no land conflicts in this PMU.</p>	Not applicable
<p>2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable).</p> <p>Minor Compliance</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>	Not applicable
<p>2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>Major Compliance</p>	<p>No evidence that the palm oil operations have instigated any violence. Peace and order noted to be maintained in their current and planned operations.</p>	Not applicable
<p>Criterion 2.3 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>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>2.3.1 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</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.</p>	Complied

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<p>through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). Major Compliance</p>	<p>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>2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance</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>	Complied
<p>2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance</p>	<p>No cases of land claims in this PMU. As such this process is not applicable for verification.</p>	Not applicable
<p>2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance</p>	<p>This process is not applicable during current assessment.</p>	Not applicable

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

<p>Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance</p>	<p>Business Plans for 5 years (FY 2016/2017 to FY 2020/2021) for the PMU by the Palm Oil Mill and estates was available and implemented progressively. Details of the Business Plans include the following: (1) Staff and Labour requirements; (2) Crop projection; FFB yield/ha trends; (3) Mill extraction rates; OER trends; (4) Cost of Production; Cost/mt FFB trends;</p>	Complied

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	<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 & 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>	
<p>3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>Minor Compliance</p>	<p>Annual replanting program had been prepared up to FY 2020/2021 for the audited estates of Bahau, Bertam, Jasir Lalang and Tambang.</p> <p>No new planting is evidenced.</p>	Complied

Principle 4: Use of appropriate best practices by growers and millers

Criteria 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p>Major Compliance</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"> - SOP for FFB Receiving Station - SOP for Loading Ramp - SOP for Steriliser - SOP for Threshing Station - SOP for Pressing Station - SOP for Depericarperzation Station - SOP for Oil Room Station - SOP for Boiler Station - SOP for Engine Room Station - SOP for Laboratory - SOP for Water Treatment Plant - SOP for Shovel - SOP for Threshing Station - SOP for Effluent Treatment Plant - SOP for Workshop <p>The estates have the following documented SOPs:</p> <ul style="list-style-type: none"> - SOP for Oil Palm DxP Seed Production 	Complied

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	<ul style="list-style-type: none"> - SOP for Oil Palm Planting Density - SOP for Pre Nursery Seedlings - SOP for Large Polybag Nursery - SOP for Land Clearing - SOP for Land Preparation for new planting and replanting - SOP for Tidal Gates - SOP for Oil Palm Planting Technique - SOP for Planting Leguminous cover plant - SOP for Manuring - SOP for Weeding - SOP for Pest and disease - SOP for Harvesting - SOP for road maintenance - SOP for workshop - SOP for buffalo healthcare - SOP for foliar sampling - SOP for POME application - SOP for Fertilizer sampling for analysis <p>Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.</p>	
<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance</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.</p> <p>These records had been verified to indicate satisfactory implementation during the visit.</p> <p>Internal audits conducted on the POM and all estates between 16 Jan and 18 Feb 2018. Actions were taken on findings issued by SPO team.</p>	Complied
<p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance</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>	Complied
<p>4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance</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>	Complied
<p>Criteria 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
Indicators	Findings and Objective Evidence	Compliance

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<p>4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance</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 style="text-align: center;">Complied</p>
<p>4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance</p>	<p>Records of fertilizer application had been verified to be in order.</p>	<p style="text-align: center;">Complied</p>
<p>4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance</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 style="text-align: center;">Complied</p>
<p>4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance</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 had ceased in 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 at far off estates from POM such as Bukit Dinding and Kuala Jelei Estates.</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 style="text-align: center;">Complied</p>
<p>Criteria 4.3 Practices minimise and control erosion and degradation of soils.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.3.1 Maps of any fragile/marginal soils shall be available. Major Compliance</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 at Bahau, Bertam, Jasin Lalang and Tambang estates comprise mainly Batu Anam, Durian, Bungor, Telemong and Malacca series.</p> <p>No fragile / marginal soils or peat soils noted in the maps and on the estate fields audited.</p>	<p style="text-align: center;">Complied</p>

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<p>4.3.2 A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance</p>	<p>Best Management Practices followed to control and minimize soil erosion and degradation during replanting or any activities involving earth disturbance.</p> <p>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.</p> <p>Estate maps at Bahau, Bertam, Jasin Lalang and Tambang had indicated the locations of the planting terraces constructed on land with slope more than 6°. Thus pervious Minor NC: OCL-01 (2017) was addressed.</p>	<p>Complied</p>
<p>4.3.3 A road maintenance programme shall be in place. Minor Compliance</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 visited.</p>	<p>Complied</p>
<p>4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance</p>	<p>It was confirmed during assessment on site that there is no peat soil on the estates.</p>	<p>Not Applicable</p>
<p>4.3.5 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. Minor Compliance</p>	<p>There was no peat soil on the estates as confirmed by auditor's on-site assessment</p>	<p>Not Applicable</p>
<p>4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance</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>	<p>Complied</p>
<p>Criteria 4.4 Practices maintain the quality and availability of surface and ground water.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.4.1 An implemented water management plan shall be in place. Minor Compliance</p>	<p>Documented water management plan verified to be in place for the palm oil mill and estates and was reviewed in between April and May 2018. The plan includes steps such as soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways.</p> <p>Domestic water supply is mainly from the local water authority.</p> <p>Domestic water supplied from the Gomali POM treatment plant to Gomali Estate, Paya Lang Estate and Tambang Estates only.</p> <p>The water is extracted from 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 at POM of Dec 2017 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>Complied</p>

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<p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. Major Compliance</p>	<p>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>No rivers are passing through the Bahau, Bertam, Jasin Lalang and Tambang estates except for small streams.</p> <p>The waterways noted are Sungai Pertang at Bukit Dinding Estate, Sungai Muar in Kuala Jelei Estate and Sungai Muar tributaries at Gomali Estate.</p> <p>There was no construction of bunds/ weirs/dams across the rivers or waterways passing through the estates.</p>	<p style="text-align: center;">Complied</p>
<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). Minor Compliance</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 < 100 ppm.</p> <p>Stack emission monitoring by CEMS – Refer to 5.6.3</p>	<p style="text-align: center;">Complied</p>
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance</p>	<p>Water usage in the mill monitored monthly and YTD average usage is 0.88 m³/tonne FFB which is noted to be lower than the industrial norm of 1.2m³ to 1.5 m³/tonne FFB.</p>	<p style="text-align: center;">Complied</p>
<p>Criteria 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance</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>Rat baiting would be carried out only should rat damage exceed 5 % on FFB. Rat baiting records at estates audited were verified to be available and satisfactorily updated.</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 serious infestation by bagworms.</p>	<p style="text-align: center;">Complied</p>
<p>4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance</p>	<p>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.</p>	<p style="text-align: center;">Complied</p>
<p>Criteria 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>

<p>4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance</p>	<p>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.</p>	<p align="center">Complied</p>
<p>4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance</p>	<p>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.</p>	<p align="center">Complied</p>
<p>4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance</p>	<p>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.</p>	<p align="center">Complied</p>
<p>4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in 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). Minor Compliance</p>	<p>Use of paraquat had ceased since year 2011 in the IOI Group Estates. Alternatives such as Glyphosate Isopropylamine, Metsulfuron Methyl, and Triclopyr Butoxyethyl Esther were used. First Aid Kits were available during pesticides spraying in the fields (4th Schedule). Portable signboard noted to be displayed at areas of spraying activity (5th Schedule).</p>	<p align="center">Complied</p>
<p>4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance</p>	<p>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. 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.</p>	<p align="center">Complied</p>

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	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.	
4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). 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. Major Compliance	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.	Complied
4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	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.	Complied
4.6.8 Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance	It is the policy of the company not to carry out aerial application of pesticides. This policy has been followed by the PMU.	Complied
4.6.9 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). Minor Compliance	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.	Complied
4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance	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. Records of scheduled waste collection at 180 days interval verified to be satisfactory.	Complied
4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	CHRA reports at POM is valid till Mar 2019, whilst CHRA reports for estates audited were valid till Apr-Jun 2022 Verified that the CHRA recommendations has been satisfactorily followed. Annual medical surveillance in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2 for all pesticide operators at estates audited. Medical surveillance reports of individual sprayers were checked and no abnormalities reported by the Medical Doctor. The medical	Complied

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	<p>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>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>	
<p>4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance</p>	<p>Verified from records, field inspections and interviews that no pregnant or breast-feeding woman had been offered work as pesticide operator.</p>	<p>Complied</p>
<p>Criteria 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>The occupational health and safety plan shall cover the following:</p> <p>4.7.1 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. Major Compliance</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 & Health Officer is in charge of safety and health planning, operation & coordination. Mill/Assistant Mill Managers and Estate Managers / Assistant Estate Managers are also directly involved.</p>	<p>Complied</p>
<p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance</p>	<p>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 as per the Consultant report of Jul 2015.</p> <p>Work 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 106 POM employees in Apr 2018. 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>Complied</p>

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	<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 muffers) 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 muffers 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 JKKP8 regulations was submitted to JKKP on time, i.e. in January of each year. The Safety & 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>4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>Major Compliance</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"> - workers exposed to machinery and high noise levels, - workers working in confined space, - harvesters - pesticides operators - manurers <p>The training programme included the various types of training such as firefighting 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 style="text-align: center;">Complied</p>
<p>4.7.4 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</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>	<p style="text-align: center;">Complied</p>

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discussed at these meetings, and any issues raised shall be recorded. Major Compliance		
4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance	Accident and emergency procedures had been written in English and Bahasa Malaysia and briefed to staff, workers, contractors and visitors. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents had been verified to be maintained satisfactorily. Quarterly review on accident cases had been carried out during quarterly meeting of Safety, & Health Committee.	Complied
4.7.6 All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	Medical care had been provided to all the workers. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with insurance company, MSIG Insurance Berhad which is valid till Sept 2018.	Complied
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Records on Lost Time Accident (LTA) metrics had been updated. JKKP 8 reports were verified to be satisfactorily maintained and submitted before 31 Jan 2018.	Complied
Criteria 4.8 All staff, workers, smallholders and contract workers are appropriately trained.		
Indicators	Findings and Objective Evidence	Compliance
4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	A formal training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System have been established and implemented. 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.	Complied
4.8.2 Records of training for each employee shall be maintained. Minor Compliance	Records of training for each employee, including new employees were available and maintained.	Complied

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

Criteria 5.1		
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
Indicators	Findings and Objective Evidence	Compliance
<p>5.1.1 An environmental impact assessment (EIA) shall be documented.</p> <p>Major Compliance</p>	<p>The Environmental Aspect and Impacts Assessment for POM and estates were conducted and documented, reviewed in May 2018. The assessment documents had included the identification of aspects from field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal, water quality analysis 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>	Complied
<p>5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons.</p> <p>Minor Compliance</p>	<p>There is no changes identified in the mill and estates operation, therefore no timetable for any change is required. During mill visit, the EIA was used as a guide and no discrepancy found. Also, 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 and sufficiently addressed and attended. Previous Major NC# SH-01 (2017) on inadequate identification and buffer for water sources was effectively addressed and closed.</p> <p>Nonetheless, Observation at Bahau estate: Riparian zone demarcation at the field blocks need to be corrected at both sides of the stream. Old and worn out signage need also to be refurbished or replaced.</p>	OBS: SH-01
<p>5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>Minor Compliance</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> <p>It was observed that the monitoring protocol was not effectively monitored for the mitigation of environmental impacts and was not adequately followed up by the Estate managers.</p> <p>At both Tambang Estate and Jasin Lalang Estate, the extent of a stream running across and inside the plantation was not clearly indicated on the map. As such, the location of the water sampling points were not correctly addressed or identified.</p>	Minor NC: SH#-01
Criteria 5.2		
The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.		
Indicators	Findings and Objective Evidence	Compliance

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<p>5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>Major Compliance</p>	<p>HCV assessment was conducted by the IOI Group HQ and documented in a report dated July 2011 and reviewed on April 2018.</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 estates (Bahau, Bertam, Tambang and Jasin Lalang) are surrounded by palm oil estates belonging to others and also smallholders. Only Bertam estate is located near the Hutan Rekreasi Air Keroh.</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 estates were well demarcated with trenches, perimeter road or drainage.</p>	<p>Complied</p>
<p>5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan.</p> <p>Major Compliance</p>	<p>Regular patrols within the POM and PMU 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 PMUs visited.</p>	<p>Complied</p>
<p>5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be 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>Minor Compliance</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. A number of training related to this was conducted in April and May 2018.</p>	<p>Complied</p>
<p>5.2.4 Where an action plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan. <p>Minor Compliance</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 all 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. Currently, there is no occurrence of any RTE species found in the estates.</p>	<p>Complied</p>
<p>5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>Minor Compliance</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 PMUs visited i.e. Bahau estate, Bertam Estate, Tambang Estate and Jasin Lalang Estate. Thus negotiated agreement of such nature is not applicable.</p>	<p>Complied</p>
<p>Criteria 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>

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<p>5.3.1 All waste products and sources of pollution shall be identified and documented.</p> <p>Major Compliance</p>	<p>Visits made to POM and PMU (Bahau, Bertam, Tambang and Jasin Lalang Estate) 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> <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).</p> <p>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 Plantations. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p>	<p>Complied</p>
<p>5.3.2 All chemicals and their containers shall be disposed of responsibly.</p> <p>Major Compliance</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/ OLST-Petro Chemicals Sdn Bhd). Records of the disposal were well kept and retrievable.</p>	<p>Complied</p>
<p>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>Minor Compliance</p>	<p>The waste management and disposal plan were in place at both the POM and 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 for the line site was by using services of waste contractor, MIDO.</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>Waste management plan to avoid or reduce pollution was not properly implemented.</p> <p>1. Tambang Estate It was observed that plantation waste such as used fertiliser bags, chemical containers, plastic bottles were seen scattered all over the plantation area. In addition, an area was also noted to be used as</p>	<p>Major NC: SH#-02</p>

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	<p>dumping ground where all other materials including mattress, metal and wooden unwanted materials seen stacked or disposed off along the old road in the estate. Also unwanted tyres and general rubbish was observed at the field block opposite of the Estate office.</p> <p>2. Bertam Estate Paya Rumput division Used empty fertiliser bags and other plastic materials were seen scattered around the plantation area.</p> <p>3. Jasin Lalang estate Waste management and disposal plan. The segregation of metal waste such as unused skid tanks located at the chemical premix area and other metal scrap were placed at several locations and appears disorganised.</p> <p>NOTE: As a Minor NC 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.</p>	
<p>Criteria 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>Minor Compliance</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> <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>	Complied
<p>Criteria 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>Major Compliance</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 all the estates showed no evidence of open burning.</p>	Complied

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<p>5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>Minor Compliance</p>	<p>The PMUs shall adhere to the 'zero burning' policy for replanting at the estates.</p> <p>During the audit, there were no replanting activities carried out in the IOI Gomali plantation group.</p> <p>Also, there was no evidence of any burning of domestic waste at the housing line sites and at the sanitary landfills of the estates during on site field assessment.</p>	Complied
<p>Criteria 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>Major Compliance</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>	Complied
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>Major Compliance</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 both the POM and PMU. GHG report calculation has also been submitted to RSPO on 23 May 2018. GHG for the mill and estate is calculated using the latest modified version 3.0.1 PalmGHG by the Sustainability department and summary sighted. Raw data for GHG calculation recorded (verified data was correctly entered). The long term plan to reduce or minimise GHG emissions via installing of Methane capture system is still being planned and awaiting budget approval from the HQ.</p>	Complied
<p>5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>Minor Compliance</p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. 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. 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 & Monitoring Services. Records are maintained and verified on-site to have met the permissible regulatory limits. (Domestic Water Discharge Quality Report dated March 2015). Latest analysis done was on April 2018. Stack monitoring report, latest dated January 2018, was also made available during the audit, which conforms to the requirement of the Department of Environment.</p>	Complied

Principle 6: Responsible consideration of employees, and of individuals and communities affected by growers and mills

<p>Criterion 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.1.1 A social impact assessment</p>	<p>At Gomali PMU, the respective Social Impact Assessment reports</p>	Complied

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<p>(SIA) including records of meetings shall be documented. Major Compliance</p>	<p>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 25 May 2018, in Bertam Estate on 20 May 2018 and in Bahau Estate on 22 May 2018.</p> <p>External stakeholders' consultation was held separately in the mill and in each estate, for example in Gomali POM stakeholder consultation was conducted on 11 April 2018 with 20 attendance. Whilst external stakeholder consultation for Bahau Estate and Bertam Estate was conducted on 18 April 2018, Jasin Lalang on 03 March 2018 and Tambang Estate on 26 April 2018.</p> <p>External stakeholders attended the consultations include contractors, suppliers, government agencies, police, villagers, neighboring 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>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance</p>	<p>The PMU 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 pest issues, working conditions, cultural/festival/school 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 & Grievance Book in POM and estates and interviews made, it was clear that the workers are well informed of issues related to their rights.</p>	Complied
<p>6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Major Compliance</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 June 2017 - May 2018 in all estates audited and from Jan-Dec 2017 for Gomali POM.</p> <p>Comments received from different sources, e.g. external and internal stakeholder consultations, GCC meetings, ECC meetings, grievance books, has been consolidated in mitigation plan. And action taken has been recorded in "Social Mitigation Plan of Issues and Action Taken/Planned"</p> <p>Thus, Major NC# JMD-01 (ASA-02) - 2017, has been adequately addressed</p>	Complied
<p>6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. Minor Compliance</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. (i.e. Gomali POM plans has been reviewed on 20 May 2018)</p>	Complied
<p>6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). Minor Compliance</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>	Complied

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Criterion 6.2		
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
Indicators	Findings and Objective Evidence	Compliance
<p>6.2.1 Consultation and communication procedures shall be documented. Major Compliance</p>	<p>IOI's Group consultation and communication procedures are available via website link: http://www.ioigroup.com/Corporateresponsibility/environment_plantation.cfm The PMU has adopted and maintained 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>	Complied
<p>6.2.2 A management official responsible for these issues shall be nominated. Minor Compliance</p>	<p>Records sighted show evidence of the existence of appointed teams headed by estate managers assisted by assistant managers. e.g. Mr Jacob Gnana Arasu & Mr. Guhen Raj for Gomali POM, Mr. Ahmad Zaki for Bahau Estate and Mr. Mohd Faizul Azlan Hilmy for Bertam Estate and etc.</p>	Complied
<p>6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance</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>	Complied
Criterion 6.3		
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.		
Indicators	Findings and Objective Evidence	Compliance
<p>6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. Major Compliance</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. 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. 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 locked and the key was kept by GCC members. Complainants are given the option whether the make the report personally or through nominated workers' representatives. It is verified during on-site interviews that there were no incidents of dispute or grievance of a serious nature. New whistleblowing policy was approved by Audit and Risk Management Committee of the Board of Directors since November 2017</p>	Complied
<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be</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</p>	Complied

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available. Major Compliance	the workers.	
Criterion 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.		
Indicators	Findings and Objective Evidence	Compliance
6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	There were some borders at the estates audited in Gomali PMU adjacent to villages. 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.	Complied
6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance	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.	Complied
6.4.3 The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance	To date, there has been no dispute by any parties reported. Therefore the process and outcome of compensation is not applicable during current assessment.	Not applicable
Criterion 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.		
Indicators	Findings and Objective Evidence	Compliance
6.5.1 Documentation of pay and conditions shall be available. Major Compliance	Offer letters and work contracts for local staff and foreign workers are verified. The contracts met the industry minimum standards has included extra pays under the statutory fringe benefits. A review of some field workers' pay slips showed that the calculation of pay is clearly itemized, for example: <ul style="list-style-type: none"> • Normal day field work wage [Daily Rated or Piece Rated] • Normal working day overtime • Working rest day • Overtime for working rest day • Working public holiday • Overtime for working public holiday • Out-turn incentives [December pay slips only] • Conversion of annual leave into annual payment renewal 	Complied

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	<p>[December pay slips only]</p> <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 maintained and verified during the audit.</p>	
<p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>Major Compliance</p>	<p>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.</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 complied with.</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.</p> <p>Currently wages in IOI Gomali group are either paid by direct transfer into workers back account or by cash.</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>It was found that permits from the Labour Department concerning wages deduction for NUPW membership and insurance scheme is available e.g. Letter Ref No: (2) dlm PMT/1000/2011/0085 dated 15/04/2011, salary deduction for NUPW membership and Group Term Life Policy No. 56423, Permit S/N: PP 3/34/1481 dated 15/04/2011 issued by JTK</p> <p>Thus, OBS# JMD-02 (ASA 02) has been adequately addressed</p> <p>Nonconformance issued: FFB Contractor workers employment contract/appointment letter given to the local workers was not appropriate. Local workers were issued with foreign workers contract / appointment letters at Bertam Estate.</p>	<p style="text-align: right;">Major NC # MNM-01</p>
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</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>	

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<p>Minor Compliance</p>	<p><u>Housing, electricity and water supply</u></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 24 hours free electricity. Clean water supply for Gomali POM and Tambang Estate housing area come from treated pond water and for Bertam Estates, Jasin Lalang Estate and Bahau Estate housing area are supplied with treated piped water from state government e.g. Bahau Estates supplied by Syarikat Air Negeri Sembilan (SAINS). Each worker was given subsidy for electricity and water bills to reduce their cost of living. E.g. 4.8m3 for water supply and 23kWh for electricity per month.</p> <p>Observation issued: At Gomali POM, Water quality monitoring for Raw and Treated water, parameter conducted on weekly basis by Gomali POM could include pH, Turbidity and Coliform according to recommendations of National Standard for Drinking Water Quality 2000 (Revision 2004).</p> <p><u>Schools</u></p> <p>Schools for local workers' children are at the vicinity of Gomali PMU.</p> <p><u>Sundry shops</u></p> <p>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. Night market is also available after payday at Gomali housing area.</p> <p><u>Medical clinics</u></p> <p>Clinics manned by HA are available in most estates audited. The Health Assistant are responsible on monitoring 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. 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. Roof extensions constructed by the workers on their houses has been demolished and no other extension observed at the estates audited. Rubbish bins were provided at Estate line site</p> <p>Effectiveness of corrective action taken for Minor NC# JMD-02 issued in ASA-02 [2017] was also conducted and found to be satisfactory.</p>	<p>Observation # MNM-01</p>
<p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>Minor Compliance</p>	<p>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 to some small townships which are reachable by local transportation, e.g. Bahau Estate is near to Bahau town and Tambang Estate and Gomali POM was near to Segamat town.</p>	<p>Compiled</p>

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<p>Criterion 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.6.1 A published statement in local languages recognising freedom of association shall be available. Major Compliance</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 are available and recorded in meeting minutes 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>6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance</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. Meeting was conducted at least once in every 2 months.</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 10 April 2018 at Bahau Estate, 25 May 2018 at Bertam Estate and for Tambang Estate, meeting was conducted on 27 April 2018.</p>	Complied
<p>Criterion 6.7 Children are not employed or exploited.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.7.1 There shall be documentary evidence that minimum age requirements are met. Major Compliance</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 are met.</p>	Complied
<p>Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance</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>6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance</p>	<p>There is a documented "Policy on Foreign Workers". Migrant workers are recruited within the framework of Employment Act 1955, 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 migrant workers are covered under Foreign Workers Compensation scheme (FWCS) with the PMU for job opportunities and many welfare</p>	Complied

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	<p>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>6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>Minor Compliance</p>	<p>Under the employment process, applicants for field worker positions are usually accepted by the estate management with very minimum 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>For example Ms. Wan Manzwa Shaffira Bt Wan Mustapa was appointed as General Worker (clinic asst) at Tambang Estate as per appointment letter dated 26/02/2018</p> <p>Nonconformance issued: At Tambang Estate, Competency of lorry driver hired by the Contractor transporter for Transporting and leveling of EFB & POME has not been clearly identified.</p>	<p style="text-align: center;">Complied</p> <p style="text-align: right;">Minor NC # MNM-02</p>
<p>Criterion 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.9.1 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>Major Compliance</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 Gomali POM on 04 May 2018, in Bahau Estate on 06 March 2018, in Bertam Estate on 12 December 2017 and in Jasin Lalang Estate on 12 January 2018. Briefing session for male and contract workers were also verified.</p> <p>It was noted the Gender Consultative Committee members is aware that any complaint or report received will be kept locked. Thus, Obs# JMD-01 has been adequately addressed.</p> <p>Till the date, there was no sexual harassment report received in the PMU so far.</p>	<p style="text-align: center;">Complied</p>

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<p>6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance</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 style="text-align: center;">Complied</p>
<p>6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance</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 style="text-align: center;">Complied</p>
<p>Criterion 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance</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 style="text-align: center;">Complied</p>
<p>6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance</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 style="text-align: center;">Complied</p>
<p>6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance</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 style="text-align: center;">Complied</p>
<p>6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance</p>	<p>Payment of wages to office staff is consistently made on 25th of every month. The field workers pay is made no later than seventh day of every month. Advance salary payment for workers was permitted about rm150-200 and paid on 20th every month. As per approval from JTK (i.e. Ref Nr: (15) dlm.BSM 7/2/35/30 Jld.2 dated 6 January 2004</p>	<p style="text-align: center;">Complied</p>

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	Verified that the payment period within 60 days as a standard practice at the PMU was agreed with no complaints from any local business. No delay of payments evidenced during audit. The records maintained also shows no pending payments to contractors or suppliers beyond the given period.	
Criterion 6.11 Growers and millers contribute to local sustainable development where appropriate.		
Indicators	Findings and Objective Evidence	Compliance
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	The commitment to contribute towards local communities is evident and verified as sampled below: Bahau Estate 1. Contribution to Bahau Police Sport Club, Dato' Festival Celebration at Sri Muthu Temple Tambang Estate 1. Contribution of mineral water for school sport day on 14/02/2018 2. Contribution to SJKC Tambang (prepare road signage to school) 3. Contribution to the nearby villagers (i.e. Pn. Maimunah request water tank for wedding occasion)	Complied
6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity Minor Compliance	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.	Complied
Criterion 6.12 No forms of forced or trafficked labour are used.		
6.12.1 There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	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.	Complied
6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	No incidents have been found and this is confirmed through interviews with external stakeholders that contract substitution has never occurred.	Complied
6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	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.	Complied
Criterion 6.13 Growers and millers respect human rights.		
Indicators	Findings and Objective Evidence	Compliance
6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). Major Compliance	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 & Human Rights 2011.	Complied
6.13.2 As long as children of plantation workers of Sabah and Sarawak are not secured a right to	Not applicable as the PMU is in Peninsular Malaysia.	Not applicable

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<p>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.</p> <p>Minor Compliance</p>		
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Principle 7: Responsible development of new plantings

To date, 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 said to be submitted to RSPO Secretariat in Jun 2018.

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.

SUMMARY OF NET GHG EMISSIONS

Data below as per the latest summary report generated through **PalmGHG Calculator Version 3.0.1**.

GHG Table 1: Summary of Net GHG Emissions (12 months: Year 2017: Jan - Dec)

Emissions per Product	tCO ₂ e/t Product
CPO	1.2
PK	1.2

Production	t/year
FFB processed	375273.55
CPO Produced	78688.92

Extraction	%
OER	20.97
KER	4.98

GHG Table 2: Summary of Net GHG Emissions

Land use	ha
OP planted area	16951 (Own Supply base) + 212 (associated Out grower) + 9549.79 (IOI Sister Estates which diverted crops) = 26712.79
OP planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	84.9 (Own Supply base) + 36.82 (IOI Sister Estates which diverted crops) = 121.72
Total	26834.71

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GHG Table 3: Summary of Field Emissions and Sinks

	Own Crop		Group		3rd Party		Total	
	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha	tCO2e	tCO2e/ha
Emissions								
Land Conversion	157611.24	9.3	3292.31	9.54	2093.85	9.88	162997.4	28.72
CO2 Emissions from Fertiliser	15862.64	0.94	341.46	1.01	103.72	0.49	16307.82	2.44
N2O Emissions	13438.31	0.79	251.95	0.75	74.39	0.35	13764.65	1.89
Fuel Consumption	2729.45	0.16	110.85	0.3	36.85	0.17	2877.15	0.63
Peat Oxidation	0	0	0	0	0	0		0
Sinks								
Crop Sequestration	-149394.54	-8.81	-3120.69	-9.04	-1984.69	-9.36	-154499.92	-27.21
Conservation Sequestration	0	0	0	0	0	0	0	0
Total	40247.1	2.37	875.88	2.56	324.12	1.53	41447.1	6.47

GHG Table 4a: Summary of Mill Emissions and Credits

	tCO2e	tCo2e/tFFB
Emissions		
POME	73559.97	0.2
Fuel Consumption	2302.52	0.01
Grid Electricity Utilisation	0	0
Credits		
Export of Excess Electricity to Grid and Housing	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	75862.49	0.2

GHG Table 4b: Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0 %
Divert to anaerobic digestion	100 %

GHG Table 4c: POME Diverted to Anaerobic Digestion

Divert to anaerobic pond	100 %
Divert to methane capture (flaring)	0 %
Divert to methane capture (electricity generation)	0 %

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

Criteria 8.1		
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
Indicators	Findings and Objective Evidence	Compliance
<p>8.1.1 The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Encourage optimising the yield of the supply base. <p>Major Compliance</p>	<p>Action plans for continual improvement at the POM and Estates were documented, monitored and implemented.</p> <p><u>At Gomali POM – Social:</u></p> <ol style="list-style-type: none"> 1. Workers’ house repair – completed on March 2018 2. Refurbished executive & staff bungalows – completed by May 2018 3. Build new house for workers – 2018/2019 4. Water supply (switch water supply from mill treated water to SAJ) – Dec 2019 5. Donation to school/neighboring communities <p><u>At Bahau Estate</u></p> <ol style="list-style-type: none"> 1. House repair 2. Repaint staff bungalows (Block S) 3. Refurbishment of bungalows for executives (1 unit) 4. Installation of House Awning (Staff house block S) 5. To demolished and build new houses for workers (Block B) 6. Bahau Estate Recreational Centre <p><u>At Bertam Estate</u></p> <ol style="list-style-type: none"> 1. Workers’ house repair 2. Refurbish furniture executive & staff bungalows 3. Build new surau 	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:

5. General chain of custody requirements for the supply chain		
	Findings and Objective Evidence	Compliance
5.1 Applicability of the general chain of custody requirements for the supply chain		
5.1.1 Legal ownership and physical handling of RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors.	Yes	Complied
5.1.2 Trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.	Not applicable	Complied
5.1.3 Member of the RSPO and shall register on the RSPO IT platform.	Yes	Complied
5.1.4 Processing aids do not need to be included within an organization’s scope of certification.	No processing aids	Complied
5.2 Supply chain model		

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5.2.1 Same supply chain model as its supplier	Identity Preserved (IP)	Complied
5.2.2 Combination of supply chain models	Only IP	Complied
5.3 Documented procedures		
5.3.1 Written procedures and/or work instructions	Yes	Complied
5.3.2 Internal audit procedure and internal audit conducted to determine compliance.	Yes	Complied
5.4 Purchasing and goods in		
5.4.1 Purchases of RSPO certified oil palm products with all the specified information.	Yes	Complied
5.4.2 Mechanism for handling non-conforming oil palm products and/or documents.	Yes	Complied
5.5 Outsourcing activities		
5.5.1 Outsourcing of activities	Not applicable	Complied
5.5.2 Outsourcing within the scope of its RSPO SC certificate	Not applicable	Complied
5.5.3 Names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	Not applicable	Complied
5.5.4 Names and contact details of new contractor used for the processing or physical handling of RSPO certified oil palm products.	Not applicable	Complied
5.6 Sales and goods out		
5.6.1 Sales of RSPO certified oil palm products with all the specified information.	Yes	Complied
5.7 Registration of transactions		
5.7.1 Transaction registered in the RSPO IT platform and confirmed upon receipt.	Yes	Complied
5.7.2 RSPO IT Platform: Shipping Announcement, Traceability, Confirming Shipping Announcements.	Yes	Complied
5.8 Training		
5.8.1 Training plan on RSPO SC Standards requirements and records of the training.	Yes	Complied
5.8.2 Appropriate training shall be provided	Yes	Complied
5.9 Record keeping		
5.9.1 Accurate, complete, up-to-date and accessible records and reports maintained.	Yes	Complied
5.9.2 Retention times for all record and reports.	Yes	Complied
5.9.3 Volume purchased (input) and claimed (output) over a period of twelve (12) months.	Yes	Complied
5.10 Conversion factors		
5.10.1 Conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs.	Yes	Complied
5.10.2 Conversion rates shall be periodically updated.	Yes	Complied
5.11 Claims		
5.11.1 Claims shall be in compliance with the RSPO Rules on Market Communications and Claims.	Yes	Complied
5.12 Complaints		
5.12.1. Documented procedures for collecting and resolving stakeholder complaints.	Yes	Complied
5.13 Management review		
5.13.1 Appropriate frequency of management review.	Yes	Complied
5.13.2 All the specified inputs for the management review.	Yes	Complied
5.13.3 All the specified outputs from the management review.	Yes	Complied

D.1 Definition (Module D: Identity Preserved (IP))

Indicators	Findings and Objective Evidence	Compliance
D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified	<p>The POM only processed certified FFB from its own supply base (see Section 1.3).</p> <p>The supply base are the PMU estates which included from Sembilan Tani estate (associated outgrower) which is also certified under the grouping. There are no uncertified FFB received.</p> <p>The CPO Mill is therefore applying the Identity Preserved (IP) module.</p>	Complied

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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.		
D.2 Explanation		
Indicators	Findings and Objective Evidence	Compliance
D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	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 Section 1.8.2 Table 6 and Section 1.8.3 Table 7).	Complied
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).	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).	Complied
D.3 Documented procedures		
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:	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.	Complied
a) Complete and up to date procedures covering the implementation of all the elements in these requirements	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.	Complied
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.	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. 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.	Complied
D.3.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	For the period FY 2017/2018, the POM only received and processed certified FFB from the PMU estates (including from Sembilan Tani estate - associated outgrower)	Complied

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	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.	
D.4 Purchasing and goods in		
Indicators	Findings and Objective Evidence	Compliance
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
D.5 Record keeping		
Indicators	Findings and Objective Evidence	Compliance
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
D.6 Processing		
Indicators	Findings and Objective Evidence	Compliance
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 material including during transport and storage.	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 over past 12 months (financial period). The processing facility has established and implemented a clear procedure and mechanism for the IP module. 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 for the CPO and PK produced. Noted that the PK is sold directly to an independent PK Crushing plant.	Complied

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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
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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 2018/2019.

3.1.3 Summary of Certified Products traded:

The Production data and traded volumes of certified products which was verified for year 2018/ 2019 is detailed as per Table 8 below:

Table 8: Summary of Production Data (for 2019)

Number of Production Unit (POM & Estates in grouping)	11 estates
Number of Individual Smallholders	-
Certified Area (ha)	19,291.79
Production Area (ha) / i.e. Mature area	15,647
HCV Area (ha)	82.72
Projected Certified - FFB Processed (RSPO Certified) (mt) - 2019	405,171
Projected Certified - CPO Processed (RSPO Certified) (mt) - 2019	89,134
Projected Certified - PK Processed (RSPO Certified) (mt) - 2019	22,284

Details required (as per RSPO Palm Trace – Trading volumes submission)		
	CPO (mt)	PK (mt)
Last year's (Projected) – 2018 Certified volume (RSPO Certified)	90,655	21,083
a) Last year's Actual sold volume (RSPO Certified)	58,387.94	6,742.64
b) Last year's Actual sold volume * (Other Schemes Certified)	1,070.92	-
c) Last Year's Actual sold volume ** Conventional	14,114.59	11,041.86
Total of (a) + (b) + (c)	73,573.45	17,784.50
New (Projected) – 2019 Certified Volume (RSPO Certified)	89,134	22,284

Notes:

- Verified that the total Actual sold (for last year) has not exceeded the Projected (for last year)
- * The volumes under 'Other Schemes certified' is basically under ISCC scheme.
- ** Remaining volumes traded are not claimed under 'Certified' and traded as 'Conventional' volume.

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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.
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	Actions taken on the NCRs and OBS verified to be effective during ASA-03 except for NC
Annual Surveillance-03 (by Intertek)	2018	6 (3 Major, 3 Minor)	4	Next assessment

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3.2.1 Year 2018: 6 NCRs (3 Major, 3 Minor)

NCR	MYNI Indicator	Details of NCR
Major: AL-02	4.5.1	Date issued: 2 June 2018
		Requirement: Implementation of Integrated Pest Management (IPM) plans shall be monitored.
		Nonconformance:
		Location: <ol style="list-style-type: none"> 1. <u>Bertam estate</u> It was observed Management Plan and Program for Beneficial plants not comprehensive i.e. did not indicate the ratio of the 3 types of beneficial plants and adherence to the ratio for planting. I.e. at Bertam (Paya Rumput division). 2. <u>Jasin Lalang and Tambang estates</u> The locations and proper planting and maintenance program was observed to be inadequate e.g. focussed on Tunera only which were just recently planted and at several stretches the beneficial plants did not appear to be healthy. 3. <u>Tambang estate:</u> Barn owl implementation was not adhering to company SOP of 1 box per 20 ha. No progressive plan to increase and meet the said target was available.

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		<p>Root Cause and Corrective Action(s): by Auditee representative</p> <p><u>1. BERTAM ESTATE</u></p> <p>Root cause: As beneficial plants require ample water, close supervision, monitoring and maintenance, Bertam estate is facing some problems as the Paya Rumput Division is located about 13 km away and they do not have proper water supply and an office there. This coupled with cattle grazing the beneficial plant and lack of manpower has prevented the beneficial plants that were initially planted from taking root.</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> a) Retraining was conducted for workers assigned to plant and maintain beneficial plants as per the Standard Operating Procedures (StOP). They were told to replant beneficial plants in Paya Rumput division and adhere to the beneficial plants StOP and planting program 2018. b) Water for watering beneficial plants at Paya Rumput Division will be transported daily by using estate van. <p>Please refer to: Appendix 1(a) – Bertam - Re-training on StOP for Beneficial Plant (Attendance List, Training Materials, Evaluation Form, Pictures and 2018 Beneficial Plants Program) Appendix 1(b) – Bertam - Photos of Planted Beneficial Plant</p> <p><u>2. JASIN LALANG AND TAMBANG ESTATE</u></p> <p>Root Cause:</p> <ol style="list-style-type: none"> 1. Jasin Lalang Estate – Lack of workers, improper maintenance and unfavourable weather conditions and cattle grazing resulted in the previously planted beneficial plants to not survive. 2. Tambang Estate - Insufficient workers due to high crop season, lack of maintenance, lack of experience and training on beneficial plants Standard Operating Procedures resulted in improper planting of beneficial plants. <p>Corrective Action:</p> <ol style="list-style-type: none"> a) Jasin Lalang Estate –Retraining on beneficial plants SOP was done, a proper maintenance schedule was created and a permanent gardener was appointed to carry out continuous maintenance of beneficial plants. Besides this, new planting of beneficial plants are also being carried out as per the estate's program. <p>Please refer to: Appendix 2(a) – Jasin Lalang – Retraining on StOP for Beneficial Plant Appendix 2(b) – Jasin Lalang – Pictures of continuous Planting of Beneficial Plants Appendix 2(c) – Jasin Lalang – Beneficial Plants Planting Program</p> <ol style="list-style-type: none"> a) Tambang Estate - Training for Integrated Pest Management (IPM) including beneficial plants was conducted for executives and staff on 4th June 2018. Tambang Estate also built a nursery for beneficial plant to make sure that beneficial plants are growing well before being transferred to the field. <p>Please refer to: Appendix 2(d) – Tambang – Records of Retraining on Integrated Pest Management (IPM) Appendix 2(e) – Tambang – Photos of Beneficial Plants in Nursery and being planted in the fields</p> <p><u>3. TAMBANG ESTATE – Barn Owl Maintenance</u></p> <p>Root cause: Due to high crop season and lack of workers, Tambang estate could not assign workers to increase or replace the old and damaged barn owl boxes.</p>
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		<p>Corrective Action:</p> <p>a) Training for Integrated Pest Management (IPM) was conducted for executives and staffs on 4 June 2018. Tambang Estate has started taking steps to increase the number of barn owl boxes as per the company's StOP and estate's program which is 1 box per 20 ha.</p> <p>Please refer to: Appendix 3(a) – Tambang – Retraining on Barn Owl Management Appendix 3(b) – Tambang – Barn Owl Box Installation Programme</p>
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		Verification on Corrective Action(s): by Lead Auditor / Auditor	
		<p>MAJOR NC: On site Verification on date: 1 & 2 Aug 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: As submitted via email under the respective CA was additionally verified for actual implementation on site at the estates. Conclusion: Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified on-site and considered to have satisfactorily addressed the issue and acceptable for closure.</p>	
		NC status verified by auditor: Closed by AL & SH	Date closed: 3 Aug 2018
		Verification of effectiveness: Next assessment	
		NC status verified by auditor: -	Date verified: -

NCR	MYNI Indicator	Details of NCR
Major: SH-02	5.3.3	Date issued: 2 June 2018
		Requirement
		A waste management and disposal plan to avoid or reduce pollution shall be documented and Implemented.
		Nonconformance
		<p>Waste management plan to avoid or reduce pollution was not properly implemented.</p> <p>4. Tambang Estate It was observed that plantation waste such as used fertiliser bags, chemical containers, plastic bottles were seen scattered all over the plantation area. In addition, an area was also noted to be used as dumping ground where all other materials including mattress, metal and wooden unwanted materials seen stacked or disposed off along the old road in the estate. Also unwanted tyres and general rubbish was observed at the field block opposite of the Estate office.</p> <p>5. Bertam Estate - Paya Rumput division Used empty fertiliser bags and other plastic materials were seen scattered around the plantation area.</p> <p>NOTE: As a Minor NC 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.</p>

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	<p>Root Cause and Corrective Action(s): by Auditee representative</p> <p>1. TAMBANG ESTATE</p> <p>Root cause: The tractor driver who was assigned to collect, segregate and dispose the estate's rubbish into MIDO (contractor)'s collection bin did not follow the instructions and took the easy way out by dumping rubbish at various locations in the estate. As the field staff in charge of rubbish collection was also busy in the field, he failed to monitor the tractor driver. This resulted in the disposal of rubbish in various undesignated areas.</p> <p>Corrective Action: All rubbish had been collected from the illegal dumping areas. Fertilizer bags had been stacked at empty fertilizer bag store. Chemical containers are also rinsed three times, punctured and stored in the schedule waste store. Other rubbish is also segregated and placed into recycle bins. A warning letter has been issued to the tractor driver for dumping rubbish illegally and not into the contractor's designated bin.</p> <p>Please refer to : Appendix 1(a) – Tambang – Collecting rubbish (Before, During & After) Pictures Appendix 1(b) – Tambang – Photo of Triple Rinsed Empty Containers kept in Scheduled waste store (Before & After) Appendix 1(c) – Tambang – Copy of Warning Letter Being Issued to Tractor Driver</p>		
	<p>2. BERTAM ESTATE</p> <p>Root cause: Though workers have been told to hang empty fertilizer bags on palm trees immediately after they have loaded Fresh Fruit Bunches and loose fruit into trailers, they failed to do so due to lackadaisical attitude and urgency to evacuate the crop.</p> <p>Corrective Action: Estate management has given a verbal warning and conducted refresher training for mandores, bunch checkers, loaders and tractor drivers on field cleanliness and the proper way of handling fertilizer bags and plastic materials in field. They have also been reminded that strict action will be taken against them if they fail to follow this instruction.</p> <p>Please refer to Appendix: Appendix 2(a) – Bertam – Field Cleaning Training – Attendance List Appendix 2(b) – Bertam – Field Cleaning Training – Pictures</p>		
	<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>MAJOR NC: On site Verification on date: 1 & 2 Aug 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: As submitted via email under the respective CA was additionally verified for actual implementation on site at the estates. Conclusion: Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>		
	<p>Minor NC: -</p>		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by AL & SH</td> <td style="width: 40%;">Date closed: 3 Aug 2018</td> </tr> </table>	NC status verified by auditor: Closed by AL & SH	Date closed: 3 Aug 2018
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	<p>Verification of effectiveness: Next assessment</p>		
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NCR	MYNI Indicator	Details of NCR
Major: MNM-01	6.5.2	Date issued: 2 June 2018
		Requirement
		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.
		Nonconformance
		Location: Bertam Estate.
		FFB Contractor workers employment contract/appointment letter given to the local workers was not appropriate. Local workers were issued with foreign workers contract/appointment letters.
		Root Cause and Corrective Action(s): by Auditee representative
		Root cause: As the benefits in the contract agreement for both local and foreign workers were similar, the contractor mistakenly issued the wrong appointment letter for his local workers. This matter was also overlooked by the estate management.
		Corrective Action: The estate Management has checked the contract agreements for all local contract workers and instructed the Contractors to immediately replace the contract agreements with the correct ones Please refer to : Appendix 1 – Contract Agreement issued to Contractor's Local Worker
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		<u>MAJOR NC:</u> On site Verification on date: 1 & 2 Aug 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: As submitted via email under the respective CA was additionally verified for actual implementation on site at the estates. Conclusion: Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.
		Minor NC: -
NC status verified by auditor: Closed by AL & SH	Date closed: 3 Aug 2018	
Verification of effectiveness: Next assessment		
NC status verified by auditor: -	Date verified: -	

NCR	MYNI Indicator	Details of NCR
Minor: AL-01	4.2.4	Date issued: 2 June 2018
		Requirement
		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.

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		<p>Nonconformance</p> <p>Location: Jasin Lalang Estate.</p> <p>It was observed that there were heaps of EFB (at Field block 94B, as left in the field since March 2018) which had not been levelled to a single layer as per the SOP.</p>		
		<p>Root Cause and Corrective Action(s): by Auditee representative</p> <p>Root cause: Apart from having lack of manpower issue in Jasin Lalang Estate, there was no proper knowledge having by the responsible Field Staff and JCB driver on EFB application and levelling. This leads to misunderstanding on StOP and improper EFB levelling in estate.</p> <p>Corrective Action: Retraining on Standard Operating Procedure was conducted for the assigned Field Staff and JCB driver. The heaps of EFB was levelled immediately and estate executives will closely monitor and adhere the EFB application in field.</p> <p>Please refer to : Appendix 1(a) - Jasin Lalang - Re-training on StOP for EFB (Attendance List, Training Materials, Evaluation Form and Pictures) Appendix 1(b) - Jasin Lalang - Pictures of Leveling of EFB Heaps (Before, Progress and After)</p>		
		<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>On site Verification on date: 1 & 2 Aug 2018 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: As submitted via email under the respective CA was additionally verified for actual implementation on site at the estates. Conclusion: Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>		
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NC status verified by auditor: -	Date verified: -			

NCR	MYNI Indicator	Details of NCR
Minor: SH-01	5.1.3	Date issued: 2 June 2018
		Requirement
		The environmental 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.
		Nonconformance

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		<p>The monitoring protocol has not been effectively monitored for mitigation of environmental impacts and were not adequately followed up by the Estate managers.</p> <p>At both Tambang Estate and Jasin Lalang Estate, the extent of a stream running across and inside the plantation was not clearly indicated on the map. As such, the location of the water sampling points were not correctly addressed or identified.</p>		
		<p>Root Cause and Corrective Action(s): by Auditee representative</p>		
		<p><i>TAMBANG ESTATE</i></p> <p>Root cause: Water samples were taken based on points designated by previous authorized team and it was followed without adjustment of the sampling points nearer to the boundary line of estates precisely inlet, middle and outlet samples.</p> <p>Corrective Action: The WQI Points were revised and it has been sure that the revised inlet and outlet points are exactly positioned on estate boundaries. Requesting letter has been given to IOI Research Centre and the revised points has been highlighted. In addition, labelling signboards are erected at the WQI Sampling Points. Please refer to: Appendix 1(a) – Tambang – Letter of Requesting Revised Map Appendix 1(b) – Tambang – Revised WQI Sampling Points Appendix 1(c) – Tambang – Marking of WQI Sampling Points</p> <p><i>JASIN LALANG ESTATE</i></p> <p>Root cause: Water samples were taken based on points designated by previous authorized team and it was followed without adjustment of the sampling points nearer to the boundary line of estates precisely inlet, middle and outlet samples.</p> <p>Corrective Action: The WQI Points were revised and it has been sure that the revised inlet and outlet points are exactly positioned on estate boundaries. Requesting letter has been given to IOI Research Centre and the revised points has been highlighted. In addition, labelling signboards are erected at the WQI Sampling Points. Please refer to: Appendix 2(a) - Jasin Lalang – Letter for Requesting Revised Map Appendix 2(b) - Jasin Lalang – Revised WQI Sampling Points</p>		
		<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p>		
		<p>On site Verification on date: 1 & 2 Aug 2018</p> <p>Corrective actions taken: As stated by Auditee in their RC & CA.</p> <p>Supportive evidences: As submitted via email under the respective CA was additionally verified for actual implementation on site at the estates.</p> <p>Conclusion: Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by AL & SH</td> <td style="width: 40%;">Date closed: 3 Aug 2018</td> </tr> </table>	NC status verified by auditor: Closed by AL & SH	Date closed: 3 Aug 2018
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NCR	MYNI Indicator	Details of NCR	
Minor: MNM-02	6.8.3.	Date issued: 2 June 2018	
		Requirement	
		It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.	
		Nonconformance	
		Location: Tambang Estate.	
		Competency of lorry driver hired by the Contractor transporter for Transporting and leveling of EFB & POME has not been clearly identified.	
		Root Cause and Corrective Action(s): by Auditee representative	
		Root cause: Estate management overlooked on ensuring the competency of lorry driver hired by the contractor for transporting and levelling of EFB and POME.	
		Corrective Action: Competent training on "Prosedur Kerja Selamat Pemandu Traktor" has been conducted to the hired contractor lorry driver. Tractor Driver's Appointment Letter and Tractor Driver's Authorization Card has been issued to the contractor lorry driver.	
		Please refer to: Appendix 1(a) – Tambang – Training Report on "Prosedur Kerja Selamat Pemandu Traktor" Appendix 1(b) – Tambang – Tractor Driver's Appointment Letter Appendix 1(c) – Tambang – Authorization Card for Tractor Driver	
Verification on Corrective Action(s): by Lead Auditor / Auditor			
On site Verification on date: 1 & 2 Aug 2018			
Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: As submitted via email under the respective CA was additionally verified for actual implementation on site at the estates. Conclusion: Evidences submitted as above for the corrective actions done with attached evidences at the audited sites were verified and considered to have satisfactorily addressed the issue and acceptable for closure.			
NC status verified by auditor: Closed by AL & SH			
Date closed: 3 Aug 2018			
Verification of effectiveness: Next assessment			
NC status verified by auditor: -			
Date verified: -			

3.2.2 Year 2018: Observations (4 nos)

Ref No:	MYNI Indicator	Details of Observation	Status		
			Opened date	Closed date	Remark, if any
OBS: AL-01	4.5.2	Bertam & Tambang estates: The training for those involved in the IPM implementation was not adequate.	2 June 2018	-	Next assessment

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OBS: SH-01	5.1.2	Bahau estate: Riparian zone demarcation at the field blocks need to be corrected at both sides of the stream. Old and worn out signage need to be refurbished or replaced.	2 June 2018	-	Next assessment
OBS: SH-02	5.3.3	Jasin Lalang estate: Waste management and disposal plan. The segregation of metal waste such as unused skid tanks located at the chemical premix area and other metal scrap were placed at several locations and appears disorganised.	2 June 2018	-	Next assessment
OBS: MNM-02	6.5.3	Gomali POM: Water quality monitoring for Raw and Treated water, parameter conducted on weekly basis by Gomali POM could include pH, Turbidity and Coliform according to recommendations of National Standard for Drinking Water Quality 2000 (Revision 2004).	2 June 2018	-	Next assessment

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

NCR	MYNI Indicator	Details of NCR
Major OCL-01	4.6.11	<p>Date issued: 16/06/2017</p> <p>Nonconformance: 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.</p> <p>Root Cause and Corrective Action:</p> <p>Root Cause 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.</p> <p>Corrective Action The 2 Bangladeshi workers were sent to the OHD again on 21st 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.</p>

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		<p>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.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 03/08/2017</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 03/08/2017
NC status verified by auditor: Closed by OCL	Date closed: 03/08/2017			
		Verification (for effectiveness): Verified and effectively closed on 2 June 2018		

NCR	MYNI Indicator	Details of NCR
Major OCL-02	4.7.1	Date issued: 16/06/2017
		<p>Nonconformance: 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.</p>
		<p>Root Cause and Corrective Action:</p> <p><u>Root Cause</u> 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 & mill compounds, this particular driver breached the regulations on 12/06/17.</p> <p><u>Corrective Action(s)</u></p> <ol style="list-style-type: none"> 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. 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. 3) A memo was also sent to all estates to request them to: <ol style="list-style-type: none"> 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; 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. c) Display 50km/jam signboards at the entrance and on both sides of all roads leading to and from the mills. d) Display 30km/jam signboards on both sides of field roads e) Display 20km/jam signboard at the entrance and inside the mill compounds 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 4) Signboards displayed at Gomali estate and Gomali mill.
		<p>Verification (Corrective Action): 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>

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		NC status verified by auditor: Closed by OCL	Date closed: 04/08/2017
Verification (for effectiveness): Verified and effectively closed on 2 June 2018			

NCR	MYNI Indicator	Details of NCR	
Major OCL-03	4.7.3	Date issued: 16/06/2017	
		Nonconformance: 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.	
		Root Cause and Corrective Action:	
		Root Cause 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.	
		Corrective Action 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.	
		Verification (Corrective Action): 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.	
		NC status verified by auditor: Closed by OCL	Date closed: 03/08/2017
Verification (for effectiveness): Verified and effectively closed on 2 June 2018			

NCR	MYNI Indicator	Details of NCR	
Major OCL-04	8.1.1	Date issued: 16/06/2017	
		Nonconformance: 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.	
		Root Cause and Corrective Action:	
		Root Cause 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 & EMP)	
		Corrective Action Gomali mill's EIA & EMP and continuous improvement reports were reviewed once again to check and remove unrelated items. Appendix 7 – Amended page 59 of Gomali mill's EIA & EMP report.	

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		<p>Verification (Corrective Action): 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" style="width: 100%;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 04/08/2017</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 04/08/2017
NC status verified by auditor: Closed by OCL	Date closed: 04/08/2017			
		Verification (for effectiveness): Verified and effectively closed on 2 June 2018		

NCR	MYNI Indicator	Details of NCR
Major SH-01	5.1.2	Date issued: 16/06/2017
		<p>Nonconformance: 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. 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.</p>
		<p>Root Cause and Corrective Action:</p> <p><u>Root Cause</u> 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><u>Corrective Action</u></p> <ul style="list-style-type: none"> i The buffer zone around the catchment pond has been identified & palms have been marked with red paint. ii Sign boards on prohibited activities around the catchment pond were erected.
		<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>
		<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 03/08/2017</td> </tr> </table>
NC status verified by auditor: Closed by OCL	Date closed: 03/08/2017	
		Verification (for effectiveness): Verified and effectively closed on 2 June 2018

NCR	MYNI Indicator	Details of NCR
Major JMD-01	6.1.3	Date issued: 16/06/2017
		<p>Nonconformance: 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>

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		<p>Root Cause and Corrective Action:</p> <p><u>Root cause</u> 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><u>Corrective Action</u> 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> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 04/08/2017</td> </tr> </table> <p>Verification (for effectiveness): Verified and effectively closed on 2 June 2018</p>		NC status verified by auditor: Closed by OCL	Date closed: 04/08/2017
NC status verified by auditor: Closed by OCL	Date closed: 04/08/2017				

NCR	MYNI Indicator	Details of NCR		
Minor OCL-01	4.3.2	Date issued: 16/06/2017		
		Nonconformance: 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:		
		<u>Root Cause</u> As we had topography (contour) maps for all fields, we felt that it was sufficient to cover this requirement		
		<u>Corrective Actions</u> 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.		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 04/08/2017</td> </tr> </table> <p>Verification (for effectiveness): Verified and effectively closed on 2 June 2018</p>	NC status verified by auditor: Closed by OCL	Date closed: 04/08/2017
NC status verified by auditor: Closed by OCL	Date closed: 04/08/2017			

NCR	MYNI Indicator	Details of NCR
Minor SH-01	5.3.3	Date issued: 16/06/2017
		Nonconformance: 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.

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		<p>Root Cause and Corrective Action:</p> <p>Root Cause 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</p> <p>Corrective Action 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.</p> <p>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.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 03/08/2017</td> </tr> </table> <p>Verification (for effectiveness): Actions taken was not satisfactorily implemented in current estates audited. Thus the NC is upgraded to a Major NC in this current assessment ASA-03 in 2018.</p>	NC status verified by auditor: Closed by OCL	Date closed: 03/08/2017
NC status verified by auditor: Closed by OCL	Date closed: 03/08/2017			

NCR	MYNI Indicator	Details of NCR
Minor JMD-01	6.5.3	Date issued: 16/06/2017
		<p>Nonconformance:</p> <ol style="list-style-type: none"> 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. 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. <p>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.</p>

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		<p>Root Cause and Corrective Action:</p> <p><u>Root Cause 1</u> 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><u>Corrective Action 1</u> 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><u>Root cause 2</u> 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><u>Corrective Action 2</u> The Management has arranged for workers to clean up the surau and provided a bigger rubbish bin to the surau. Appendix 12 Rubbish bin provided and rubbish cleaned up at the surau.</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%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 04/08/2017</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 04/08/2017
NC status verified by auditor: Closed by OCL	Date closed: 04/08/2017			
		Verification (for effectiveness): Verified and effectively closed on 2 June 2018		

3.2.4 Year 2017: ASA-02 (2 Observations)

Ref No:	MYNI Indicator	Details of Observation	Status		
			Opened date	Closed date	Remark, if any
OBS JMD-01	6.9.1	<p>Location: Kuala Jelei estate</p> <p>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.</p> <p>However, upon verification there was no sexual harassment report received in the estate so far.</p>	16 Jun 2017	2 Jun 2018	Closed
OBS JMD-02	6.5.2	<p>Location: Gomali POM, Gomali Estate & Kuala Jelei Estate</p> <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. Gomali POM managed to acquire the permit issued by Labour Department from NUPW Secretariat. Furthermore, at Kuala Jelei Estate, only the year 2011 permit was available, which was outdated. The Labour Department was noted to issue a new permit in year 2014.</p>	16 Jun 2017	2Jun 2018	Closed

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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-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)
Government Agencies: No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Non-Governmental Organizations: No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Local Communities - Stakeholders' Consultation: 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	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.	The said request was addressed and resolved in 2018

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submit the list of workers eligible for the vouchers.			
<p>Local Communities - Interviews: 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>-</p> <p>The said request was addressed and resolved in 2018.</p>
<p>Other Interested parties: No feedback received.</p>	No response needed.	No response needed.	Nil

3.3.2 Feedback Raised by Stakeholders - Surveillance Assessment (ASA-03) Year 2018

Communication done via email on 25 April 2018 to various categories of stakeholders (see list under para 2.5):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
<p>Government Agencies: No feedback received.</p>	<p>Ongoing consultations will be maintained. No response needed.</p>	<p>Verified during on-site assessment that no response needed.</p>	Nil
<p>Non-Governmental Organizations: No feedback received.</p>	<p>Ongoing consultations will be maintained. No response needed.</p>	<p>Verified during on-site assessment that no response needed.</p>	Nil
<p>Local Communities - Stakeholders' Consultation: Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 02 June 2018. A total of 25 stakeholders (1 government agencies, 2 transporters, 1 contract worker, 1 temple representative, 7 suppliers, 4 contractors, 1 clinic representative, 2 neighbouring</p>	<p>Ongoing consultations will be maintained. No response needed.</p>	<p>Verified during on-site assessment that no response needed.</p>	Nil

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<p>estate, 3 school representative, 1 sundry shop, 1 food stall/shop owner, 1 auxillary police and 2 FFB transporters) were present at the consultation.</p> <p>They were interviewed by the auditors without the presence of any of the PMU staff.</p> <p>There were no noteworthy concerns received during the interviews and stakeholder consultation. Overall feedback was postive on the PMU operations.</p>			
<p>Local Communities - Interviews: Interviews of sampled staff and workers were also conducted by the auditors during field visits from 28 May – 02 June 2018 at the PMU:</p> <p>Staff/Workers sampling: POM = 8 males, 5 females Estate Offices = 16 males, 10 females Field/sites visit = 20 males, 12 females</p> <p>No issues raised by the sampled staff and workers.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>
<p>Other Interested parties: 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 (Jun 2017) 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



Augustine Loh
Lead Assessor

Date: 18 Aug 2018

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



Mr. Ravi Tony,
Manager
Sustainability, Safety and Health (Peninsular)

Date: 20 Aug 2018

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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 2018
Expiry date	22 August 2020
Organization	IOI Corporation Berhad
Address of Head Office:	Level 28, IOI City Tower 2, Lebuhr IRC, IOI Resort City, 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 (Jun 2017) 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		Mature OP/ Production - ha	Certified / Titled 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	-	-
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	2171	2555.75
Paya Lang Estate	Batu Anam, 85100 Segamat, Johor.	2°36'28.53" N	102°41'41.36" E	1971	2426.79
Bahau Estate	Batu 5 Jalan Bahau Rompin 72100 Bahau Negeri Sembilan	2°48'30.75" N	102°26'44.47" E	2187	2835.50
Bertam Estate	Bertam Estate, 76100 Durian Tunggal, Melaka.	2°17'55.6" N	102°17'30.11" E	411	448.80
Bukit Dinding Estate	1 1/2 Miles, Jalan Mentakab, 28600 Karak, Pahang	3°22'39.8" N	102°05'31.36" E	1378	1660.43
Kuala Jelei Estate	Kuala Jelei Estate, 5km Jalan Tampin, 72109 Bahau, Negeri Sembilan.	2°46'21.56" N	102°22'52.27" E	634	679.26
Tambang Estate	Tambang Estate, Batu Anam, Segamat, 85100 Johor.	2°38'26.33" N	102°42'53.17" E	1539	2019.85
Regent Estate	2 nd Mile Jalan Batang Melaka 73200 Gemencheh, Negeri Sembilan	2°30'29.81" N	102°24'8.23" E	1750	2300.27
Sagil Estate	Sagil Estate, 8 Milestone, Jalan Tangkak - Segamat, 84900 Tangkak, Johor.	2°19'33.84" N	102°38'6.56" E	2042	2538.60



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Jasin Lalang Estate	5km From 15 Miles Air Merbau Jalan Jasin Bemban, Jasin, Melaka	2°15'4.13" N	102°24'44.81" E	1352	1569.67
Sembilan Tani Estate (associated outgrower)	Kampung Kuala Gemas, Gemas, Negeri Sembilan	2°38'15.97" N	102°37'03.81" E	212	256.87

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

Gomali POM	Annual Tonnages (MT)
Certified FFB	405,171
Certified CPO	89,134
Certified PK	22,284
Supply chain module	Identity Preserved (IP)

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Appendix A:

Qualifications of Lead Assessor and Assessment Team

Mr. Augustine Loh (AL) – Lead Assessor / Technical Expert

(Palm Oil Mill, Environment, Social, Conservation & HCV area, GAP, IPM, Land Use and Supply Chain)
– Master in Business Administration, USA and Diploma in Maritime Studies, Singapore

Mr. Augustine Loh is an IRCA Third Party Assessment Lead Auditor and IRCA Lead Tutor for IRCA ISO 9001 and OHSAS 18001 Lead Auditor Courses as well as Tutor for RSPO Certification Programs and Integrated Management System in Intertek, Malaysia. He is a PORLA Licensed Surveyor / Inspector. He has over 25 years of fieldwork and experience in Palm based product survey, supply chain monitoring, inspection and testing. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001, ISO 14001, OHSAS 18001, ISO 22001, ISO 27001, RSPO Principles and Criteria Lead Assessor Course, RSPO Supply Chain Certification and the International Sustainable Carbon Certification (ISCC) Lead Auditor courses. He has also completed the RSPO training on RSPO P&C, RSPO Palm GHG tool, RSPO RED and RSPO NEXT requirements. He has conducted assessments of organizations in Malaysia, Singapore, Indonesia, Brunei, Thailand, Cambodia and Australia. He is currently the RSPO Regional Program Manager of Intertek Certification International, Malaysia and has performed over 800 auditing days on quality, environmental and safety & health assessments in various sectors including agriculture and oil palm plantations. He was the RSPO CB Assessment Team Leader / Member which audited several RSPO certified Plantation Management Units since 2009. He was the CB Team Leader in the stakeholder consultation and development of the RSPO Cambodian Local Indicators. He is a member of the CB Internal Review Panel for RSPO Assessment reports since 2010. He is also a Lead Auditor in the Malaysian Sustainable Palm Oil (MSPO) certification.

Mr. Sazali Hasni – Assessor / Technical Expert

(Environment, Conservation and HCV area)
- Bachelor of Science (Forestry)

Mr. Sazali 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. He is also an Auditor in the Malaysian Sustainable Palm Oil (MSPO) certification.

Mr. Mohd Nazib bin Marwan (MNM) – Assessor / Technical Expert

(Occupational Health & Safety and Social)
– Diploma in Mechanical Engineering

Mr Mohd Nazib Marwan has over 15 years work experience in occupational safety and health sector (since 2003). He has 5 years working experience as Factories and Machinery Inspector with Department of Occupational Safety & Health Malaysia (DOSH) and earlier he has been certified with Certificate for Safety and Health Officer from National Institute of Occupational Safety and Health (NIOSH). He has successfully completed the IRCA accredited Lead Auditor Course in ISO 9001:2008, OHSAS 18001: 2007. He is also an ISO 9001 Lead Auditor and OHSAS 18001 Lead auditor with Intertek, Malaysia and has performed over 400 auditing days on quality, safety and health in various sectors including palm oil industries since 2012. He has successfully completed training in the RSPO P&C, MYNI Lead Assessor course. He is a member of the RSPO Assessment team which audited several RSPO certified Plantation Management Units since 2014. He is also an Auditor in the Malaysian Sustainable Palm Oil (MSPO) certification.

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Appendix B:

Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
28 May 2018 Monday (Day 1)	8.00 am – 11.00 am	Travel to Gomali Palm Oil Mill		
	11.00 am – 11.30 am	Opening Meeting and Briefing at POM Office (attended by representatives from the POM & Estates)		
	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	AL	SH	MNM
		Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Mill • P8 Continual Improvement • SCC for POM 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	<ul style="list-style-type: none"> • Verification of effectiveness of corrective actions for non-conformances • Review of Time Bound Plan • Verification for compliance on Multiple Management Units 			
	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		
		AL	SH	MNM
29 May 2018 Tuesday (Day 2)	8.30 am – 12.30pm	Site assessment at Bahau estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Bahau estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Bahau estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
		Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Bahau estate		
	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		
		AL	SH	MNM
30 May 2018 Wednesday (Day 3)	8.30 am – 12.30pm	Site assessment at Bertam estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Bertam estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Bertam estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Bertam 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		
		AL	SH	MNM
31 May 2018 Thursday (Day 4)	8.30 am – 12.30pm	Site assessment at Jasin Lalang estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Jasin Lalang estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Jasin Lalang estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Jasin Lalang 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		
		AL	SH	MNM
1 Jun 2018 Friday (Day 5)	8.30 am – 12.30pm	Site assessment at Tambang estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Tambang estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Tambang estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement

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	12.30 pm – 1.30 pm	Lunch Break
	1.30 pm - 5.30 pm	Continue site assessment at Tambang 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		
		AL	SH	MNM
2 Jun 2018 Saturday (Day 6)	8.30 am – 11.00 am	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Mill • P8 Continual Improvement • SCC for POM 	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below): <ul style="list-style-type: none"> • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community 	
			Notes 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. 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	
	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	Closing Meeting & Briefing at Palm Oil Mill Office		
1.00 pm onwards	Travel back to Kuala Lumpur			

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Appendix C-1:

Location Map of IOI Gomali Grouping, Johor, Malaysia

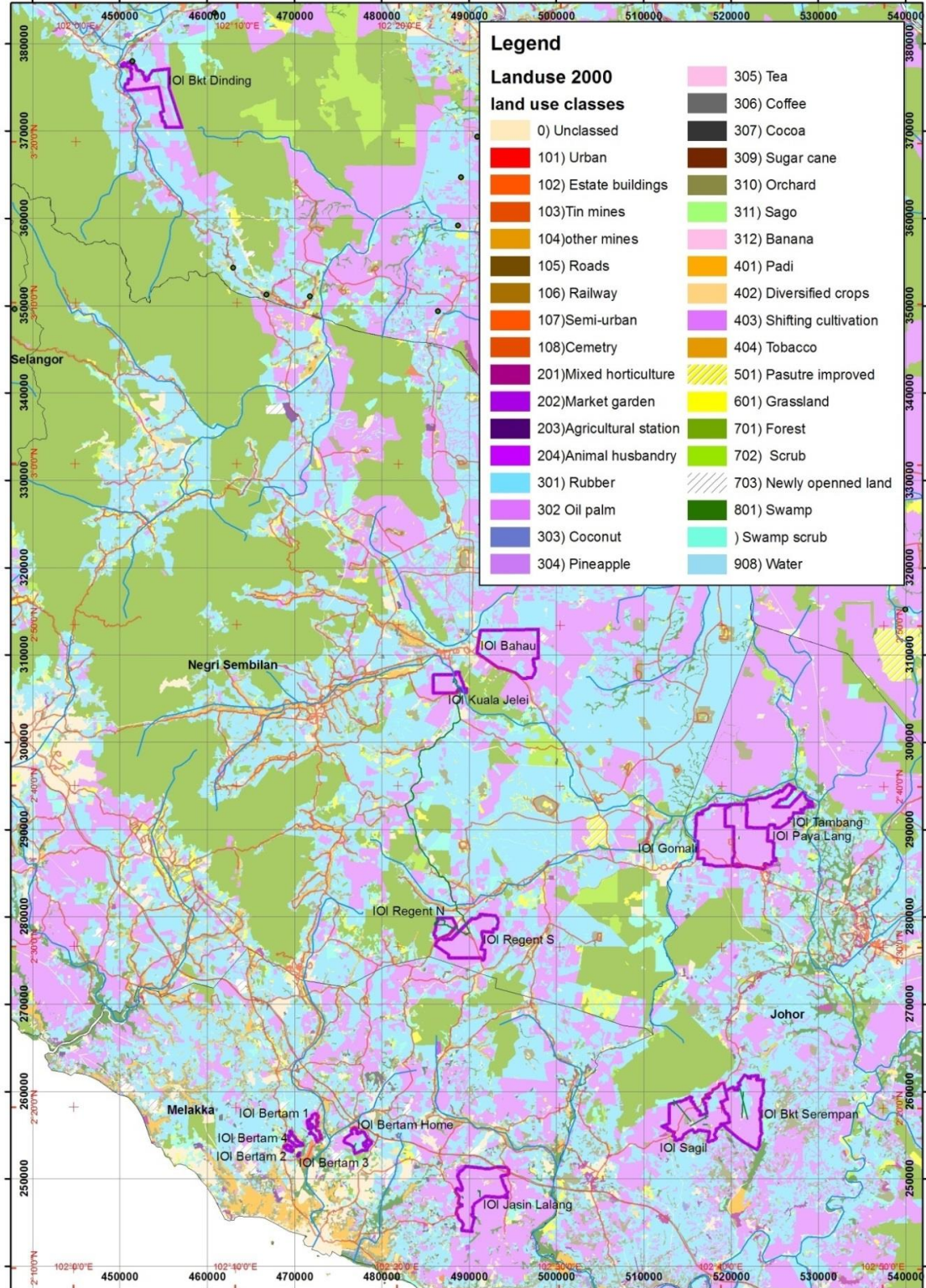


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**Appendix C-2:
 Location Map of IOI Gomali PMU**

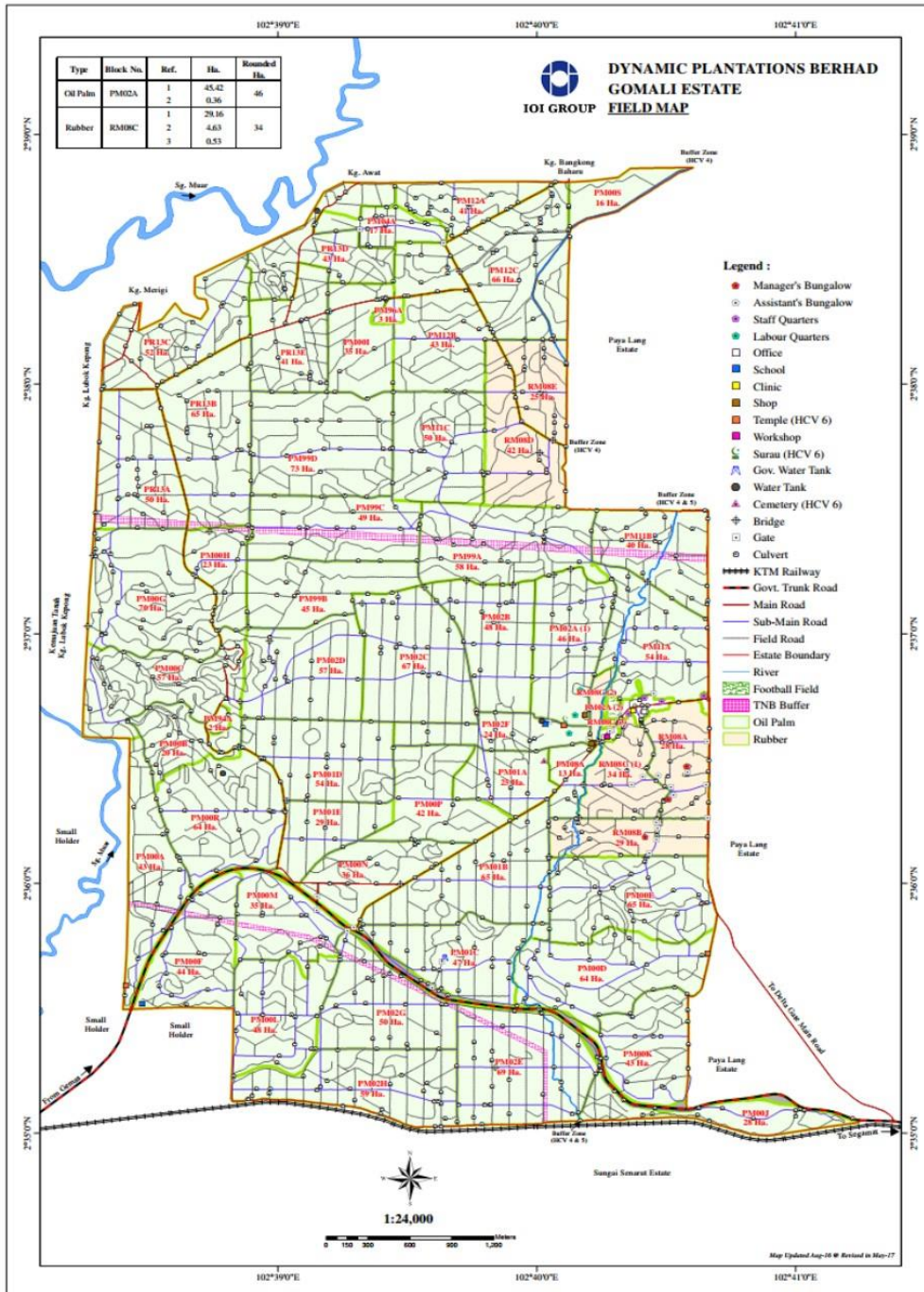


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**Appendix C-3-1:
 Map of Gomali estate**

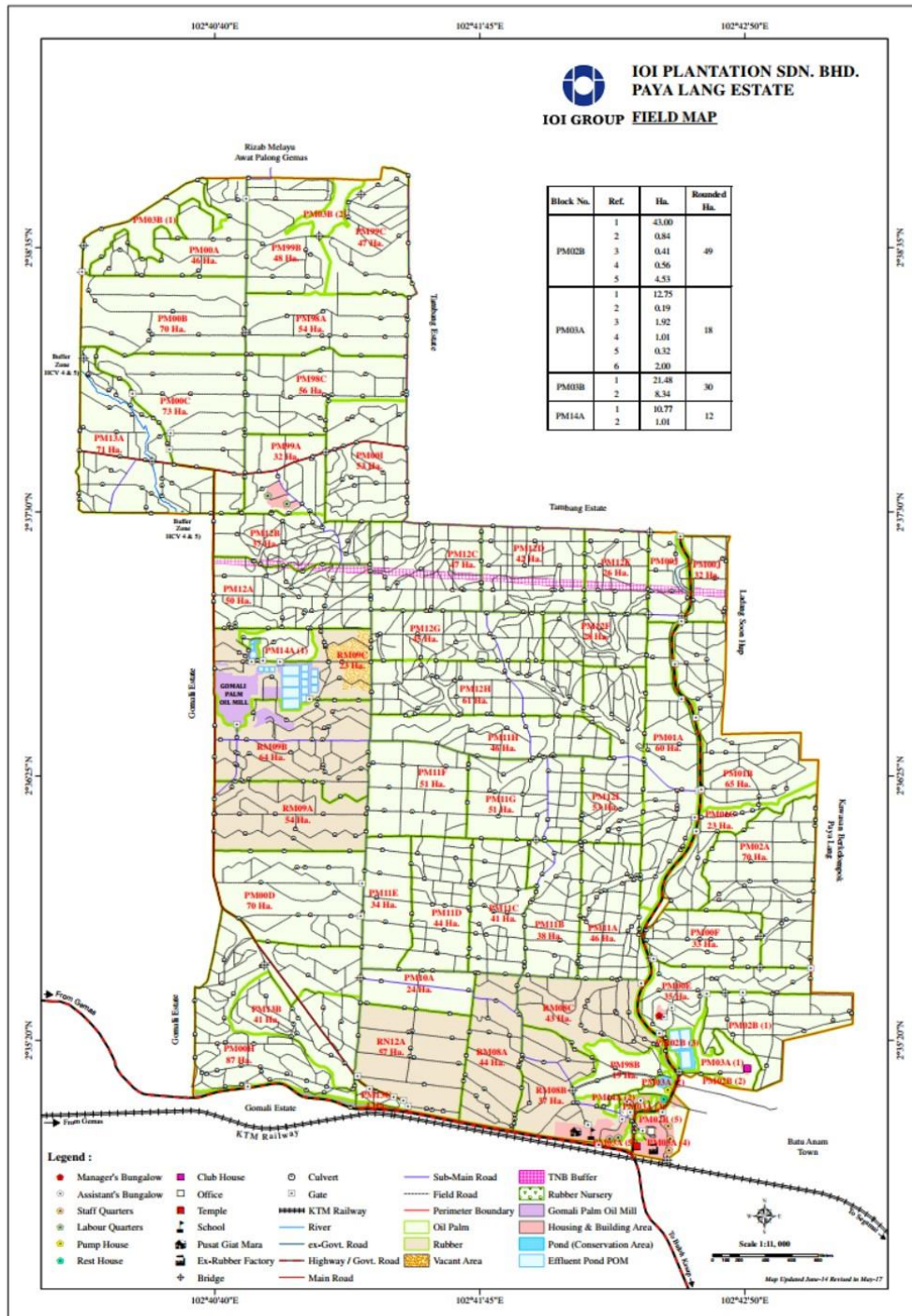


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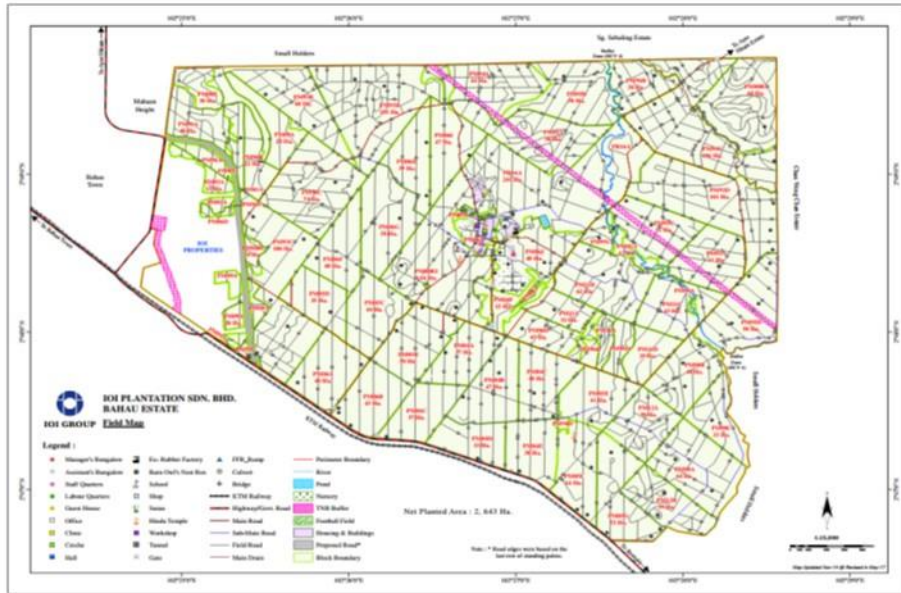
Appendix C-3-2: Map of Paya Lang estate



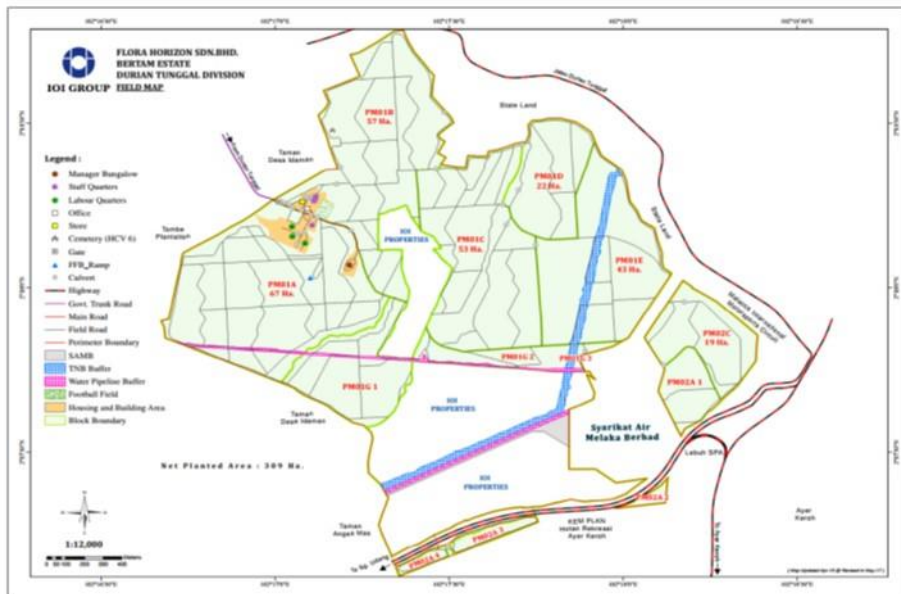
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**Appendix C-3-3:
Map of Bahau estate**



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

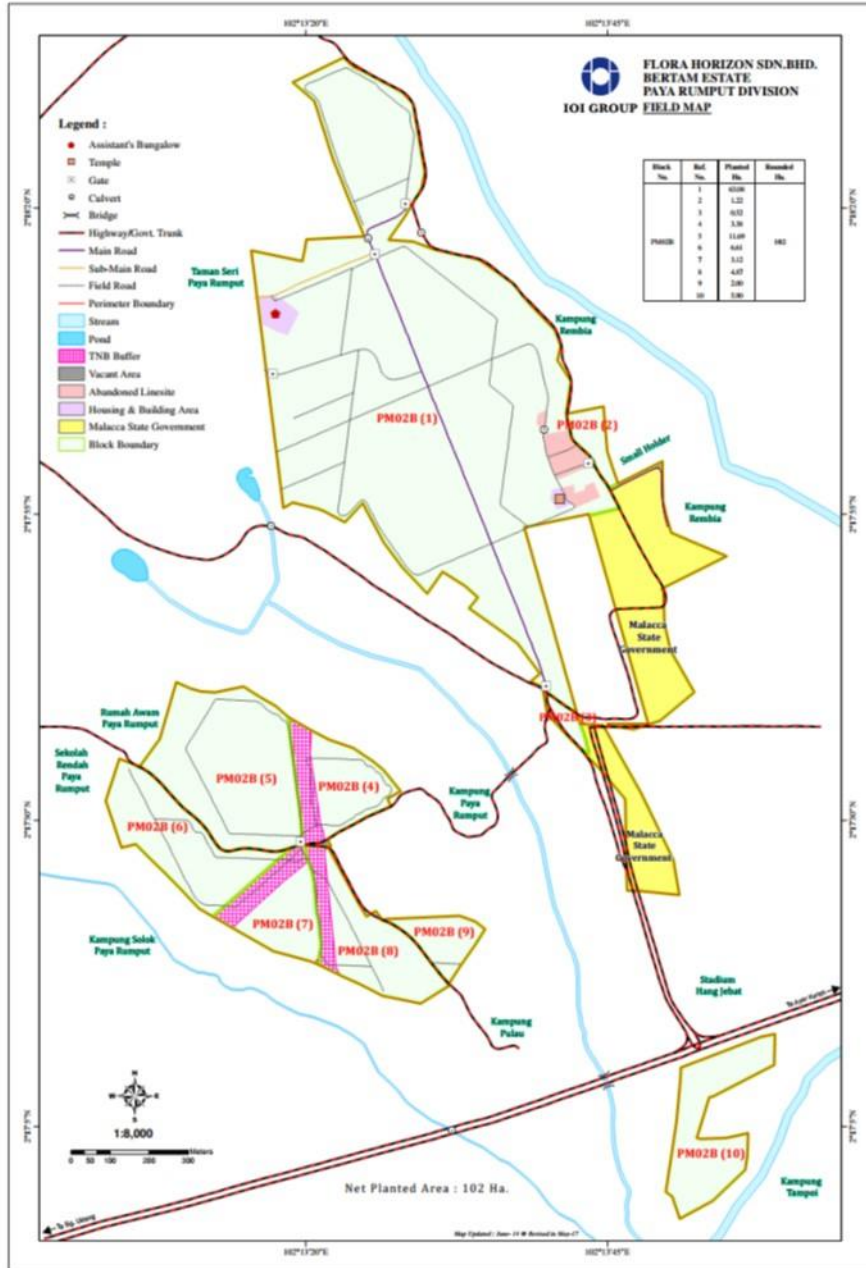


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Appendix C-3-4:
Map of Bertam estate (Paya Rumput Division)

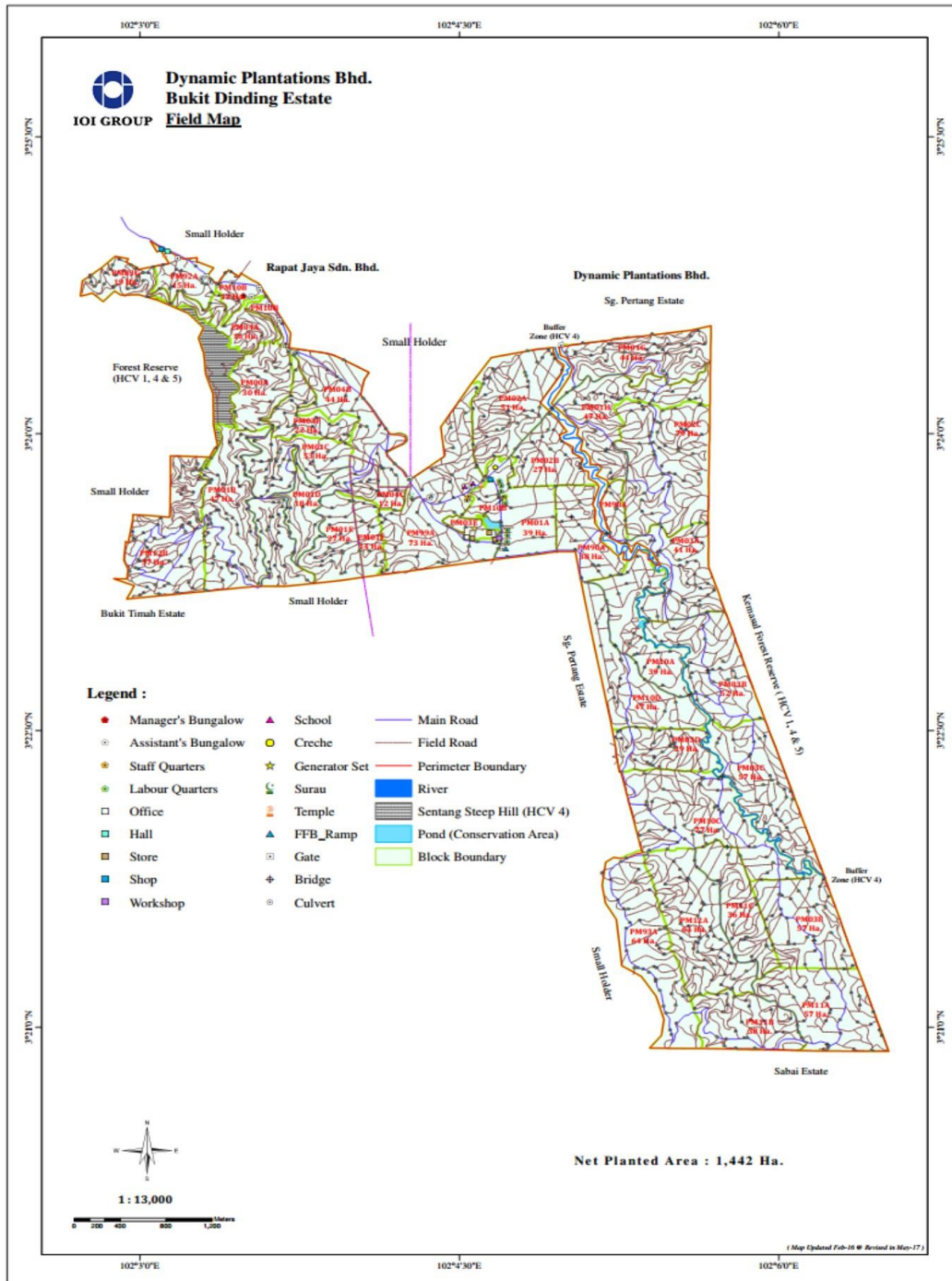


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Appendix C-3-5: Map of Bukit Dinding estate

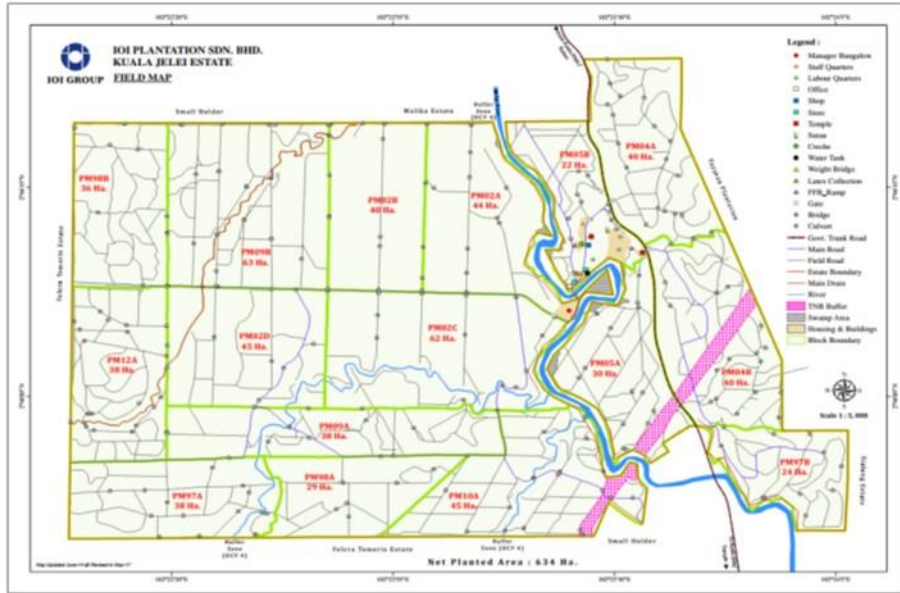


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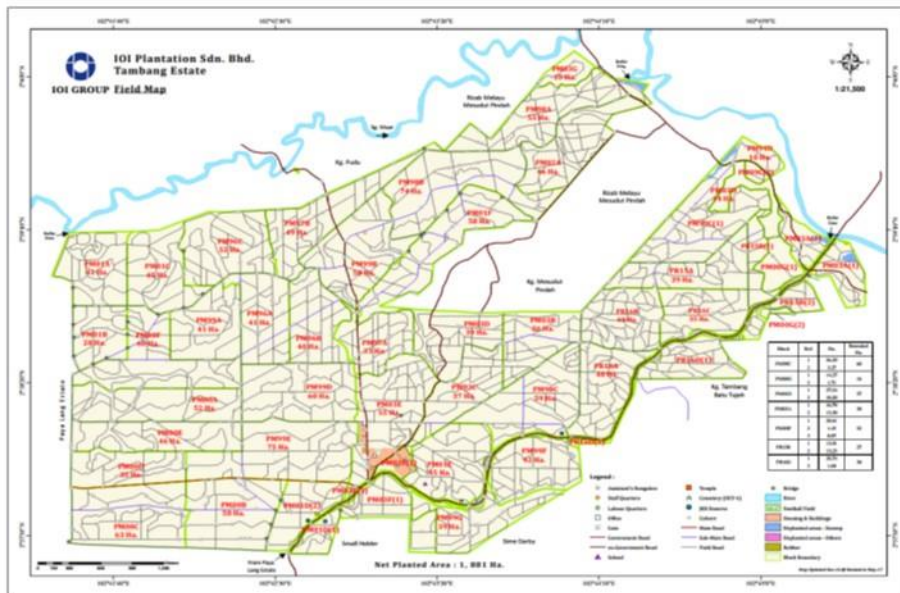
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**Appendix C-3-6:
 Map of Kuala Jelei estate**



**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

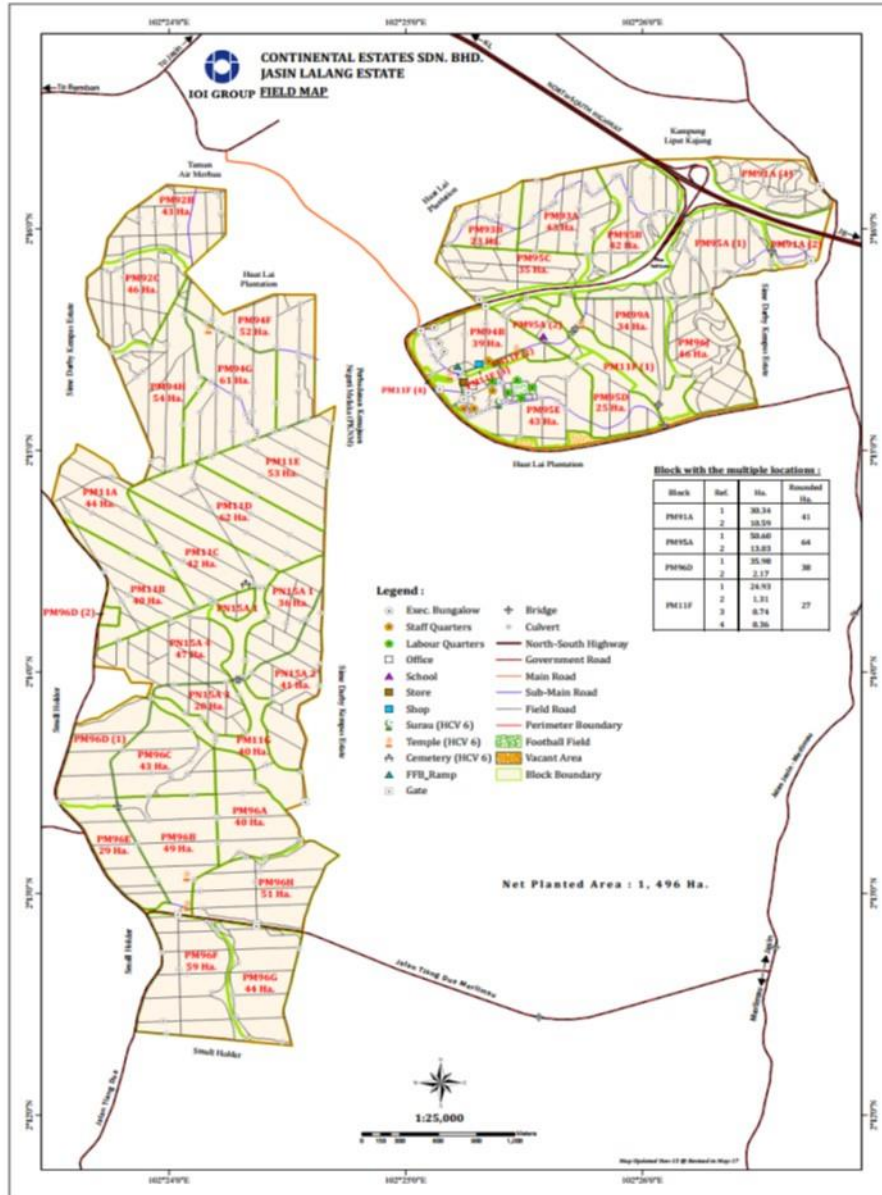


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Appendix C-3-10: Map of Jasin Lalang estate



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Appendix D:

Photographs of findings at Gomali Grouping (ASA-03)

	
<p>Tambang estate: Safety & Upkeep of Field near office</p>	<p>Tambang estate: Increase in the Barn owl boxes</p>
	
<p>Bertam estate: Planting of Beneficial plants</p>	<p>Jasin Lalang estate: Planting of Beneficial plants</p>

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Appendix E:

Time Bound Plan

Details of Time Bound Plan as submitted by IOI Plantation Services Sdn Bhd (updated Aug 2018)

No	PMU	Main Assessment	Certification Status	Current Status	Updated Information for Multiple Management Units as per RSPO Certification Systems for Principles & Criteria (June 2017) - revised clause 4.5.3 & 4.5.4 for Certified and Uncertified Units.
1.	Pamol (Sabah) POM, Sabah	May 2008	Re-Certified in Dec 2016	ASA-01 cum extension completed in Sept 2017	Sugut estate (uncertified) has been included for audit into the Pamol (Sabah) grouping. The estate is now certified under the PMU. No outstanding issues
2.	Sakilan POM	Nov 2008	Re-Certified in Mar 2015	ASA-02 completed in Dec 2017	No outstanding issues
3.	Pamol Kluang POM	Mar 2009	Re-Certified in 2015	ASA-02 is completed in Dec 2017	No outstanding issues
4.	Gomali POM	Aug 2009	Re-Certified in Aug 2015	ASA-03 completed for Jun 2018	No outstanding issues
5.	Baturong POM	Sept 2009	Re-Certified in Oct 2015	ASA-03 completed in Jul 2018	No outstanding issues
6.	Bukit Leelau POM	Apr 2010	Re-Certified in Nov 2015	ASA-01 completed in Sept 2017	No outstanding issues
7.	Mayvin POM	Aug 2010	Re-Certified in Dec 2015	ASA-02 completed in Oct 2017	No outstanding issues
8.	Pukin POM, Johor	Dec 2010	Certified in June 2012	ASA -01 completed in Mar 2018	No outstanding issues
9.	Leepang (Sabah) POM	Aug 2012	Certified in Dec 2013	ASA-04 completed in Oct 2017	No outstanding issues
10.	Syarimo POM	Sept 2012	Certified in Mar 2013	Re-Certified in Jan 2018	No outstanding issues
11.	Ladang Sabah POM	Oct 2012	Certified in Apr 2013	Re-Cert done in Jan 2018	Transferred to new CB (BSI) in Jan 2018. Certification in progress
12.	Morisem POM, Sabah	Sept 2013	Certified in Dec 2013	ASA-04 completed in Sept 2017	No outstanding issues
13.	IOI – Pelita, Sarawak	Planned - 2019	Uncertified Unit	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>Statement in regards of divestment of its 70% equity & IOI commitments on the resolution for the Pelita case can be accessed at www.ioigroup.com</p> <p>Dispute settlement in IOI-Pelita is intensively done together with the ground team. Participatory mapping within IOI-Pelita landscape among the respective communities are planned to be conducted. A mediation process together with Grassroots and other social NGO will be conducted in March 2018 involving Land District Office and Pelita. In addition, Corporate Social Responsibility (CSR) activities is actively being conducted on the ground such as road repairs and providing construction materials to the main local communities in Long Teran Kanan and Long Jegan.</p>
14.	Unico POM-1, Sabah	Feb 2018	Certified in June 2018	ASA-01 planned in 2019	No outstanding issues.

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15.	Unico Desa POM-2, Sabah	Jan 2018	Certified in May 2018	ASA-01 planned in 2019	No outstanding issues.
16.	PT SKS, Indonesia	Planned - 2018	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 –Final verification by RSPO CP was conducted in end of January 2018. Final report on the feedback from the verification visit is expected to be shared to IOI in March 2018 Certification preparations in progress. Pending issuance of HGU
17.	PT BNS, Indonesia	Planned - 2018	Uncertified Unit	Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental HGU application in process.	Update on the RSPO Suspension and complaint by Aidenvironment –Final verification by RSPO CP was conducted in end of January 2018. Final report on the feedback from the verification visit is expected to be shared to IOI in March 2018 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 –Final verification by RSPO CP was conducted in end of January 2018. Final report on the feedback from the verification visit is expected to be shared to IOI in March 2018 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 report has been sent to HCVRN on 20 th November 2017. Received Letter of Satisfactory from HCVRN on 25 th November 2017 Currently at the stage of final verification by Certification Body before the final submission to RSPO. IOI Public statement on PT KPAM – June 2018 http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=882

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Appendix F:

Summary of RSPO CP decisions and RSPO Case Tracking on IOI Group (updated Aug 2018)

1) Monitoring by RSPO Complaints Panel (CP)

Weblink: <http://www.rspo.org/members/status-of-complaints?keywords=IOI&country=&category=>

2) Latest updates (according to RSPO complaint case tracker) as follows:

i) 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>

24 January 2018 (CP Meeting):

The verification exercise is taking place on 25–29 Jan 2018. Secretariat to follow up with the verification team. The Secretariat will also be having a post verification meeting with the team on 31 Jan 2018.

ii) RSPO Case Tracker on: IOI Pelita Sdn Bhd, Sarawak

Weblink: <https://www.rspo.org/members/complaints/status-of-complaints/view/4>

24 January 2018 (CP Meeting):

Secretariat to proceed with a meeting with the Company and Grassroots to discuss the revision to the Action Plan.

3) Updated IOI Group Newsletters and Corporate Communications

Weblink: http://www.ioigroup.com/Content/NEWS/N_Archive

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.

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

Sept 2017: IOI submitted its Sustainability Report

http://www.ioigroup.com/Content/S/S_Policy

IOI uploaded the Social Responsibility report by BSR

<http://www.ioigroup.com/Content/S/PDF/BSR%20Summary%20Report.pdf>

31 Oct 2017: IOI Group Revised Policies on Human Rights at Workplace.

<http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=856>

12 Jan 2018: IOI Group on Pelita Sdn Bhd, Sarawak

<http://www.ioigroup.com/Content/NEWS/NewsroomDetails?intNewsID=869>

29 Jan 2018: IOI Group – Sustainability Progress Update (Oct-Dec 2017) Quarterly Report

http://www.ioigroup.com/Content/S/PDF/20180126_Quarterly%20Sustainability%20Update_F.pdf-

30 July 2018: IOI Group – Sustainability Progress Update (Apr- June 2018) Quarterly Report

http://www.ioigroup.com/Content/S/PDF/Quarterly%20Sustainability%20Update_20180730_final.pdf

-End-