

IOI Corporation Berhad

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

MILL & PLANTATION MANAGEMENT UNIT

Dynamic Plantations Bhd - Gomali POM & Estates Grouping

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



Valued Quality. Delivered.

Assessment Report

"This report (including any enclosures and attachments) has been prepared for the exclusive use and benefit of the addressee(s) and solely for the purpose for which it is provided. Unless we provide express prior written consent, no part of this report should be reproduced, distributed or communicated to any third party. We do not accept any liability if this report is used for an alternative purpose from which it is intended, nor do we owe any duty of care to any third party in respect of this report."

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 2 of 110

ANNUAL SURVEILLANCE ASSESSMENT
PUBLIC SUMMARY REPORT

IOI CORPORATION BERHAD

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

MILL & PLANTATION MANAGEMENT UNIT

Dynamic Plantations Bhd
– Gomali POM & Estates Grouping

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

Certificate No:	RSPO 930588
Issued date:	23 Aug 2015
Expiry date:	22 Aug 2020

Assessment Type	Assessment Dates
Annual Surveillance Assessment (ASA-01)	20–24 Jun 2016
Annual Surveillance Assessment (ASA-02)	12–16 Jun 2017
Annual Surveillance Assessment (ASA-03)	28 May – 2 Jun 2018
Annual Surveillance Assessment (ASA-04)	24, 27 – 31 May 2019
Re-Certification Assessment	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 3 of 110

TABLE OF CONTENTS

Section	Content	Page No
1.0	SCOPE OF ASSESSMENT	4
1.1	Introduction	4
1.2	Location (address, GPS and map) mill, estates and hectarage	4
1.3	Description of supply base (fruit sources)	5
1.4	Year of plantings and cycle	6
1.5	Summary of Land Use – Conservation and HCV Areas	7
1.6	Other certifications held and Use of RSPO Trademarks	7
1.7	Organizational information/contact person	7
1.8	Tonnages Verified for Certification	8-10
1.9	Time Bound Plan for Multiple Management Units	11-15
1.10	Abbreviations Used	16
2.0	ASSESSMENT PROCESS	17
2.1	Assessment Methodology, Plan & Site Visits	17
2.2	Date of next scheduled visit	17
2.3	Qualifications of the Lead Assessor and Assessment Team	17
2.4	Certification Body	17
2.5	Process of Stakeholder consultation	18-19
3.0	ASSESSMENT FINDINGS	20
3.1	Summary of findings	20-68
3.2	Status of Identified Noncompliance and Corrective Actions, Observations and Identified Positive Elements	69-86
3.3	Summary of Feedback Received from Stakeholders and Findings	86-88
4.0	ASSESSMENT CONCLUSION AND RECOMMENDATION	89
4.1	Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings	89
4.2	Intertek RSPO Certification Details for the PMU	90-91
APPENDICES		
Appendix A	Qualifications of the Lead Assessor and Assessment Team	92
Appendix B	Assessment Plan	93-95
Appendix C	Maps of location – Mill and Estates	96-105
Appendix D	Time Bound Plan on Mutiple Management Units (IOI submitted)	106-110

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 4 of 110

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 **24, 27–31 May 2019**, 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 (N)	Longitude (E)
Dynamic Plantations Bhd - Gomali POM (Capacity: 120 MT/hour)	Gomali Palm Oil Mill, 5th Mile, Jalan Gemas-Batu Anam, K.B. No. 102, 85100 Segamat, Johor, Malaysia.	2.610685	102.679438
1. Gomali Estate	Jalan Gemas-Batu Anam, K.B. No. 102, 85100 Segamat, Johor, Malaysia.	2.611578	102.673342
2. Paya Lang Estate	Batu Anam, 85100 Segamat, Johor, Malaysia.	2.582397	102.707672
3. Tambang Estate	Tambang Estate, Batu Anam, Segamat 85100 Johor, Malaysia.	2.631970	102.716407
4. Sagil Estate	8 Milestone, Jalan Tangkak-Segamat, 84900 Tangkak, Johor, Malaysia.	2.315038	102.634702
5. Regent Estate	2nd Mile, Jalan Batang Melaka, 73200 Gemencheh, Negeri Sembilan, Malaysia.	2.514053	102.404666
6. Bahau Estate	Batu 5, Jalan Bahau-Rompin, 72100 Bahau, Negeri Sembilan, Malaysia.	2.809068	102.448724
7. Kuala Jelei Estate	5KM, Jalan Tampin, 72109 Bahau, Negeri Sembilan, Malaysia.	2.774567	102.389746
8. Bertam Estate	Flora Horizon Sdn Bhd, Bertam Estate, 76100 Durian Tunggal, Melaka, Malaysia.	2.304040	102.284882
9. Jasin Lalang Estate	5KM From 15 Miles Air Merbau, Jalan Jasin Bemban, Jasin Melaka, Malaysia.	2.254690	102.421190
10. Bukit Dinding Estate	1 1/2 Miles, Jalan Mentakab, 28600 Karak, Johor.	3.391261	102.075497
11. Sembilan Tani Estate (associated outgrower)	Kampung Kuala Gemas, Gemas, Negeri Sembilan	2.637769	102.617725

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 5 of 110

Table 1-1: Listing of MPOB Licenses and Validity

Name of Operating Unit (as per MPOB License Name)		MPOB License No.	Validity Period
Dynamic Plantations Bhd - Gomali POM (Capacity: 120 MT/hour)		500117204000	01/022019 – 31/01/2020
Estates			
1	Dynamic Plantations Bhd - Gomali Estate	502164502000	01/02/2019 – 31/01/2020
2	IOI Plantation Sdn Bhd - Paya Lang Estate	586873002000	01/07/2019 – 30/06/2020
3	IOI Plantation Sdn Bhd -Tambang Estate	586869002000	01/07/2019 – 30/06/2020
4	IOI Plantation Sdn Bhd -Sagil Estate	586841002000	01/07/2019 – 30/06/2020
5	IOI Plantation Sdn Bhd - Regent Estate	586619002000	01/07/2019 – 30/06/2020
6	IOI Plantation Sdn Bhd - Bahau Estate	586370102000	01/07/2019 – 30/06/2020
7	IOI Plantation Sdn Bhd -Kuala Jelei Estate	586620002000	01/07/2019 – 30/06/2020
8	Flora Horizon Sdn Bhd - Bertam Estate	509491002000	01/01/2019 – 31/12/2019
9	GLM Emerald Industrial Park (Jasin) Sdn Bhd - Jasin Lalang Estate	611934002000	25/05/2019 – 31/05/2020
10	Dynamic Plantations Berhad - Bukit Dinding Estate	501850402000	01/10/2019 – 30/09/2020
11	Sembilan Tani Sdn Bhd Sembilan Tani Estate	508882102000	01/08/2019 – 31/07/2020

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 6 of 110

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 2018)		Area Summary (ha) – Current (Year 2019)	
	Certified Area	Planted Area	Certified Area	Planted Area
Gomali Estate	2555.75	2171	2555.75	2171
Paya Lang Estate	2426.79	1971	2467.25	1971
Tambang Estate	2019.85	1881	2011.32	1876
Sagil Estate	2538.60	2169	2665.66	2163
Regent Estate	2300.27	2137	2300.27	2137
Bahau Estate	2835.50	2639	2844.17	2639
Kuala Jelei Estate	679.26	634	679.26	634
Bertam Estate	448.80	411	448.80	411
Jasin Lalang Estate	1569.67	1496	1563.89	1485
Bukit Dinding Estate	1660.43	1442	1660.43	1447
Sembilan Tani Estate (associated outgrower)	256.87	212	256.87	212
Total:	19,291.79	17,163	19,453.70	17,146

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 2019.
4. It is noted that there was an overall reduction of 17 ha, in the planted areas, due to part of planted land area been sold to Tenaga National Berhad for the construction of power transmission lines.
5. There was overall increase in the certified land area hectareage by 161.91 ha, as several land parcels which were previously internally transferred out to the IOI Property group (under subsidiaries, Bukit Kelang Development Sdn Bhd and Nice Skyline Sdn Bhd) in previous years were reinstated back into the respective certified areas of Paya Lang, Bahau and Sagil estates.
6. Verified there was no expansion in the certified land areas for oil palm development or any new planting taking place.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 7 of 110

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: 2019)

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total (ha) – Planted
1. Gomali Estate	1994-2008 2011-2013	1 st 2 nd	2171	0	2171
2. Paya Lang Estate	1988-2003 2010-2014	1 st 2 nd	1971	0	1971
3. Tambang Estate	1994-2003 2016-2018	1 st 2 nd	1431	445	1876
4. Sagil Estate	1993-2009 2012-2018	1 st 2 nd	1970	193	2163
5. Regent Estate	1993-2009 2014-2018	1 st 2 nd	1679	458	2137
6. Bahau Estate	1992-2009 2011-2018	1 st 2 nd	2046	593	2639
7. Kuala Jelei Estate	1997-2005 2009-2010	1 st 2 nd	634	0	634
8. Bertam Estate	2001-2002	2 nd	411	0	411
9. Jasin Lalang Estate	1991-1999 2011-2015	1 st 2 nd	1485	0	1485
10. Bukit Dinding Estate	1999-2004 2010-2018	1 st 2 nd	1327	120	1447
11. Sembilan Tani Estate (associated outgrower)	1994-1998	1 st	212	0	212
G-Total			15,337	1,809	17,146

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 8 of 110

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: 2019)
1	Oil Palm - Planted Area (ha)	17,146
	OP Mature (Production)	15,337
	OP Immature (Non-Production)	1,809
	OP Planted on Peat (see note1)	0
	Other crop such as Rubber etc.	0
2	Conservation Area (ha)	
	Conservation (forested)	0
	Conservation (non-forested)	37.45
3	HCV Area (ha)	
	Areas as defined under HCVF Toolkit for HCV 1- 6	83.37

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:

Mr. NB Sudhakaran
Plantation Director
IOI Plantation Services Sdn Bhd
IOI City Tower Two, Persiaran IRC 2,
IOI Resort City, 62502, Putrajaya, Malaysia
Tel: 603-89478888
Fax: 603-89478988
Email: nb.sudha@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

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 9 of 110

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 - Aug 2017- Apr 2018) + Projected (May 2018 – Aug 2018)]

#	Estate /Supplier	FFB Processed (MT)	Main Processing Palm Oil Mill	Certification By CB
1	Gomali Estate	49,400.00	Gomali Mill	Intertek
2	Paya Lang Estate	45,900.00	Gomali Mill	Intertek
3	Bahau Estate	35,800.00	Gomali Mill	Intertek
4	Bertam Estate	52,700.00	Gomali Mill	Intertek
5	Bukit Dinding Estate	38,000.00	Gomali Mill	Intertek
6	Kuala Jelei Estate	50,800.00	Gomali Mill	Intertek
7	Tambang Estate	16,100.00	Gomali Mill	Intertek
8	Regent Estate	11,800.00	Gomali Mill	Intertek
9	Sagil Estate	37,000.00	Gomali Mill	Intertek
10	Jasin Lalang Estate	34,500.00	Gomali Mill	Intertek
11	Sembilan Tani Estate (Associated outgrower)	2,200.00	Gomali Mill	Intertek
	a) Sub-total by PMU estates:	374,200.00		
	External under Parent group (certified):			
	-	0	-	-
	b) Sub-Total other certified estates:	0	-	-
	External / Other supplies (non-certified)			
	-	-	-	-
	c) Sub-total non- certified estates:	-		
	Grand total:	374,200.00		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 10 of 110

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 2017/2018 - Actual		FFB Processed in Year 2018/2019 - Actual & Projected		FFB for processing in Year 2019/2020 - Projected	
	MT	%	MT	%	MT	%
Grouping estates: (certified)	366,852.45	97.76	374,200	100.0%	370,000	100.0%
External Suppliers: (certified)	8,421.1	2.24	0	0	0	0
External Suppliers: (non-certified)	-	-	-	-	-	-
Total	375.273.55	100.0%	374,200	100.0%	370,000	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 2017/2018 Sept 2017 – Aug 2018 - Actual		Year 2018/2019 Sept 2018 – Aug 2019 - Actual & Projected		Year 2019/ 2020 Sept 2019 - Aug 2020 - Projected	
	Total Certified FFB Processed (MT)	375.273.55		374,200		370,000
Total Certified CPO Production (MT)	81,621.99	OER: 21.75%	82,380	OER: 22.00%	81,400	OER: 22.00%
Total Certified PK Production (MT)	18,389.40	KER: 4.90%	18,540	KER: 4.95%	18,315	KER: 4.95%

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.**

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 11 of 110

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.

Today IOI Group manages a total of 19 Plantation Management Units (PMU) which comprise 15 palm oil mills and over 90 oil palm estates throughout Malaysia and Indonesia. Currently, 14 of its PMUs have been certified with another 5 managed units still 'un-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.

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

On overall, IOI Group had progressively implemented their TBP and its commitment to complete RSPO certifications on all its 'non-certified' units, targeted by 2023.

Verification of requirements for Uncertified Management Units:

RSPO CS (2017) Clause 4.5.4		
(a) No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. Any new plantings since January 1st, 2010 shall comply with the RSPO New Planting Procedure (NPP) . For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;		
Requirements	Findings and Objective Evidence	Compliance
(a) <ul style="list-style-type: none"> Is there any replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3 	<p>Updates on the RSPO CP Complaints case tracking was referred to on issues related to this on IOI's uncertified units prior to and during the audit.</p> <p>Verified that incidences of HCV clearance that were reported at the IOI's 3 uncertified units at Kalimantan, Indonesia namely PT BSS, PT SKS and PT BNS since year 2010 is being resolved as per the RSPO NPP and RSPO CP Complaints processes.</p> <p>Another 1 unit namely PT KPAM at Kalimantan, had undergone the NPP public consultation and HCSA was approved in April 2018. Currently, the plantation is under development and pending issuance of Local Government HGU.</p> <p>Reports on the NPP progress made to resolve the issues at the said units were checked and monitored till latest update made available on: Refer to Weblink: https://askrspo.force.com/Complaint/s/case/50090000028Erz8AAC/detail</p> <p>Monitoring details and updates are verified. Refer to: Appendix D.</p> <p>As at this current assessment, there has been no other incidences of any replacement of primary forest at any other area under the IOI group.</p>	Complied
<ul style="list-style-type: none"> Is there any new plantings since January 1st 2010 and did the new plantings comply with the 	<p>The new plantings since 1 Jan 2010 at were reported as per the IOI submitted TBP (updated in Mar 2019). Refer to: Appendix D.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 12 of 110

<p>RSPO New Planting Procedure (NPP)</p>	<p>Based on sources of publicly available at RSPO and IOI websites, and feedback from stakeholder consultations, it is verified that the 4 uncertified units identified (where new plantings occurred) have been making progress to comply with the RSPO NPP (2015).</p> <p>Verified that progress on actions taken include the following:</p> <p>In July 2018, IOI had introduced new Peatland Protection and Management Policy which detailed their effort towards protection, conservation and management of peatlands.</p> <p>In August 2018, IOI and NGO-Aidenvironment, had finalised the design of the South Ketapang Landscape Initiative. The initiative addresses the most common and critical challenges facing the South Ketapang landscape such as peatland management and rehabilitation, biodiversity conservation, flood and fire prevention, and community livelihood development.</p> <p>Sustainability Progress Update (Oct - Dec 2018): https://www.ioigroup.com/Content/MEDIA/NewsroomDetails?ntNewsID=936 https://www.ioigroup.com/Content/S/pdf/QSU%202018%20Q4.pdf</p> <p><i>Summary – extract from above:</i> Phase 1 (Document Review and Consultation) of the external verification of IOI's implementation of its commitments by Proforest was completed in October 2018. Phase 2 (Field Verification) commenced in November 2018 with field visits to Gomali, Johor and Pontianak, Indonesia, followed by Lahad Datu, Sabah in December 2018.</p> <p>The RSPO Complaints Panel (CP) officially closed the complaint case on IOI's plantation subsidiary companies (PT SNA Group) in Ketapang, Indonesia on 12 October 2018.</p> <p>As at this current assessment, there has been no recent new or additional new plantings by the IOI group.</p>	
<ul style="list-style-type: none"> Was the new planting development verified by an RSPO accredited CB; 	<p>At the 4 uncertified units at Kalimantan undergoing the NPP process, the status of appointment are as follows: At PT SKS, PT BNS and PT BSS the accredited CB-BSI, Indonesia was appointed by IOI group.</p> <p>The progress of the NPP process for said units were closely monitored by the RSPO Complaints Panel (CP). It is noted that IOI had engaged HCV experts and NGOs such as from Proforest, Aidenvironment and Global Environmental Centre for the field verifications of action plans made.</p> <p>Recommendations by the RSPO CP via letter of 12 July 2018 supports the IOI's Group commitment and efforts to move towards full certification of the said units.</p> <p>As at 26 Sept 2018, further progress on above is transferred from RSPO CP to the RSPO Investigation and Monitoring unit (IMU).</p>	<p align="center">Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 13 of 110

	<p>The RSPO Complaints Panel (CP) officially closed the complaint case on IOI's plantation subsidiary companies (PT SNA Group) in Ketapang, Indonesia on 12 October 2018.</p> <p>Verified in the 2nd quarterly update (Mar 2019), action plans on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigate and Monitoring Unit in Feb 2019.</p> <p>Updated progress on said issue was accessed via link below;</p> <p>(a) <u>RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS</u></p> <p>(b) <u>RSPO Case Tracker – PT BSS, PT SKS & PT. BNS Status of Complaints</u></p> <p>As part of the RSPO audit preparation, CB-BSI was engaged to conduct the gap assessment in September 2019. A report on the gap assessment was received in January 2019.</p> <p>Refer to: Appendix D.</p>	
<p>(b) Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6;</p>		
<p>(b)</p> <ul style="list-style-type: none"> Are there any existing Land conflicts and is it being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6; 	<p>Updates on the RSPO CP Complaints case tracking was referred to on issues related to this on IOI's uncertified units prior to and during the audit.</p> <p>Verified that incidence the Land conflict reported at the IOI's uncertified unit i.e. IOI Pelita Plantations Sdn Bhd at Miri, Sarawak, East Malaysia (complainant: Long Teran Kanan community) since year 2010 has been progressively undergoing the RSPO Dispute Settlement process.</p> <p>Verified that progress made todate includes: On 12 September 2018, IOI published an update on facilitation and capacity building for the benefit of community leaders which was attended by local NGOs and the Lead Facilitator, Dr. Ramy Bulan.</p> <p>As of 31 Dec 2018, 8 of 9 communities have given their consent for the Resolution process to move forward. The remaining 1 community had requested for more time to seek advice from their leaders prior to their endorsement on the draft Resolution Plan.</p> <p>As at 7 Mar 2019, IOI had received consent from the last community, Long Teran Batu. Subsequently, the company proceeded with the Stage I of the Resolution Plan, Community Capacity Building. Noted that on 19 Mar 2019, a workshop was conducted by CICOM (coalition of local NGOs called CICOM) with the community leaders with visits made to the community longhouses CICOM on 27-31 Mar 2019.</p> <p>Updated progress of above was access through the link below;</p> <p>(a) <u>IOI Pelita Land Dispute</u></p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 14 of 110

	<p>(b) <u>IOI Pelita Land Dispute Resolution Process</u></p> <p>(c) <u>RSPO Case Tracker – IOI Pelita Status of Complaints</u></p> <p>(d) <u>IOI Pelita Land Dispute Chronology</u></p> <p>Verified that the Stakeholder engagements done with the said communities and NGOs involved are showing positive progress towards a final resolution.</p>	
<p>(c) Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;</p>		
<p>(c)</p> <ul style="list-style-type: none"> Are there any existing Labour disputes and is it being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3; 	<p>As at this current assessment, under the IOI group, there has been no further known or existing Labour disputes at the uncertified units which are not being resolved in a mutually agreed process in accordance with RSPO P&C criterion 6.3.</p>	<p>Complied</p>
<p>(d) Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;</p>		
<p>(d)</p> <ul style="list-style-type: none"> Are there any Legal non-compliance and is it being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1; 	<p>It is noted that IOI group is aware of the Legal compliances needed at the uncertified units and actions has been active taken in stages to address and fully comply with requirements of the related laws and regulations at the uncertified units at Kalimantan, Indonesia.</p> <p>The progress made on above will be further evaluated in the next audit.</p>	<p>Complied</p>
<ul style="list-style-type: none"> Has the organisation conducted an Internal Audit on the above (a) to (d)? Has the evidence been submitted for verification? 	<p>Internal audit progress report as at 30 Mar 2019, had covered the requirements, conducted by the HQ-Sustainable Palm Oil (SPO) Dept. The report was available and submitted for verification.</p> <p>Verified that IOI Sustainability reports were available as further evidence for verification.</p> <p>This was verified via:</p> <ol style="list-style-type: none"> IOI Sustainability Implementation Plan (Q1-2019) and Sustainability Progress report as at 31 Mar 2019 made available at IOI web site. 	<p>Complied</p>
<ul style="list-style-type: none"> Has a positive assurance statement been produced based on the internal audit and other supporting assessments results? 	<p>Overall positive assurance statement is made at the conclusion of the Internal audit and Management reviews held at IOI HQ at Putrajaya and verified during Auditor site visit at the IOI HQ, in Jan and April 2019.</p> <p>This was also verified via:</p> <ol style="list-style-type: none"> IOI Sustainability Implementation Plans Sustainability Progress reports made available <p>Intertek had also verified via the RSPO RACP Case tracker, updated till March 2019, there are no units under IOI Group with RACP issues.</p>	<p>Complied</p>
<p>(e) Are the evidences provided in 4.5.4 (a)-(d) adequate?</p>	<p>Verified that supporting evidences were adequately provided. Refer to findings on (a) to (d) above.</p>	<p>Complied</p>
<p>(f) Are the evidences provided in support of the Positive Assurance statement adequate?</p>	<p>Verified that evidences were adequately provided in support of the positive assurance statement made by the IOI Group were available at the HQ and as per IOI website – Public announcements.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 15 of 110

(g) Has the targeted stakeholder consultation, including consultation with the relevant NGO's carried out revealed any negative feedback?	Targeted stakeholder consultations done via emails conducted has not revealed any new negative feedback.	Complied
(h) Has desktop study e.g. web check done revealed complaints which were not addressed?	Desktop study conducted did not reveal any new negative feedback. Progress on past complaints validated by RSPO CP is being progressively resolved. Refer to Appendix D.	Complied
(i) Is further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements at the uncertified units, needed to done?	Further stakeholder consultation was done on the uncertified units with IOI HQ and responses to NGOs/Complainants were available and evaluated. The progress of monitoring done and information publicly available on the existing issues on the said units are verified to be adequate. Based on above evaluations made under part (a) to (h), no further stakeholder consultation or field inspection is considered necessary at the said uncertified units at present.	Complied
(j) • Is there any non-compliance against a major indicator in the non-certified management unit identified? • Is the identified major NC being actively addressed? • Can the current assessment proceed to a successful conclusion?	Based on above findings made under part (a) to (j), at the said uncertified units, the existing issues were noted to be actively addressed with progress reports available. Thus, it is verified that the current assessment at this PMU can be proceeded and certification can be successfully concluded after effective closure of findings at the PMU.	Complied
(k) Is there failure to address any outstanding non-compliances within uncertified unit(s) regarding 4.5.4 (a) – (d) which may lead to certificate suspension(s) to the certified unit(s)?	As at the time of the current assessment at this PMU in Apr 2019, there is no evidence to suggest such failure at the uncertified units which may affect the certification of this PMU unit. Justification as received and evaluated were as follows: 1) RSPO - Dispute Settlement Facility (DSF) consultation and process for handling dispute has been adhered. 2) Active engagement with Stakeholders has been carried out Progress is monitored and reported 3) NPP and concession land legality issues are being actively resolved as per RSPO NPP process. 4) Under the RSPO RACP Case tracker, updated till March 2019, there are no units under IOI Group with RACP issues.	Complied

Based on the evaluation done, the IOI Group was able to demonstrate commitment and provide positive assurance statements on its commitment to continued compliance with the RSPO P&C Certifications Systems (Jun 2017) Clause 4.5 (Minimum requirements for multiple management units) for all its certified and non-certified units.

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. IOI's statements of response and actions currently being undertaken to comply with their Sustainability commitments are indicated in **Appendix D**.

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 has adhered to the RSPO dispute resolution processes. Updates of progress made have been duly considered, evaluated and risk assessed by Intertek, prior to conducting the continued certification assessment IOI units including this current unit.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 16 of 110

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

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 17 of 110

2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 17 Mar 2019, 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 with regards to environmental, biodiversity, community development and other relevant issues.

On 24, 27-31 May 2019, assessment was conducted at the HQ site and subsequently at operations site in which 4 out of the 11 estates of Gomali Grouping, namely Gomali, Paya Lang, Regent and Sagil estates, as well as the POM, 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, hectare development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance. The Assessment team using the process approach auditing technique covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment and other requirements. Stakeholders' interviews were conducted during the assessment and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

Gomali Grouping POM was also assessed against the requirements of RSPO Supply Chain Certification Standard 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 offering certification across a wide range of industries globally.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 18 of 110

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 & 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, Johor
20. Department of Irrigation & Drainage, Johor
21. Department of Labour, Johor
22. Department of Occupational Safety & Health, Johor
23. Department of Wildlife & National Parks, Johor
24. Land and Mines Office, Johor

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)
42. Center for Orang Asli Concerns COAC

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 19 of 110

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.
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

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 20 of 110

3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

Criterion 1.1		
<p>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.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>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.</p> <p>Minor Compliance</p>	<p>The PMU has established and implemented documented procedures (Stakeholder Request – Corporate Level, Stakeholder Request – POM Level, Stakeholder Request – Estate Level) for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. 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</p> <p>Date of public notification of this assessment of the PMU was made on 17 Mar 2019.</p> <p>There was no request for information/issues from external stakeholders during the public notification period.</p>	Complied
<p>1.1.2 Records of requests for information and responses shall be maintained.</p> <p>Major Compliance</p>	<p>The PMU had established and maintained an updated site specific list of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, etc.</p> <p>The POM and estates have conducted their respective internal and external stakeholders' consultations in Apr 2019.</p> <p>Meeting minutes were adequately maintained. The meetings and consultations were noted to be attended by the various categories of stakeholders.</p> <p>Records of participants and feedback given were maintained. Actions taken resulting from the consultations includes:</p> <ol style="list-style-type: none"> 1) Safety & Health Campaign 2018/19 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		
<p>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.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>1.2.1 Management documents that are made available to the public shall include, but are not necessarily limited to:</p> <p>Major Compliance</p>	<p>Management documents relating to environmental, social and legal issues were verified to be maintained and available to the public (notices and websites) and updated by IOI, HQ.</p> <p>On 8 Aug 2016, IOI Corporation Berhad published a revised Group Sustainable Palm Oil Policy (SPOP), together with the detailed Sustainability Implementation Plan (SIP) in consultation with a wide range of their stakeholders, both customers and civil society. IOI further revised its Sustainability Palm Oil Policy</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 21 of 110

	<p>(SPOP) on 12 Jun 2017 to reflect their serious intent towards sustainability and sustainability practices, (http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845)</p> <p>Details of updated IOI SIP updated on Q1 2019 (Jan-Mar) as checked prior to the audit was referred at: https://www.ioigroup.com/Content/S/pdf/SIP%202019%20P1.pdf</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.</p> <p>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>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 2019.</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, • JKPP 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>Programmes for protecting workers' health and safety were satisfactorily implemented.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 22 of 110

<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 Apr 2019. Management Action Plan and Continual Improvement Plan documented and implemented.</p> <p>Social Impact Assessment were reviewed in Mar and Apr 2019 by the IOI Sustainability Team together with the respective Mill and Estate Managers. Positive and negative impacts were identified. Action plans were documented and implemented.</p>	Complied
<ul style="list-style-type: none"> HCV documentation summary (Criteria 5.2 and 7.3); 	<p>The Assessment reports on 'Internal HCV and Conservation Areas' were reviewed in Apr 2019. The Management Action Plans were implemented and monitored at the respective estates.</p>	Complied
<ul style="list-style-type: none"> Pollution prevention and reduction plans (Criterion 5.6); 	<p>Pollution Prevention Management Plans were reviewed in Apr 2019. Action items include mitigation measures for pollution control (smoke emission, POME / effluent discharge), pesticides reduction, scheduled wastes (chemicals, drums, tyres, used PPE, hydraulic oil) and organic/domestic wastes disposal, reuse and recycling (paper, glass, scrap iron).</p>	Complied
<ul style="list-style-type: none"> Details of complaints and grievances (Criterion 6.3); 	<p>The mill and respective estates had maintained their respective Complaints and Grievances Register. Updated entries were sighted. There were no issues of significant nature apart from records of maintenance and infrastructure and housing repair issues which were attended to.</p> <p>Employees Consultative Council (ECC) representatives interviewed had confirmed that there were no serious issues that arose over the last 12 months.</p> <p>For IOI group units: The Summary of RSPO Complaints Panel Decisions and RSPO Case Tracking on IOI Group) were available and updated as follows: (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 (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); 	<p>Continual Improvement Plans in key operations for the mill and estates have been identified, documented and implemented.</p>	Complied
<ul style="list-style-type: none"> Public summary of certification assessment report; 	<p>Public summary of certification assessment reports are available from the company upon request.</p>	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. Refer to (http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=845).</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 23 of 110

	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
<p>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.</p> <p>Minor Compliance</p>	<p>IOI Group has a documented policy “Code of Business Conduct and Ethics” signed by the CEO and Head of Sustainability (Malaysia/Indonesia) on 11 May 2015.</p> <p>The following are included:</p> <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. <p>Copies of the policy found to be displayed at prominent locations in the POM and estates.</p>	Complied

Principle 2: Compliance with applicable laws and regulations

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

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 24 of 110

	<p>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 were filed and paid in timely manner.</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>	Complied
<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>	Complied
<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>	Complied
<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>		
Indicators	Findings and Objective Evidence	Compliance
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native</p>	<p>Copies of the land titles of all estates were maintained and noted to be legally owned by the IOI Group.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 25 of 110

<p>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>2019: Observation Estates: <u>Sagil and Regent</u> Several Land titles with 'Syarat nyata' such as for 'Rubber' have not been changed to Oil Palm Plantations. Noted that submissions for obtaining revised title for land use with the State Land Office was done but is still in progress.</p>	<p>2019: OBS:AL-01</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>	<p>Complied</p>
<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>	<p>Not applicable</p>
<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>	<p>Not applicable</p>
<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>	<p>Not applicable</p>
<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>	<p>Not applicable</p>
<p>Criterion 2.3</p>		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 26 of 110

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.		
Indicators	Findings and Objective Evidence	Compliance
<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 through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). Major Compliance</p>	<p>The estate lands at the PMU are legally owned or leased by IOI and no other users were identified in the land area. The existing estates are not encumbered by any customary land rights and therefore the process of participatory mapping is not required. Existing maps available at the PMU are verified to be within the legal boundaries of the PMU.</p>	<p>Complied</p>
<p>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>	<p>Complied</p>
<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>	<p>Not applicable</p>
<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>	<p>Not applicable</p>

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

Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.		
Indicators	Findings and Objective Evidence	Compliance
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where</p>	<p>Business Plans for 5 years (FY 2017/2018 to FY 2021/2022) for the PMU by the Palm Oil Mill and estates was available and implemented progressively.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 27 of 110

<p>appropriate, a business case for scheme smallholders. Major Compliance</p>	<p>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; (5) Cost of Production; Cost/MT CPO trends; (6) Financial indicators covering cost of labour, supervision, maintenance, depreciation, etc.). (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. Minor Compliance</p>	<p>Annual replanting program had been prepared up to FY 2017/18 - 2021/2022 for the audited estates. Updates were verified as follows:</p> <p>Sagil: Replanting in progress: 2018/19 - 2024/25 Average: 230 ha annually</p> <p>Gomali: 2nd cycle replanting completed in 2013. No further replanting till 2025.</p> <p>Paya Lang: Replanting planned for 2020/21- 2023 Average; 130 ha annually</p> <p>Regent: Progressive replanting: 2018/19 – 2022/23 Average: 150 – 200 ha annually</p> <p>Verified on-site that no new planting is evidenced.</p>	<p>Complied</p>

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

<p>Criteria 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance</p>	<p>Documents on SOP had been maintained by the POM and the Estates which were verified to be in order. POM has documented SOPs for its operations. The procedures included the following: 1. Palm Oil Mill Operation from reception of FFB, Operations for Laboratory, Biogas Plant, Polishing Plant, Water Treatment Plant,</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 28 of 110

	<p>Boiler, Engine room, Workshops etc. for the processing until the delivery of processed oil and POME management. This was revised i.e. Doc No IOI/StOP/A on 01 Jan 2018 (Issue 03).</p> <p>2. Quality, Environmental and Occupational Health & Safety Manual and Procedures of Palm Oil Mill - The SOP for pollution prevention includes measuring and monitoring mill effluents and waste disposal / recycling.</p> <p>3. Procedure for Safe Work and Management of Safety and Health for Workers - The SOP for safe working practices in the POM includes hazards identification, risk Audit and control measures. The hazards include noise, chemicals, heat, fire, fuel spillage, working at heights, working in enclosed space, hot work, lightning, electrocution, machinery, etc. Control measures include the use of PPE, fire drill training, first aid training, etc. and “permit to work system” for the mill.</p> <p>4. SOP for Supply Chain: RSPO/SOP/COC/3, Issue 5, dated 1 Jan 2018 (revised)</p> <p>Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control at POM.</p> <p>The estates have the following SOPs:</p> <p>1. Group SOP for Estate Operation. The SOP describes operational procedure for oil palm DxP seed production, planting density, pre-nursery seedlings, land clearing & preparation, oil palm planting technique, leguminous cover plant, fertilizer application for immature & mature palms, weeding, integrated management of rat control, bagworm control, road maintenance, workshop, harvesting, buffalo healthcare, etc. The SOP for pesticides specifies safe working practices and application of pesticides. It includes annual medical surveillance for pesticides operators.</p> <p>2. SOP for riparian zone management with specified buffer zones.</p> <p>Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control at Estates.</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>Internal audits were conducted on the POM and all estates: Between 28 Jan – 11 Mar 2019, with total of 35 NCs issued which were followed up for closure till 10 May 2019.</p> <p>Refer to 2019 OBS: AL-01 (at indicator 2.2.1) On changeover of crop cultivation to Oil Palm which is still pending endorsement by the Land and Mines Dept (Pejabat Tanah dan Galian for Gomali and Regent estates.</p>	<p>Complied</p>
<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 Daily Muster Chits were available at estates and actual field activities were verified during on-site field inspection.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 29 of 110

	Verified that spraying, manuring and harvesting activities were carried out as stated in the Muster Chits.	
4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	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. The main bulk of FFB crop was supplied by the IOI owned estates under the PMU.	Complied
Criteria 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
Indicators	Findings and Objective Evidence	Compliance
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	Annual fertilizer inputs had been monitored through fertilizer recommendations made by Agronomist of IOI Research Centre, Peninsular Malaysia. 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. These had been verified through the records for fertilizer application. Estates provided the evidence of GAP and was verified during the audit. Soil sampling and leaf sampling records provided guide for the fertilizer application and all recommendations had been properly followed at estate levels. Noted that proper pesticide/herbicide spraying had also been done.	Complied
4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance	Records of fertilizer application had been maintained at the estates audited for current year and verified to be adequately updated.	Complied
4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	Leaf sampling and analysis had been carried out annually and soil sampling and analysis on a 5-year cycle to determine the nutrient levels. Last done on 2015 and valid till 2020. Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long-term soil fertility and nutrient efficiency. Records of the sampling and analysis had been verified to be satisfactorily maintained.	Complied
4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance	Geotubes used to filter the solid from the POME and the solid would be used by the estates for field application as organic fertilizer. 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. Land application of effluent water discharges had ceased in 2016 (as per the DOE instructions). 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. 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. EFB mulching had been carried out in mature area along the inter-row, and around the circle in the immature palms.	Complied
Criteria 4.3		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 30 of 110

Practices minimise and control erosion and degradation of soils.		
Indicators	Findings and Objective Evidence	Compliance
<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. Regent: Batang Merbau, Batu Lapan, Lubuk Liat and Bunggor. No fragile / marginal soils or peat soils noted in the maps and on the estate fields audited.</p>	Complied
<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. 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>	Complied
<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>	Complied
<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>	Not Applicable
<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>	Not Applicable
<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>	Complied
Criteria 4.4		
Practices maintain the quality and availability of surface and ground water.		
Indicators	Findings and Objective Evidence	Compliance
<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 Mar and Apr 2019. The plan includes steps such as soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways. Domestic water supply is mainly from the local water authority. Domestic water supplied from the Gomali POM treatment plant to Gomali Estate, Paya Lang Estate and Tambang Estates only. 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 2018 verified to be within permissible specifications.</p>	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 31 of 110

	<p>Rainfall data is also verified to be monitored as part of the water management plan.</p> <p>2019 - Nonconformance finding: Location: Gomali POM The water management plan produced has not included the water sources which were form steam generation and its uses. Auditor's note: Previous 2018 NC (SH-01) was not effectively implemented. Thus, upgraded to Major NC in current assessment.</p>	<p>2019: Major NC:SH-01 (upgraded)</p>
<p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. 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. 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>2019 - Nonconformance finding: Estates: <u>Saqil</u> Noted that Replanting has started and is ongoing for current year onward. Buffer of 3m is not consistent marked eg PR 18A</p> <p>Regent: SOP for Replanting (2017) does not state the distance of OP planting from field drains as noted in PR18A.</p>	<p>2019: Major NC: AL-01</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>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 0.96 m³/ton FFB which is noted to be lower than the industrial norm of 1.2m³ to 1.5 m³/tonne FFB.</p>	<p>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 had included the planting of beneficial plants and control of damage by rodents.</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>	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 32 of 110

	<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 had occurred as reported.</p> <p>Following was verified at Estates audited:</p> <p>Sagil:</p> <ul style="list-style-type: none"> • Beneficial plants 3 types, monitoring done and updated till Apr 2019 • Rat census, is under control till April 2019, 2.74% (below 5%) • Barn owl ratio, currently at 1:32 ha (target) to achieve by end 2019. <p>Paya Lang:</p> <ul style="list-style-type: none"> • Barn owl ratio, currently at 1: 24 ha (target) to achieve by end 2019 • Beneficial plants, 3 types available, success rate for Cassia is relatively low and improvement actions being taken. <p>Regent:</p> <ul style="list-style-type: none"> • Beneficial plants, 3 types available, monitoring done till May 2019 • Barn owl ratio, 1 box per 18 ha, monitored till Apr 2019, occupancy at 41.7% • Rat census - 2 campaigns done in 2018, currently below 5%. <p>Tambang estate</p> <ul style="list-style-type: none"> • Barn owl implementation is still short of 1 box per 20 ha. • Progressive plan to increase and meet the said target being implemented and available. <p>Thus, previous NC (2018: AL-02) on implementation of IPM at estates was addressed and implemented for closure.</p> <p>Nonetheless, Observation was issued as follows:</p> <p>Estates:</p> <p><u>Paya Lang</u></p> <p>Plan for Monitoring and planting of Beneficial plants is done but still the methodology and success rate for the 3 types need to be improved.</p> <p><u>Paya Lang and Sagil:</u></p> <p>Number of barn owl boxes is being increased at the estates and yet to achieve the ratio of 1 box: 20 ha target set.</p>	<p>2019: Obs: AL-01</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>Complied</p>
<p>Criteria 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>		
<p>Indicators</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>Findings and Objective Evidence</p> <p>Register of agrochemicals use with written justification had been reviewed. The types of chemicals used are as follows:</p> <ol style="list-style-type: none"> 1) Glyphosate isopropyl amine - Supremo 2) Metsulfuron methyl – Ellytech 3) 2, 4 - Dimethyl amine – 2,4-D Amine 4) Triclopyr Butoxyethyl Esther – Garlon 	<p>Compliance</p> <p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 33 of 110

	<p>Specific pesticides had been used to deal with the respective target pest, weed or disease.</p> <p>Inventory and stock cards were maintained and updated.</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.</p> <p>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>	Complied
<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.</p> <p>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.</p> <p>No prophylactic use of pesticides had been carried out at the estates for the period concerned.</p>	Complied
<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.</p> <p>Alternatives such as Glyphosate Isopropylamine, Metsulfuron Methyl, and Triclopyr Butoxyethyl Esther were used.</p> <p>First Aid Kits were available during pesticides spraying in the fields (4th Schedule).</p> <p>Portable signboard noted to be displayed at areas of spraying activity (5th Schedule).</p>	Complied
<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.</p> <p>Appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, and overalls) have been provided and used by the pesticides operators.</p> <p>All precautions attached to the pesticides (MSDS) have been observed, applied and understood by the workers.</p> <p>Programme and training records verified to be satisfactory. The training includes 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>The emergency shower and eye wash were verified to be available and in proper working order at the pesticide mixing area. The PMU has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE.</p>	Complied
<p>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</p>	<p>Storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974.</p> <p>Emergency shower and eye wash are available near the pesticides store in case of accidents.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 34 of 110

<p>accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance</p>	<p>Material Safety Data Sheets (MSDS) are available in the store. The MSDS are in English and Bahasa Malaysia (understood by the workers). Used chemical containers were either reused as containers for spraying solution. For disposal as scheduled waste, empty pesticide containers are triple rinsed and pierced at the bottom.</p>	
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance</p>	<p>Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off. Warning notice displayed in the area being sprayed with pesticides Programme and training records verified to be satisfactory.</p>	Complied
<p>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</p>	<p>It is the policy of the company not to carry out aerial application of pesticides. This policy has been followed by the PMU.</p>	Complied
<p>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</p>	<p>The Annual Training Plan includes training on pesticides handling. All new pesticides operators were trained before being assigned to work with pesticides. In addition, based upon training needs, the existing pesticide operators (there are no contractor's workers) attended continual training to enhance their knowledge and skills on pesticides handling. Information and safety precautions on the pesticides displayed on the notice board and next to the pesticides in the store.</p>	Complied
<p>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</p>	<p>Scheduled waste of palm oil mill had been disposed of through a DOE licensed scheduled waste contractor. The scheduled wastes from the estates are sent to the POM for disposal. Empty pesticide containers are triple rinsed and pierced for disposal as scheduled waste. Records of scheduled waste collection at 180 days interval verified to be satisfactory.</p>	Complied
<p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance</p>	<p>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 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. 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. Besides the annual medical surveillance, monthly clinical tests (to check lungs gastro intestinal, urinary system, nails, skin, etc.) also carried out by Health Assistant on sprayers and records maintained indicate no cases of toxic reactions.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 35 of 110

	At Estates audited i.e. Gomali, Paya Lang, Regent and Sagil, medical surveillances were conducted for the identified chemical handler and workers between Mar and May 2019. These included Pre-mixers, Sprayer, Workshop, Store Clerk, Mandores. Reports found to be satisfactorily maintained.	
4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance	Verified from records, field inspections and interviews that no pregnant or breast-feeding woman had been offered work as pesticide operator.	Complied
Criteria 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.		
Indicators	Findings and Objective Evidence	Compliance
The occupational health and safety plan shall cover the following: 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	Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory Machinery Act was documented and implemented. 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. 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.	Complied
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	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. There was an assessment of noise levels in the POM as per the Consultant report of Jul 2015 and valid till July 2019. Work areas previously identified with high noise levels are the boiler station, engine room and sterilization unit where noise level exceeded 85 db. 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. 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. 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. "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. Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear mufflers) verified to be provided to and being used by the workers. Associated training provided to address safety and health issues. Warning signs sighted at high noise areas and ear plugs and ear mufflers to be worn. There are also warning signs to use other PPE such as helmet and safety boots.	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 36 of 110

	<p>An audit for determining compliance with the minimum standards had been conducted on all types of PPE used.</p> <p>Adequate fire extinguishers and hose reels found to be located at strategic locations, operational and maintained in good conditions. Location map of fire extinguishers is available.</p> <p>First Aid equipment was available at POM, estates and at worksites. Samples of First Aid box was checked and contents found to be complete and in usable order during field visit. Training for workers in First Aid was carried out in the mill and estates and records maintained.</p> <p>The POM and estates have established their accident reporting KPI and incident monitoring implemented. Yearly reporting of JKPP8 regulations was submitted to JKPP on time, i.e. in January of each year. The Safety & 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. Major Compliance</p>	<p>Training programme planned for FY 2018/2019 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>Sighted records of training, emergency fire drills and PPE issuance and replacements done for workers updated till Apr 2019.</p>	<p 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 discussed at these meetings, and any issues raised shall be recorded. Major Compliance</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 align="center">Complied</p>
<p>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</p>	<p>Accident and emergency procedures had been written in English and Bahasa Malaysia and briefed to staff, workers, contractors and visitors.</p> <p>Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents had been verified to be maintained satisfactorily.</p> <p>Quarterly review on accident cases had been carried out during quarterly meeting of Safety, & Health Committee.</p>	<p align="center">Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 37 of 110

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, MPI General Insurance Berhad which is valid till 30 Sept 2019.	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 2019. Verified submission done as follows Sagil: 12 Jan 2019 Gomali: 02 Jan 2019 Paya Lang: 02 Jan 2019 Regent: 04 Jan 2019	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. Verified samples of RSPO training records as follows Estates eg Sagil & Regent: Between 22 Feb & 22 May 2019 included Asst Managers, Chief Clerk, Office Clerk, Sustainability staff, Store & Weighbridge clerks and FFB Transport contractor workers. Gomali POM on 11 Feb 2019 included Asst Managers, Chief Clerk, Office Clerk, Sustainability staff, Store & Weighbridge clerks and CPO & PK Transport contractor workers.	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
5.1.1 An environmental impact assessment (EIA) shall be documented. Major Compliance	The Environmental Aspect and Impacts Assessment for POM and estates were conducted and documented, reviewed in May 2019 by the sustainability team, estate and mill managers. The assessment documents had included the identification of aspects and impacts from both the mill activities and field activities that includes such as FFB collection, workshop, schedule waste, chemical/fertilizer store, fertilizing, spraying, transportation of FFB, garbage disposal, water quality analysis, replanting and 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.	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 38 of 110

<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.</p> <p>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. Also, the environmental impacts on the operation in the estate, such as spraying, and fertiliser application were sufficiently addressed.</p> <p>2019: Observation Estate: <u>Regent</u></p> <p>The mitigation measures were initiated to address the issue on soil erosion, especially on road along the steep slope. This mitigation measures were however not being indicated or included in the planning document, i.e. the aspect/impact and the action plan to be taken.</p> <p>Previous observation raised regarding riparian marker and signage has been addressed.</p>	<p>Complied</p> <p>2019: OBS: SH-01</p>
<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. Stream water quality analysis were also conducted once a year. Treated water meant for household use was analysed once for every six months.</p> <p>At the mill, the boundary noise monitoring, ambient air quality, Isokinetic stack sampling were all being conducted on a regular basis by ENV Consultant and Monitoring Services. Report relating to this was made available during the audit. In addition, Environment Compliance Report was also forwarded to the DOE at a frequency of 2 times a year, latest being on the 4th December 2018. Effluent discharged was monitored daily and the BOD analysed monthly. Record of the analysis available and up to date.</p> <p>Previous 2018: Minor NC: SH#-01, has been addressed effectively. The buffer along the stream was clearly demarcated and location of water sampling point clearly identified and marked on the ground.</p>	<p>Complied</p>
<p>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.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<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 2019.</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 (Gomali, Paya Lang, Sagil and Regent) are surrounded by palm oil estates belonging to others and also smallholders. Only Sagil and Regent estates are located near the Taman Hutan Lagenda Gunung Ledang and Tebong Forest Reserve respectively. Conservation</p>	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 39 of 110

	<p>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>2019: Non-conformance finding</p> <p>Location: Regent estate</p> <p>Inspection made at the identified site with the steep slopes revealed that there were no clear demarcation markers established to indicate the extent of the boundary with the Tebong Forest reserve areas.</p>	2019: Major NC: SH-02
<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 prohibits hunting, fishing and water polluting activities were verified on-site at all PMUs visited.</p>	Complied
<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.</p> <p>Several trainings related to this was conducted in April and May 2018.</p>	Complied
<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>	Complied
<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. Gomali estate, Paya Lang Estate, Regent Estate and Sagil Estate. Thus, negotiated agreement of such nature is not applicable.</p>	Complied
<p>Criteria 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
Indicators	Findings and Objective Evidence	Compliance
<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 (Gomali, Paya Lang, Regent and Sagil Estates) showed that all waste products and sources of pollution were identified and documented. The waste management plan was documented on 6 May 2019.</p> <p>The documentation and identification of all the waste products remained similar, such as scheduled waste, domestic waste, clinical wastes and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 40 of 110

	<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 satisfactorily 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>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. Latest disposal record was available, latest being disposed off on 25 April 2019.</p>	Complied
<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 on May 2019 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 carried out 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, Kualiti Alam Sdn Bhd. Record on the disposal was also made available during the audit. Latest record was on 25 April 2019.</p> <p>The solid waste management and disposal plan for the line site was by using services of waste contractor, MIDO. Waste from line site was collected about 3 times a week and stored at the waste collection center before being disposed off by the contractor at a frequency of about once a week. Record on the disposal of line site waste was also recorded and monitored.</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>Previous 2018 NC: SH#02 raised has been taken action and effectively implemented.</p>	Complied
<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>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 41 of 110

<p>Minor Compliance</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. The data was used for the GHG calculation.</p> <p>Apart from use of diesel for generating electricity, palm fiber was also used to generate electricity through steam turbine and boiler. The processing of the CPO was done using the turbine generation.</p> <p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fiber and PK shells were used as renewable energy/fuel on a 70:30 ratio basis.</p> <p>It was verified that energy usage are being monitored daily, especially at the POM for better control and comparison of trends.</p>	
<p>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>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<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>	<p>Complied</p>
<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>	<p>Complied</p>
<p>Criteria 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<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>	<p>Complied</p>
<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 has been recorded and documented at both the POM and PMU. GHG report calculation has also been submitted to RSPO in Apr 2019.</p> <p>GHG for the mill and estate is calculated using the latest modified version 4.0 PalmGHG by the sustainability department and summary sighted. Raw data for GHG calculation recorded (verified data was correctly entered).</p> <p>Plans to reduce GHG emissions include the expected commissioning of the Biogas plant by July/Aug 2020.</p>	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 42 of 110

<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>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place.</p> <p>Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements. Effluent discharged was monitored daily and the BOD analysed monthly. Record of the analysis available and up to date and is within the permissible limit of the DOE.</p> <p>Water samples were regularly taken and tested by mill environment officer in charge and analyzed to ensure compliance to DOE requirements at final discharge points The water samples were sent for analysis. This was conducted by ENV Consultancy & Monitoring Services. Records are maintained and verified on-site to have met the permissible regulatory limits. Latest Domestic Water Discharge Quality Report dated 15 May 2019. Stack monitoring report, latest dated 29 January 2019, was available during the audit, which conformed to the requirement of DOE.</p>	<p>Complied</p>
<p>Minor Compliance</p>		

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

<p>Criterion 6.1</p>		
<p>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 (SIA) including records of meetings shall be documented.</p> <p>Major Compliance</p>	<p>Social impacts in IOI Gomali group operations were assessed using various method including consultations, meetings, respond forms and interviews.</p> <p>Social impact assessment (SIA) for each operating unit in IOI Gomali grouping has been reviewed in May 2019 and conducted together with relevant external and internal stakeholders. External stakeholders' consultation was conducted in 3 separate sessions, i.e. for the POM, Paya Lang Estate, Gomali Estate and Tambang Estates which are all located in Gemas region, on 10/4/2019 for Sagil Estate in Tangkak region on 21/2/2019 and also separately conducted in Regent Estate located in Gemencheh region.</p> <p>More than 80 participants attended the different external stakeholder consultations including:</p> <ul style="list-style-type: none"> • Local communities e.g. village heads, neighbouring smallholders and plantations • Suppliers e.g. sundries, office utilities etc. • Contractors e.g. transporters of FFB/EFB and CPO, project contractors such as for building, housing, etc. • Government agencies – schools, MPOB, police force, KWSP. • NGOs – NUPW, AMESU <p>Internal stakeholders' consultations were also conducted separately in each operating unit, e.g. in Sagil Estate internal stakeholder consultation was conducted on 15/3/2019 and in Gomali Estate on 17/4/2019. Internal stakeholders' consultations in each operating unit were attended by different categories of workers, e.g. different scope of work, gender, nationalities and levels.</p> <p>The participants were noted to include:</p> <ul style="list-style-type: none"> • Harvesters – Workers & Mandores / Leaders • Manurers – Workers & Mandores / Leaders • Sprayers – Workers & Mandores / Leaders 	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 43 of 110

	<ul style="list-style-type: none"> • Drivers – Tractors and vehicles • Contractors such as sundry shops <p>It is further noted that the foreign workers nationalities were predominately Indonesian, Bangladesh, local workers, and minority groups of Nepalese and Indians. These consultations were noted to be satisfactorily documented.</p> <p>The SIA for each operating unit was audited and evaluated. Verified that the potential impacts considered to be significant were included, e.g. handover of passports and travelling documents to the foreign workers (for their freedom of movement), timely payment of wages, timely renewal of permits and extension of passports, issuance and replacement of proper PPE for workers, upgraded housing, schools and health clinics, safe transport for workers and children etc.</p>	
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>Major Compliance</p>	<p>Each consultation and meeting conducted was verified to have involved relevant stakeholders affected by the operations of the group. Participants in external and internal stakeholder consultations as per above (6.1.1).</p> <p>Participants in meeting such as Employee Consultative Committee (ECC) involved workers own chosen representatives / leader / ketua, from the various levels and categories of workers such as admin, general and field workers, sprayers, manurers, harvesters, drivers both locals and foreign workers.</p> <p>Participants in Gender Consultative Committee (GCC) mainly are women workers and own chosen representatives/leaders attended together with the Social Liaison Officers-Assistant Managers acting as representatives for male workers.</p> <p>During external and internal stakeholder consultation response forms were distributed for written inputs and verbal inputs were also found to be recorded in the meeting minutes. Meeting minutes were also maintained for other meetings mentioned above, i.e. ECC and GCC meetings. Attendance lists and photos for stakeholders' consultations and meetings conducted were maintained and verified.</p>	<p align="center">Complied</p>
<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.</p> <p>Major Compliance</p>	<p>The feedbacks received during consultations, meetings and interviews conducted by the POM and the estates were noted to have been considered by the Management and noted to be incorporated into the Business Plan of the respective units.</p> <p>A time frame was developed for implementation with Management involvement and respective persons responsible indicated. The status of the implementations was found to be updated on a monthly basis.</p> <p>It noted that from the SIA actions include continuous improvement plans with following activities identified:</p> <ul style="list-style-type: none"> • Admin infrastructure – SAP for integrated Accounting System (installation of VSAT) to ensure more timely reporting by all estate units (even at remote regions, where internet connectivity is limited) – ongoing from mid-2019 to 2020 • Road system and access for all users e.g. for safer travel and transportation of workers, school children, FFB crop evacuation and EFB distribution – ongoing and re-planning during the planned replanting over next 2-5 years • Replanning of field drainage system during replanting for better flood mitigation issues at low lying and flood prone areas – ongoing and re-planning during the planned replanting over next 2-5 years • Upgrade and refurbishment of housing sites including construction of concrete drainage system for better hygiene – ongoing over next 2-5 years 	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 44 of 110

	<ul style="list-style-type: none"> Upgrade of water treatment systems for supply to the housing sites – ongoing over next 1-3 years (progressively done since 2018) Better disposal and planning of landfill locations (progressively done since 2018) More regular collection of domestic waste at housing areas. More availability of rubbish collection points at the fields. <p>A non-compliance raised against this indicator as follows:</p> <ol style="list-style-type: none"> In Gomali POM, the time bound action plan did not mention any specific person-in-charge and date of completion for the issues raised by stakeholders. Progress reports of the action planned to address the issues raised were also not available. In Sagil Estate, the time bound action plan did not mention date of completion for issues raised by stakeholders. Progress reports of the action planned to address the issues raised were also not available. In Paya Lang Estate, the time bound action plan did not mention date of completion for issues raised stakeholders. Progress reports of the action planned to address the issues raised were also not available. 	<p>2019: Major NC: JMD-01</p>
<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.</p> <p>There shall be evidence that the review includes the participation of affected parties.</p> <p>Minor Compliance</p>	<p>The latest Social Impact Assessment and Plans were available for the year 2019. The plans are reviewed annually together with affected parties, especially the workers, who were always consulted during the annual internal stakeholder consultations, the ECC meetings, safety meetings, daily morning muster and individual reports made in the Grievance Books.</p>	<p>Complied</p>
<p>6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>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>	<p>Complied</p>
<p>Criterion 6.2</p> <p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.2.1 Consultation and communication procedures shall be documented.</p> <p>Major Compliance</p>	<p>The group has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. their workers, government agencies, contractors, by personal invitation to attend the internal and external stakeholders' consultation. Grievance Procedure dated 5/6/2018, related to communication and consultation with interested parties is available at IOI group website¹. It was verified during that audit that at IOI Gomali Grouping level, the said procedure was made publicly available to all workers and external parties.</p> <p>During stakeholder consultations and interviews conducted by the Audit team with the respective categories of workers sampled during the audit, it was further verified that the said procedure had been regularly explained in the various meetings and master call briefings.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 45 of 110

	<p>The said procedure was also socialised with external stakeholders during the external consultation sessions and interviews conducted by the management.</p> <p>¹ https://www.ioigroup.com/Content/S/PDF/Grievance_mechanism.pdf</p>	
<p>6.2.2 A management official responsible for these issues shall be nominated.</p> <p>Minor Compliance</p>	<p>The person responsible to act as Social Liaison Officers (SLO) are the Assistant Managers of the respective operating units. Social liaison officers are responsible in handling relevant social related issued either raised by local communities, workers, government agencies or other interested parties. Interviews conducted with Mr. Guhen Raj, AM for the POM, Mr. Muhammad Zulhayat Sulhaipin, AM in Gomali Estate and Mr. Muhamma Akmal Haraza, in Sagil Estate confirmed the understanding of their roles and responsibilities.</p> <p>The identity and contact numbers of the SLO are made known to the workers through grievance procedures available in the public notice boards as well as through announcements made during meetings and morning musters. Interviews conducted with workers during the audit verified that the workers do have easy access to the said SLOs.</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.</p> <p>Minor Compliance</p>	<p>The List of stakeholders at the IOI Gomali grouping was found to be adequately maintained and was noted to be kept current and updated.</p> <p>Noted that there are open and transparent methods for communication and consultation as recorded in the Stakeholder consultation meeting minutes and various workers and worker representative meetings held such as the OSH, ECC/JCC and GCC meetings. Communications records was noted to have taken into consideration the languages used particularly for the foreign / migrant workers who were predominantly Bangladeshi, Indonesian and small number of Indian and Nepalese workers.</p> <p>The updated Lists of stakeholders at the POM and estates was referenced for selection by the Audit team for sending invitation and contact with external stakeholders for both individual and group external consultation conducted independently by the Audit team. See indicator 6.1.1.</p>	Complied
<p>Criterion 6.3</p> <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>		
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.</p> <p>Major Compliance</p>	<p>It was verified during the audit that a system to deal with complaints and grievances for all affected parties have been established and found to be satisfactorily implemented in IOI Gomali Grouping.</p> <p>Among others, the affected parties have several options to register their complaints and grievances including via the Annual External and internal stakeholder consultations, morning muster, during ECC, GCC and Safety meetings and use of the Grievance Register/book made available at the offices at site.</p> <p>Procedures on how to register complaints are available in public notice boards. Main person responsible in handling the complaints and grievances received from stakeholders in each operating unit is the Social Liaison Officers who in most cases are the Assistant Managers. Training and explanations given on how to utilise this system recorded which was verified by the Auditor through interviews conducted and records inspected.</p> <p>The system in place is verified to be effective in ensuring that complaints and grievance were addressed or resolved in timely and appropriate manner. Actions taken to address the complaints and grievances received were found to be recorded appropriately.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 46 of 110

	<p>The system also allows the workers to register their complaints against their immediate supervisors, as basically the Social Liaison Officers were of a higher authority than the field supervisors.</p> <p>It was noted that the workers were also allowed to elect their own representatives / leaders (ketua) in the ECC/JCC which were not being directed by the management.</p> <p>Under the system established and implemented, the complaints and grievances are investigated, addressed and resolved based on their severity. It was further noted that the complaints were mostly minor issues such as repairs and other housing maintenance requests were found to be resolved within 2-3 working days, whilst any major complaints and grievances are considered and resolved based on urgency or budget involved.</p> <p>The procedures have also included maintaining strict privacy and confidentiality of complainants on any issues raised during the Gender Consultative Committee (GCC) meetings or via the workers GCC representatives. There have been no complaints related to sexual harassment received so far.</p> <p>It is verified during on-site interviews that there were no incidences of dispute or grievance of a serious nature.</p> <p>It was noted that IOI group had adopted a revised Whistleblowing Policy¹ which was approved by Audit and Risk Management Committee since Nov. 2017. Whistleblowing form was available online at IOI group website². The policy has stated that if in case of mutual resolution is not amicably achieved with complainants such as external stakeholders, the unresolved issues will be brought to attention of local authorities and/or RSPO Secretariat.</p> <p>¹ https://www.ioigroup.com/Content/G/PDF/Corp_WhistleblowingPolicy.pdf</p> <p>² https://www.ioigroup.com/Content/G/G_Whistleblowing</p>	
<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>Major Compliance</p>	<p>Verified that all complaints and grievances received were documented either in the Grievance Register, meeting minutes for the ECC, GCC, Safety (OSH) meetings and annual stakeholder consultations respond forms and minutes.</p> <p>Decisions and action taken in response to the complaints and grievances received also well documented with sufficient supporting documents as evidences. Noted that all complaints and grievances are accessible to public, whilst the reports of the Gender representatives were handled with adequate care and confidentiality,</p>	<p>Complied</p>
<p>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.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>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.</p> <p>Major Compliance</p>	<p>The IOI Group procedure and process for identifying legal, customary or user rights, and people entitled to compensation is sighted as maintained at the company's website.</p> <p>However, at Gomali grouping, it was verified that there were no customary, user rights land or land dispute with the neighbouring estates or villages.</p> <p>Therefore, there has been no records of any negotiation or compensation and no changes in status as at the audit period at the PMU site.</p>	<p>Complied</p>
<p>6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be</p>	<p>IOI as a group has a generic procedure for calculating and distributing compensation which was available for verification during the audit. To date, there has been no dispute by any parties reported at the IOI</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 47 of 110

<p>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.</p> <p>Minor Compliance</p>	<p>Gomali Grouping.</p>	
<p>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.</p> <p>Major Compliance</p>	<p>To date, there has been no dispute by any parties reported at this PMU grouping. Therefore, the process and outcome of compensation could not be observed.</p>	<p>Complied</p>
<p>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.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.5.1 Documentation of pay and conditions shall be available.</p> <p>Major Compliance</p>	<p>In Gomali POM, the workers are paid with daily rate, whilst in IOI Gomali Grouping estates, most of the workers in the estates, as stated in the workers contract, are considered as "general workers" with piece rated pay. The pay conditions and other benefits were found to be clearly stated in the workers contract.</p> <p>Decision on workers' wages were based on a memorandum dated 7/1/2019 to all IOI groups including Gomali grouping. According to this memorandum monthly minimum wages had to be RM1,100/month or RM42.31/day, provided that all qualifying conditions are satisfactory fulfilled. These conditions are clearly stated in the memorandum and in the revised "IOI Plantation Minimum Wages & Leave Pay Policies in Malaysia"¹ which took effect on 1/1/2019 signed by Mr. N.B. Sudhakaran, Plantation Director. Content of this policy is verified to be satisfactorily understood by workers in the grouping and fulfilled common industry standard as it is in accordance with the MAPA-NUPW agreement 2015 and Minimum Wages Order 2018.</p> <p>¹ https://www.ioigroup.com/Content/S/PDF/Minimum Wage Policy.pdf</p> <p>A non-compliance was raised against this indicator as follows:</p> <ol style="list-style-type: none"> The procedure to ensure the Private Employment Agencies (PEA) had adhered to the contracts signed with the company, was not available for verification. Evidence of refunding of payments to the foreign workers family members (i.e. of Indian national) made via the PEA, were not adequately verified by the company. 	<p>2019: Major NC: JMD-02</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</p>	<p>Pay conditions are clearly detailed in the workers contracts which include pay system used, working hours, overtime, holiday entitlements, etc. no deductions sighted in the pay slip for foreign workers.</p> <p>Workers contracts are in the native languages of the foreign workers.</p> <p>Based on interviews with the workers and sampled pay slips in each operating unit audited, it was verified that the pay and conditions as</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 48 of 110

<p>the languages understood by the workers or explained carefully to them by a management official.</p> <p>Major Compliance</p>	<p>stated in Employment Act 1955, Minimum Wages Order (Nov 2018) and other relevant regulations are satisfactorily complied with.</p> <p>Currently wages in IOI Gomali group are either paid by direct transfer into workers bank account or by cash.</p> <p>To date, the JTK confirmed that there were no complaints from local nor foreign workers with regards to any 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>At the time of audit, no embassies are known to have issued specific instructions that all employment contracts must be endorsed by the embassies before being used.</p> <p>It was verified no recurrence of non-compliance raised under this indicator in ASA03, i.e. MNM-01, thus the non-compliance is effectively closed.</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>Minor Compliance</p>	<p>Minimum national standard for housing and other basic necessities are described in Akta Standard-Minimum Perumahan Dan Kemudahan Pekerja – Akta 446 (Workers’ Minimum Standards of Housing and Amenities – Act 446).</p> <p><u>Housing, electricity and water supply</u></p> <p>The estates such as Regent Estates and Gomali Estate are supplied with treated piped water from state government e.g. by Syarikat Air Negeri Sembilan (SAINS) and the latest by Syarikat Air Johor (SAJ) respectively. Each worker was given subsidy for electricity and water bills to reduce their cost, i.e. 4.8 m³ for water supply and 23kWh for electricity per month. Sagil Estate however is still using water treatment and the water is frequently tested by the Department of Health (DoH) for its suitability for domestic use. 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.</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 are available outside at each operating unit audited. From interviews with the workers it was found that most household sundries, including frozen foodstuffs were available on sale. The workers also go out to town once a month after pay day to buy sundries.</p> <p><u>Crèche (Rumah Asuhan Kanak-kanak)</u></p> <p>Creche is available in each operating unit and they are well maintained. The crèche caretakers are well trained on procedures of using the first aid kits as well as fire extinguisher. Depending on the operating unit management, some crèche are provided with biscuits or formulated milk powder. During the audit, children were found in good health and the surrounding of the crèche are all well maintained. No overcrowded crèche found and ratio between caretakers with children are well balanced.</p> <p><u>Clinics</u></p> <p>Clinics are located in within the vicinity of the estates and the POM. Together with the staff, the Health Attendance (HA) are also responsible on monitoring and maintaining acceptable living standard in the workers quarters, e.g. buildings maintenance, rubbish collection, drainage system, children education, etc. inspection by the staff conducted weekly, whilst inspection by HA conducted monthly. VMO visits which is conducted twice a month will include visits to the audited estates, some of the activities during the visits are examining referred patients, review of medicine purchases at the clinics, visiting workers quarters and the Valid Foreign Workers Compensation Scheme (FWCS) issued by MSIG in all units audited were also</p>	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 49 of 110

	<p>verified. Starting 2019, IOI will replace FWCS with Social Security Organisation (SOCSSO) contribution for the foreign workers based on Employer's Circular No. 3 Year 2018 issued by The Human Resource Ministry.</p> <p>An observation was raised as follows:</p> <p>The medical records of transferred workers within IOI group were not available at the new working place as recommended in the Guideline of Malaysian Medical Council 002/2006, i.e.;</p> <p>“When a patient is transferred to a second healthcare facility or service for whatever reason, the primary practitioner (and the primary healthcare facility) is expected to provide a full Clinical Summary of the patient’s management during his/her stay in the first facility...”</p>	<p>Observation #JMD-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>IOI Gomali Grouping 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>It is verified that office staff were provided with transport to go shopping for sundry items in town at the end of each month i.e. after pay day upon specific request.</p>	<p>Complied</p>
<p>Criterion 6.6</p> <p>The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.6.1 A published statement in local languages recognising freedom of association shall be available.</p> <p>Major Compliance</p>	<p>Published statement recognising freedom of association is mentioned in Sustainability Policy adopted by the IOI group in 2017 (revised March 2018) under the Human Rights and Workplace heading. This policy is available online at IOI website. ¹</p> <p>¹ https://www.ioigroup.com/Content/S/S_Policy</p>	<p>Complied</p>
<p>6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>Minor Compliance</p>	<p>As an alternative to workers union, IOI Gomali Grouping formed the ECC in each operating unit. This committee serve as a medium for workers to collectively bargain with the management. Members of ECC are management representatives and workers representatives elected by the workers including both local and foreign.</p> <p>ECC meetings are scheduled quarterly and each meeting is recorded. It was verified that issues raised during the meetings are resolved in appropriate and timely manner. From sampled ECC meeting minutes, there was no major issue raised by the workers. The meeting minutes are accessible to all members in the ECC and other workers as well. In each meeting, the meeting started with approval of previous meeting minutes and evaluate the status of issues raised. Meeting minutes selected for verification was from Sagil Estate conducted on 20/5/2019 and from Gomali Estate conducted on 13/5/2019.</p> <p>It was found that the workers are represented through their job sectors in these meetings. Representation through job sector is preferable than other sectors, e.g. housing blocks, religion or faith, because the workers have more and regular personal interactions during work hours. Representations through job sectors was verified did not affect the workers ability to raise issues related to social aspects.</p> <p>This practice proved that content of this policy satisfactorily understood by workers and satisfactorily implemented in the grouping.</p>	<p>Complied</p>
<p>Criterion 6.7</p> <p>Children are not employed or exploited.</p>		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 50 of 110

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>Published statement the group will eliminate all forms of illegal, forced, bonded, and compulsory, including child labor is mentioned in Sustainability Policy adopted by the IOI group in 2017 (revised March 2018) under the Human Rights and Workplace heading.</p> <p>Inspection of the employment records including site visit to the operating units and the practices mentioned above, proved that content of this policy satisfactorily understood by workers and satisfactorily implemented in the grouping.</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>Published statement on equal opportunities is mentioned in Sustainability Policy adopted by the IOI group in 2017 (revised March 2018) under the Human Rights and Workplace heading. A specific policy on “Equal Opportunity Employment & Freedom Of Association Policies” had also been established in Oct. 2017 and also available online at IOI website.¹</p> <p>This policy clearly state that IOI Group including IOI Gomali grouping prohibits and will actively prevent any discrimination based on race, nationality, religion or gender.</p> <p>¹ https://www.ioigroup.com/Content/S/PDF/Freedom%20of%20Association.pdf</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>Based on interviews and feedback from the employees, foreign workers, review of ECC meeting minutes and grievance records, it is verified that there has been no issue of discrimination at the grouping. These practices, i.e. regular meetings between workers and the management, effective grievance procedures, etc. proved that content of this policy satisfactorily understood by workers and satisfactorily implemented.</p>	Complied
<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. Minor Compliance</p>	<p>All operating units audited in IOI Gomali Grouping kept and maintained records of their workers, including credentials and medical history. Credentials for foreign workers are mostly referring to the travel documents. Records of medical history for both local and foreign workers are considerably comprehensive kept in the medical clinics within the group.</p> <p>Recruitment and promotion are verified based on skills, capabilities, qualities, and medical fitness necessary for the job. Before hiring, each new foreign workers are required to pass FOMEMA medical check-up required by law and probation period to evaluate level of skills and the workers attitude towards the new surroundings.</p> <p>It was verified no recurrence of non-compliance raised under this indicator in ASA03, i.e. MNM-02, thus the non-compliance is effectively closed.</p>	Complied
<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. Major Compliance</p>	<p>Published statement on prevention of sexual and all other forms of harassment and violence is covered in Sustainability Policy adopted by the IOI group in 2017 (revised March 2018) under the Human Rights and Workplace heading. A specific policy on harassment, i.e. “Policy on Harassment at Workplace” adopted in June 2018 has also been established and available online at IOI website.¹</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 51 of 110

	<p>GCC members who were interviewed confirmed that there is a clear and understandable protocol on receiving complaints or grievances related to harassment and violence. Apart from briefing on the policy mentioned above in muster ground to all workers and during stakeholder consultations, GCC meetings were also conducted in each operating unit audited. Meeting minutes of GCC was reviewed during the audit and concerns related to women was clearly covered including especially on sexual harassment and domestic violence. Verified in the meeting minutes sampled / selected eg Sagil, Regent and Gomali estates were conducted between 14/12/2018 and 22/3/2019.</p> <p>Based on the regular meetings held between workers and the management, it was verified that that the said policy was satisfactorily understood by workers and adequately implemented in the PMU.</p> <p>¹ https://www.ioigroup.com/Content/S/PDF/policy_on_harassment_at_workplace.pdf</p>	
<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.</p> <p>Major Compliance</p>	<p>As per the IOI policy established, pregnant and breastfeeding women (both local and foreign) were exempted from work associated with potentially hazardous chemicals.</p> <p>Medical check-up was conducted on monthly basis for female workers handling chemicals, Justification given by the Management that this was ensure that any pregnancy will be detected early for work safety reasons, which was noted to be adequately explained to the workers.</p> <p>As per interviews conducted by the Auditor, with sampled local and foreign female workers, it was confirmed the reason for medical check-up was accepted by them and did not pose as infringement of their reproductive rights.</p> <p>Verified that there was provision in the said policy / guidelines on for appropriate actions and options for decisions to be made by the female workers themselves, if found to be pregnant.</p> <p>During the current audit, there were no female workers, both local and foreign, found to be pregnant in all operating units audited over the past 12 months.</p>	<p>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.</p> <p>Minor Compliance</p>	<p>The Grievance process flowchart and procedures are displayed in the estate offices. The grievance mechanism established at the grouping has been maintained. There are gender committees specifically to address areas of concern to women. These committees headed by the managers and members are representatives from all areas of work. The minutes of meetings were documented and kept. Reports made to the gender representatives are inaccessible to the public.</p> <p>In addition, since Nov. 2017 IOI group had adopted a revised Whistleblowing Policy¹ which was approved by Audit and Risk Management Committee. Whistleblowing form also available online at IOI group website.²</p> <p>¹ https://www.ioigroup.com/Content/G/PDF/Corp_WhistleblowingPolicy.pdf</p> <p>² https://www.ioigroup.com/Content/G/G_Whistleblowing</p>	<p>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.</p> <p>Minor Compliance</p>	<p>Sembilan Tani Estate is the sole associated smallholder supplying to Gomali POM and there was no evidence to suggest of any unfair business practices between both parties including the prices of FFB.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 52 of 110

<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>Price mechanism is generally understood by the industry players as the POM is using FFB prices set by the MPOB. Monthly prices are displayed at the POM office and FFB price data are available to the public upon request.</p>	<p>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>Based on employee contracts, ECC meeting minutes, and interviews, it is evidence that all parties understand the contractual agreements they entered into and consider the contract as fair, legal and transparent. Interviews with parties concerned confirmed that Gomali grouping practices a fair and transparent business deals with local entrepreneurs. Work tenders are open to appropriate parties and reviewed by Tender Committee before approval. The contractors are monitored to follow safety requirements during the work in progress.</p>	<p>Complied</p>
<p>6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance</p>	<p>The grouping has a policy to ensure agreed payments were made in a timely manner as agreed in the contract. Payments are made on time according to common practice of 60-day grace period. This was verified during interview with the stakeholders including the contractors.</p>	<p>Complied</p>
<p>Criterion 6.11 Growers and millers contribute to local sustainable development where appropriate.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance</p>	<p>The commitment to contribute towards local communities is evident and verified as sampled below:</p> <ul style="list-style-type: none"> • Contribution for school sports day by Sagil Estate to nearby schools, e.g. field road for school cross country with security details from the estate auxiliary police. • Organising public speaking by Department of Health to the workers and nearby residents on Hand, Foot and Mouth Disease (HFMD) at Regent Estate. • Close cooperation between the estates auxiliary police with nearby villages reduces cases of stolen FFB and cattle at the smallholders' plantations at Gomali Estate, Sagil Estate and Regent Estate. • Maintenance of football field at nearby villages is handled by the estate workers at Regent Estate. • Water supply to the nearby villages upon request at Regent Estate. • Monitoring of contagious and vector-borne diseases by the estate clinics. 	<p>Complied</p>
<p>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</p>	<p>There are no scheme smallholders supplying to the POM. Sembilan Tani Estate is the sole associated smallholder supplying to the Gomali PMU. Efforts have been taken to assist Sembilan Tani Estate to maintain the certified status, including providing technical and material assistance, e.g. supplying high quality seedling and advisory services on estate management.</p>	<p>Not applicable</p>
<p>Criterion 6.12 No forms of forced or trafficked labour are used.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 53 of 110

<p>6.12.1 There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance</p>	<p>Estate workers are sourced by the IOI appointed agents and handled via IOI HQ.</p> <p>All procedures of bringing in foreign workers are with the approval from the Immigration Office. Based on records verified and interviews with some of the workers, it is confirmed that there has been no occurrence of forced nor trafficked workers in IOI estates.</p> <p>IOI through its revised Sustainability Policy have released the passports back to the workers throughout the group. The workers however were reminded they are responsible should any untoward incidents happened while their passports are in their custody. The management will assist the workers to monitor the expiry dates of their passports and work permits, FOMEMA tests until collection of work permits from the Immigration Office. Contractor workers were also verified to keep their own passports.</p> <p>IOI through its revised Sustainability Policy have released the passports back to the workers throughout the group. The workers however were reminded they are responsible should any untoward incidents happened while their passports are in their custody. The management will assist the workers to monitor the expiry dates of their passports and work permits, FOMEMA tests until collection of work permits from the Immigration Office. Considering safety reason, some workers voluntarily surrender their passports for safekeeping purposes. Evidence of these are sighted in Gomali Estate. Contractor workers were also verified to keep their own passports.</p>	<p>Complied</p>
<p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance</p>	<p>No issue of contract substitution has been found and this was confirmed through interviews mainly with internal stakeholders.</p>	<p>Complied</p>
<p>6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance</p>	<p>Published statement and procedures on migrant workers is covered in IOI Plantation Foreign Workers Recruitment Guideline & Procedure In Malaysia adopted by the IOI group was revised in July 2018. This guideline is also available at IOI website.¹</p> <p>Implementation of this policy is evident as explained above, for example, all decisions related to hiring of new workers shall be made based on business needs, job requirements and individual qualifications and without regard to race, religion or gender. Also mentioned above that the equal opportunity policy was adopted and implemented by the grouping and verified to have covered all necessary aspects of including migrant workers related issues. Freedom of association as earlier mentioned permitted not only to the local workers but also to the foreign workers.</p> <p>This policy is communicated to all workers during annual refresher training and to all new intakes.</p> <p>¹ https://www.ioigroup.com/Content/S/PDF/Foreign%20Workers%20Recruitment%20Guideline%20Procedure.pdf</p>	<p>Complied</p>
<p>Criterion 6.13 Growers and millers respect human rights.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>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</p>	<p>The published statement on human rights is covered in Sustainability Policy adopted by the IOI group in 2017 (revised March 2018) under the Human Rights and Workplace heading.</p> <p>This policy is verified to be communicated to all workers during annual refresher training and to all new intakes.</p>	<p>Complied</p>
<p>6.13.2 As long as children of foreign workers in Sabah and Sarawak are ineligible to attend</p>	<p>Not applicable for this unit.</p>	<p>Not applicable</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 54 of 110

government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.		
Minor Compliance		

Principle 7: Responsible development of new plantings

Todate, 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 4.0. The GHG Calculation Report was said to be submitted to RSPO Secretariat in Apr 2019.

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

All information and data below as per the latest summary report generated through **RSPO PalmGHG Calculator Version 4.0**

GHG Table 1: Summary of Net GHG Emissions (Jan – Dec 2018)

Emissions per Product	tCO2e/tProduct
CPO	0.58
PK	0.00

Production	t/year
FFB processed	365,345.15
CPO Produced	77,791.88

Extraction	%
OER	21.29
KER	4.77

GHG Table 2: Summary of Land Use

Land use	ha
	19,453.70 (own supply bases) + 4,257 (IOI Sister Estates)
OP planted area	= 21,403.00
OP planted on peat	0
Conservation (forested)	46.54 (own supply bases)

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 55 of 110

	+ 0.54 (IOI Sister Estates) = 47.08
	74.28 (own supply bases) + 10.93 (IOI Sister Estates) = 85.21
Conservation (non-forested)	= 85.21
Total	21,535.29

GHG Table 3: Summary of Field Emissions and Sinks

	Own Crop		Group		3rd Party		Total
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e
Emissions							
Land Conversion	73324.09	48.13	3948.42	9.88	2093.85	9.88	79437.96
CO ₂ Emissions from Fertiliser	20706.94	13.30	1096.20	2.89	103.53	0.49	21924.18
N ₂ O Emissions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fuel Consumption	2220.66	1.28	236.21	0.60	30.31	0.14	2489.30
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sinks							
Crop Sequestration	-148522.73	-88.37	-6989.56	-18.41	-252.77	-1.19	-155878.33
Conservation Sequestration	-435.12	-0.29	-13.83	-0.03	0.00	0.00	-449.28
Total	-38815.15	-17.02	-985.70	-3.13	2049.31	9.67	-37762.14

GHG Table 4a: Summary of Mill Emissions and Credits

	tCO ₂ e	tCo ₂ e/tFFB
Emissions		
POME	92596.69	0.25
Fuel Consumption	1279.09	0.00
Grid Electricity Utilisation	0.00	0.00
Credits		
Export of Excess Electricity to Grid and Housing	0.00	0.00
Sales of PKS	-13648.80	-0.04
Sales of EFB	0.00	0.00
Total	80226.99	0.22

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 56 of 110

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

Divert to compost	100%
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>At POM:</p> <ol style="list-style-type: none"> 1. The testing and commissioning of the biogas plant to reduce methane gas emission from effluents. This project is still on-going 2. Install boiler emission control system to improve emission at the boiler station. 3. Build new house for workers, ongoing till Dec 2019 4. Water supply (switch water supply from mill treated water to SAJ) by Dec 2019 <p>At Estates:</p> <ol style="list-style-type: none"> 1) Increase planting of beneficial plants (<i>Turnera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>) along the roads for pesticides reduction 2) Recycling use of fertilizer bags and washing of inner lining bags prior to disposal as plastic waste. 3) Increase cover crop planting at stream buffer zones, steep slopes for better soil erosion control. 4) Increase construction of more barn owls to overall ratio of 1:20 from the previous 1:36 5) Contribution for school sports day at Sagil Estate to nearby schools, e.g. field road for school cross country with security details from the estate auxiliary police. 6) Organising public speaking by Department of Health to the workers and nearby residents on Hand, Foot and Mouth Disease (HFMD) at Regent Estate. 7) Improve cooperation between the estates auxiliary police with nearby villages in reducing FFB and cattle issues at the smallholders' plantations at Gomali, Sagil and Regent Estates. 	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 57 of 110

	<p>8) Maintenance of football field at nearby villages by the estate workers at Regent Estate.</p> <p>9) Water supply to the nearby villages at Regent Estate.</p> <p>10) Monitoring of contagious and vector-borne diseases at estate clinics.</p>	
--	---	--

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).

General Chain of Custody Requirements for the supply chain:

5.1 Applicability of the general chain of custody requirements for the supply chain		
Indicators	Findings and Objective Evidence	Compliance
<p>5.1.1.</p> <p>The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors.</p> <p>After the end product manufacturer, there is no further requirement for certification.</p>	<p>CPO Mill, Dynamic Plantations Bhd - Gomali POM (under IOI Group) takes legal ownership and physically handles the certified FFB, CPO and PK.</p> <p>Verified as at todate, no outsourced facility is used in the processing and production of the CPO and PK.</p>	Complied
<p>5.1.2.</p> <p>Traders and distributors require a license obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor must pass on the certification number of the product manufacturer and the applicable supply chain model.</p>	<p>The CPO Mill does not perform direct trading of the certified CPO & PK. All the quantities produced are sold solely to IOI Global Services SB (another IOI subsidiary).</p>	Complied
<p>5.1.3.</p> <p>Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.</p>	<p>RSPO membership is registered under the parent company: IOI Corporation Berhad RSPO membership No. 2-0002-04-000-00</p> <p>Dynamic Plantations Bhd - Gomali POM unit was registered in the RSPO PalmTrace: PalmTrace Member ID: RSPO_PO1000000094 License ID: CB72659</p>	Complied
<p>5.1.4.</p> <p>Processing aids do not need to be included within an organization's scope of certification.</p>	<p>No processing aid used as this facility is a CPO Mill.</p>	Complied
5.2 Supply chain model		
<p>5.2.1</p> <p>The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can</p>	<p>Verified that this facility is a CPO Mill which applies Module D: Identity Preserved (IP) only.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 58 of 110

only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.		
<p>5.2.2. The site can use one (1) or a combination of supply chain models as audited and certified by the CB.</p>	Verified that this facility is a CPO Mill which applies Module D: Identity Preserved (IP) only.	Complied
5.3 Documented procedures		
<p>5.3.1. The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> • Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). • Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard. 	<p>Documented procedure for IP Module is: RSPO/SOP/CoC/3 issue 06 dated 03 Apr 2018 covered the implementation of all elements of IP Module is verified on site.</p> <p>The 'IP module' implementation is verified to be in compliance with the RSPO SCCS requirement. Production records are maintained and updated on a daily basis and monthly, 3-monthly and annually reports are compiled and for reporting to the IOI Group, HQ.</p> <p>The responsible person identified is the Mill Manager as per the SOP and Organizational chart. Interview done with the Mill Manager.</p> <p>IOI Gomali POM - Mill Manager, Mr. TS Chai, has been appointed as the person in charge for the overall responsibility and authority for implementation and compliance with the documented supply chain procedure. Confirmed that he and his assistants are aware and able to demonstrate the implementation of the RSPO supply chain requirements.</p>	Complied
<p>5.3.2. The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <ol style="list-style-type: none"> i. conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. ii. effectively implements and maintains the standard requirements within its organization. <p>Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct nonconformities shall be subject to management review at least annually. The organization must be able to maintain the internal audit records and reports.</p>	<p>Documented procedure for IP Module is: RSPO/SOP/CoC/3 issue 06 dated 03 Apr 2018 covered the implementation of all elements of IP Module is verified on site.</p> <p>The SOP covered the implementation of all elements of Supply chain modules. Stated in para 4.1.10 that its Internal Control System ensure that all users of the RSPO trademark and claims are in accordance with RSPO Rules on Market Communications and Claims requirements.</p> <p>The SOP had covered the Market Communications and Claims requirements including:</p> <ol style="list-style-type: none"> (1) General corporate communications (2) Business to business communications (3) Business to consumer communication (4) Stamp CSPO/IP or CSPK/IP (5) IP general & Module D: IP for CPO Mill (6) Labelling and trademark (7) Messaging <p>Last Internal audit was done on: 3 Mar 2019 using the checklist as per the RSPO SCC Standard 2017 which included the RSPO Market communication and claims requirements.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 59 of 110

	<p>The last internal audit indicated 1 NC raised which were closed out after corrective actions taken. The Internal audit findings were reviewed during the management review conducted on 2 Apr 2019. The management review minutes was attended by Management representatives from IOI HQ, SPO Regional and key Site personnel from the PMU.</p> <p>Records of Internal audits and minutes of Management review of past 2 years were maintained and available.</p>	
<p>5.4 Purchasing and goods in</p>		
<p>5.4.1. The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number • Information must be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). • The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping announcements/ Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. • A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the 	<p>CPO Mill applied the IP module. Daily Production Report showed traceable figures of certified products from certified FFB and also the non-certified FFB (from smallholders / outgrowers).</p> <p>All incoming FFB was recorded on daily basis. Summary of monthly data is verified.</p> <p>For the incoming certified FFB indicating: name and address of the product origin, name and address of the receiver; ticket number, delivery order no.; contract no.; date; quantity; transporter; type of product; Supply Chain model used - MB and RSPO certificate number.</p> <p>Incoming certified FFB from supply base are entirely from the stated 11 estates in the grouping.</p> <p>Samples of FFB receiving documents taken: Between 1 Sept 2018 – 30 May 2019. Delivery Notes: 104018 - 217921 WB ticket no: 111430 – 127985</p> <p>Origin: Gomali estate Address: Segamat, Johor Country of origin: Malaysia Receiver: GOMALI POM Address: Johor, Malaysia Product: FFB – RSPO / IP Certified Quantity: 9,640 kg – 10,950 kg (Net per load) RSPO Cert no: RSPO 930588</p> <p>Origin: Sagil estate Address: Tangkak, Johor Country of origin: Malaysia Receiver: GOMALI POM Address: Johor, Malaysia Product: FFB – RSPO / IP Certified Quantity: 8,150 kg – 9,970 kg (Net per load) RSPO Cert no: RSPO 930588</p> <p>Origin: Regent estate Address: Gemencheh, Negeri Sembilan Country of origin: Malaysia Receiver: GOMALI POM Address: Johor, Malaysia Product: FFB – RSPO / IP Certified Quantity: 9,120 kg – 10,130 kg (Net per load)</p>	<p align="center">Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 60 of 110

<p>list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</p> <ul style="list-style-type: none"> The validity of license for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements/announcements. 	<p>RSPO Cert no: RSPO 930588</p>	
<p>5.4.2. The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.</p>	<p>As per the SOP available at the POM, incoming FFB and documentations such as Estates Delivery Notes and Weighbridge tickets at POM, the control mechanism noted to be in order.</p> <p>So far, there was no evidence of any occurrence of non-conforming products or related documents.</p>	<p style="text-align: center;">Complied</p>
<p>5.5 Outsourcing activities</p>		
<p>5.5.1. In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mill cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).</p>	<p>Verified that there are no outsourced processing activities to Independent third parties.</p> <p>Transport of FFB, CPO and PK as arranged by the Estates and POM Management are controlled via contracts with transporters and inspection of the transportation vehicles used prior to and upon completion of loading and off-loading. This are evidenced in the Delivery chits and weighbridge tickets which indicate the Transport vehicle no, weight and driver involved.</p>	<p style="text-align: center;">Complied</p>
<p>5.5.2. Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ol style="list-style-type: none"> The site has legal ownership of all input material to be included in outsourced processes; The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. 	<p>No outsourcing of processing activities noted at the POM.</p>	<p style="text-align: center;">Not applicable</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 61 of 110

<p>d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.</p>		
<p>5.5.3. The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.</p>	<p>Transport contractor for the transportation of the CSPO & CSPK are monitored and valid contracts are available and verified at the POM.</p>	<p>Complied</p>
<p>5.5.4. The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.</p>	<p>No outsourcing of processing activities noted at the POM.</p>	<p>Not applicable</p>
<p>5.6 Sales and goods out</p>		
<p>5.6.1. The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form: The name and address of the buyer;</p> <ul style="list-style-type: none"> • The name and address of the seller; • The loading or shipment / delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number. • Information must be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). • For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. 	<p>CPO Mill: Gomali POM, sales and delivery documents information included:</p> <ul style="list-style-type: none"> - Name and address of production unit. - Name and address of buyer - WB Ticket number - Date of delivery - Transporter ID - Type of product / Supply chain model - Quantity: - RSPO certificate no. <p><u>Sample - Outgoing product - CSPO:</u> Eg:</p> <ul style="list-style-type: none"> - Origin: Gomali POM - Country of origin: Malaysia - Recipient: IOI Global Services Sdn Bhd - Address: Pasir Gudang, Malaysia - WB Ticket no. 121531 - Date: 21 Dec 2018 - Transport ID: JBA 6538 - Product: CSPO / MB - Quantity: 36,110 kg (net) - RSPO Cert no: RSPO 930588 <p><u>Outgoing product - CSPK:</u> Eg:</p> <ul style="list-style-type: none"> - Origin: Gomali POM - Country of origin: Malaysia - Recipient: IOI Global Services Sdn Bhd - Address: Pasir Gudang, Malaysia - WB Ticket no. 127621 - Date: 12 Mar 2019 - Transport ID: JAD 7504 - Product: CSPK / MB - Quantity: 38,725 kg (net) - RSPO Cert no: RSPO 930588 	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 62 of 110

5.7 Registration of transactions		
<p>5.7.1. Supply chain actors who:</p> <ul style="list-style-type: none"> • are mills, traders, crushers and refineries; and • take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable. 	<p>Legal ownership and physically handling of the RSPO CSPO & CSPK is confirmed for the past 12 months. Records for the transactions made from the POM as sold to the next owner (IOI Global Services SB) are confirmed to be appropriately maintained. Dynamic Plantations Bhd - Gomali POM unit was registered in the RSPO PalmTrace: PalmTrace Member ID: RSPO_PO1000000094 License ID: CB72659</p> <p>Verified during certified products trading.</p>	Complied
<p>5.7.2. The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> • Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. • Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. • Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. • Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	<p>The company has registered their transactions as per the Palm trace.</p> <p>Checked information: Transaction ID: stated Seller: Gomali POM Buyer: IOI Global Services SB Product: CSPO Supply chain model: IP Quantity: stated Transaction type: Shipping Status: Confirmed Period: 25 Aug 2018 – Apr 2019</p> <p>Transaction ID: stated Seller: Gomali POM Buyer: IOI Global Services SB Product: CSPK Supply chain model: IP Quantity: stated Transaction type: Shipping Status: Confirmed Period: 25 Aug 2018 – Apr 2019</p>	Complied
<p>5.8.1. The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff.</p>	<p>The POM has an annual Training 2018/2019, which includes refresher training on the RSPO SCCS. Training records are updated for personnel which includes signed attendance list as evidence are verified and available.</p>	Complied
<p>5.8.2. Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard</p>	<p>The last training was done in Jan 2019, attended 7 participants which included the Mill Manager, Executives, Assistants, Weighbridge clerks who are involved in implementation of the RSPO SCCS. Understanding by personnel was confirmed during audit at the POM.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 63 of 110

requirements. Training shall be specific and relevant to the task(s) performed.		
5.9 Record keeping		
5.9.1. The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.	The company has procedure to maintain and update all documents and records of RSPO supply chain system as required by the RSPO supply chain. The company has maintained, updated report & record which covering all aspects of RSPO SCCS requirements, such as: daily report, monthly report, 3-months mass balance report, delivery note, balancing stock report, complaint record, non-conforming product report, etc.	Complied
5.9.2. Retention times for all records and reports shall be a minimum of two (2) years and must comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	As per the RSPO SCC SOP, the minimum retention time of record for 2 years was stated. The retention of accounting related records including contracts, invoices etc. had complied with the minimum 7 years as per the Annual Accounting report and Stock Inventory done by the Accounting Dept. Based on sampling done for RSPO transactions, the related records were noted to be retained and available at site.	Complied
5.9.3. The organization must be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	The PMU has updated the record keeping of the volumes of FFB purchased, processed and claimed as RSPO certified oil palm products. The Monthly, 3- Monthly, and Annual data over past 12 months was available.	Complied
5.10 Conversion factors		
5.10.1 Where applicable a conversion rate must be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which must be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.	Not applicable, as the scope of certification for this unit covers until the CPO Mill only.	Not applicable
5.10.2 Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	Not applicable, as the scope of certification for this unit covers until the CPO Mill only.	Not applicable
5.11 Claim		
5.11.1.		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 64 of 110

The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	As at to-date, there has been no evidence of any no incorrect or inappropriate claims made at this unit.	Complied
RSPO Rules on Market Communications and Claims:		
General Corporate communications		
4.1 Highlights RSPO membership and/or commitment to RSPO Principles	The RSPO membership number is stated under the parent company of IOI Corporation Berhad as indicated in the RSPO website and CH certificate.	Complied
4.2 a) displays RSPO membership number b) displays RSPO web address (www.rspo.org.) c) states support for RSPO work	Noted done via the ACOP submitted on annual basis eg for year 2017 and 2018.	Complied
4.3 No misleading claim on RSPO membership on sale of certified RSPO products	There has been no evidence of any misleading claim as at the time of audit on the sale of the CSPO & CSPK for past 12 months (till Apr 2019)	Complied
4.4 No misleading claim to consumers and stakeholders.	As above.	Complied
4.5 Use of RSPO logo	No evidence of inappropriate use of the RSPO logo.	Complied
Business to Business communications		
5.1 Appropriate communications for B to B	Transactions and communications are presently internal i.e. between the IOI POM (seller) and IOI Global Services SB (buyer).	Complied
5.2 Communication of claims of SCC Model and Certificates	Verified that claims using the IP model / status as issued in the CH certificate was correctly stated.	Complied
5.3 Distributor or wholesaler License use	Not applicable as the POM is not a distributor / wholesaler.	Not applicable
5.4 Declarations of certified palm oil are as per RSPO rules.	Verified that claims made on CSPO & CSPK are as per RSPO Rules.	Complied
Business to Consumer communications		
6.1 Any business to consumer claims made?	Not applicable as the POM does not make any communications with consumers.	Not applicable
6.2 Are the RSPO Marks and logos appropriately used and communicated.	Not applicable.	Complied
6.3 On-pack label and claim use	Not applicable.	Not applicable
6.4 Any disclosure of supplier membership status	Not applicable.	Not applicable
6.5 Appropriate and accurate claims made on certified products	Verified that transaction and claims on certified CSPO & CSPK are appropriate and accurate over past 12 months.	Complied
6.6 Use of RSPO Marks and logos	Verified that there was no inappropriate use of RSPO Marks & Logos.	Complied
6.7 Retailer or Food Services company use of RSPO Marks and logos	Not applicable.	Not applicable

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 65 of 110

6.8 Appropriate and accurate claims made on certified products under 6.7	As above	Not applicable
5.12 Complaints		
5.12.1. The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Documented SOP for SCC at IOI HQ & POM, was verified on site had included the collecting and resolving of stakeholder complaints and any quality issues. There has been no complaint received since previous audit.	Complied
5.13 Management review		
5.13.1. The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken	Management review is planned on an annual basis. Management review conducted on 10 Apr 2019 as per the management review minutes was attended by Management representatives from IOI HQ, SPO Regional and key Site personnel from the PMU. The last management review done had covered the review of internal audit findings and improvement actions needed.	Complied
5.13.2. The input to management review shall include information on: <ul style="list-style-type: none"> Results of internal audits covering RSPO Supply Chain Certification Standard. Customer feedback. Status of preventive and corrective actions. Follow-up actions from management reviews. Changes that could affect the management system. Recommendations for improvement. 	Minutes meeting of management review has included all the required inputs. Review of inputs had covered the both the internal audit results of NC findings from external audits (from CB and other parties). Supplementary Management review was conducted in May for actions on CB NC finding during audit in Apr 2019. Review of corrective and preventive actions and the follow up actions from customer feedbacks, previous management review and changes that could affect the management system were minuted.	Complied
5.13.3. The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> Improvement of the effectiveness of the management system and its processes. Resource needs. 	Outputs of management review has included recommendations for improvement such as the progressive planning for changeover to an SAP system and training needed for the personnel over the next 12 months.	Complied

RSPO Supply chain requirements – Module D (IP) for CPO Mill

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 growers, in addition to those from its own certified land base. If a mill processes	The POM only processed certified FFB from its own supply base (see Section 1.3). 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. The CPO Mill is therefore applying the Identity Preserved (IP) module.	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 66 of 110

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 can 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 meets 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 2018/2019, the POM only received and processed certified FFB from the PMU estates (including from Sembilan Tani estate - associated outgrower) The PMU did not receive any non-certified FFB from any other external sources or suppliers.	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 67 of 110

	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
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.	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 68 of 110

	The product type and supply chain module indicated as CSPO/IP and CSPK/IP on relevant documents.	
--	--	--

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 2019/2020.

3.1.3 Summary of Certified Products - PalmTrace:

The volumes of certified products which was verified for year 2018 / 2019 and projected for 2019 / 2020 are detailed as per Table 8 below:

Table 8: Summary of Data (for 2019 & 2020)

Details on RSPO Palm Trace – Trading volumes		
	CPO (mt)	PK (mt)
Last year's (Projected) Period: 23 Aug 2018 – 22 Aug 2019 Certified volume (RSPO Certified)	89,134	22,284
a) Last year's Actual sold volume (RSPO Certified)	65,494.00	12,494.00
b) Last year's Actual sold volume * (Other Schemes Certified)	245.16	0
c) Last Year's Actual sold volume ** Conventional	11,261.39	4,965.5
d) RSPO Credits	0	0
Total of (a) + (b) + (c) + (d)	77,000.55	17,459.50
New (Projected) Period: 23 Aug 2019 – 22 Aug 2020 Certified Volume (RSPO Certified)	81,400	18,315

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.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 69 of 110

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.
Annual Surveillance-03 (by Intertek)	2018	6 (3 Major, 3 Minor)	4	Actions taken on the NCRs and OBS verified to be effective except for 1 Minor NC which is upgraded to a Major NC during ASA-04.
Annual Surveillance-04 (by Intertek)	2019	5 (5 Major, 0 Minor)	4	Major NCs close out date: 30 Aug – 2 Sept 2019 On-site Verification to be scheduled prior to next annual assessment.

3.2.1 Year 2019: 5 Major NCs

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major: SH-01 (Upgraded)	4.4.1	Date issued: 31 May 2019
		Requirement: 4.4.1 An implemented water management plan shall be in place.
		Statement of Nonconformance: The water management plan has not taken into consideration the availability of all water sources.
		Evidence of Nonconformance:

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 70 of 110

	<p>Location: Gomali POM The water management plan produced has not included the water sources which were form steam generation and its uses.</p> <p>Auditor's note: Previous 2018 NC (SH-01) was not effectively implemented. Thus, upgraded to Major NC in current assessment.</p>	
	<p>Root Cause and Corrective Action(s): by Auditee representative</p>	
	<p>Root cause: Water Management Plan was taking into consideration of the water needs assessment, water quality analysis, contingency, improvement plan etc. We were in assumption that the water management plan only takes into consideration of water in liquid state, thus the management plan was not extensive enough to cover other forms of water.</p> <p>Corrective Action: The water management plan for Gomali Mill is revised accordingly. The usage of the steam generated for sterilizer station, press station, kernel station and oil room has been clearly stated and quantified. Please refer to: Appendix 1: Gomali Mill Water Management Plan 2019- revised</p>	
	<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p>	
	<p>MAJOR NC: Off-site Verification on documentations: 15 -30 Aug 2019 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Verified and evaluated for completeness. Revised POM - Water Management Plan (dated 6 May 2019), submitted via email on 12 Aug 2019, and consumption data was submitted. Verified found to be satisfactorily completed for addressing the NC issued.</p>	
	<p>Conclusion: Evidences submitted as above for the corrective actions done with attached evidences at the auditee POM was verified. The actions taken and implementation were found to have satisfactorily addressed the issue and acceptable for closure. On-site verification is to be scheduled prior to and during next surveillance for effectiveness of implementation.</p>	
	<p>NC status closed by auditor: SH & AL</p>	<p>Date closed: 30 Aug 2019</p>
	<p>Verification of effectiveness: (Prior to and during next annual assessment)</p>	
	<p>NC status verified by auditor:</p>	<p>Date verified:</p>

Ref No:	MYNI Indicator	Details of Non-Conformance (NC)
Major: AL-01	4.4.2	Date issued: 31 May 2019
		Requirement: 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.
		Statement of Nonconformance: Buffer needed for the protection of water courses was not consistently followed and procedure for other buffers /distances during replanting such as at field drains was not clearly defined.
		Evidence of Nonconformance:

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 71 of 110

	<p>Estates: <u>Sagil</u> Noted that Replanting has started and is ongoing for current year onward. Buffer of 3m is not consistent marked eg PR 18A</p> <p>Regent: SOP for Replanting (2017) does not state the distance of OP planting from field drains as noted in PR18A.</p> <hr/> <p align="center">Root Cause and Corrective Action(s): by Auditee representative</p> <p><u>SAGIL ESTATE</u> Root cause: During replanting, Sagil Estate followed Group Environmental Impact Assessment and Management Plans as reference, where for natural stream less than 5m the buffer zone required is 5m. As there was no clear guidance/SOP for artificial/field drains, the estate had reduced the length to around 3m for smaller man made drains. This contributed to the inconsistency of the buffer zone.</p> <p>Corrective Action: a) A buffer zone of 3 metres has been demarcated by painting red on palms or poles beside artificial/field drains. Please refer to Appendix 1.</p> <p>Appendix 1: Picture of remarking along the artificial/field drain</p> <p>b) The buffer zone for artificial/ field drains has been included in the Standard Operating Procedure (SToP) Land Preparation for New Planting. The SToP has been drafted and is pending approval from top management.</p> <p>Appendix 2: Standard Operating Procedure (SToP) Land Preparation for New Planting (Draft)</p> <p>c) Buffer zone training to increase awareness to the staff, sprayers and manurers on the activities that should be avoided near waterways</p> <p>Appendix 3: Buffer zone training (sprayer) Appendix 4: Buffer zone training (manurer)</p> <p><u>REGENT ESTATE</u> Root cause: As there was no guidance/SOP for Replanting near artificial/field drains, the estate used IOI's Group Environmental Impact Assessment and Management Plans as reference, where for natural stream less than 5m the buffer zone required is 5m.</p> <p>Corrective Action: The buffer zone for artificial/ field drains has been included in the Standard Operating Procedure (SToP) Land Preparation for New Planting. The SToP has been drafted and is pending approval from top management.</p> <p>Appendix 2: Standard Operating Procedure (SToP) Land Preparation for New Planting (Draft)</p> <hr/> <p align="center">Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p><u>MAJOR NC:</u> Off-site Verification on documentations: 15 -30 Aug 2019 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Verified and evaluated for completeness. Revised procedure for Estates on Land Preparation – draft copy (Aug 2019), submitted via email on 12 Aug 2019, and Training records for related field personnel was reviewed. Verified that documentation have addressed the NC issued. Subject to on-site verification at a later scheduled date.</p>
--	--

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 72 of 110

	<p>Conclusion: Evidences submitted as above for the corrective actions done with attached evidences at the audited Estates was verified. The actions taken and implementation needed were found to have addressed the issue. Based on documentations submitted, pending on-site verification, an Interim closure is recommended. On-site verification is proposed to be done in Q1,2020 for effectiveness of implementation for a full closure.</p>		
	<table border="1"> <tr> <td>NC status reviewed by auditor: SH & AL</td> <td>Interim closure date: 30 Aug 2019</td> </tr> </table>	NC status reviewed by auditor: SH & AL	Interim closure date: 30 Aug 2019
NC status reviewed by auditor: SH & AL	Interim closure date: 30 Aug 2019		
	Verification of effectiveness: (Prior to and during next annual assessment)		
	Remark: Progress of implementation of Standard Operating Procedure - Land Preparation for New Planting & Replanting to be audited at the Estates.		
	<table border="1"> <tr> <td>NC status verified by auditor:</td> <td>Date verified:</td> </tr> </table>	NC status verified by auditor:	Date verified:
NC status verified by auditor:	Date verified:		

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major: SH-02	5.2.1	Date issued: 31 May 2019
		Requirement: Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.
		Statement of Nonconformance: The extent of the boundary for the steep slopes identified as HCV was not determined and demarcated on the ground.
		Evidence of Nonconformance: Location: Regent estate Inspection made at the identified site with the steep slopes revealed that there was no clear demarcation markers established to indicate the extent of the boundary with the Tebong Forest reserve areas.
		Root Cause and Corrective Action(s): by Auditee representative Root cause: Currently, there is no guidance or standard operating procedure on the marking of buffer zone between reserve forest and estate boundary. Corrective Action: Standard Operating Procedure (SToP) Land Preparation for New Planting have been revised to include distance of buffer zone for forest reserve adopting "Pekeliling Ketua Pengarah Perhutanan Semananjung Malaysia Bilangan 5 Tahun 2014- Penetapan Kelebaran Zon Penampaan Mengikut Fungsi Hutan Simpan Kekal (HSK)" which mentions that a buffer zone of 20 metres is required between forest reserve and plantation. The SToP has been drafted and is pending approval from top management. However, Regent Estate has already demarcated an area of 20m from the Tebong Forest Reserve. Appendix 1: Standard Operating Procedure (SToP) Land Preparation for New Planting & Replanting (DRAFT) Appendix 2: Picture of oil palm marking adjacent to Tebong Forest Reserve
	Verification on Corrective Action(s): by Lead Auditor / Auditor	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 73 of 110

		<p>MAJOR NC: Off-site Verification on documentations: 15 -30 Aug 2019 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Verified and evaluated for completeness. Revised procedure for Estates on Land Preparation for Replanting – draft copy (Aug 2019), submitted via email on 12 Aug 2019, Training records and photographic evidences was reviewed. Verified that documentation have addressed the NC issued. Subject to on-site verification at a later scheduled date.</p>	
		<p>Conclusion: Evidences submitted as above for the corrective actions done with attached evidences at the audited Estates was verified. The actions taken and implementation needed were found to have addressed the issue. Based on documentations submitted, pending on-site verification, an Interim closure is recommended. On-site verification is proposed to be done in Q1,2020 for effectiveness of implementation for a full closure.</p>	
		NC status reviewed by auditor: SH & AL	Interim closure date: 30 Aug 2019
		Verification of effectiveness: (Prior to and during next annual assessment)	
		Remark: Progress of implementation of Standard Operating Procedure - Land Preparation for New Planting & Replanting to be audited at the Estates.	
		NC status verified by auditor:	Date verified:

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major: JMD-01	6.1.3	Date issued: 31 May 2019
		Requirement: Social Impact Assessment 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
		Statement of Nonconformance: Progressive reports on the status of grievances raised by stakeholders were not available for verification.
		Evidence of Nonconformance:
		1. At Gomali POM The SIA action plan did not mention any specific person-in-charge and date of completion for the issues raised by stakeholders. Progress reports of the action planned to address the issues raised were also not available.
		2. At Sagil and Paya Lang Estates The SIA action plan did not mention date of completion for issues raised by stakeholders. Progress reports of the action planned to address the issues raised were also not available.
		Root Cause and Corrective Action(s): by Auditee representative

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 74 of 110

		<p>Root cause: As the manager expects management personnel to work together to handle issues raised by stakeholders and fill up the date once the issues are settled, a specific person-in-charge was not mentioned in the SIA. The normal practice is for the sustainability staff to update the SIA once the issues are settled by the management personnel. However in this case the SIA was not updated due to miscommunication between the management personnel and sustainability staff.</p> <p>As for the progress report, whenever issues are highlighted in the various meetings, actions to be taken are recorded in the meeting minutes. As all issues are recorded and addressed as prompt as possible, operating centers felt that consolidating the comments in another action plans progress report documents will only be duplicating the action taken.</p> <p>Corrective Action: In order to monitor the progress of all the issues raised in various meetings, a Sustainability Action Plan Progress Report has been developed to record all the issues and keep track on the updates till the issues are resolved. The specific person-in-charge and date of completion for the issues is included in this reports.</p> <p>Please refer to: Appendix 1: Sustainability Action Plan Progress Report – Gomali Mill Appendix 2: Sustainability Action Plan Progress Report – Sagil Estate Appendix 3: Sustainability Action Plan Progress Report – Paya Lang Estate</p>
Verification on Corrective Action(s): by Lead Auditor / Auditor		
MAJOR NC:		
<p>Off-site Verification on documentations: 15 -30 Aug 2019 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Verified and evaluated for completeness. Appendix 1-3: Sustainability Action Plan Progress Report – for Gomali Mill and Estates submitted via email on 12 Aug 2019 were reviewed. It is stated in the progress report for the Gomali POM that some actions would require extended time and budget such as repair and re-tar of road leading to the Gomali POM, repair of platform ramps etc., which is pending completion till Aug 2019. Verified that documentation have addressed the NC issued. Subject to on-site verification at a later scheduled date.</p>		
Conclusion:		
<p>Evidences submitted as above for the corrective actions done with attached evidences at the audited POM & Estates was verified. The actions taken and implementation needed were found to have addressed the issue. Based on documentations submitted, pending on-site verification, an Interim closure is recommended. On-site verification is proposed to be done in Q1,2020 for effectiveness of implementation for a full closure.</p>		
NC status reviewed by auditor: JMD & AL		Interim closure date: 2 Sept 2019
Verification of effectiveness: (Prior to and during next annual assessment)		
NC status verified by auditor:		Date verified:

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major: JMD-02	6.5.1	Date issued: 31 May 2019
		Requirement:
		6.5.1 Documentation of pay and conditions shall be available.
		Statement of Nonconformance:
		Adherence of private employment agencies in the source countries to the contract with the company is not checked.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 75 of 110

	<p>Evidence of Nonconformance:</p> <p>3. The procedure to ensure the Private Employment Agencies (PEA) had adhered to the contracts signed with the company, was not available for verification.</p> <p>4. Evidence of refunding of payments to the foreign workers family members (i.e. of Indian national) made via the PEA, were not adequately verified by the company.</p> <hr/> <p>Root Cause and Corrective Action(s): by Auditee representative</p> <p>Root cause for Item 1:</p> <p>1. IOI Plantation's HR department takes measures to ensure that the Private Employment Agencies (PEA) adhere to the contracts signed with the company every time the PEA brings in workers. The HR department was unaware that a written procedure was required for verification.</p> <p>Corrective Action for Item 1:</p> <p>1. The HR department has prepared a procedure "Recruitment Process flowchart by Vazir Enterprise" (Appendix 1) and a Recruitment Agency Risk Mapping Checklist (Appendix 2) to check and ensure that the PEA had adhered to the contracts signed with the company</p> <p>Root Cause for Item 2:</p> <p>2. A misunderstanding of the contract and arrangement made with the recruitment agent (Vazir Enterprises) led to HR department mistakenly using the following words in the Declaration form: "<i>I am aware that IOI paid 38,500 RUPEE (RM2,500) for the recruitment cost and I only paid 20,000 RUPEE (RM1,290) as security deposit and will be returned to my family members after 6 months working in the estate</i>".</p> <p>The actual agreement as per the contract (refer Appendix 3 Letter of Undertaking) states that "<i>we will only collect 20,000 Rupees as security deposit from each worker, guardian or any other person paid on behalf of the worker. The security deposit of 20,000 Rupees shall be refunded to the workers' family members, guardian or other person after 6 months of working in your company</i>" It has been declared and confirmed by the agent, Vazir Enterprises that the workers or their family did not or were unable to pay the security deposit to them. is that the workers do not make any payment to the agent.</p> <p>As such, the security deposit was paid by the Introducer/Guardian (as declared in *Appendix 4 Page 1). The security deposit was then refunded to the Introducer/Guardian after 6 months the workers have worked with us (as declared in *Appendix 4 Page 2).</p> <p>*Appendix 4 Page 1 is the acknowledgement to confirm that :-</p> <p>1. The workers have declared that the name of the Introducer/Guardian who has paid on behalf of them and the Security Deposit of 20,000 RUPEE will be refunded to the Introducer/Guardian after 6 months of working</p> <p>*Appendix 4 Page 2 is the acknowledgement to confirm that :-</p> <p>The Security Deposit of 20,000 RUPEE has been refunded to the Introducer/Guardian who has paid on behalf of the workers – page (2)</p> <p>These documents have been endorsed for its authenticity by the Court of the Mumbai And Thane District, Government of India. It is a legally valid document i.e. legitimate and legally enforceable.</p> <p>Corrective Action for Item 2</p> <p>The HR department has revised and issued the latest Declaration forms for new Indian workers (Please refer to Appendix 5). They are also using the Recruitment Process flowchart by Vazir Enterprise to ensure that all the documents of workers are in order.</p> <hr/> <p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p>
--	--

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 76 of 110

	MAJOR NC: Off-site Verification on documentations: 15 -30 Aug 2019 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Verified and evaluated for completeness. Appendix 1-4: Recruitment Process Flowchart for and revised forms for implementation at the Mill and Estates, submitted via email on 12 Aug 2019 were reviewed. Verified that documentation have addressed the NC issued. Subject to on-site verification at a later scheduled date.	
	Conclusion: Evidences submitted as above for the corrective actions done with attached evidences at the audited POM & Estates was verified. The actions taken and implementation needed were found to have addressed the issue. Based on documentations submitted, pending on-site verification, an Interim closure is recommended. On-site verification is proposed to be done in Q1,2020 for effectiveness of implementation for a full closure.	
	NC status reviewed by auditor: JMD & AL	Interim closure date: 2 Sept 2019
	Verification of effectiveness: (Prior to and during next annual assessment)	
	NC status verified by auditor:	Date verified:

3.2.2 Year 2019: Observations (4 nos.)

Ref No:	MYNI Indicator	Details of Observation	Status		
			Opened date	Closed date	Remark, if any
OBS: AL-01	2.2.1	Estates: <u>Sagil and Regent</u> Several Land titles with 'Syarat nyata' such as for 'Rubber' have not been changed to Oil Palm Plantations. Noted that submissions for obtaining revised title for land use with the State Land Office was done but is still in progress.	31 May 2019	-	Next audit
OBS: AL-02	4.5.1	Estates: <u>Paya Lang</u> Plan for Monitoring and planting of Beneficial plants is done but still the methodology and success rate for the 3 types need to be improved. <u>Paya Lang and Sagil:</u> Number of barn owl boxes is being increased at the estates and yet to achieve the ratio of 1 box: 20 ha target set.	31 May 2019	-	Next audit
OBS: SH-01	5.1.2	Estate: <u>Regent</u> The mitigation measures were initiated to address the issue on soil erosion, especially on road along the steep slope. This mitigation measures were however	31 May 2019	-	Next audit

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 77 of 110

		not being indicated or included in the planning document, i.e. the aspect/impact and the action plan to be taken.			
OBS: JMD-01	6.5.3	<p>Estates: <u>Sagil and Gomali</u> Medical records of transferred workers within IOI group were not available at the new working place as recommended in the Guideline of Malaysian Medical Council 002/2006, i.e.;</p> <p>“When a patient is transferred to a second healthcare facility or service for whatever reason, the primary practitioner (and the primary healthcare facility) is expected to provide a full Clinical Summary of the patient’s management during his/her stay in the first facility...”</p>	31 May 2019	-	Next audit

3.2.3 Year 2018: 6 NCs (3 Major, 3 Minor)

NC	MYNI Indicator	Details of NC
Major: AL-02	4.5.1	Date issued: 2 June 2018
		Requirement:
		Implementation of Integrated Pest Management (IPM) plans shall be monitored.
		Nonconformance:
		<p>Location:</p> <p>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).</p> <p>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.</p> <p>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.</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 78 of 110

	<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>
--	---

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 79 of 110

		<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>
--	--	--

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 80 of 110

		Verification on Corrective Action(s): by Lead Auditor / Auditor	
		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.	
		NC status verified by auditor: Closed by AL & SH	Date closed: 2 Aug 2018
		Verification of effectiveness: ASA-04	
		Implementation found to be effective and closed.	
		NC status verified by auditor: Closed by SH	Date verified: 31 May 2019

NC	MYNI Indicator	Details of NC
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:
		Waste management plan to avoid or reduce pollution was not properly implemented.
		<ol style="list-style-type: none"> 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 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. 2. Bertam Estate - Paya Rumput division Used empty fertiliser bags and other plastic materials were seen scattered around the plantation area.
		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.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 81 of 110

	<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 undesigned 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> <hr/> <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> <hr/> <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> <hr/> <p>Minor NC: -</p> <hr/> <table border="1" data-bbox="486 1848 1457 1892"> <tr> <td>NC status verified by auditor: Closed by AL & SH</td> <td>Date closed: 2 Aug 2018</td> </tr> </table> <hr/> <p>Verification of effectiveness: ASA-04 Implementation found to be effective and closed.</p> <hr/> <table border="1" data-bbox="486 1971 1457 2009"> <tr> <td>NC status verified by auditor: SH</td> <td>Date verified: 31 May 2019</td> </tr> </table>	NC status verified by auditor: Closed by AL & SH	Date closed: 2 Aug 2018	NC status verified by auditor: SH	Date verified: 31 May 2019
NC status verified by auditor: Closed by AL & SH	Date closed: 2 Aug 2018				
NC status verified by auditor: SH	Date verified: 31 May 2019				

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 82 of 110

NC	MYNI Indicator	Details of NC	
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	
		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.	
		Minor NC: -	
NC status verified by auditor: Closed by AL & SH	Date closed: 2 Aug 2018		
Verification of effectiveness: ASA-04, Implementation found to be effective and closed.			
NC status verified by auditor: SH	Date verified: 31 May 2019		

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.	
Nonconformance:			

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 83 of 110

	<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>		
	<table border="1"> <tr> <td>NC status verified by auditor: Closed by AL & SH</td> <td>Date closed: 2 Aug 2018</td> </tr> </table>	NC status verified by auditor: Closed by AL & SH	Date closed: 2 Aug 2018
NC status verified by auditor: Closed by AL & SH	Date closed: 2 Aug 2018		
	<p>Verification of effectiveness: ASA-04, Implementation found to be effective and closed.</p>		
	<table border="1"> <tr> <td>NC status verified by auditor: SH</td> <td>Date verified: 31 May 2019</td> </tr> </table>	NC status verified by auditor: SH	Date verified: 31 May 2019
NC status verified by auditor: SH	Date verified: 31 May 2019		

NC	MYNI Indicator	Details of NC
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:

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 84 of 110

		<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> <hr/> <p>Root Cause and Corrective Action(s): by Auditee representative</p> <p>TAMBANG ESTATE</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>JASIN LALANG ESTATE</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> <hr/> <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> <table border="1" data-bbox="478 1877 1457 1921"> <tr> <td data-bbox="478 1877 1077 1921">NC status verified by auditor: Closed by AL & SH</td> <td data-bbox="1077 1877 1457 1921">Date closed: 2 Aug 2018</td> </tr> </table> <p data-bbox="478 1921 1457 1966">Verification of effectiveness: ASA-04, Implementation found to be effective and closed.</p> <table border="1" data-bbox="478 1966 1457 2004"> <tr> <td data-bbox="478 1966 1077 2004">NC status verified by auditor: SH</td> <td data-bbox="1077 1966 1457 2004">Date verified: 31 May 2019</td> </tr> </table>	NC status verified by auditor: Closed by AL & SH	Date closed: 2 Aug 2018	NC status verified by auditor: SH	Date verified: 31 May 2019
NC status verified by auditor: Closed by AL & SH	Date closed: 2 Aug 2018					
NC status verified by auditor: SH	Date verified: 31 May 2019					

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 85 of 110

NC	MYNI Indicator	Details of NC	
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: 2 Aug 2018	
Verification of effectiveness: ASA-04, Implementation found to be effective and closed.			
NC status verified by auditor: SH		Date verified: 31 May 2019	

3.2.4 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 estate The training for those involved in the IPM implementation was not adequate.	2 June 2018	31 May 2019	Addressed and closed.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 86 of 110

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	31 May 2019	Addressed and closed.
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	31 May 2019	Addressed and closed.
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	31 May 2019	Addressed and closed.

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-04) Year 2019

Communication done via email on 17 April 2019 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			

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 87 of 110

<p>categories were invited for the Stakeholders' Consultation on 30 May 2019.</p> <p>A total of 21 stakeholders (1 government agency, 3 transporters, 1 contract worker, 1 temple representative, 7 suppliers, 4 contractors, 1 clinic representative, 2 neighbouring 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>Management will consider the requests made and further improvment actions will be taken. Continued consultations with the stakeholders will be maintained.</p>	<p>Monitoring to continue during next surveillance</p>	<p>.</p>
<p>Local Communities - Interviews: Interviews of sampled staff and workers were also conducted by the auditors during field visits from 27 – 31 May 2019 at the PMU:</p> <p>Staff / Workers sampling: POM = 6 male, 5 female Estate Offices = 12 male, 8 female Field / sites visit = 18 male, 12 female HQ, HR staff: 1 male</p> <p>All complaints & issues has been allowed, properly recorded and attended to by the Mill & Estate management. No further new issues raised by the sampled staff and workers.</p>	<p>Ongoing consultations via ECC, Safety & Health, Gender committee meetings etc. will be maintained.</p>	<p>Monitoring to continue during next surveillance</p>	<p>.</p>
<p>Other Interested parties: No feedback received.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>

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**):

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 88 of 110

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 02 June 2018. A total of 25 stakeholders (1 government agency, 2 transporters, 1 contract worker, 1 temple representative, 7 suppliers, 4 contractors, 1 clinic representative, 2 neighbouring estate, 3 school representative, 1 sundry shop, 1 food stall/shop owner, 1 auxillary police and 2 FFB transporters) were present at the consultation. They were interviewed by the auditors without the presence of any of the PMU staff. There were no noteworthy concerns received during the interviews and stakeholder consultation. Overall feedback was positive on the PMU operations.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
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: Staff/Workers sampling: POM = 8 male, 5 female Estate Offices = 16 male, 10 female Field/sites visit = 20 male, 12 female No issues raised by the sampled staff and workers.	No response needed.	No response needed.	Nil
Other Interested parties: No feedback received.	No response needed.	No response needed.	Nil

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 89 of 110

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: 14 Oct 2019

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 Plantation Services Sdn Bhd



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

Date: 15 Oct 2019

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
 Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 90 of 110

4.2 INTERTEK- RSPO P&C Certificate details for PMU

Certificate No:	RSPO 930588
New issue date	23 August 2018
Expiry date	22 August 2020
New PalmTrace License Start date:	23 August 2019
PalmTrace License End 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:	Dynamic Plantations Bhd (Gomali POM & Estates 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 Kernel
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 (N)	Longitude (E)		
Dynamic Plantations Bhd - Gomali POM Capacity: 120 MT/hour	5th Mile, Jalan Gemas Batu Anam, K.B. No. 102, 85100 Batu Anam, Segamat, Johor, Malaysia	2.610685	102.679438	-	-
Gomali Estate	Jalan Gemas-Batu Anam, K.B. No. 102, 85100 Segamat, Johor, Malaysia.	2.611578	102.673342	2171	2555.75
Paya Lang Estate	Batu Anam, 85100 Segamat, Johor, Malaysia.	2.582397	102.707672	1971	2467.25
Tambang Estate	Tambang Estate, Batu Anam, Segamat 85100 Johor, Malaysia.	2.631970	102.716407	1431	2011.32
Sagil Estate	8 Milestone, Jalan Tangkak-Segamat, 84900 Tangkak, Johor, Malaysia.	2.315038	102.634702	1970	2665.66
Regent Estate	2nd Mile, Jalan Batang Melaka, 73200 Gemencheh, Negeri Sembilan, Malaysia.	2.514053	102.404666	1679	2300.27
Bahau Estate	Batu 5, Jalan Bahau-Rompin, 72100 Bahau, Negeri Sembilan, Malaysia.	2.809068	102.448724	2046	2844.17
Kuala Jelei Estate	5KM, Jalan Tampin, 72109 Bahau, Negeri Sembilan, Malaysia.	2.774567	102.389746	634	679.26
Bertam Estate	Flora Horizon Sdn Bhd, Bertam Estate, 76100 Durian Tunggal, Melaka, Malaysia.	2.304040	102.284882	411	448.80
Jasin Lalang Estate	5KM From 15 Miles Air Merbau, Jalan Jasin Bemban, Jasin Melaka, Malaysia.	2.254690	102.421190	1485	1563.89
Bukit Dinding Estate	1 1/2 Miles, Jalan Mentakab, 28600 Karak, Johor.	3.391261	102.075497	1327	1660.43
Sembilan Tani Estate (associated outgrower)	Kampung Kuala Gemas, Gemas, Negeri Sembilan	2.637769	102.617725	212	256.87

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 91 of 110

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

Dynamic Plantations Bhd - Gomali POM	Annual Tonnages (MT)
Certified FFB	370,000
Certified CPO	81,400
Certified PK	18,315
Supply chain module	Identity Preserved (IP)

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)**

Page 92 of 110

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 Johor 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. Jumat Majid (JMD) – Assessor / Technical Expert

(Social Responsibility, Workers Welfare and GAP)
– BSc (Social Science)

Mr. Jumat Majid has over 15 years work experience in the agriculture sector. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001:2008 and RSPO P&C MY-NI Assessor course. He has also successfully completed training programs in Organic Agriculture Development and had performed organic agriculture inspections and assessments for more than 6 years. He has successfully completed training in the RSPO P&C, MYNI Lead Assessor course. He has been involved in NGO work in the areas of social impact assessments within the South East Asia region. He is a member of the RSPO Assessment team which audited several RSPO certified Plantation Management Units since 2010.

Mr. Edwin Chua Rin Jong (CRJ) – Assessor / Technical Expert

(Safety and Social Compliance)
- Dip. Industrial Process Engineering

Mr. Edwin Chua has more than 20 years working experience related in the oil palm sector specifically as oil palm products inspection and survey and is a registered / approved PORLA (MPOB) inspector. He has also over 10 years' experience in occupational safety, health and conducting of 2nd party audits for Supply Chain Management on Safety, Health and Social compliance in accordance with SMETA, CSR, ETI programs etc. in industries related to palm oil, petroleum, consumer goods manufacturing. He has successfully completed the ISO IRCA Lead Auditor course in Dec 2017 and the RSPO Lead Auditor course in Jan 2019. He has completed a supervised period of training in practical auditing in oil palm industry and related field more than 15 days audit experience in at least 3 audits at different organizations. He has adequate knowledge on Palm Oil sector such as industry fundamentals sustainability, social and OHS issues (e.g. worker welfare issues and social matters such as employment terms, gender issues, worker welfare etc.), environmental matters (e.g. pollution control and legislations). He was the Safety & Health Manager for Intertek, Malaysia and is a Registered Safety and Health Officer by the Department of Occupational Safety and Health Malaysia (DOSH) since 2000 and is a certified OSH trainer by National Institute of Occupational Safety and Health Malaysia (NIOSH) since 2000. He has conducted audits based on standards such as ISO 9001, MS 1722, OHSAS 18001 and ISO 14001 and local laws, regulations and standards in relation to OSH.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 93 of 110

Appendix B:

Assessment Plan (Actual)

At HQ site: 24 May 2019

Date	Time	Assessors and Assessment Activity		
		Assessment Team (Lead Assessor: AL)		
24 May 2019	9.00 am – 1.00 pm	Opening Meeting and Briefing at HQ Office (to be attended by representatives from the HQ Management)		
		<ul style="list-style-type: none"> Review of documentation changes (incl. Organisation, Policies, SOPs, and Laws etc.) Evaluation of the Pre-Verification Data Review of Time Bound Plan (TBP) Verification on compliance with Minimum requirements for Multiple Management Units (MMU) Verification of implementation effectiveness for corrective actions on previous NCs 		
	1.00 pm - 2.00 pm	Lunch Break		
	2.00 pm – 4.30 pm	Continue site assessment at HQ		
	4.30 pm – 5.30 pm	Briefing of findings on areas/ issues related to HQ		

At PMU site: 27 – 31 May 2019

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
27 May 2019 (Day 1)	8.00 am – 9.00 am	Travel from Hotel to Gomali Palm Oil Mill		
	9.00 am – 9.30 am	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)		
	9.30 am – 12.30 pm	Document Review and Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM		
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm – 5.00 pm	AL	SH	JMD & EC
		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 & GHG 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 with rules on partial certification 		
	5.00 pm – 6.00 pm	Travel to Hotel & Break		
6.00 pm – 7.00 pm	Team Meeting and Discussion			

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 94 of 110

Date	Time	Assessors and Assessment Activity		
		AL	SH	JMD & EC
28 May 2019 (Day 2)	8.30 am – 12.30pm	Site assessment at Estate 1 <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 Estate 1 <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Estate 1 <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 Estate 1		
	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	JMD & EC
29 May 2019 (Day 3)	8.30 am – 12.30 pm	Site assessment at Estate 2 <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 Estate 2 <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Estate 2 <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 Estate 2		
	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	JMD & EC
30 May 2019 (Day 4)	8.30 am – 12.30pm	Site assessment at Estate 3 <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings 	Site assessment at Estate 3 <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Estate 3 <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"> • P2 Laws & regulations • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	<ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement 	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 95 of 110

		<ul style="list-style-type: none"> • P8 Continual Improvement 		
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Site assessment at Estate 4 <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 Estate 4 <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Estate 4 <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	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	JMD & EC
31 May 2019 (Day 5)	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		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 96 of 110

Appendix C-1:

Location Map of IOI Gomali Grouping, Johor, Malaysia

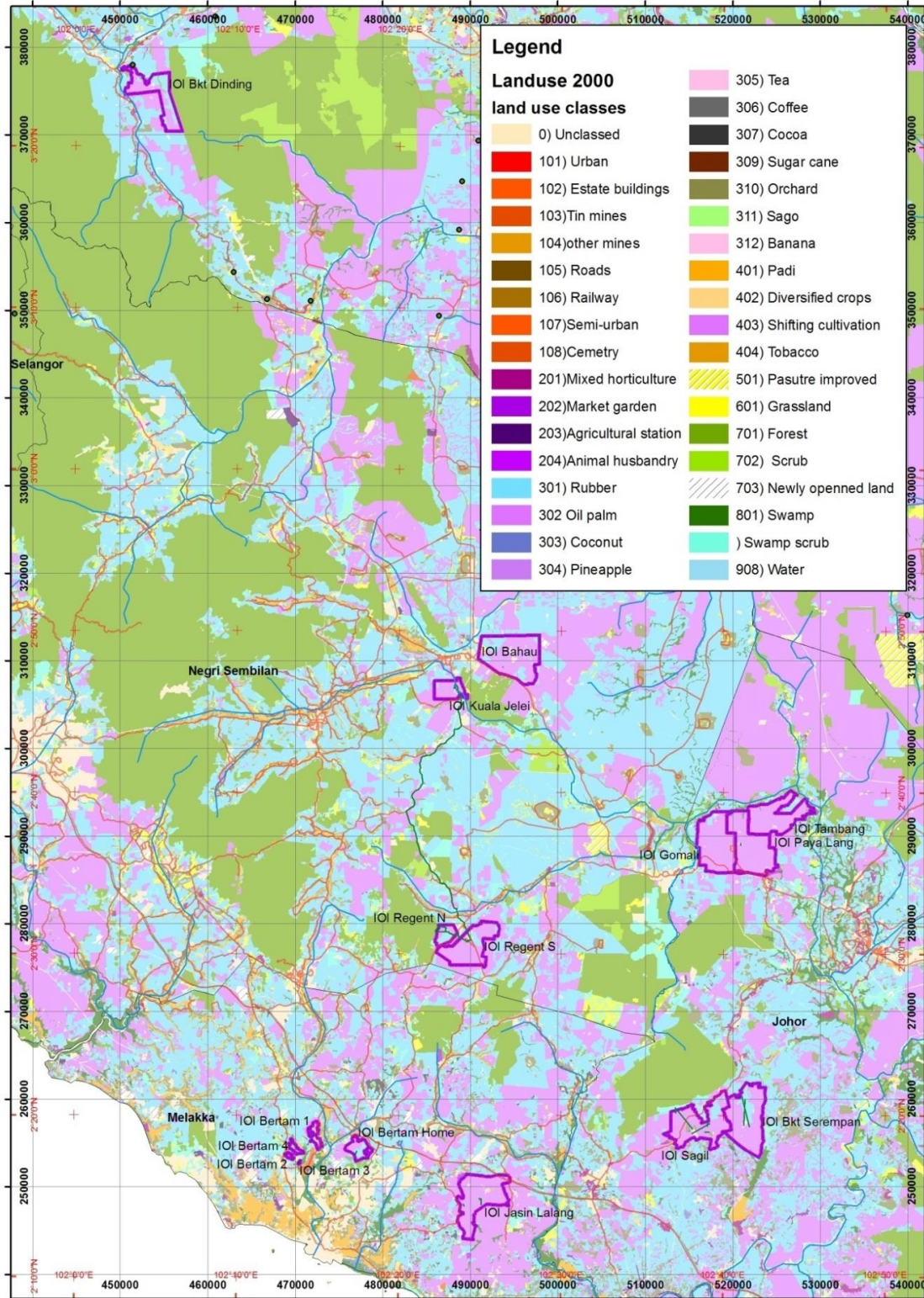


INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 97 of 110

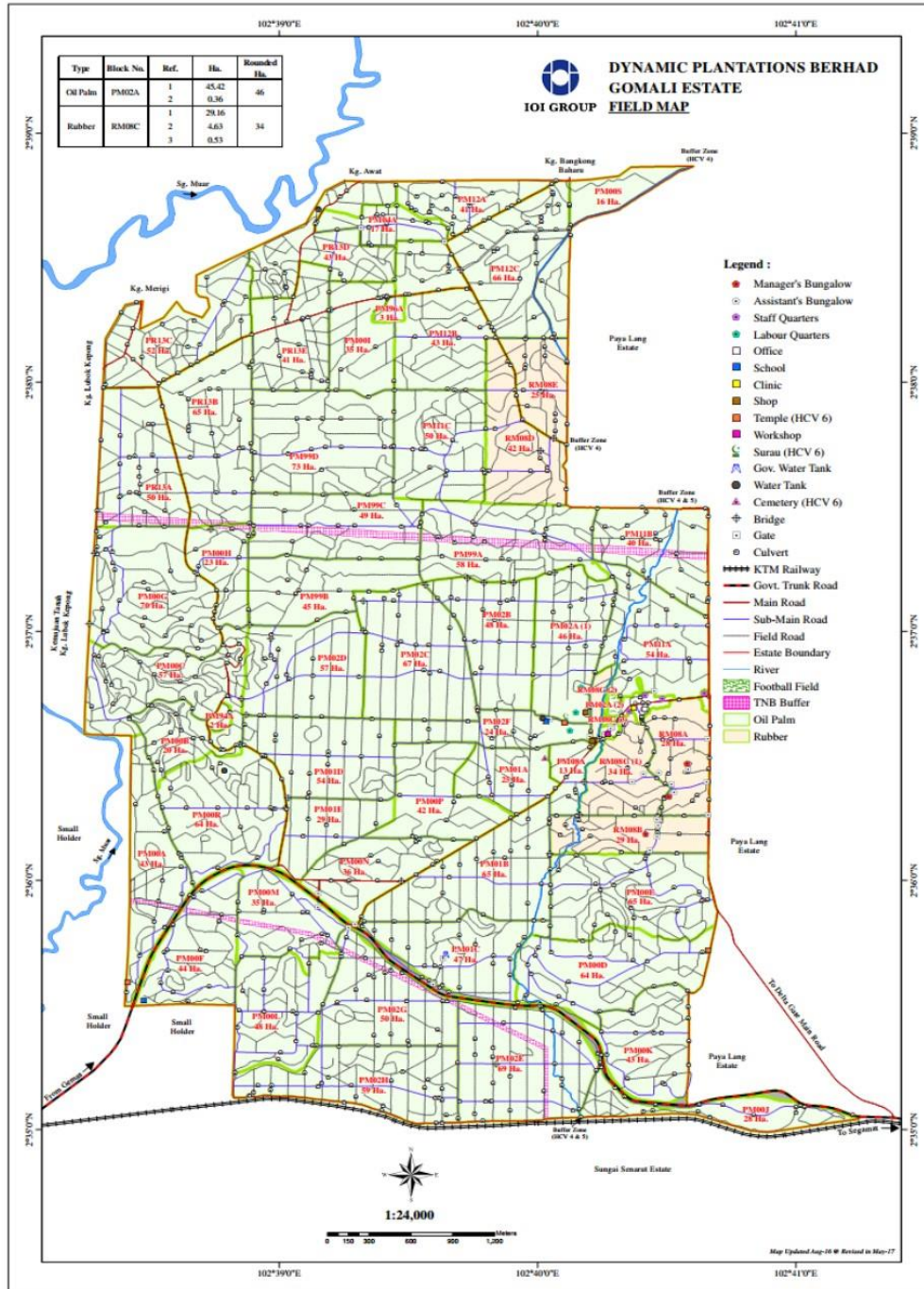
Appendix C-2:
Location Map of IOI Gomali PMU



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

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

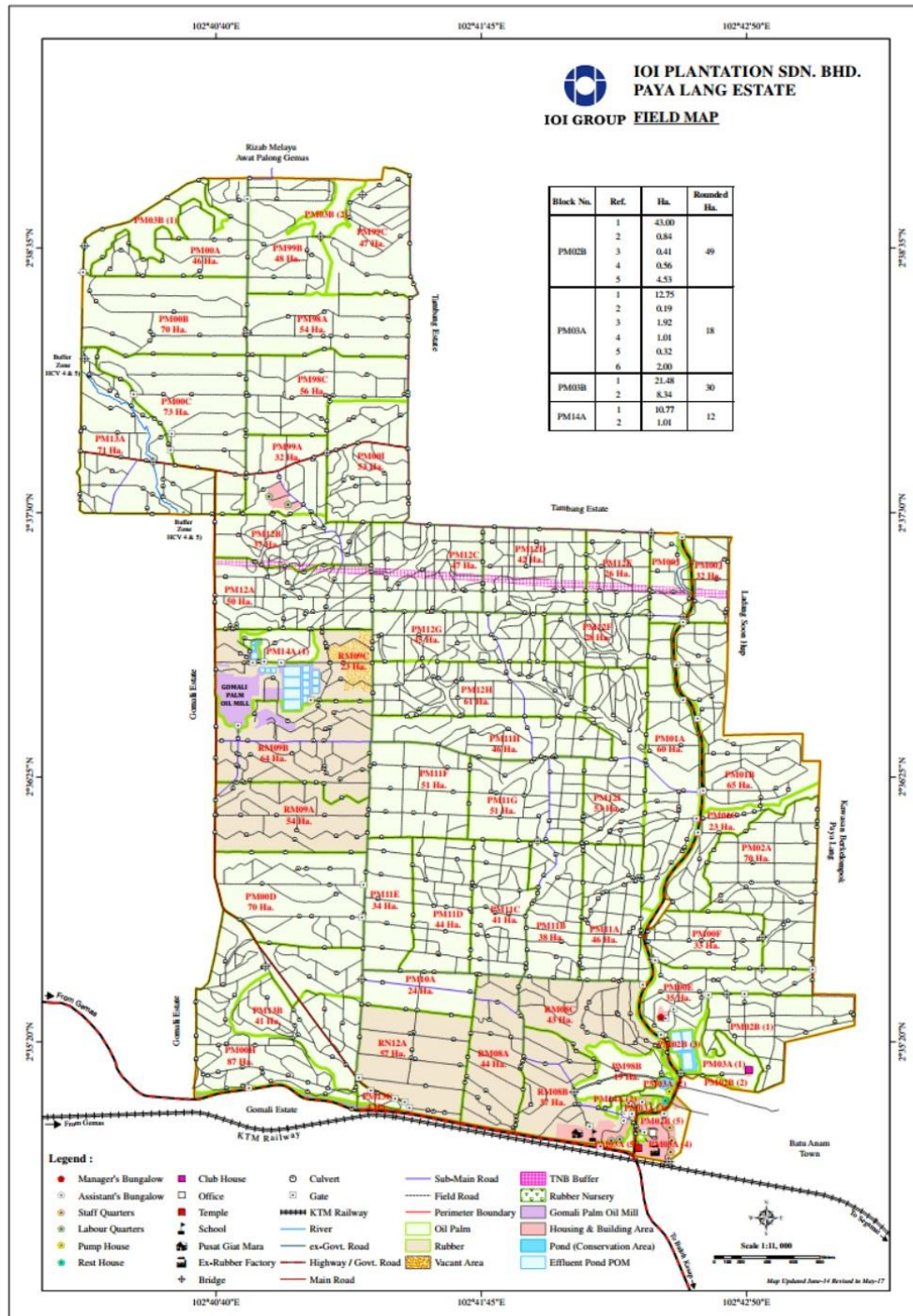


INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 99 of 110

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



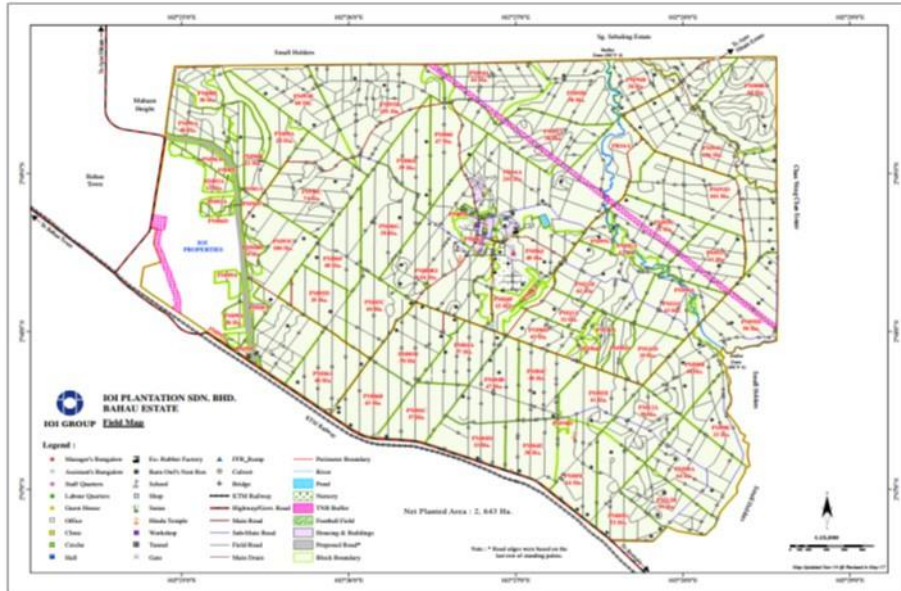
INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

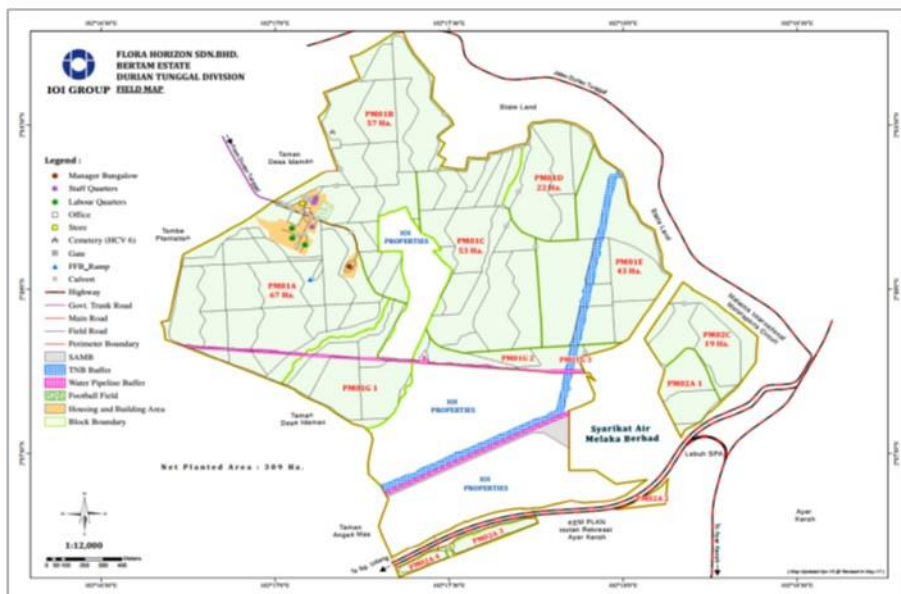
Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 100 of 110

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



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

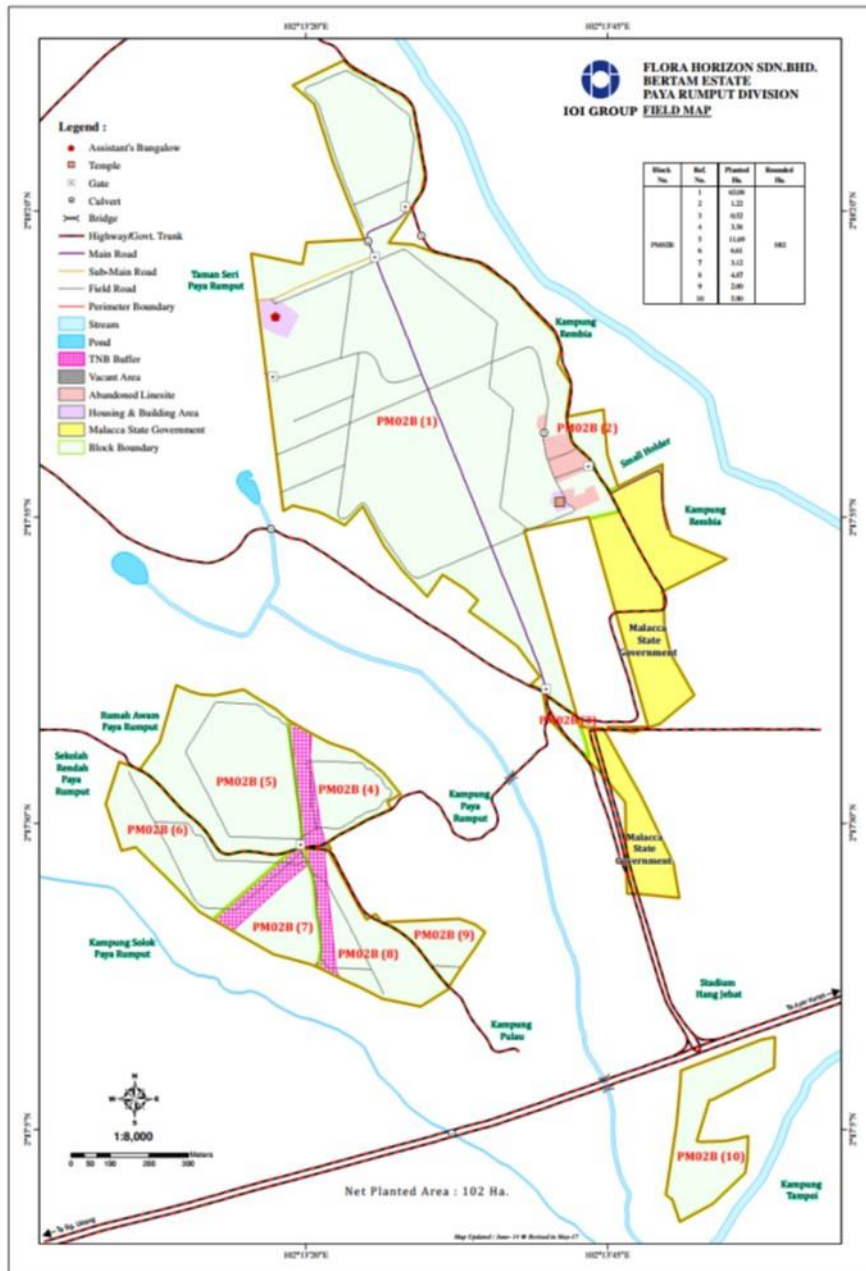


INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 101 of 110

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

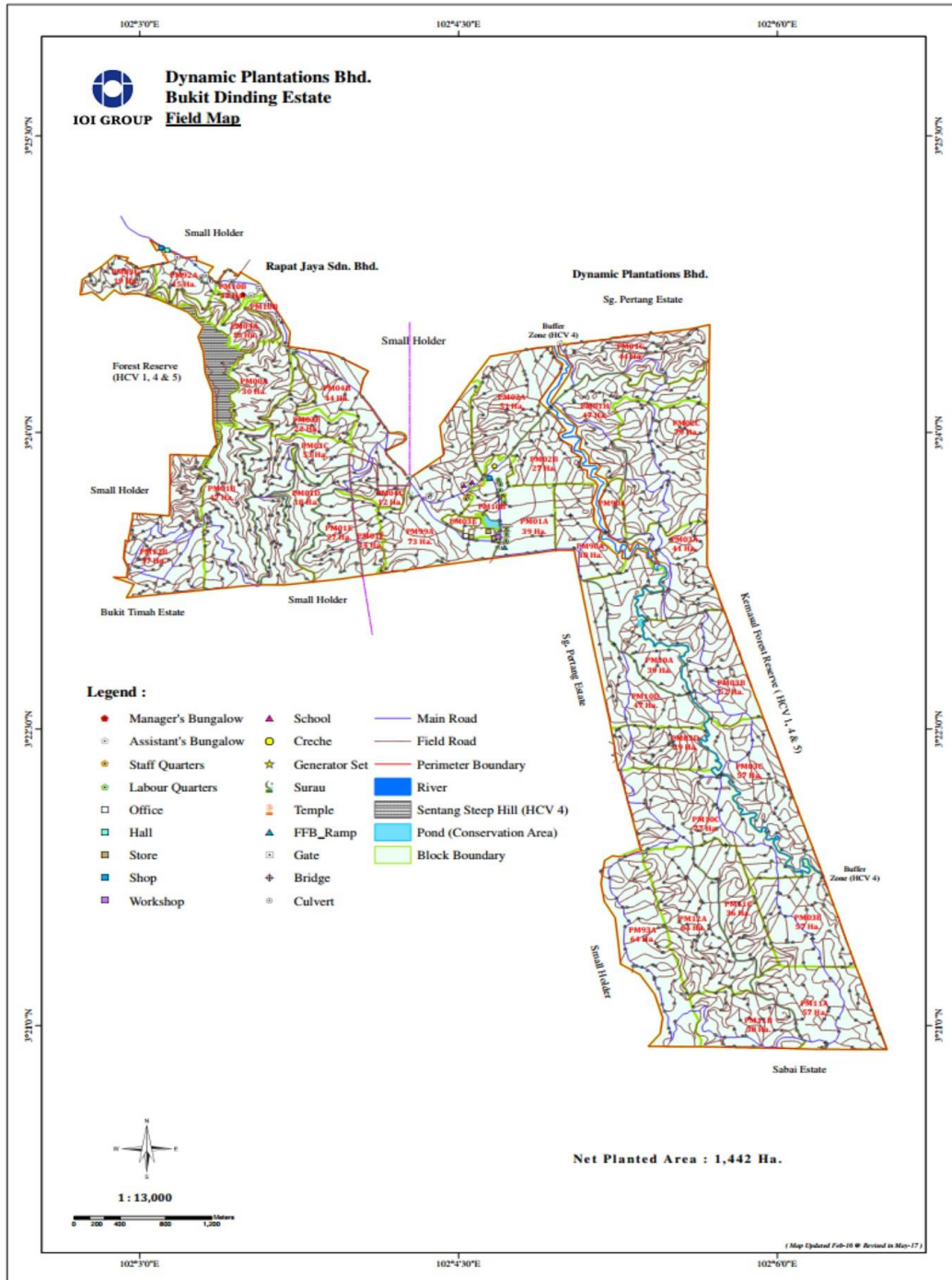


INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 102 of 110

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



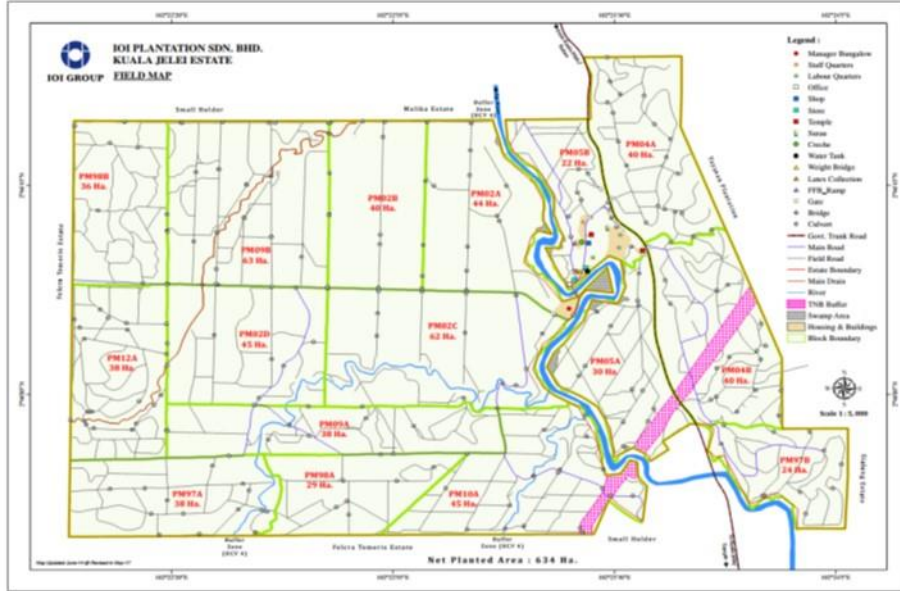
INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

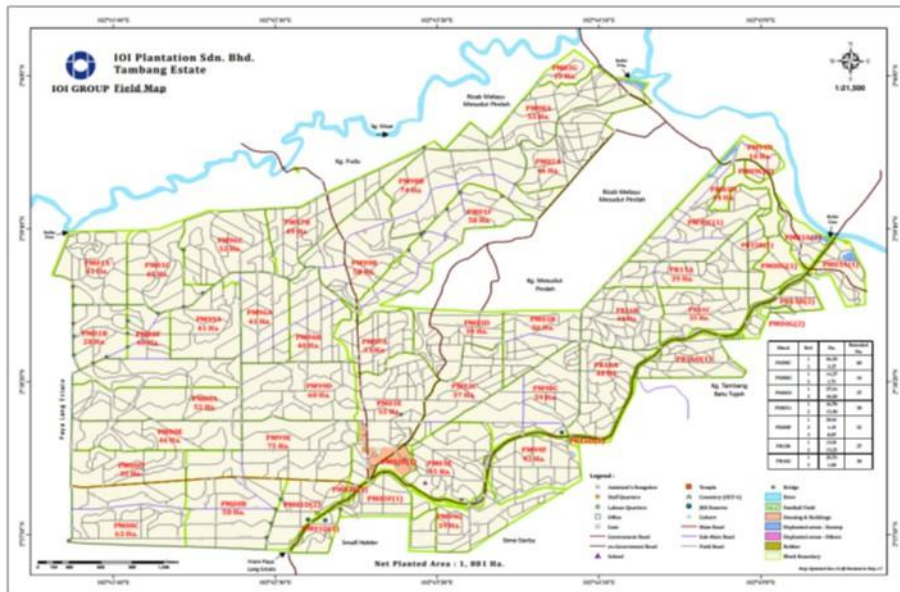
Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 103 of 110

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



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



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

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



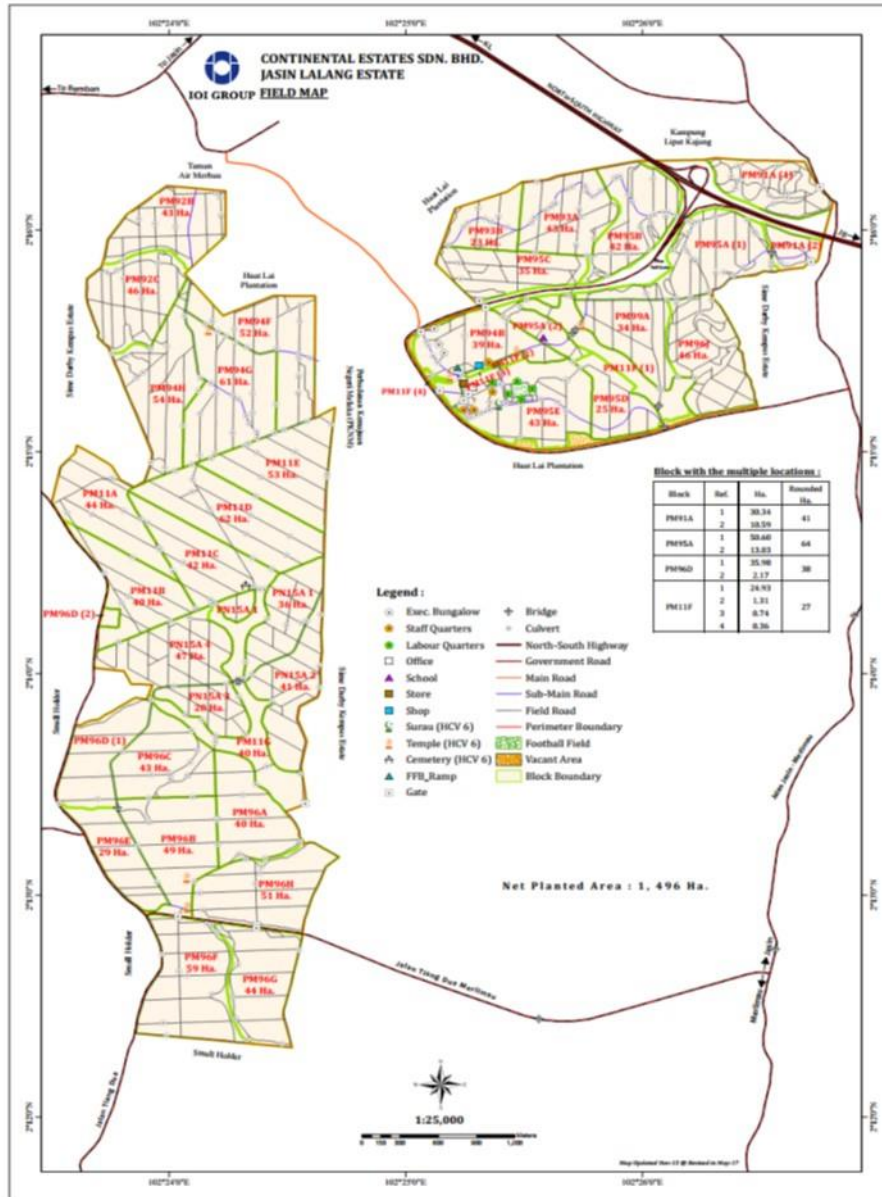
**Appendix C-3-9:
Map of Sagil estate**



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

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



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 106 of 110

Appendix D:

Details of Time Bound Plan as submitted by IOI Plantation Services Sdn Bhd (May 2019)

No	PMU	Supply Bases (Estate Name)	Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units, Clause 4.5.1 RSPO Certification Systems for Principles & Criteria
1.	Pamol (Sabah) POM, Sabah	Meliau, Nangoh, Rungus, Tindakon, Ulu, Sugut & Bayok	May 2008	Re-Certified in Nov 2016	ASA-02 completed in Sept 2018	No outstanding issues
2.	Sakilan POM	Sakilan, Linbar 1 and Linbar 2	Nov 2008	Re-Certified in Mar 2015	ASA-04 completed in December 2018.	No outstanding issues
3.	Pamol Kluang POM	Pamol Timur, Pamol Barat, Mamor, Unijaya, Kahang and Swee Lam	Mar 2009	Re-Certified in Mar 2015	ASA-04 completed in Dec 2018	No outstanding issues
4.	Gomali POM	Gomali, Paya Lang, Bahau, Bertam, Bukit Dinding, Kuala Jelai, Tambang, Regent, Sagil, Jasin Lalang and Sembilan Tani (Associated Outgrower)	Aug 2009	Re-Certified in Aug 2015	ASA-03 completed in May 2018	No outstanding issues
5.	Baturong POM	Baturong 1, Baturong 2, Baturong 3 and Cantawan	Sept 2009	Re-Certified in Oct 2015	ASA-03 completed in July 2018.	No outstanding issues
6.	Bukit Leelau POM	Bukit Leelau, Detas, Merchong, Mekassar, Leepang A and Laukin A	Apr 2010	Re-Certified in Nov 2015	ASA-03 completed in September 2018	No outstanding issues
7.	Mayvin POM	Mayvin 1, Mayvin 2, Mayvin 5, Mayvin 6 and Tangkulap	Aug 2010	Re-Certified in Dec 2015	ASA-03 completed in October 2018	No outstanding issues
8.	Pukin POM, Pahang	Pukin, Shahzan 1, Shahzan 2, Segamat and Bukit Serampang	Dec 2010	Re-certified in June 2016	ASA-03 completed in March 2019	No outstanding issues

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
 Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 107 of 110

No	PMU	Supply Bases (Estate Name)	Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units, Clause 4.5.1 RSPO Certification Systems for Principles & Criteria
9.	Leepang (Sabah) POM	Morisem 5, Leepang 1, Leepang 5, Permodalan 1, Permodalan 2, Permodalan 3, and Permodalan 4	Aug 2012	Re-certified in Dec 2018	Recert audit completed in November 2018	No outstanding issues.
10.	Syarimo POM	Syarimo 1, Syarimo 2, Syarimo 3, Syarimo 4, Syarimo 5, Syarimo 6, Syarimo 7, Syarimo 8 and Syarimo 9	Sept 2012	Re-certified in Mar 2018	ASA-01 audit completed in January 2019.	No outstanding issues
11.	Ladang Sabah POM	Moynod, Luangmanis, Terusan Baru, Sungai Sapi, Laukin, Labuk, Bimbingan 1, And Bimbingan 2	Oct 2012	Re-certified in July 2018	ASA-01 audit completed in January 2019.	No outstanding issues
12.	Morisem POM, Sabah	Morisem 1, Morisem 2, Morisem 3, Morisem 4, Leepang 2, Leepang 3, and Leepang 4	Sept 2013	Certified in Dec 2013	Recert audit completed in September 2018	No outstanding issues
13.	Unico POM-1, Sabah	Unico 6, Ladang Asas (Tas & Halusah), 30 outgrowers	Planned - 2018	Certified in July 2018	RSPO certification was successfully granted on: 5 July 2018	No outstanding issues Note: Outgrowers are not part of the certified area
14.	Unico Desa POM-2, Sabah	Unico 1, Unico 2, Unico 3, Unico 4, Unico 5 and 16 outgrowers	Dec 2017	Certified in May 2018	ASA-01 audit completed in February 2019.	No outstanding issues
15.	IOI – Pelita, Sarawak	Sejap and Tegai	Planned - 2020	Uncertified Unit	New certification for IOI – Pelita (Sarawak) is in the resolution process	On 7 March 2019: IOI received a consent from the last community, Long Teran Batu. Therefore, we have now all 9 consents and can safely proceed with the most important task under the Stage I of the Resolution Plan, Community Capacity Building. This task started on March 19 th with a workshop conducted by CICOM (coalition of local NGOs called CICOM) with the community leaders. The

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 108 of 110

No	PMU	Supply Bases (Estate Name)	Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units, Clause 4.5.1 RSPO Certification Systems for Principles & Criteria
						<p>workshop was followed by CICOM's visit to the longhouses on March 27-31.</p> <p>The purpose of the Community Capacity Building exercise is to make sure the affected communities understand the RSPO P&C on conflict resolution, the FPIC principle, and are well-informed on the progress and challenges of the on-going dispute resolution process. Finally, together with each community, CICOM will identify all grievances and issues that the communities would like to raise as well as gather the evidence in support of these grievances. The Resolution Plan was updated (mainly timelines) and submitted to the Complaints Panel on March 26, 2019.</p> <p>The ground team has actively engage with the communities for CSR initiatives especially on road repair matters</p> <p>Further and updated progress of this issue could be access through the link below;</p> <p>(a) IOI Pelita Land Dispute</p> <p>(b) IOI Pelita Land Dispute Resolution Process</p> <p>(c) RSPO Case Tracker – IOI Pelita Status of Complaints</p> <p>(d) IOI Pelita Land Dispute Chronology</p>
16.	PT SKS, Indonesia	SKS 1, SKS 2, and SKS 3	Planned - 2019	Uncertified Unit	In progress of RSPO audit preparation. RSPO Stage 1 is planned to be conducted in August 2019	<p>Update on the RSPO Suspension and complaint by Aidenvironment – Final verification by RSPO CP was conducted in end of January 2018.</p> <p>RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018.</p> <p>IOI will continue to work with the RSPO Investigation and Monitoring Unit on the implementation of its Action Plans to ensure continuous sustainable development.</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 109 of 110

No	PMU	Supply Bases (Estate Name)	Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units, Clause 4.5.1 RSPO Certification Systems for Principles & Criteria
						<p>Second quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigate and Monitoring Unit in February 2019.</p> <p>Further and updated progress of this issue could be access through the link below;</p> <p>(a) RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS</p> <p>(b) RSPO Case Tracker – PT BSS, PT SKS & PT. BNS Status of Complaints</p> <p>As part of the RSPO audit preparation, CB-BSI was engaged to conduct the gap assessment in September 2018. A report on the gap assessment was received in January 2019.</p> <p>Pending issuance of HGU.</p>
17.	PT BNS, Indonesia	BNS 1, BNS 2, BNS 3 and BNS 4	Planned - 2019	Uncertified Unit	<p>In progress of RSPO audit preparation.</p> <p>RSPO Stage 1 is planned to be conducted in August 2019</p>	<p>Update on the RSPO Suspension and complaint by Aidenvironment – Final verification by RSPO CP was conducted in end of January 2018.</p> <p>RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018.</p> <p>IOI will continue to work with the RSPO Investigation and Monitoring Unit on the implementation of its Action Plans to ensure continuous sustainable development. First quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigation and Monitoring Unit (IMU) in December 2018</p> <p>Further and updated progress of this issue could be access through the link below;</p> <p>(a) RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS</p> <p>(b) RSPO Case Tracker – PT BSS, PT SKS & PT. BNS Status of Complaints</p> <p>Pending issuance of HGU.</p>
18.	PT BSS, Indonesia	BSS 1, BSS 2, BSS 3 and BSS 4	Planned - 2019	Uncertified Unit	<p>In progress of RSPO audit preparation. RSPO Stage</p>	<p>Update on the RSPO Suspension and complaint by Aidenvironment – Final verification by RSPO CP was conducted in end of January 2018.</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9305/16-4 IOI Corporation Berhad
Gomali POM & Estates Grouping: ASA- 04 (2019)

Page 110 of 110

No	PMU	Supply Bases (Estate Name)	Main Assessment	Certification Status	Status	Updated Information on Minimum Requirements for Multiple Management Units, Clause 4.5.1 RSPO Certification Systems for Principles & Criteria
					1 is planned to be conducted in August 2019	<p>RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018. IOI will continue to work with the RSPO Investigation and Monitoring Unit on the implementation of its Action Plans to ensure continuous sustainable development. First quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigation and Monitoring Unit (IMU) in December 2018.</p> <p>Further and updated progress of this issue could be access through the link below;</p> <p>(a) RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS</p> <p>(b) RSPO Case Tracker – PT BSS, PT SKS & PT. BNS Status of Complaints</p> <p>Pending issuance of HGU.</p>
19.	PT KPAM, Indonesia	Under Development	Planned - 2023	Uncertified Unit	<p>NPP and HCSA was approved in April 2018.</p> <p>Currently under development</p>	<p>RSPO has approved PT. KPAM NPP Summary Report and was published in RSPO website for public notification on 13 April 2018. The NPP public notification could be assessed through the link below:</p> <p>https://rspo.org/certification/new-planting-procedures/public-consultations/ioi-group-pt-kalimantan-prima-agro-mandiri</p> <p>HCSA Peer Review Assessment completed on 14 May 2018. The HCSA Peer Review Report and Summary Report could be assessed through the link below:</p> <p>http://highcarbonstock.org/registered-hcs-assessments/</p>

CB Evaluation and verification:

Based on the evaluation done, the IOI Group was able to demonstrate commitment and provide positive assurance statements on its commitment to continued compliance with the RSPO P&C Certifications Systems (Jun 2017) Clause 4.5 (Minimum requirements for multiple management units) for all its certified and non-certified units. Monitoring done of the Timebound Plan and details of progress provided by IOI Group units were evaluated and actions taken found to be appropriate and satisfactory in complying with the RSPO requirements.

- End of Report -