

IOI Corporation Berhad

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

PLANTATION MANAGEMENT UNIT

Gomali Grouping

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



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Assessment Report

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**ANNUAL SURVEILLANCE ASSESSMENT REPORT
ON RSPO CERTIFICATION**

PUBLIC SUMMARY REPORT

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT

Gomali Grouping

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

Certificate No:

Issued date:

Expiry date:

RSPO 930588

23 August 2015

22 August 2020

Assessment Type

Initial Certification (Main Assessment)

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

Annual Surveillance Assessment (ASA-02)

Annual Surveillance Assessment (ASA-03)

Annual Surveillance Assessment (ASA-04)

Re-Certification Assessment

Assessment Dates

20 – 24 June 2016

Intertek Certification International Sdn Bhd

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Gomali Grouping: ASA-01**

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1.0 SCOPE OF ASSESSMENT

1.1 Introduction

This Surveillance Assessment was conducted on the Plantation Management Unit (PMU) Gomali Grouping of IOI Corporation Berhad (hereafter abbreviated as IOI), from 20-24 June 2016, to assess the organization's operations of the mill and its supply bases for compliance against the RSPO Principles and Criteria (Apr 2013), Malaysian National Interpretation (MYNI 2014) and the RSPO Supply Chain Certification Standard (Nov 2014) for the Palm Oil Mill.

Note 1: 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.

Note 2: This surveillance is also a CB Transfer assessment for IOI Gomali Grouping from the previous CB.

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

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

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

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

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1.3 Description of supply base (fruit sources)

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

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

Table 2: Estate Area Summary

Estate	Area Summary (ha) – FY Jul 2014 / Jun 2015		Area Summary (ha) – – FY Jul 2015 / Jun 2016	
	Certified Area	Planted Area	Certified Area	Planted Area
Gomali Estate	2,554.27	2,197	2,532.01	2,194
Paya Lang Estate	2,473.97	1,987	2,179.29	894
Bahau Estate	3,028.24	2,651	2,577.39	2,580
Bertam Estate	448.80	413	634.88	413
Bukit Dinding Estate	1,668.50	1,443	1,660.47	1,442
Kuala Jelai Estate	679.26	634	679.26	634
Tambang Estate	2,011.32	1,886	2,010.74	1,883
Regent Estate	2,300.86	2,143	2,300.27	2,140
Sagil Estate	2,547.02	2,177	2,547.02	2,177
Jasin Lalang Estate	1,569.67	1,493	1,569.67	1,496
Sembilan Tani Estate (associated outgrower)	256.87	256.87	256.87	256.87
Total:	19,538.78	17,280.87	18,947.87	16,109.87
Percentage:	100%	88.44%	100 %	85.02%

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. There were some changes to the size of the certified and planted land areas as verified during current assessment resulting from the land area been re-surveyed by the IOI-GIS department in Nov-Dec 2015

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1.4 Summary of plantings and cycle

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

Table 3A: Age Profile of Planted Oil Palm - Jul 2015 / Jun 2016

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) - 3 years & below	Total (ha)
Gomali Estate	1994-1998	1 st cycle	1,943	251	2,194
	2012-2013	2 nd cycle			
Paya Lang Estate	1995-1999	1 st cycle	766	128	894
	2013-2014	2 nd cycle			
Bahau Estate	1990-1994	1 st cycle	2,580	0	2,580
	2011-2012	2 nd cycle			
Bertam Estate	2001-2002	1 st cycle	413	0	413
	2013-2014	2 nd cycle			
Bukit Dinding Estate	1990-1992	1 st cycle	1,442	0	1,442
	2011-2012	2 nd cycle			
Kuala Jelai Estate	1997-1998	1 st cycle	634	0	634
	2010-2012	2 nd cycle			
Tambang Estate	1994-2003	1 st cycle	1,669	214	1,883
	2015-2016	2 nd cycle			
Regent Estate	1989-2005	1 st cycle	2,040	100	2,140
	2006-2009	2 nd cycle			
	2014	2 nd cycle			
Sagil Estate	1992-1998	1 st cycle	2,161	16	2,177
	1999	2 nd cycle			
	2014	2 nd cycle			
Jasin Lalang Estate	1991-1996	1 st cycle	1,352	144	1,496
	1999-2011	2 nd cycle			
	2015	2 nd cycle			
Sembilan Tani Estate (associated outgrower)	1992-2013	1 st cycle	236.87	20	256.87
	2014-2015	2 nd cycle			
		Total	15,236.87	873	16,109.87

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1.5 Summary of Land Use - Conservation and HCV Areas

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

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	2014 / 2015 Hectarage – Ha	2015 / 2016 Hectarage – Ha
1	Planted Area (ha) – Oil Palm		
	- Mature (Production)	16,559.87	15,236.87
	- Immature (Non-Production)	721	873
2	Conservation Area (ha)		
	- comprising buffer zones along small streams, hilly areas, swampy and unplatable areas	4.0	4.0
3	HCV Area (ha)		
	- comprising buffer zones near forest reserves, water catchments, burial & religious sites	30.57	30.57

1.6 Other certifications held and Use of RSPO Trademarks

IOI-Gomali Grouping is also certified to the International Sustainability and Carbon Certification (ISCC). The RSPO's trademarks and logo are not being 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

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1.8 Tonnages Verified for Certification

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

Table 5: Tonnages Verified for Certification - Jul 2015 / Jun 2016 (Actual + Projected)

#	Estate /Supplier	FFB Processed (MT)	Main Receiving Palm Oil Mill	RSPO P&C Certification By CB
1.	Gomali Estate	43,053	Gomali Oil Mill	Intertek
2.	Paya Lang Estate	30,391	Gomali Oil Mill	Intertek
3.	Bahau Estate	53,719	Gomali Oil Mill	Intertek
4.	Bertam Estate	14,585	Gomali Oil Mill	Intertek
5.	Bukit Dinding Estate	34,995	Gomali Oil Mill	Intertek
6.	Kuala Jelai Estate	15,618	Gomali Oil Mill	Intertek
7.	Tambang Estate	33,238	Gomali Oil Mill	Intertek
8.	Regent Estate	44,931	Gomali Oil Mill	Intertek
9.	Sagil Estate	56,378	Gomali Oil Mill	Intertek
10.	Jasin Lalang Estate	38,225	Gomali Oil Mill	Intertek
11.	Sembilan Tani Estate (associated outgrower)	2,802	Gomali Oil Mill	Intertek
	Gomali Grouping estates:	367,935		
	Other certified FFB supply:			
12	IOI Pukin Grouping estates (i.e. Pukin, Shahzan 1 and Shahzan 2 estates)	6,270		Intertek
	Grand total:	374,205		

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

Table 6: Annual Tonnages of FFB – 2016

Estate / Supplier	FFB Processed in Jul 2014 / Jun 2015 - Actual		FFB Processed in Jul 2015 / Jun 2016 - Actual + Projected		FFB Processed in Jul 2016 / Jun 2017 - Projected	
	MT	%	MT	%	MT	%
Gomali Grouping	343,910.28	100	367,935	98.32	405,000	100
Other certified IOI estates	0	0	6,270	1.68	0	0
Total	343,910.28	100	374,205	100	405,000	100
SCCS Model for POM	IP		IP		IP	

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1.8.3 The annual certified tonnages of CPO and PK production by the PMU from the supply base/suppliers as assessed and verified during the current Surveillance Assessment data are detailed as shown in Table 7 below:

Table 7: Annual Certified Tonnages of CPO and PK – 2016

POM	Jul 2014/ Jun 2015 - Actual		Jul 2015/ Jun 2016 - Actual + Projected		Jul 2016/ Jun 2017 - Projected	
Total Certified FFB Processed (MT)	343,910.28		374,205		405,000	
Total Certified CPO Production (MT)	73,424.89	OER: 21.31%	80,042	OER: 21.39%	86,873	OER: 21.45%
Total Certified PK Production (MT)	18,419.91	KER: 5.35%	19,870	KER: 5.31%	21,870	KER: 5.40%

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

1.9 Time Bound Plan for Other Plantation Management Units

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 16 palm oil mills and over 90 oil palm estates throughout Malaysia and Indonesia.

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

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

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

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

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

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

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

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

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1.10 Abbreviations Used

CB	Certification Body	LTA	Lost Time Accidents
CHRA	Chemical Health & Risk Assessment	Intertek	Intertek Certification International Sdn Bhd
CPO	Crude Palm Oil	IOI	IOI Corporation Berhad
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
IPM	Integrated Pest Management	POME	Palm Oil Mill Effluent
ISCC	International Sustainability & Carbon Certification	PPE	Personal Protective Equipment
IUCN	International Union for Conservation of Nature	SCCS	Supply Chain Certification Standard
KER	Kernel Extraction Rate	SOP	Standard Operating Procedures

2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 19 May 2016, Intertek has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on Gomali Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 20-24 June 2016, the Assessment team conducted the Surveillance Assessment in which 4 out of the 11 estates of Gomali Grouping namely Paya Lang, Regent, Sagil and Sembilan Tani estates, as well as the palm oil mill were assessed for compliance against the RSPO requirements. The number of estates sampled was based on a minimum sample of $0.8\sqrt{y}$ where y is the number of management sub-units and the selection was made based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and high conservation value areas.

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

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

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.

The details of the Assessment Plan (actual on-site) are provided in **Appendix B**.

Details of the findings and actions taken are provided in **Section 3.2 of this report**.

2.2 Date of next scheduled visit

The next scheduled visit will be the Annual Surveillance Assessment (for the next 5-year certification cycle) which will be carried out within a 12-month period prior to the annual certificate (eTrace license) expiry date.

2.3 Qualifications of the Lead Assessor and Assessment Team

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

2.4 Certification Body

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

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2.5 Process of stakeholder consultation

Stakeholder consultations began with notification of the upcoming assessment through the websites of RSPO, IOI and Intertek. E-mails were sent to applicable stakeholders including government agencies, NGOs and local communities. E-mails and telephone enquiries were made prior to the actual assessment and stakeholder's response and feedback received were followed up accordingly.

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

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

Among the list of key stakeholders consulted was the following:

Government Agencies (by emails)

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

Statutory Bodies (by emails)

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

NGOs (by emails)

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

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

Local community (On-site interviews)

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

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3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

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.</p> <p>The procedure includes handling responses and requests from stakeholders.</p> <p>Records of participation and decision plans were verified to be maintained till the period of current assessment.</p> <p>Records of visits, inspections, minutes of meetings, attendance notes and correspondence with stakeholders such as DOSH (JKKP), DOE (JAS), BOMBA, TNB, MPOB and Energy Commission (“Suruhanjaya Tenaga”), employee consultative committees and local community leaders were verified to be maintained and update till current period.</p> <p>Note: Public notification for stakeholder consultation prior to assessment of the PMU was made on 19 May 2016. See details of Stakeholder feedback under section 3.3</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 list of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, etc.</p> <p>The PMU had conducted its internal and external stakeholder consultations in May 2016 at the POM and respective estates.</p> <p>Meeting minutes were adequately maintained. The meetings and consultations were noted to be attended by the various categories of stakeholders.</p> <p>Issues and complaints/ grievances or negative feedbacks such as those reported by the NGO-Finnwatch (in 2015) and local community representatives were noted to be appropriately followed up.</p> <p>Records maintained were easily retrievable and made available upon request during the assessment.</p>	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</p>	<p>Management documents’ relating to environmental, social and legal issues was verified to be maintained and available</p>	Complied

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<p>not necessarily limited to: Major Compliance</p>	<p>to the public (notices and websites) and updated by IOI, HQ e.g. website link: http://www.ioigroup.com/business/busi_plantoverview.cfm</p> <p>The organization's policies declared that upon request, the following types of mandatory documents are available to the public:</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. <p>These publicly available documents include key indicators of performance like waste management and disposal plans for the mill and estates. Continual Improvement Action Plans has included targets for waste reduction and pollution prevention.</p>	
<ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); 	<p>Copies of all land titles were available and have been maintained at the POM and Estates. HQ kept the original copies.</p>	<p style="text-align: center;">Complied</p>
<ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); 	<p>Detailed Occupational Safety and Health Plan has been established and documented by the Safety & Health Manager Plantations (Malaysia) and approved by the respective managers for mill and estates in Gomali PMU. The Plan had been reviewed (annually) and up-dated for the POM and estates. The OSH Program was displayed prominently in notice boards in the Mill and respective estates. An effective level of activities and action items were planned and progressively implemented for FY2015/2016.</p> <p>Policy and HIRAC documented for both mill and estates. The HIRAC was also reviewed for the POM and estates in Apr 2016.</p> <p>The OSHA Plan include the establishment and implementation of CHRA, medical surveillance, Emergency Drill, First Aid training, Line site Inspection, Chemical Store Inspection, Audiometric test, PPE training, etc.</p> <p>POM has also conducted the annual Emergency Preparedness and Response (EPR) drill in Jan 2016.</p> <p>Safety Committee meetings were held quarterly in year 2015/2016. Latest minutes were in Mar 2016.</p> <p>Programmes for protecting workers' health and safety were satisfactorily implemented.</p>	<p style="text-align: center;">Complied</p>
<ul style="list-style-type: none"> • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); 	<p>Environmental aspect and impact assessment conducted for the POM and estates and reviewed in May 2016. Management action plan documented and implemented.</p> <p>Social Impact Assessment was also carried out and suitably reviewed in May 2016 by the IOI Sustainability Team together with the respective Mill and Estate Managers. Positive and negative impacts and action plan documented.</p>	<p style="text-align: center;">Complied</p>

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<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' for FY2015/2016 were available. It was verified that the Management Action Plans for HCV and Conservation areas were being monitored and progressively implemented 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 for FY2015/2016. Action items include measures for pollution control (smoke emission, POME / effluent discharge), pesticides reduction, schedule 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 the Complaints and Grievances Logbook. ECC (Employees Consultative Committee) representatives interviewed had confirmed that there were no serious issues which warrant major actions from the PMU Management. Logbook entries were examined and found to be in order. Employees Consultative Council (ECC) representatives interviewed had confirmed that there were no serious issues.</p>	Complied
<ul style="list-style-type: none"> Negotiation procedures (Criterion 6.4); 	<p>Presently, there is no conflict/dispute requiring negotiation or compensation pertaining to this criterion at this PMU. Negotiation procedure and flowchart was available and maintained. Website links are as follows: http://www.ioigroup.com/Content/BUSINESS/B_Estates http://www.ioigroup.com/Content/S/S_Community Note: The status on the ongoing negotiations on land issues against IOI Group plantations at Sarawak and Kalimantan, Indonesia were accessible via website link: http://www.rspo.org/members/status-of-complaints 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>The PMU has identified, documented and implemented Continuous Improvement Plans in key operations for the mill and estates. The plans includes bio-polishing for reduction in BOD level, reduction in the usage of pesticides, cultivation of beneficial plants, recycling, pollution prevention and environmental and social programs. Monitoring and implementation of the Continuous Improvement Plans is progressively ongoing. Verified that reviews were done by the Mill and Estate Managers in Feb 2016.</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>Human Rights & Workplace Policy contained within the Sustainability Policy Statement dated Mar 2014 signed by the CEO. Copies of the policy found to be displayed at prominent locations in the POM and estates.</p>	Complied
<p>Criterion 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.</p>		
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</p>	<p>The Policy of commitment to a Code of Ethical Conduct has been documented and signed by the Group Executive Director and communicated to all levels of the workforce and</p>	Complied

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<p>transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>Minor Compliance</p>	<p>operations. Copies of the policy found to be displayed at prominent locations in the POM and estates.</p> <p>There is a booklet containing details of the Code of Business Conduct and Ethics.</p>	
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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>At the PMU, a legal register covering the applicable local and international laws and regulations are available. Compliance to each law and regulation is monitored by the PMU.</p> <p>The relevant laws and legislations identified and listed cover safety and health, environment, pollution management, chemical handling (usage and storage), schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities.</p> <p>There were no cases of any violation or actions imposed by relevant authorities. Statutory returns to relevant authorities found to be in compliance.</p> <p>Based on the site observations, interviews and records checking at the POM and estates, there was sufficient evidence of compliance with the relevant laws, regulations, local and international laws.</p> <p>Licenses and permits (License for Foreign Workers Employment, Workers Wages Deduction Permit, License for Controlled Items – Diesel and Fertilizer, MPOB license, DOSH Certificate, DOE license, BOMBA Fire Certificate, Energy Commission License, etc.) were monitored for their expiry dates and found to be renewed and valid.</p> <p>Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty chemical and lubricants containers collected at six monthly intervals by DOE licensed contractor.</p> <p>Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated.</p> <p>Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and charginan were noted to be with valid certificates from relevant authorities (DOSH and Energy Commission).</p> <p>The POM has maintained the 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>Licenses maintained for diesel generators issued by Energy Commission (“Suruhanjaya Tenaga”); Authorized gas tester (ACT), authorized entrant and standby personnel for confined space activities in POM are verified to be valid.</p> <p>Safety and health meetings (as per the Occupational Health and Safety Act 1994) was conducted at quarterly intervals. Noise Monitoring Reports are verified to be maintained.</p>	<p>Complied</p>

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	Legal documents (work permits, passports) of foreign workers are available in the respective estates. Insurance for foreign workers in estates under MSIG Insurance and RHB Insurance Bhd. It is noted that there are no foreign workers employed at the POM.	
2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. Minor Compliance	The PMU has established and implemented a documented procedure for identifying, determining, reviewing and updating applicable legal and other requirements. It included the listing of laws and regulations that were being monitored for changes and reference.	Complied
2.1.3 A mechanism for ensuring compliance shall be implemented. Minor Compliance	Monitoring mechanism was done through a yearly evaluation checked against the items in the Legal Register.	Complied
2.1.4 A system for tracking any changes in the law shall be implemented. Minor Compliance	Changes in the relevant laws are communicated and received from the IOI Group HQ. The PMU subsequently ensured that the changes and tracking conducted was adequately updated. Based on the site observations, interviews and records updated, the system used is appropriate to the operations at the PMU.	Complied
Criterion 2.2		
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.		
Indicators	Findings and Objective Evidence	Compliance
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 Customary Right (NCR) land) and the actual legal use of the land shall be available. Major Compliance	Land ownership or lease for the POM and estates found to be in order. There has been no change in the land ownership since the previous assessment. Copies of the land titles of the POM and estates were maintained and available. The original copies are maintained by the Corporate Head Office. The legal use of the land was confirmed for the cultivation of oil palms and agricultural use. Note: It is further verified that the sole Associated outgrower i.e. Sembilan Tani estate has legal ownership over his land (256.87 ha) since 1990s and has been a long term FFB supplier to IOI Gomali POM. The said outgrower's estate is situated some 20 km away from the Gomali POM.	Complied
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. Minor Compliance	It was verified that there has been no change to the stated land titles and designated use for cultivation of oil palm and agricultural use. Locations of several boundary stones and pole markers were visited and verified to be within the boundary parameters of the estates. Demarcation was also evidenced by the dug up trenches and drains which were adjacent to neighbouring estates.	Complied
2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). Minor Compliance	There has been no dispute on the land rights in the PMU. As such, the process of fair compensation and FPIC is currently not applied.	Complied

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<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>The estate lands at the PMU are legally owned or leased by IOI and no other users were identified in the land area.</p> <p>The existing estates are not encumbered by any customary land rights and therefore participatory mapping is not required.</p>	<p>Complied</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>There has been no evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p>	<p>Not applicable</p>
<p>Criterion 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>2.3.1 Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>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.</p> <p>The existing estates are not encumbered by any customary land rights and therefore participatory mapping is not required.</p> <p>Existing maps available at the PMU are verified to be within the legal boundaries of the PMU.</p> <p>Note: It is further verified that 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 associated outgrower land is also adequately demarcated as it is neighbouring with other Oil Palm smallholder estates.</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:</p> <p>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;</p> <p>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;</p>	<p>The estate lands were acquired from private plantation owners since 1990s or leased from the respective State Governments of Johor, Melaka and Negeri Sembilan, for a period of 99 years.</p> <p>Records are available to show such land acquisition complied with legal requirements without infringement of any legal rights that require free, prior and informed consent (FPIC).</p>	<p>Complied</p>

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<p>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.</p> <p>Minor Compliance</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.</p> <p>Minor 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. No conflict or dispute over the lands in the PMU. As such, this process is not available 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.</p> <p>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. No conflict or dispute over the lands in the PMU. As such, this process is not available for verification.</p>	<p>Not applicable</p>

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

<p>Criterion 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>Major Compliance</p>	<p>Business Plans for five (5) years (till FY2019/2020) had been prepared by the Palm Oil Mill and the respective estates. Details of the Business Plans for the POM include the following:</p> <ul style="list-style-type: none"> (1) Mill extraction rates = OER and KER trends; (2) Cost of Production = Cost/MT CPO trends; (3) Forecast prices; (4) Financial indicators = Cost of labour, cost of supervision, depreciation costs, salaries/allowances, cost of materials, etc.). <p>Details of the Business Plans for the estates include the following:</p> <ul style="list-style-type: none"> (1) Replanting program (planting materials are DxP seedling; (2) Crop projection = FFB yield/ha trends; (3) Cost of Production = Cost/MT FFB trends; (4) Forecast prices; (5) Financial indicators = Cost of upkeep & cultivation, harvesting & collection cost, depreciation, cost of materials, cost of labour, cost of supervision, utilities, transport, depreciation costs, salaries/allowances, cost of materials, etc.). <p>The Business Plans also include provisions for sustainability efforts and improvement programmes (environmental, social, Occupational Safety & Health, training, etc.).</p> <p>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>Complied</p>

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	<p>There is evidence of monitoring of costs against budget to achieve specified targets.</p> <p>Performances are discussed in the monthly meetings held at the PMU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit.</p> <p>Monthly, quarterly, half-yearly and yearly reports are submitted to the HQ.</p>	
<p>3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>Minor Compliance</p>	<p>Annual replanting program were available and had been prepared up to FY2019/2020 for the estates.</p> <p>There would be no replanting at the PMU estates for the next 15 years as the palms were replanted between 2005 and 2015.</p> <p>Replanting at Paya Lang, Regent and Sagil estates had completed in 2014, whilst replanting at the Sembilan Tani estate had completed in 2015.</p>	Complied

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

Criteria 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p>Major Compliance</p>	<p>Documents on SOP had been maintained by the POM and the Estates which were verified to be in order.</p> <p>POM has documented the following SOPs:</p> <ul style="list-style-type: none"> • Group SOP for Palm Oil Mill Operations covering every station from FFB receiving until the delivery of processed oil and POME management. • Laboratory Operation Manual (01/01/2008) Issue 1. • SOP for pollution prevention includes measuring and monitoring mill effluents and waste disposal / recycling. • Occupational Safety & Health Manual and OSH Management System documents. The SOP for safe working practices includes hazards identification, risk assessment 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. Records of 'Permit to Work' including gas entry and stand-by permits issued by NIOSH to the competent personnel at the POM was verified to be maintained and found to be in order. <p>The estates have the following SOPs:</p> <ul style="list-style-type: none"> • 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. • SOP for riparian zone management with specified buffer zones. 	Complied

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	<ul style="list-style-type: none"> Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control. 	
<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance</p>	<p>The implementation of the SOPs was verified to be consistently performed.</p> <p>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>On-site assessment confirmed that the records were satisfactorily maintained.</p>	Complied
<p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance</p>	<p>Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estates.</p> <p>At POM, it is verified that the Spot Check Log Sheets were maintained for both day and night shift operations</p> <p>Daily Muster chits were available at estates and actual field activities were verified during on-site field inspection.</p> <p>Verified that spraying and manuring operations were carried out at the 4 estates audited i.e. Paya Lang, Regent, Sagil and Sembilan Tani was stated in the Muster chits.</p> <p>Note: Previous year Observation # 01 (2015) was adequately addressed and closed.</p>	Complied
<p>4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance</p>	<p>It was verified the sole source of FFB from third-party origin was from Sembilan Tani estate (associated outgrower) only, which was clearly stated and recorded in the FFB receiving documents.</p> <p>The main bulk of FFB crop was supplied by the IOI owned estates under the PMU.</p>	Complied
<p>Criteria 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance</p>	<p>Annual fertilizer inputs had been monitored through fertilizer recommendations made by IOI Research Centre. Recommendations by the Agronomist had been viewed and verified. Agronomist reports at estates audited were sighted e.g. report dated 10 Jan 2016 was sighted at Sagil estate.</p> <p>GAP for minimization of soil erosion and maintenance of soil fertility is maintained via the frond stacking and fertilizer application as per the recommendation provided by the Agronomist.</p> <p>These had been verified through the records for fertilizer application and observation during field visit. Evidences provided were verified as following good agricultural practices.</p> <p>Soil sampling and leaf sampling records provided guide for the fertilizer application and all recommendations had been properly followed at estate levels.</p> <p>Noted that proper pesticide/herbicide spraying had also been done.</p>	Complied
<p>4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance</p>	<p>Records of fertilizer application had been verified to be in order.</p>	Complied
<p>4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance</p>	<p>Leaf sampling and analysis had been carried out annually and soil sampling and analysis on a 5 year cycle (2015-2020) was available to determine the nutrient levels.</p>	Complied

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	<p>Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long term soil fertility and nutrient efficiency.</p> <p>Records of the sampling and analysis had been verified to be satisfactory.</p>	
<p>4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance</p>	<p>Geotubes had been used to filter the solid from the POME and the solid would be used by the estates for field application as organic fertilizer.</p> <p>Circle EFB mulching had been carried out at immature palms and for mature areas along the inter-row. Records of the quantities of EFB mulching including locations applied are maintained.</p> <p>Land application of effluent water discharges will cease on 30 Jun 2016 (as per the DOE instructions). Verified that dried POME are bagged and applied in the designated field blocks at the PMU estates.</p>	Complied
<p>Criteria 4.3 Practices minimise and control erosion and degradation of soils.</p>		
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.</p> <p>Soil series noted are: Paya Lang estate: mainly Batu Anam, Melaka and Telemong Sagil estate: mainly Bungor, Rengam and Serdang Regent estate: mainly Batang Merbau, Chat and Batu Lapan. Sembilan Tani estate: Medang, Lubok Kiat and Terap.</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>The PMU has a SOP (Best Management Practices) for erosion control 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.</p> <p>There was no soil erosion noted during the field visit. No soil erosion encountered at estates audited as leguminous cover crop, <i>macuna bracteata</i> was well established.</p> <p>Planting terraces constructed on land with slope more than 6°. Records and maps on terraces constructed had been verified on the estates.</p>	Complied
<p>4.3.3 A road maintenance programme shall be in place. Minor Compliance</p>	<p>Road maintenance programmes for 2015/2016 verified to be implemented progressively. The programme covers road grading and patching. Estate roads were noted to be satisfactorily maintained at the fields visit.</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).</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

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Minor Compliance		
Criteria 4.4 Practices maintain the quality and availability of surface and ground water.		
Indicators	Findings and Objective Evidence	Compliance
4.4.1 An implemented water management plan shall be in place. Minor Compliance	<p>Documented water management plan verified to be in place for the palm oil mill and estates. The plan includes steps such as soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways.</p> <p>Water samples were taken at monthly interval at the inlet and outlet of the final discharge at the palm oil mill effluent pond. Water samples taken twice a year at upstream, midstream and downstream of streams. Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet the DOE requirements.</p> <p>The water supply for domestic use to staff and workers' housing at the PMU estates are piped water from the water treatment plant operated by the government utility company. Suruhanjaya Perkidmatan Air Negeri (SPAN) that comply with the Specification for Drinking Water Quality. Water quality reports dated 17 May 2016 were verified to be within permissible specifications.</p> <p>Rainfall data is also verified to be monitored as part of the water management plan.</p>	Complied
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	Water courses were noted to be protected with buffer zone signages and markings with were maintained along streams passing through Sagil and Regent estates.	Complied
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	The water at the outlet of the final discharge point of the palm oil mill effluent pond was analyzed at monthly intervals for pH, BOD, COD, Total Solids, Suspended Solids, oil & grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet the DOE requirement of BOD < 100 ppm. Stack emission monitoring by CEMS – Refer to 5.6.3	Complied
4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance	Water usage in the mill from Apr 2015 to Mar 2016 ranged from 1.42 to 2.16 m ³ /tonne FFB with an average of 1.81 m ³ /tonne FFB which noted to be slightly higher than the industrial norm of 1.2m ³ to 1.5 m ³ /tonne FFB.	Complied
Criteria 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		
Indicators	Findings and Objective Evidence	Compliance
4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	<p>The IPM Plans were maintained and includes the planting of beneficial plants and control of damage by rodents for 2016.</p> <p>The programme for planting of the beneficial plants was available at the estates audited but need improvement.</p> <p>Observation issued: At Paya Lang estate - Beneficial Plants: Planting plan and monitoring of Cassia cobanensis is to be improved to follow the ratio as indicated under the GAP.</p>	OBS: AL-01

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	Barn owls were also used for the control of rodents. Barn owl census carried out and location maps were available. Pest infestation was minimal on the estates. No cases of infestation by other pests (bagworms and rhinoceros beetle).	
4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	IPM training was conducted for all those involved in IPM implementation. Training records for staff and workers on IPM implementation were available and was verified to be satisfactory during estate office and field assessment.	Complied
Criteria 4.6 Pesticides are used in ways that do not endanger health or the environment.		
Indicators	Findings and Objective Evidence	Compliance
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	Register of agrochemicals use with written justification had been reviewed. The types of chemicals used are as follows: 1) Glyphosate isopropyl amine - Supremo 2) Metsulfuron methyl – Kenlly / Ellytech 3) 2, 4 - Dimethyl amine – 2,4-D Amine 4) Triclopyr Butoxyethyl Esther – Kenlon / Garlon 5) Cypermetrin - Kencis Specific pesticides had been used to deal with the respective target pest, weed or disease. Inventory and stock cards were maintained and updated.	Complied
4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance	Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications has been satisfactorily implemented. Over the past 12 months, the estates audited was verified to have used the new reporting format with the required details correctly completed. As was indicated in the SOP, the records are maintained are being kept for a minimum of 5 years. Verified that the records are satisfactorily maintained. Note: Previous year Major NC- M01 (2015) is noted to be adequately addressed and effectively implemented and closed.	Complied
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	It had been the policy of the estates to minimize the use of pesticides in accordance with IPM plan. The pesticide reduction program is monitored on usage per hectare basis. Overall, there has been a slight decline in pesticide usage per hectare on a year to year basis. No prophylactic use of pesticides had been carried out at the estates for the period concerned.	Complied
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	Paraquat usage had ceased since end 2011 for IOI Group Estates including the Gomali PMU. Alternatives such as Glyphosate Isopropylamine, Metsulfuron Methyl, and Triclopyr Butoxyethyl Esther had been used with the elimination of paraquat. First Aid Kits were available during pesticides spraying in the fields (4 th Schedule). Portable signboard noted to be displayed at areas of spraying activity (5 th Schedule).	Complied

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<p>accordance with USECHH Regulations (2000). Minor Compliance</p>		
<p>4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance</p>	<p>All pesticide operators (including the 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 include spraying technique, precautions and symptoms of symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems.</p> <p>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 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>The storage of pesticides were found to be kept under lock and key and its usage was noted to be 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> <p>Material Safety Data Sheets (MSDS) are available in the store. The MSDS were in English and Bahasa Malaysia These were generally understood by the workers during the field interviews conducted.</p> <p>Some used chemical containers were re-used as containers for spraying solution. The bulk are disposed as scheduled waste. The empty pesticide containers were noted to be triple rinsed and pierced at the bottom prior disposal.</p> <p>Note: Previous year Observation # 02 (2015) was adequately addressed and closed.</p>	Complied
<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.</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 (including the contractor's workers) attended continual training to enhance their knowledge and skills on pesticides handling.</p> <p>Information and safety precautions on the use of pesticides are displayed on notice boards and near the pesticides store.</p>	Complied

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<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 had been disposed of through M/S. OLST Petro-Chemical Sdn. Bhd., a licensed contractor approved by DOE. Records of scheduled waste collection at 180 days interval verified to be satisfactory.</p>	<p>Complied</p>
<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 were available at the estates (valid till 2017-2018). It was 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 the estates audited was carried between 12 May and 16 June 2016 e.g. 12 workers (Sagil), 16 (Paya Lang) and 21 (Regent) were sent for the medical surveillance check. Note: Previous year Observation # 04 (2015) was adequately addressed and closed. Medical surveillance reports of individual sprayers were checked and no abnormalities reported by the Medical Doctor. The medical reports had indicated that there was no case of low blood cholinesterase levels of the workers. Observation issued: Sagil estate - Annual Medical Surveillance Cholinesterase test results should be reviewed by qualified personnel to determine if any further actions is needed. It is further verified that the company's policy is to re-allocate other work for any worker is found to unfit for work with pesticides. 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>	<p>OBS: AL-02</p>
<p>4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance</p>	<p>Verified from records, field inspections and interviews that no pregnant or breast-feeding woman had been offered work as pesticide operator.</p>	<p>Complied</p>
<p>Criteria 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>The occupational health and safety plan shall cover the following: 4.7.1 An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance</p>	<p>Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory & Machinery Act 1967 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.</p>	<p>Complied</p>

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	<p>Records on training had been verified on the Palm Oil Mill and the Estates. Analysis on the understanding of training by the workers on the PMU had been verified.</p>	
<p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance</p>	<p>Risk assessment carried out on operations where health and safety is an issue in order to determine the significant hazards. Significant hazards determined and documented include noise exposure, pesticides/ chemicals exposure, accident, fire. Procedures and actions implemented to mitigate the hazards. Noise levels report in the POM done in Nov 2014 is available. Work areas identified with high noise levels are the boiler station and engine room 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 muffers. Annual audiometric test conducted for all mill staff and workers. The latest audiogram was carried out for all 82 POM employees on May 2016. The PMU has identified the few employees whose audiometric reports indicated slight hearing impairment and taken measures to reduce noise exposure. 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 muffers) 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 muffers to be worn. There are also warning signs to use other PPE such as helmet and safety boots. Internal audit for determining compliance with the minimum standards had been conducted on all types of PPE used. 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. 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. The POM and estates have established their accident reporting KPI and incident monitoring implemented. Yearly reporting of JKKP8 regulations was submitted to JKKP on time, i.e. in January of each year. Records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities captured to prevent mishaps as maintained by the respective Safety Officers and ESH Manager were verified.</p>	<p style="text-align: center;">Complied</p>

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<p>4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance</p>	<p>Training programme planned for year 2015/2016 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 trainings were conducted for year 2015- till May 2016 and records were available. Evaluation carried out on each of the trainings to determine its effectiveness.</p>	<p style="text-align: center;">Complied</p>
<p>4.7.4 The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be 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 style="text-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.</p> <p>Records on all accidents had been verified to be maintained satisfactorily.</p> <p>Quarterly review on accident cases had been carried out during quarterly meeting of Safety, & Health Committee.</p>	<p style="text-align: center;">Complied</p>
<p>4.7.6 All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance</p>	<p>Medical care had been provided to all the workers.</p> <p>Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with insurance company, MSIG Insurance Berhad.</p>	<p style="text-align: center;">Complied</p>
<p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance</p>	<p>Records on Lost Time Accident (LTA) metrics had been verified to be satisfactorily maintained.</p> <p>Regent estate had reported 1 case of LTA > 5 days in year 2016 i.e. 41 days, which was appropriately followed up and submitted to JKKP.</p>	<p style="text-align: center;">Complied</p>
<p>Criteria 4.8 All staff, workers, smallholders and contract workers are appropriately trained.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular</p>	<p>The training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System established was implemented. Refresher training for mill staff</p>	<p style="text-align: center;">Complied</p>

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assessments of training needs and documentation of the programme. Major Compliance	was conducted in Dec 2015 and interviews confirmed the satisfactory levels of understanding on requirements. 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.	
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 were conducted and well documented prepared in May 2016. The assessment documents had included the identification of aspects from field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal and also road maintenance. The report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as relevant conservation activities applicable to the PMU. Observation: It was observed that some of the signages placed are already too old and worn out making it not readable.	OBS: SH-01
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. Minor Compliance	There were no major changes to the identified impacts since the establishment of the documents above. Impacts such as smoke emissions, noise levels, POME and EFB management were verified at the Gomali POM. Nonconformance finding: The Management plan for mitigation of environmental impacts, timeframe for action and responsible persons were not adequately followed up by the Estate managers. At the Paya Lang Estate and Sagil Estate, the existence of ponds in the area has not been identified as Conservation Areas. This area need to be marked on the ground as conservation areas. Signage need to be put up and extend of the buffer zone demarcated. It is found that the extent of the buffer zone around the pond has not been demarcated. Also, the ponds at Sagil Estate have not been identified for conservation. This area is left in its natural condition/state. There were no buffer zones identified and demarcated on the ground. Observation: Map of estates i.e. Regent Estate, need to be updated to its current status. Sungai Chemengkoh was not shown in the map although the buffer zone and its extent were demarcated at the field blocks. Buffer zone demarcation at the field blocks need to be corrected at both Sagil Estate and Regent Estate.	Minor NCR: SH-01 OBS: SH-02

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<p>5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>Minor Compliance</p>	<p>The monitoring of the documented environmental improvement plans is ongoing.</p> <p>Implementation and monitoring of the documented environmental improvement plans will be reviewed on an annual basis. The review will take into consideration the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone, clearing of overgrown natural vegetation and debris along the streams</p>	<p style="text-align: center;">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 May 2016.</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 Sembilan Tani Estate, Sagil Estate and Regent Estates are surrounded by palm oil estates. Only Sagil estate bordered the Hutan Simpan Ledang.</p> <p>Conservation areas/environmentally sensitive areas i.e. buffer zones along the stretches of streams which pass through the estate had been identified and being monitored.</p> <p>HCV and other environmentally sensitive areas were documented and inspected on site. Boundaries bordering the forest reserves were well demarcated with trenches to deter wildlife from going into the estate.</p>	<p style="text-align: center;">Complied</p>
<p>5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan.</p> <p>Major Compliance</p>	<p>Regular patrols within the POM and PMU were being carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas.</p> <p>Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented.</p> <p>Also, signage that prohibit hunting, fishing and water polluting activities were verified on-site at all PMUs visited i.e. Sembilan Tani, Regent and Sagil Estates and found to have been satisfactorily maintained.</p>	<p style="text-align: center;">Complied</p>
<p>5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>Minor Compliance</p>	<p>There was evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signage erected around the affected areas which prohibit such activities.</p> <p>Training programme on RTE has also been organised and attended by personnel across the organisation.</p>	<p style="text-align: center;">Complied</p>
<p>5.2.4 Where an action plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by 	<p>Management plans were established and monitoring outcomes were reviewed by the Estate managers.</p>	<p style="text-align: center;">Complied</p>

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<p>plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan.</p> <p>Minor Compliance</p>	<p>Verification were also made during on-site assessment and found to be satisfactory implemented at Sembilan Tani, Regent Estate and Sagil Estate.</p> <p>The overall management plan on the status of HCV/RTE of the Gomali plantation group is collated, reviewed and monitored by the HQ sustainability team and is ongoing.</p>	
<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. Sembilan Tani 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>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<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 (Sembilan Tani Estate, Regent Estate and Sagil Estate) showed that all waste products and sources of pollution were identified and documented.</p> <p>The documentation and identification of all the waste products such as scheduled waste, domestic waste, clinical waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, Stack emissions and Boiler ashes were maintained and monitored at the POM.</p> <p>Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers/drums (SW 409), used filters (SW 410), clinical waste (SW 404) and used batteries (SW 102). Records on the usage and disposal were well recorded and documented.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained at the POM.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory carried out in the Gomali mill and Plantations. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p>	Complied
<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)</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 and implemented as required and is being carried out responsibly.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory in all the Plantations visited. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p>	Complied

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	<p>Waste disposal was done by an appointed contractor that is licensed by the Department of Environment.</p> <p>The solid waste management and disposal plan using landfills was only available at Sembilan Tani and Regent Estates. Landfill management was found to be satisfactory. AS FOR Sagil estate, waste disposal was by using services of waste contractor.</p> <p>Recycling of crop residues / biomass i.e. EFB and POME had been implemented. Management EFB application plans and progress reports were verified to be satisfactory.</p> <p>Recycling bins of three different colour codes for specific recycle waste were available in the POM and were used for solid waste segregation and recycling.</p>	
<p>Criteria 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>Minor Compliance</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>Visit to Gomali mill showed evident that they are compiling the data, document it for further action to improve on their efficiency of using the renewable and non-renewable energy.</p> <p>Apart from use of diesel for generating electricity, palm fiber was also used to generate electricity through steam turbine and boiler. The processing of the CPO was done using the turbine generation.</p> <p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fiber and PK shells were used as renewable energy/fuel on a 70:30 ratio basis.</p> <p>It was verified that energy usage are being monitored daily, especially at the POM for better control and comparison of trends.</p>	Complied
<p>Criteria 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>Major Compliance</p>	<p>IOI Group had observed the policy of 'Zero open burning' for any replanting, if any, at the estates.</p> <p>Field inspections made at Sembilan Tani, Regent Estate and Sagil Estate showed no evidence of open burning.</p>	Complied
<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. Sanitary landfill was located at only in Sembilan Tani estate and Regent estate.</p>	Complied

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	The area is located far away from the village and water sources.	
Criteria 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
<p>5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>Major Compliance</p>	<p>Monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS) and supported by the Ringelmann Smoke Chart. Report showed evident that the emission is within the permissible limits of DOE as verified by documents made available during the on site visit to the Gomali mill.</p> <p>POME treatment, monitoring and land application is monitored, maintained and adhered to DOE regulations.</p>	Complied
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>Major Compliance</p>	<p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done. e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at both the POM and PMU.</p> <p>GHG calculation report has also been submitted to RSPO on 17 June 2016.</p>	Complied
<p>5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>Minor Compliance</p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place.</p> <p>Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements</p> <p>Water samples were regularly taken and tested by mill environment officer in charge and analyzed to ensure compliance to DOE requirements at final discharge points The water samples were sent for analysis. This was conducted by ENV Consultancy & Monitoring Services. Records are maintained and verified on-site to have met the permissible regulatory limits.(Domestic Water Discharge Quality Report dated March 2015)</p>	Complied

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

Criterion 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.		
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>At Gomali PMU, the respective Social Impact Assessment reports and Management plans at all estates and mill was specifically and individually documented by the Sustainability Team of IOI. In Gomali POM latest revision of the SIA was on 6 May 2016, in Sembilan Tani on 24 May 2016 and in Regent Estate on 4 May 2016.</p> <p>External stakeholders' consultation was held separately in the mill and in each estate, for example in Gomali POM stakeholder consultation was conducted together with Gomali, Tambang and Paya Lang estates on 4 May 2016 with 25 attendance. External stakeholders attended the consultations</p>	Complied

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	include contractors, suppliers, government agencies, police, villagers, neighbouring plantations, etc.	
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance</p>	<p>The group has considered issues of social impact to employees and communities affected by their activities. Records of meeting with stakeholders indicated discussions held were generally on matters pertaining to access roads and use rights, working conditions, cultural/festival activities, health facilities and other community concerns.</p> <p>In all meeting minutes, e.g. ECC and Gender Committee, list of attendance and photos of the session were kept in file showing evidence of participation of affected parties. Through verification of entries made in the Complaints & Grievance Book in POM and estates and interviews made, it was clear that the workers are well informed of issues related to their rights.</p> <p>Note: Previous year Observation# 04 (2015) was adequately addressed and implemented.</p>	Complied
<p>6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Major Compliance</p>	<p>A time table of activities identified was sighted with time frame on implementation plans. Site inspection carried out confirmed that the implementations were in progress. Latest Social Plans sighted are for the period of May 2015-June 2016 in all estates audited and from January-December 2016 for Gomali POM.</p> <p>Observation: Comments received from different sources, e.g. external and internal stakeholder consultations, GCC meetings, ECC meetings, grievance books, are not consolidated in a specific mitigation plans document.</p>	OBS: JMD-01
<p>6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. Minor Compliance</p>	<p>The plans are reviewed annually together with affected parties as mentioned especially the workers were consulted during the ECC meetings, daily morning muster and individual reports made in the Grievance Books maintained.</p>	Complied
<p>6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). Minor Compliance</p>	<p>Sembilan Tani Estate is the only smallholder supplying to the Gomali PMU. Efforts have been taken to assist Sembilan Tani Estate to achieve certifiable status, including providing technical and material assistance.</p>	Complied
<p>Criterion 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.2.1 Consultation and communication procedures shall be documented. Major Compliance</p>	<p>IOI's Group consultation and communication procedures are available via website link: http://www.ioigroup.com/Corporateresponsibility/environment_plantation.cfm</p> <p>The PMU has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. its workers, government agencies, contractors, neighbouring plantations by personal invitation to attend the internal and external stakeholders' consultation meetings. These meetings and consultations are recorded and filed</p>	Complied

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	properly.	
<p>6.2.2 A management official responsible for these issues shall be nominated. Minor Compliance</p>	Records sighted show evidence of the existence of appointed teams headed by estate managers assisted by assistant managers. E.g. Amiruddin Johari is assigned as Social Liaison officer for the Regent Estate as stated in letter dated 18 May 2016 signed by Mr. Saravanan A/L Muniandy, Manager. In Sagil Estate, Chia Wee Loong and Muhamad Nazam are assigned as social liaison officer according to the organization chart June 2016.	Complied
<p>6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance</p>	The list of stakeholders, communication and actions taken were maintained in Stakeholders File. Consultations with various stakeholders held and meeting minutes have been verified during the audit.	Complied
<p>Criterion 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</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. Major Compliance</p>	<p>All estates in Gomali PMU have established complaints and grievances procedures and they were all well implemented. Complaints and Grievances logbooks were sighted in all audited estates and actively used by workers.</p> <p>Timelines for response to complaints and grievances are either through the logbook or ECC representatives are appropriately established and implemented. Generally respond time for minor requests will be within 2-3 days.</p> <p>Complaints and Grievances Logbooks are for complaints which are not private and confidential in nature. For reports which are related to private matters such as sexual harassment reports separate logbooks are prepared and always kept under lock and key locations. Complainants are given the option whether the make the report personally or through nominated workers' representatives.</p> <p>It is verified during on-site interviews that there were no incidents of dispute or grievance of a serious nature.</p> <p>Since Feb 2014 IOI PMU had developed "Dasar Pemberi Maklumat (Whistleblowing)" which was approved by Jawatankuasa Audit dan Pengurusan Risiko.</p>	Complied
<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance</p>	The PMU have a system for handling compensation claim in an effective, timely and appropriate manner. So far there has not been any dispute raised which was verified during on-site interviews with the workers.	Complied
<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>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people</p>	There were some borders at the estates audited in Gomali PMU adjacent to villages.	Complied

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<p>entitled to compensation, shall be in place. Major Compliance</p>	<p>There were no past cases requiring any negotiation or compensation pertaining to this criterion. There have been no changes in this status as at the period of verification on site.</p>	
<p>6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance</p>	<p>The IOI Group has a procedure for calculating and distributing compensation which is available. To the date, there has been no dispute by any parties reported at the Gomali PMU.</p>	Complied
<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. Major Compliance</p>	<p>To date, there has been no dispute by any parties reported. Therefore the process and outcome of compensation could not be observed.</p>	Complied
<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. Major Compliance</p>	<p>Offer letters and work contracts for local staff and foreign workers are verified. The contracts met the industry minimum standards including included extra pays under the statutory fringe benefits.</p> <p>The payslips for workers at the estates and mill were verified to contain all necessary information and can easily be understood by the workers, e.g. type and rate of works completed, days offered, days worked, days absent, total deduction, etc.</p> <p>A review of some field workers' pay slips showed that the calculation of pay is clearly itemised, for example:</p> <ul style="list-style-type: none"> • Normal day field work wage [Daily Rated or Piece Rated] • Normal working day overtime • Working rest day • Overtime for working rest day • Working public holiday • Overtime for working public holiday • Out-turn incentives [December pay slips only] • Conversion of annual leave into annual payment renewal [December pay slips only] <p>Based on instruction circulated in IOI Memorandum dated 2 Feb. 2015 all estates and mill managements at the PMU are instructed to use workers contracts in national language of the foreign workers hired. Signed workers contract in Indonesian, Indian, Myanmar, Urdu, Malay and English languages were verified.</p>	Complied

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	<p>Note: Actions taken on previous year NC-M02 (2015) is basically complied. However it is also related to indicator 6.5.2 (refer to findings below)</p>	
<p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>Major Compliance</p>	<p>In Gomali PMU since January 2013, the offer letters had been revised to reflect the Minimum Wage Order 2012. The passports, work permits, insurance, permits for allowable deduction are in proper order in all estates visited. The obligatory Foreign Workers Compensation Scheme [FWCS] for foreign workers were issued by MSIG and expired on 30 Sep. 2016 in the POM and all estates visited.</p> <p>At the estates audited a number of field workers found to have received less than RM900 as required in Minimum Wages Order 2012. Main reasons provided by the management was either due to absent from work [full day or half day], long holidays and low productivity. These reasons were verified during the audit.</p> <p>Employment Act 1955, stated that “wages” is defined as the “...work done in respect of his contract of service...” Workers who have not completed the assigned daily tasks, working less than hours stipulated in workers contract or refuse to take up assigned extra tasks other than their main work scope. The Minimum Wages Order 2012, stated that it is also referring to the same definition of “wages” used in Employment Act 1955 [see Guideline to the Implementation of The Minimum Wages Order 2012, Annex A, First Schedule Employment Act 1955, Article 3]. As a conclusion, the practice of non-payment the categories of workers mentioned above by the PMU and the whole industry is clearly permitted by both Minimum Wages Order 2012 and Employment Act 1955.</p> <p>However, even the practice is permitted by the law, these workers are identified and provided with an opportunity to explain their inability to achieve the minimum wages set by the law and the management. Workers explanation and decision made by the management, if any, e.g. change to another type of job, offer of more additional jobs, are recorded in Incomplete Task/Worked Less Than Normal Hours of Work. This serves as evidence that the workers understood the reasons for them receiving wages less than required by law. In addition this also served as evidence for the efforts taken by the management to motivate and assist workers with under-performance issues. The form mentioned above is signed by the workers, workers representative as witness, the field supervisors and the management after completion.</p> <p>Further analysis conducted shows, in most cases percentage of workers receiving wages less than what is required by law is below 10% every month. Workers with continuous under-performance problems even after repeated reminders, change of jobs, disciplinary actions are identified and repatriated back to their home countries as last resort in order to avoid their poor attitude having an influence on other workers.</p> <p>At the rate of RM34.62/days as stated in Minimum Wages Order 2012 for Peninsular Malaysia, at least 26 working days should be offered every month in order for the workers to reach the requirement of minimum wage of RM900/month. However, with effect from 1 Jul 2015 basic wages for foreign workers increased to RM36.00/day.</p> <p>Wages, passports and permits of foreign workers working with</p>	

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	<p>the contractors were also verified as valid according to relevant regulations. Workers passports are kept for safekeeping purposes in the estate offices. Passport are return to the workers upon request as and when necessary, e.g. renewal of passports and work permits, opening a bank account and returning to home country for long holiday or if necessary travelling inter-states.</p> <p>It was reported by NGO-Finnwatch in 2015, that the video presentations at the foreign workers country of origin did not correctly depict the reality of their actual work conditions in the estates. This fact was collaborated by some of the stakeholders interviewed during the current assessment.</p> <p>The company in its response to the NGO-Finnwatch report claimed that 'an up-to-date video depicting actual work conditions in the estates company has been provided to the agency conducting the hiring at the home country of the foreign workers during recruitment. The company also stated they have no control over the videos shown by the agency to the applicants during the hiring process because the hiring for other plantation companies are also being conducted by the same agency at the same time.</p> <p>However, the company (IOI) has to ensure that during the recruitment process, any agency engaged in the country of origin of the foreign workers are showing information videos which accurately depict the work conditions prior to hiring the workers.</p> <p>Note: Actions taken on previous year Observation # 05 (2015) had not adequately addressed all the related issues. Thus a Major NC was issued in current assessment.</p>	<p>NC: JMD-01 Major</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>PMU Gomali grouping has provided adequate housing, water supplies, medical, educational and welfare amenities in accordance with IOI guidelines stated in the Workers' Minimum Standard of Housing and Amenities Act 1990 which is only applied in Peninsular Malaysia.</p> <p><u>Housing, electricity and water supply</u></p> <p>Workers are given a small patch of land to grow vegetables/ fruit trees and keep poultry around their houses in order to reduce the cost of living. The workers staying in the estate are provided with free electricity and treated pond water 24 hours daily.</p> <p><u>Schools</u></p> <p>Schools for local workers' children are at the vicinity of Gomali PMU.</p> <p><u>Sundry shops</u></p> <p>Sundry shops available outside at each estate audited. From interviews with the workers in PMU it was found that most household sundries, including frozen foodstuffs were available on sale. The workers also go out to town once a month after pay day to buy sundries.</p> <p><u>Medical clinics</u></p> <p>Clinics manned by HA are available in most estates audited. The Health Attendance are responsible on monitoring and maintaining acceptable living standard in the workers quarters, e.g. buildings maintenance, rubbish collection, drainage</p>	

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	<p>system, children education, etc., this monitoring is conducted through weekly linesite inspection and VMO visit. The Health or Medical Assistants are well experienced in handling minor health issues. VMO visit which is conducted twice a month will also include visits to the linesite before examining patients referred by the HA. Service and medicines provided by the clinic free of charge and cover the independents of the workers as well. Workers of the contractors staying in the linesites are also admitted to the clinic if necessary free of charge.</p> <p>Nonconformance finding: They was some confusion on type of illnesses contracted by the workers which qualified them for free air tickets back to their home country. Articles listed in Workers' Contract below are referred;</p> <ol style="list-style-type: none"> 1. Article 11(b) “[Air passage to be borne by the employer] when the Employer terminate this Employment Contract due to no fault of the Employee.” 2. Article 12(c) stated “The Employee shall bear the cost of return to his Country of Origin from Malaysia if the Employee failed the FOMEMA Medical Examination.” 3. Article 12(d) stated “If the Employee prematurely terminates this contract before expiry he may do so at his own expense for returning to his Country of Origin...” <p>There are 2 cases found in Paya Lang Estate in which the foreign workers were sent back to their respective home country at their own expenses due to illness before their expiry of their work contract.</p> <p>During the audit it is noted that the policy and procedures developed by the estate management on the repatriation of workers due to illness is not clear and has led to ambiguities.</p>	<p>NC:JMD-02 Minor</p>
<p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. Minor Compliance</p>	<p>Gomali PMU has ensured that the workers have access to adequate, sufficient and affordable food by providing the workers with local sundry shops within the group compound. Most of the estates visited however are located close the some small townships which are reachable by local transportation, e.g. Sagil Estate is near to Tangkak town, whilst Paya Lang is near to Batu Anam town. Only Sembilan Tani Estate is located quite a distance from the main road for workers to have access to proper township. However, the management of Sembilan Tani Estate provide motorcycles to ensure the workers are able to go to purchase their daily ration in shops located in the nearby Felda settlement.</p>	<p>Complied</p>
<p>Criterion 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
<p>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>The published statements of policy which recognizes employee's freedom of association, was noted to be available</p>	<p>Complied</p>

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Major Compliance	and widely displayed in Bahasa Malaysia and English. Each estates audited in Gomali PMU had formed the ECC as a mechanism to cater the collective bargaining needs of the workers. Results of ECC meetings were minuted and available for verification. It is also verified that most of the local workers are members of NUPW which is represented in the ECC.	
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	Employee collective bargaining was made through the Employees Consultative Council (ECC) which has representation from the different levels of workers who are elected by the workers. In all meeting minutes of ECC, list of attendance and photos of the session were kept in file showing evidence of participation of affected parties. For example latest ECC meeting was conducted on 30 May 2016 in Regent Estate, 25 Mar. 2016 in Sagil Estate.	Complied
Criterion 6.7 Children are not employed or exploited.		
Indicators	Findings and Objective Evidence	Compliance
6.7.1 There shall be documentary evidence that minimum age requirements are met. Major Compliance	The PMU has a policy of not employing child labour (persons below 16 years) in accordance with Labour Act 350, Children and Young Persons (Employment), evident in the "Policy Statement of No Child Labor" available. The age of new hires were verified against their birth dates in their identification cards including those of the foreign workers. It was verified through interviews at the respective estates that the minimum age requirements of the workers were met.	Complied
Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
Indicators	Findings and Objective Evidence	Compliance
6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	The policy statements which recognize Equal Job Opportunity were widely available and displayed in local languages and English. Inspections including interviews in the estates of Gomali PMU, checking of the employment records including migrant workers, pay slips and deductions of wages (according to law) confirmed that this criteria has been maintained.	Complied
6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	There is a documented "Policy on Foreign Workers". Migrant workers are recruited within the framework of Employment Act 1955, Sabah Labor Ordinance 2005, Immigration Act 1959/63 and Workmen's Compensation Act 1952. The employment of foreign workers were implemented without affecting the opportunities for local communities. Local workers are covered under SOCSO scheme and the migrant workers are covered under Foreign Workers Compensation scheme (FWCS). Interviews with foreign workers revealed their satisfaction with the PMU for job opportunities and many welfare amenities for example free housing, water and electricity supplies as well as medical care. Foreign workers are aware of the grievance procedures through the various Committees, including the ECC, Gender Consultative Committee (GCC) and sprayer group	Complied

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	communication through participation at the SIA consultative meetings. It was verified that there has been no issue of discrimination at the PMU.	
<p>6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>Minor Compliance</p>	<p>Under the employment process, applicants for field worker positions are usually accepted by the estate management with very minimal requirements due to a shortage of labour supply in the plantation industry.</p> <p>For management and supervisory positions, the PMU has considered the needs of technical and other related skills depending on the nature of the work offered.</p> <p>It was verified that the promotions to higher position at the estates and POM were based on evaluations which considered the skill, capabilities, qualities and medical fitness of the employees. It was evident from interviews with employees and verification of records that there has been no discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age.</p>	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.</p> <p>Major Compliance</p>	<p>The "Policy on Sexual Harassment" for prevention and eradication of sexual harassment in the workplace is available and verified to be communicated to all employees and implemented in the PMU.</p> <p>Record books for documenting such cases are available and kept under lock and key.</p> <p>Interviews with PMU field workers and office staff, both male and female, revealed their knowledge of the policy, their rights as male and female worker, the definition of sexual and other forms of harassment and understanding of the mechanism to lodge a complaint of sexual or other harassment.</p> <p>The GCCs comprised of both male and female representatives for both genders to communicate their grievances or complaints related to sexual harassment effectively. Latest meeting-cum-briefing session specific for female workers was conducted in Regent Estate on 26 Mar., in Shahzan 1 on 7 Mar. and in Segamat Estate 15 Mar 2016 attended by 9 female worker, in Paya Lang Estate on 10 June 2016. Minutes of these meetings were verified. Male workers including contract workers were also briefed on IOI sexual harassment policies, e.g. in Sagil Estate, the briefing was conducted on 30 Mar. 2016.</p>	Complied
<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>There is a policy in place for the protection of reproductive rights of the workers especially for women workers in PMU. This has been adequately implemented as all the female staff and workers are fully aware that they are entitled for two months paid maternity leave.</p> <p>Noted there was no pregnant female staff or estate general workers at the time of audit.</p> <p>Note: Previous year Observation# 06 (2015) was adequately addressed and implemented.</p>	Complied
<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</p>	<p>There is an established mechanism in the form of "Grievance procedure" to manage grievances from internal and external stakeholders and as well as from the general public.</p> <p>The procedure is explained in a flow chart and available in</p>	Complied

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<p>workforce. Minor Compliance</p>	<p>Bahasa Malaysia for easy understanding of the local people. The display of this Grievance Procedure in the staff offices, muster call stations and at the public areas is verified on audit. Sensitive grievances and complaints are treated as private and confidential thus protecting the anonymity of the complainants, for example the sexual harassment reports. The sexual harassment report books are kept under lock and key and accessible only to assigned personnel within the Gender Consultative Committee.</p>	
<p>Criterion 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance</p>	<p>Sembilan Tani Estate is the only smallholder supplying to Gomali POM and there was no evidence to suggest of any unfair business practices between both parties including the prices of FFB.</p>	Complied
<p>6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance</p>	<p>Gomali PMU maintained records on current and past prices paid for FFB. Monthly prices are displayed at the POM office and FFB price data are available to the public upon request.</p>	Complied
<p>6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance</p>	<p>All parties having contractual agreements with the PMU had entered their contracts with adequate understanding of the terms and conditions set between both parties. Evidence was obtained during the viewing of the contracts sampled which among others included the office staff, field workers of both genders; various contractors providing labour, transport and maintenance works at the PMU. On site stakeholder interviews and consultation carried out with the various parties further confirmed their understanding of the contracts entered. Based on the documented contracts sighted, review of meeting minutes with stakeholders as maintained in the respective files, there was no evidence to suggest of any unfair, illegal or non-transparent practices in the grouping dealings with the local community businesses.</p>	Complied
<p>6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance</p>	<p>Payment of wages to office staff is consistently made on 25th of every month. The field workers pay is made no later than seventh day of every month. Only when the seventh day of the month falls during weekend the payment is made before tenth day of the month. However, this happens in a very rare occasion. PMU by local business clearly stated that services rendered or purchases made will be paid within 60 days. This is a standard practice and the PMU received no complaints from any local business on delay of payments during the verification visit. The PMU also shows no pending payments to contractors or suppliers beyond the given period.</p>	Complied
<p>Criterion 6.11 Growers and millers contribute to local sustainable development where appropriate.</p>		

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Indicators	Findings and Objective Evidence	Compliance
<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> <p><u>Regent Estate</u></p> <ol style="list-style-type: none"> 1. Stray dogs trap management in collaboration with Jabatan Veterinar Gemenceh in Mar. & Apr. 2016 2. AP monitoring of tractor movement in Kg. Asahan for any potential risk to the villagers after 6pm in Jul. – Aug. 2015 3. Discussion with cattle owners to provide space for grazing inside the plantation as long as the cattle owners are willing to setup an electrical fencing. <p><u>Paya Lang, Gomali and Tambang Estates</u></p> <ol style="list-style-type: none"> 1. POME fertilizer donation to SK Batu Anam and SK Mensudut Pindah. 2. Paya Lang Estate will start building new workers quarters with 12 doors in July 2016. <p><u>Sagil Estate</u></p> <ol style="list-style-type: none"> 1. SK Puteri Ledang were allowed to use field road for extra-curricular activities. 2. SJK(T) Ladang Sagil compound is managed by the estate management. 	Complied
<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>Sembilan Tani Estate is the only smallholder supplying to the Gomali PMU. Efforts have been taken to assist Sembilan Tani Estate to achieve certifiable status, including providing technical and material assistance, e.g. supplying high quality seedling and advisory services on estate management.</p>	Complied
<p>Criterion 6.12 No forms of forced or trafficked labour are used.</p>		
<p>6.12.1 There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance</p>	<p>All migrant workers at the PMU are legal with passports and valid working permits thus no evident of trafficked workers were found during the verification audit.</p>	Complied
<p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance</p>	<p>No incidents have been found and this is confirmed through interviews with external stakeholders that contract substitution has never occurred previously. However, there are some misunderstanding among new workers due to the video presented in their home country is not depicting the real life in the estate as explained in 6.5.2.</p>	Complied
<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>A policy on Equal Opportunity was adopted and implemented by Gomali PMU verified to have covered all necessary aspects of migrant workers related issues. On 1 Mar. 2016, IOI also adopted a new Special Labour Policy and Procedures especially covering migrant workers.</p>	Complied
<p>Criterion 6.13 Growers and millers respect human rights.</p>		
Indicators	Findings and Objective Evidence	Compliance
<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>Clauses pertaining to Human Rights Policy were stated in the Equal Opportunity and Non-Discrimination Policy. Adoption of the Special Labour Policy and Procedures especially covering migrant workers on 1 Mar. 2016 covers majority of the principles in 03 UN Guiding Principles on Business & Human Rights 2011.</p>	Complied

<p>6.13.2 As long as children of plantation workers of Sabah and Sarawak are not secured a right to go to government school, the plantation companies should engage in a process to secure the children of the plantation workers access to education as a moral obligation. Minor Compliance</p>	<p align="center">Not applicable</p>	<p align="center">Not applicable</p>
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Principle 7: Responsible development of new plantings

IOI Gomali grouping has a documented procedure for this development but has not carried any new plantings after Nov 2005. Therefore, the requirements of Principle 7 are not applicable during this assessment.

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

<p>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.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<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. These include:</p> <p><u>At PMU estates:</u></p> <ol style="list-style-type: none"> 1) Planting of more cover crops along steep slopes and streams. Increase planting of beneficial plants (<i>Turnera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>) along the roads; 2) Recycling of Fertilizer bags and empty pesticide containers to be returned to supplier. In addition, waste will also be segregated accordingly to the plastic and organic materials; 3) Construction of more barn owls boxes; <p><u>At POM:</u></p> <p>Cleaning of water tank at the pump house for domestic use (executive bungalows and workers quarters).</p> <p><u>For Social</u></p> <p>Regent Estate</p> <ol style="list-style-type: none"> 1. Removal of stray dogs in collaboration with Jabatan Veterinary Gemencheh 2. AP monitoring of tractor movement in Kg. Asahan for any potential risk to the villagers after 6pm 3. Discussion with cattle owners to provide space for grazing inside the plantation as long as the cattle owners are willing to setup an electrical fencing. <p>Paya Lang, Gomali and Tambang Estates</p> <ol style="list-style-type: none"> 1. POME fertilizer donation to SK Batu Anam and SK Mensudut Pindah. 2. Paya Lang Estate will start building new workers quarters with 12 doors in July 2016. <p>Sagil Estate</p> <ol style="list-style-type: none"> 1. SK Puteri Ledang were allowed to use field road for extra-curricular activities. 2. SJK (T) Ladang Sagil compound is managed by the estate management. 	<p align="center">Complied</p>

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3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

The Supply Chain module applied at Gomali Grouping POM during this assessment is Module D – CPO Mills: Identity Preserved (IP).

Details of findings are as follows:

D.1 Definition		
Indicators	Findings and Objective Evidence	Compliance
<p>D.1.1</p> <p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>The POM only processed FFB from its own supply base (see Section 1.3).</p> <p>It was verified that there was no sources of FFB from any outgrowers or independent suppliers / smallholders.</p> <p>The CPO Mill is therefore deemed to be Identity Preserved (IP).</p>	<p>Complied</p>
D.2 Explanation		
Indicators	Findings and Objective Evidence	Compliance
<p>D.2.1</p> <p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the POM is recorded in this Assessment Report.</p> <p>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.</p> <p>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).</p>	<p>Complied</p>
<p>D.2.2</p> <p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The POM meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>Complied</p>

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D.3 Documented procedures		
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p>	<p>Documented procedure for IP Module is: RSPO/SC/SOP/IP/3 issue 04 dated 2 Jan 2015. The procedure has covered the implementation of all elements of IP Module.</p>	Complied
<p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements</p>	<p>The documented procedure and its implementation confirmed to have complied with all the specified requirements of Identity Preserved (IP) Module D that include controlling the FFB receipt, processing, sales, CPO and PK dispatch, and records keeping.</p>	Complied
<p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>Mill manager, Mr. TS Chai, has the overall responsibility and authority for implementation and compliance with the documented procedure. He and other relevant staff under his charge demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard - Module D requirements and its implementation. Interviews of the relevant staff confirmed their knowledge of the RSPO Supply Chain Certification requirements for the respective areas of operations. 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.</p>	Complied
<p>D.3.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>For the period FY 2015/2016, the POM only received and processed FFB mainly from the PMU Gomali estates (including from Sembilan Tani estate - associated outgrower) and also some certified FFB from IOI Pukin estates. The PMU did not receive any non-certified FFB from any other external sources or suppliers. All supplies of FFB were subjected to verification of documents and quality checks by weighbridge personnel.</p>	Complied
D.4 Purchasing and goods in		
Indicators	Findings and Objective Evidence	Compliance
<p>D.4.1 The facility shall verify and document the tonnages and sources of certified and non-certified FFBs received.</p>	<p>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.</p>	Complied
<p>D.4.2 The facility shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>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.</p>	Complied
D.5 Record keeping		
Indicators	Findings and Objective Evidence	Compliance
<p>D.5.1</p>	<p>The records and reports are available from the computerized system. Also, hard copies of records and reports are properly</p>	Complied

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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.	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.	
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 in FY2015/2016. 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.	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. The product type and supply chain module indicated as CSPO/IP and CSPK/IP on relevant documents was verified to be correctly stated.	Complied

3.1.2 Status on Supply Chain on POM:

Based on the documents and records presented during the on-site verifications made, it is concluded that the Gomali POM has been able to comply with the requirements of the RSPO SCCS under the 'IP' module and is thus eligible for 'IP' trading for its palm products for year 2016/2017.

3.1.3 Monitoring of Certified Products traded:

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

	CSPO - Actual Jul 2014-Jun 2015 (MT)	CSPK - Actual Jul 2014-Jun 2015 (MT)	CSPO - Actual Jul 2015 till current (MT)	CSPK - Actual Jul 2015 till current (MT)
RSPO IP	69,290.64	-	47,995.79	-
Book & Claim (GreenPalm)	-	18,419	-	16,910
ISCC	0.00	-	16,963.56	-
Total Traded	69,290.64	18,419	64,959.35	16,910
Actual Produced	73,424.89	18,419.91	73,820	18,110

Notes:

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

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

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

Assessment Type	Year	Noncompliance (NCR)	Observations (OBS)	Follow up status
Re-Certification Assessment (by previous CB-SGS)	2015	2 (Major)	6	Actions taken on the NCRs and OBS were verified during ASA-01. However it was found that 1 NCR (2015) was not effectively implemented and a new NCR was issued in ASA-01.
Annual Surveillance-01 (by Intertek)	2016	3 (1 Major, 2 Minor)	5	Next assessment (ASA-02)

3.2.1 Year 2015: Re-Certification (2 Major NCRs) by previous CB-SGS

NCR	MYNI Indicator	Details of NCR	
Major M01	4.6.2	Date issued: 2 July 2015	
		Nonconformance: A document to show of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) was not available at the estates.	
		Root Cause and Corrective Action: A new standard "IOI Group Active Ingredient per Hectare (A.1/HA)" form was prepared for use in all estates. It contains the following information: a. Pesticides used b. Active Ingredient used c. LD50 d. Area treated e. Amount of active ingredients applied per Ha f. Number of applications which covers total chemicals used and area treated on monthly basis. Format has been distributed and is currently being used at all estates.	
		Verification (Corrective Action): The new SOP and new format to be used was distributed at all estates. Note: Verification and close out of NCR was carried out by previous CB (SGS).	
		NC status verified by auditor: Closed by SGS	Date closed: 11 Aug 2015
		Verification of effectiveness: Records of pesticide usage has stated the required details including the active ingredients used and their LD50 at the estates under the PMU. Verified during ASA-01 that the corrective action taken was implemented effectively.	
		NC status verified by auditor: AL	Date verified: 24 Jun 2016



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NCR	MYNI Indicator	Details of NCR
Major	6.5.1	Date issued: 2 July 2015

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M02	<p>Nonconformance:</p> <p>The payslip system does not able to capture/reflect any adjustments made as a justification, or any other factor that worker can at least earn the minimum wages of RM900/month. Following are the evidence collected:</p> <p>a. In Tampang estate, evidence shown some of the pay slips of worker were below RM900 even though the working days offered were 26 days. Example, March 2015, Musalman Gayasudin earned RM704.68 with record of 25 working days + 1 paid holiday + 1 paid medical leave. April earned RM 872.02 with record of 25 working days + 1 paid holiday. – The reason recorded by the HR on the summary attendance sheet as why the pay below RM900/month was lazy and absent. The same reason was told to the auditors by the management as well during interview. However, the workers told that they had attended and completed all the work assigned.</p> <p>Same was observed in Bahau estate where worker Karki worked 27 days earned RM815.55; Regent estate worker Apu Hasibul worked 25 days, earned RM670.48.</p> <p>b. The same (monthly wages below RM900) were observed for Chaudry Bidyanand, Gadariya Ram and Saili. The reason recorded by the HR as why the pay below RM900/month was the workers were assigned other job but they failed to turn up to work and upon interview with the management, the management confirmed the reason recorded was valid. However, interviews with the workers that they attended and completed all the work assigned.</p> <p>c. Interviews with the workers confirmed that they were assigned with other works to make up the remaining hours to 8. On some of the days within a month, the work assigned to the workers could be completed in less than 8 hours. However, records of working time for pruning are not kept in the case where the workers took up the job up to make up the remaining hours. On some occasions, the workers did not offer any jobs as there were no jobs for them. Interview with workers as well confirmed that some workers chose not to take up the remaining hours to work in other areas as they mentioned they were tired or exhausted.</p> <p>d. Further, noted that the record of worker monthly wages of Tampang estate show only number of worked days and the total earnings, resulted in showing the average daily wages below the minimum daily wage of RM 34.62/day as the working hours were not shown. Example: Hossain Kamal total monthly earning RM219.32, worked 7days , daily wage RM31.33; Mohammad Firoz total monthly earning RM435.77, worked 15 days, daily wage RM29.05.</p> <p>e. In Tampang estate, evidence shown some of the pay slips of worker were below RM900 even though the working days offered were 26 days. Example, March 2015, Musalman Gayasudin earned RM704.68 with record of 25 working days + 1 paid holiday + 1 paid medical leave. April earned RM 872.02 with record of 25 working days + 1 paid holiday. – The reason recorded by the HR on the summary attendance sheet as why the pay below RM900/month was lazy and absent. The same reason was told to the auditors by the management as well during interview. However, the workers told that they had attended and completed all the work assigned.</p> <p>f. The same (monthly wages below RM900) were observed for Chaudry Bidyanand, Gadariya Ram and Saili. The reason recorded by the HR as why the pay below RM900/month was the workers were assigned other job but they failed to turn up to work and upon interview with the management, the management confirmed the reason recorded was valid. However, interviews with the workers that they attended and completed all the work assigned.</p> <p>g. Interviews with the workers confirmed that they were assigned with other works to make up the remaining hours to 8. On some of the days within a month, the work assigned to the workers could be completed in less than 8 hours. However, records of working time for pruning are not kept in the case where the workers took up the job up to make up the remaining hours. On some occasions, the workers did not offer any jobs as there were no jobs for them. Interview with workers as well confirmed that some workers chose not to take up the remaining hours to work in other areas as they mentioned they were tired or exhausted.</p> <p>h. Further, noted that the record of worker monthly wages of Tampang estate show only number of worked days and the total earnings, resulted in showing the average daily wages below the minimum daily wage of RM 34.62/day as the working hours were not shown. Example: Hossain Kamal total monthly earning RM219.32, worked 7days , daily</p>
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		<p>wage RM31.33; Mohammd Firoz total monthly earning RM435.77, worked 15 days, daily wage RM29.05.</p>		
		<p>Root Cause and Corrective Action:</p> <p>The payslip system which unable to capture/reflect any adjustments made as a justification, IT department and Estate Staff (Payroll clerk and field supervisor) will organise training or refresher on the usage of the existing Payroll Codes that are in our software module. This will enable the Printed Payslip to better reflect the days worked, completed task, leave with approval, absent days, additional task assigned and completion etc.</p> <p>The training and re-training as per the attached Time Bound Plan during October to December 2015. During these training sessions, the IT manager together with the Estate Manager will also be able to evaluate and implement additional software changes should it be necessary. Software changes will require programming by our external software vendors.</p>		
		<p>Verification (Corrective Action):</p> <p>Various justification has been provided for each workers which unable to achieve the minimum wages, the justification such as incomplete task, data entry error, poor work performance and absenteeism. Submitted evidence found satisfactorily at this stage. Due to nature of the finding which requires time, it will further verify during the next surveillance audit.</p> <p>Note: Verification of NCR was carried out by previous CB (SGS).</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by SGS</td> <td style="width: 40%;">Date closed: 11 Aug 2015</td> </tr> </table>	NC status verified by auditor: Closed by SGS	Date closed: 11 Aug 2015
NC status verified by auditor: Closed by SGS	Date closed: 11 Aug 2015			
		<p>Verification of effectiveness:</p> <p>Verified during ASA-01 that the corrective action taken on the above issues under indicator 6.5.1 are satisfactorily implemented at the estates audited.</p> <p>However, some of the issues are also linked / related to indicator 6.5.2. Refer to Major NCR: JMD-01, issued in ASA-01 (2016) under indicator 6.5.2.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: JMD</td> <td style="width: 40%;">Date verified: 24 Jun 2016</td> </tr> </table>	NC status verified by auditor: JMD	Date verified: 24 Jun 2016
NC status verified by auditor: JMD	Date verified: 24 Jun 2016			

3.2.2 Year 2015: Re-Certification (6 Observations) by previous CB-SGS

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS 01	4.1.3	POM	Records of monitoring were sighted for operation done during the night shift and this is recorded in the 'Night shift spot check log sheet'. At GPOM, these records of log-sheet monitoring for the day shift operation was not done.	2 Jul 2015	24 Jun 2016	Adequate actions taken
OBS 02	4.6.6	Estates	In RGE, the organophosphate termiticide used by the housing contractor was not stored in proper storage site and the contractor was disposing it together with the other waste material.	2 Jul 2015	24 Jun 2016	Adequate actions taken
OBS 03	4.6.11	Estates	In BHE, one worker, Catur Toniriadi Hoor, was using organophosphate pesticide, chlropyrifos for housing termite control last year, however, based on his medical surveillance, the cholinesterase test was not conducted. The estate management has ensured that this test will be part of his medical surveillance in the next check-up.	2 Jul 2015	24 Jun 2016	Adequate actions taken

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OBS 04	6.1.2	Estates	Representatives from all estates and respective departments were present in the stakeholder meeting date. The SIA did not include the freely chosen representatives from the relevant interested parties such as worker representatives and villager representatives.	2 Jul 2015	24 Jun 2016	Adequate actions taken
OBS 05	6.5.2	Estates	In Tampang and Regent estate, the calculations of wages through different schemes and difficulty levels of work are available and interviewed with the workers confirmed that they are not always fully understand with the scheme and the wages payout in some estates. Interviewed with the workers in Bahau estate suggest otherwise as the workers are aware and familiar with the wages calculations.	2 Jul 2015	-	Actions taken did not adequately address all the related issues. Refer to 2016 NC: JMD-01 (Major)
OBS 06	6.9.2	POM & Estates	There is no clear written policy to protect the reproductive rights of all, especially of women is made available and communicated to all levels of the workforce. The organization demonstrated commitment in this policy by establishing the policy immediately on 2/7/15, the effectiveness in implementation and communication to all levels of the workforce is yet to be verified.	2 Jul 2015	24 Jun 2016	Adequate actions taken

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

NCR	MYNI Indicator	Details of NCR
Major NC: JMD-01	6.5.2	<p>Date issued: 24 Jun 2016</p> <p>Nonconformance:</p> <p>Information pertaining to the work conditions in the estates:</p> <p>It was reported by NGO-FinnWatch in 2015, that the video presentations at the foreign workers country of origin did not correctly depict the reality of their actual work conditions in the estates. This fact was collaborated by some of the stakeholders interviewed during the current audit.</p> <p>The company in its response to the NGO-FinnWatch report claimed that 'an up-to-date video depicting actual work conditions in the estates company has been provided to the agency conducting the hiring at the home country of the foreign workers during recruitment. The company also stated they have no control over the videos shown by the agency to the applicants during the hiring process because the hiring for other plantation companies are also being conducted by the same agency at the same time.' However, the company (IOI) has to ensure that during the recruitment process, any agency engaged in the country of origin of the foreign workers are showing information videos which accurately depict the work conditions prior to hiring the workers.</p>

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		<p>Root Cause(s):</p> <p>The workers who viewed the video showing harvesting done mechanically (cartas) and loose fruits collected using some sort of vacuum must have been Bangladeshi workers who were recruited under the Government to Government program. They must have watched the Sime Darby's video which was provided by the Malaysian Govt. Agency (MCAB) to the Bangladesh Govt. Under the G to G system, our company had no control right from the selection of workers, medical checkup or the screening of the videos. We only receive the workers upon arrival in Malaysia. However, this type of Bangladesh G to G recruitment ceased in February 2016.</p> <p>Corrective action</p> <p>We are now mainly recruiting Indonesian workers and Indian workers.</p> <p>Appendix 1 – IOI has provided up-to-date videos to recruitment agencies depicting actual work conditions in our estates.</p> <p>Appendix 2 – A letter has been issued to agents to instruct them to ensure that:</p> <ol style="list-style-type: none"> 1) The video depicting the working conditions in our estates are shown to the workers. 2) The terms and conditions of the employment contracts are explained to the workers in their native language 3) The workers are requested to sign the employment contract if they agree to our terms and conditions 4) The agent is to record the workers saying that they have read and understood the terms and conditions of the employment contract and they agree to work in IOI estates freely and voluntarily without any coercion. 5) The agent is to send the signed employment contracts together with the video recording to us, either through the workers when they arrive in Malaysia or through courier. 		
		<p>Verification (Corrective Action):</p> <p>Copy of latest video presentation for recruitment by IOI Group HR for use during the ongoing recruitment process at the countries where the foreign workers are sourced i.e. Indonesian and Indian (in place of previous or other video presentations earlier used) was submitted on 25 July 2016 and noted to provide a fairly accurate information on the actual work conditions at the IOI group estates.</p> <p>Copy of communications by IOI Group HR Manager via email instructions to the respective representatives at the recruiting agencies, together with revised Workers Employment Contracts (to be translated in the local languages e.g. Indonesian & Hindi) were also submitted.</p> <p>Off-site verification is done and the said proposed corrective actions are considered to be acceptable for the closure subject to follow-up verification during next assessment.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by AL</td> <td style="width: 40%;">Date closed: 1 Aug 2016</td> </tr> </table>	NC status verified by auditor: Closed by AL	Date closed: 1 Aug 2016
NC status verified by auditor: Closed by AL	Date closed: 1 Aug 2016			
		Verification of effectiveness: Next assessment (ASA-02)		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: -</td> <td style="width: 40%;">Date verified: -</td> </tr> </table>	NC status verified by auditor: -	Date verified: -
NC status verified by auditor: -	Date verified: -			

NCR	MYNI Indicator	Details of NCR
	6.5.3	Date issued: 24 Jun 2016

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Minor NC: JMD-02		<p>Nonconformance:</p> <p><u>Expenses for foreign workers repatriation due to illness</u></p> <p>The articles in Workers' Contract below referred;</p> <ol style="list-style-type: none"> 1. Article 11(b) "[Air passage to be borne by the employer] when the Employer terminate this Employment Contract due to no fault of the Employee." 2. Article 12(c) stated "The Employee shall bear the cost of return to his Country of Origin from Malaysia if the Employee failed the FOMEMA Medical Examination." 3. Article 12(d) stated "If the Employee prematurely terminates this contract before expiry he may do so at his own expense for returning to his Country of Origin..." <p>There are 2 cases found in Paya Lang Estate in which the foreign workers were sent back to their respective home country at their own expenses due to illness before their expiry of their work contract.</p> <p>During the audit it is noted that the policy and procedures developed by the estate management on the repatriation of workers due to illness is not clear and has led to ambiguities.</p>		
		<p>Root Cause:</p> <p>Though IOI plantations has practiced bearing the repatriation costs of employees who are certified medically or physically unfit for work due to accidents or exposure to hazardous substances or disease, a few new Managers were unaware of this practice.</p> <p>Corrective Action:</p> <p>A memo entitled 'Guidelines on Repatriation of Foreign Workers Due to Illness or Medically Unfit' dated 11 July 2016 has been circulated to all Heads and Managers of operating centres (Appendix 1)</p>		
		<p>Verification (Corrective Action):</p> <p>Evidences submitted i.e. copy of the said memo and briefing done for the Staff and Managers are verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by AL</td> <td style="width: 40%;">Date closed: 1 Aug 2016</td> </tr> </table>	NC status verified by auditor: Closed by AL	Date closed: 1 Aug 2016
NC status verified by auditor: Closed by AL	Date closed: 1 Aug 2016			
		<p>Verification of effectiveness: Next assessment (ASA-02)</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: -</td> <td style="width: 40%;">Date verified: -</td> </tr> </table>	NC status verified by auditor: -	Date verified: -
NC status verified by auditor: -	Date verified: -			

NCR	MYNI Indicator	Details of NCR
	5.1.2	Date issued: 24 Jun 2016

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Minor NC: SH-01		<p>Nonconformance:</p> <p>The Management plan for mitigation of environmental impacts, timeframe for action and responsible persons were not adequately followed up by the Estate managers.</p> <p>At Paya Lang Estate, a pond area has been identified and left in its current state. This area was previously used as retention pond for the mitigation of flood. This area need to be identified as conservation area, buffer zones demarcated, but there was no indication on the ground it is so.</p> <p>Also, the 2 ponds at Sagil Estate have not been identified for conservation. This area is left in its natural condition/state. There was no buffer zone identified and demarcated on the ground.</p> <p>For both the estates, signage on the conservation areas was not available.</p>		
		<p>Root Cause:</p> <p>Though the ponds have been conserved in their natural states with no activities carried out around it, we were unaware of the requirement to display a 'Conservation Area' signboard.</p> <p>Corrective Action:</p> <p>'Conservation Area' and 'Buffer Zone' signboards have been displayed at the following premises:</p> <p>1) Paya Lang estate pond – Appendix 1 (Conservation and Buffer Zone signboards – Before and After Photos)</p> <p>2) Sagil estate pond 1 – Appendix 2 (Conservation and Buffer Zone signboards – Before and After Photos)</p> <p>3) Sagil estate pond 2 – Appendix 3 (Conservation and Buffer Zone signboards – Before and After Photos)</p>		
		<p>Verification (Corrective Action):</p> <p>Evidences submitted i.e. copy of the said Appendices 1-3, attached photographs and briefing record for workers were verified and considered to have satisfactorily addressed the issue and acceptable for closure.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by AL</td> <td>Date closed: 1 Aug 2016</td> </tr> </table>	NC status verified by auditor: Closed by AL	Date closed: 1 Aug 2016
NC status verified by auditor: Closed by AL	Date closed: 1 Aug 2016			
		Verification of effectiveness: Next assessment (ASA-02)		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">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: -			

3.2.4 Year 2016: ASA-01 (5 Observations)

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS: AL-01	4.5.1	Paya Lang estate	Beneficial Plants: Planting plan and monitoring of <i>Cassia cobanensis</i> is to be improved to follow the ratio as indicated under the GAP.	24 Jun 2016	-	Follow up in next assessment.
OBS: AL-02	4.6.11	Sagil estate	Annual Medical Surveillance: Cholinesterase test results should be reviewed by qualified personnel to determine if any further actions is needed.	24 Jun 2016	-	Follow up in next assessment.

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OBS: SH-01	5.1.1	PMU Estates	Old and worn out signage need to be refurbished or replaced.	24 Jun 2016	-	Follow up in next assessment.
OBS: SH-02	5.1.2	Regent Estates	Map of estates i.e. Regent Estate, need to be updated to its current status. Sungai Chemengkoh was not shown in the map although the buffer zone and its extent were demarcated at the field blocks. Buffer zone demarcation at the field blocks need to be corrected at both Sagil Estate and Regent Estate.	24 Jun 2016	-	Follow up in next assessment.
OBS JMD-01	6.1.3	Mill and estates	Comments received from different sources, e.g. external and internal stakeholder consultations, GCC meetings, ECC meetings, grievance books, are not consolidated in a specific mitigation plans document.	24 Jun 2016	-	Follow up in next assessment.

3.2.5 Identified Positive Elements

- 1) The PMU has carried out CSR activities such as financial funding for education, social and religious activities.
- 2) The PMU has implemented and maintained the OSH activities effectively.

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 at the PMU operations were sourced (**see section 2.1**).

All pertinent feedback issues were reviewed and followed up for verification and these had been accordingly incorporated into the report findings. See table below:

2016: ASA-01

Communications done via email on 19 May 2016 as per the listed parties stated **under para 2.5**. Feedback was also obtained during the period of current assessment via interviews and group sessions conducted on-site.

Stakeholders' Feedback	PMU Response	Intertek verification / comment on further action (if any)	Further action from PMU (if any)
Concerns and suggestions received during interviews and stakeholder consultations include representatives from government agencies (including teachers), suppliers, transporters, contractors and village heads within and near the locality of the PMU. Total: 12 nos - Local community 28 nos - Workers at POM, Estates (local and foreign, male and female)			

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The issues raised were:			
Government Agencies			
<ol style="list-style-type: none"> 1. Maintain the buffer zones especially for rivers flowing through IOI estates. 2. Consult with PERHILITAN for design of traps if conflicts occurred with animals such as wild boars and monkeys. 3. If possible to build viaduct to ensure animal safe road crossing inside the fields. 	<p>The PMU has taken note of this matter and will consider the improvements needed.</p>	<p>To be followed up during the next Assessment.</p>	-
Local Communities			
<ol style="list-style-type: none"> 1. Better rapport between local people in the villages with the estate management. 2. Improvement is required on road around workers quarters. 	<p>The PMU has taken note of this matter and will consider the improvements needed.</p>	<p>To be followed up during the next Assessment.</p>	-

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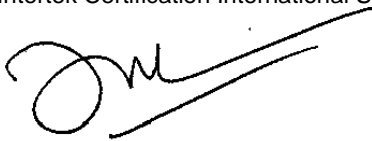
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4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

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

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

Signed for and on behalf of
Intertek Certification International Sdn Bhd



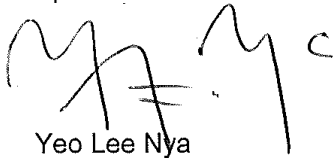
Augustine Loh
Lead Assessor

Date: 19 Aug 2016

4.1 Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings

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

Signed for and on behalf of
IOI Corporation Bhd



Yeo Lee Nya
Sustainability Head (Malaysia / Indonesia)

Date: 19 Aug 2016

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

Certificate No:	RSPO 930588
New issue date	23 August 2016
Expiry date	22 August 2020
Organization	IOI Corporation Berhad
Address of Head Office:	Level 8, Two IOI Square, IOI Resort, 62502 Putrajaya, Malaysia
RSPO Membership No:	2-0002-04-000-00
Plantation Management Unit:	Gomali Grouping
Address of POM:	5th Mile, Jalan Gemas Batu Anam, K.B. No. 102, 85100 Batu Anam, Segamat, Johor, Malaysia
Standards:	RSPO Principles and Criteria (Apr 2013); Malaysian National Interpretation (2014); RSPO Supply Chain Certification Standard (Nov 2014) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernels
Supply Chain module for POM	Identity Preserved (IP)

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

Name	Address	GPS Reference		Certified Area (ha)
		Latitude	Longitude	
Gomali POM (Capacity: 90 MT/hour)	5th Mile, Jalan Gemas Batu Anam, K.B. No. 102, 85100 Batu Anam, Segamat, Johor, Malaysia	2°36'37.68" N	102°40'45.44" E	16,109.87
Gomali Estate	5th Mile Jalan Gemas Batu Anam, KB. No 102, 85100 Batu Anam, Segamat, Johor Malaysia	2°36'48.94" N	102°39'21.12" E	
Paya Lang Estate	Batu Anam, 85100 Segamat, Johor.	2°36'28.53" N	102°41'41.36" E	
Bahau Estate	Batu 5 Jalan Bahau Rompin 72100 Bahau Negeri Sembilan	2°48'30.75" N	102°26'44.47" E	
Bertam Estate	Flora Horizon Sdn Bhd Bertam Estate, 76100 Durian Tunggal, Melaka.	2°17'55.6" N	102°17'30.11" E	
Bukit Dinding Estate	1 1/2 Miles, Jalan Mentakab, 28600 Karak, Pahang	3°22'39.8" N	102°05'31.36" E	
Kuala Jelai Estate	Kuala Jelei Estate, 5km Jalan Tampin, 72109 Bahau, Negeri Sembilan.	2°46'21.56" N	102°22'52.27" E	
Tambang Estate	Tambang Estate, Batu Anam, Segamat, 85100 Johor.	2°38'26.33" N	102°42'53.17" E	
Regent Estate	2 nd Mile Jalan Batang Melaka 73200 Gemenchah, Negeri Sembilan	2°30'29.81" N	102°24'8.23" E	
Sagil Estate	Sagil Estate, 8 Milestone, Jalan Tangkak - Segamat, 84900 Tangkak, Johor.	2°19'33.84" N	102°38'6.56" E	
Jasin Lalang Estate	5km From 15 Miles Air Merbau Jalan Jasin Bemban, Jasin, Melaka	2°15'4.13" N	102°24'44.81" E	



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Sembilan Tani Estate (associated outgrower)	Kampung Kuala Gemas, Gemas, Negeri Sembilan	2°38'15.97" N	102°37'03.81" E	
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The annual certified tonnages produced at the PMU are detailed as follows:

Gomali POM	Annual Tonnages (MT)
Certified FFB	405,000
Certified CPO	86,873
Certified PK	21,870
Supply chain module	Identity Preserved (IP)

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Appendix A:

Qualifications of Lead Assessor and Assessment Team

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

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

Mr. Augustine Loh is an IRCA Third Party Assessment (TPA) 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 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 and RSPO RED 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 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.

Mr. Sazali Hasni (SH) – 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 Assessor course. He was a member in the stakeholder consultation and development of the Malaysian Criteria & Indicators (MC&I) for Forest management Certification. He has been involved in the auditing of Forest Management Certification for the Perak State Forestry Department and Pahang State Forestry Department. He has also been involved with a German based company in testing their criteria for carbon tracing in an oil palm plantation in 2011. He had also acted as the regional consultant to International Tropical Timber Organization (ITTO) for the Asia Pacific region in the Evaluation and Monitoring of Projects funded by the organization from 1994 to 1998. Projects funded are mainly forestry related such as reforestation, conservation, community forestry apart from other research based projects. He is a member of the RSPO CB Assessment team which audited several RSPO certified Plantation Management Units since 2014.

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

– BSc (Social Science)

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

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Appendix B:

Certification Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
20 Jun16 Monday (Day 1)	8.00 am – 11.00 am	Travel to Gomali Palm Oil Mill		
	11.00 am – 11.30 am	Opening Meeting and Briefing at POM Office (attended by representatives from the Estates as well)		
	11.30 am – 1.00 pm	Document Review and Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM		
		AL	SH	JMD
		Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Mill • P8 Continual Improvement • SCC for POM 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	<ul style="list-style-type: none"> • Verification of effectiveness of corrective actions for non-conformances • Review of Time Bound Plan • Verification for compliance with rules on partial certification 			
	1.00 pm – 2.00 pm	Lunch Break		
	2.00 pm - 5.00 pm	AL	SH	JMD
		Site assessment at Paya Lang estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Paya Lang estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Paya Lang estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	5.00 pm – 6.00 pm	Travel to Hotel & Break		
6.00 pm – 7.00 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity		
		AL	SH	JMD
21 Jun 16 Tuesday (Day 2)	8.30 am – 12.30pm	Site assessment at Regent estate <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 Regent estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Regent estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement

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		• P8 Continual Improvement		
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Regent estate		
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
	6.30 pm – 7.30 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity		
22 Mar 16 Wednesday (Day 3)	8.30 am – 12.30pm	AL	SH	JMD
		Site assessment at Sembilan Tani estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Sembilan Tani estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Sembilan Tani estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Sembilan Tani estate		
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
	6.30 pm – 7.30 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity		
23 Jun 16 Thursday (Day 4)	8.30 am – 12.30pm	AL	SH	JMD
		Site assessment at Sagil estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Sagil estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Sagil estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Sagil estate		
	5.30 pm – 6.30 pm	Travel to Hotel & Break		
	6.30 pm – 7.30 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity
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24 Jun 16 Friday (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 <p>Notes</p> <p>1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders <u>prior</u> to the assessment.</p> <p>2. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement</p>
	11.00 am – 12.00 pm	Preparation for Closing Meeting	
	12.00 pm – 12.30 pm	Team Meeting and Discussions with POM Management Representative	
	12.30 pm – 1.00 pm	Closing Meeting & Briefing at Palm Oil Mill Office	
	1.00 pm onwards	Travel back to Kuala Lumpur	

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Appendix C-1:

Location Map of IOI Gomali Grouping, Johor, Malaysia

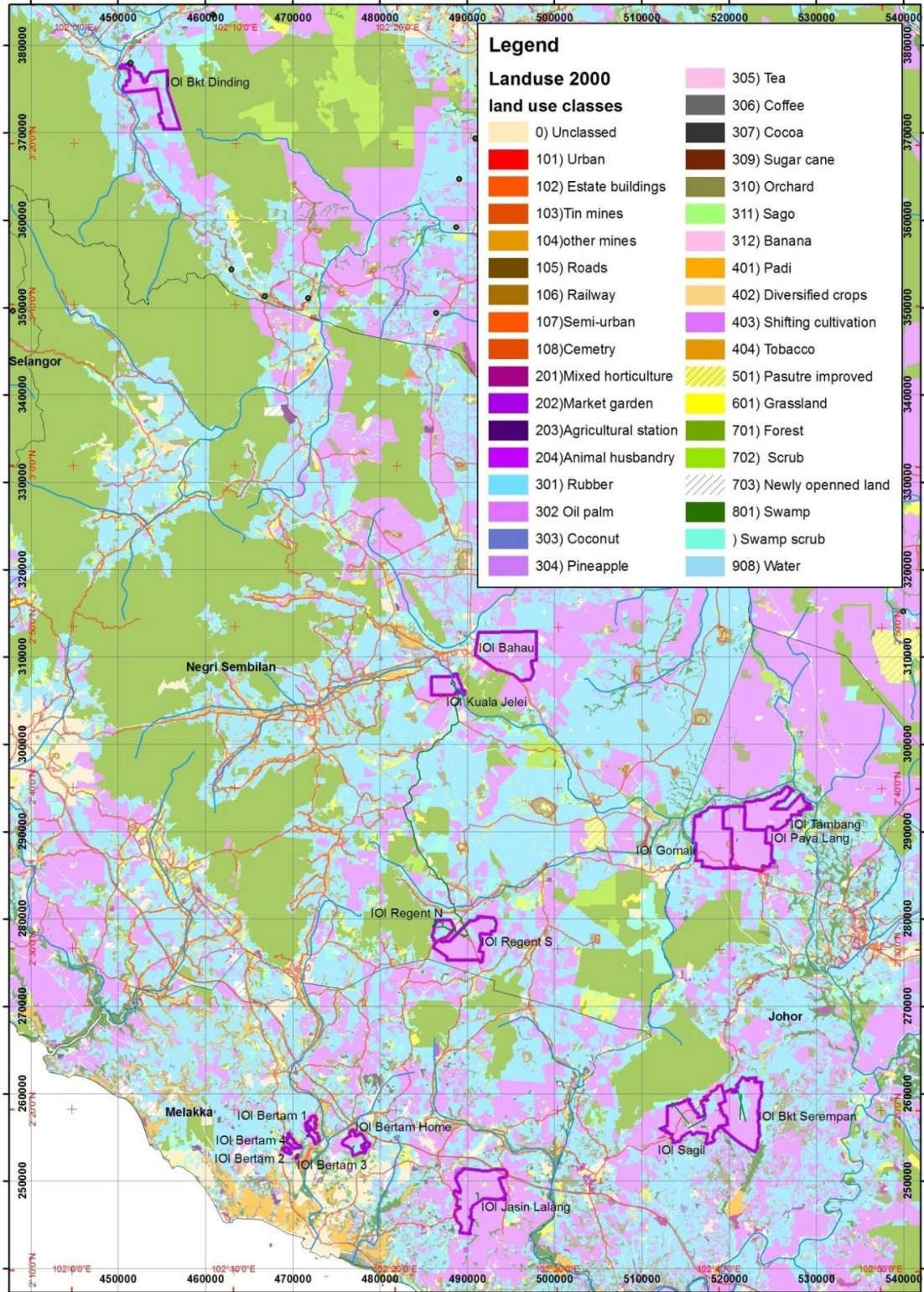


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Appendix C-2: Location Map of IOI Gomali PMU

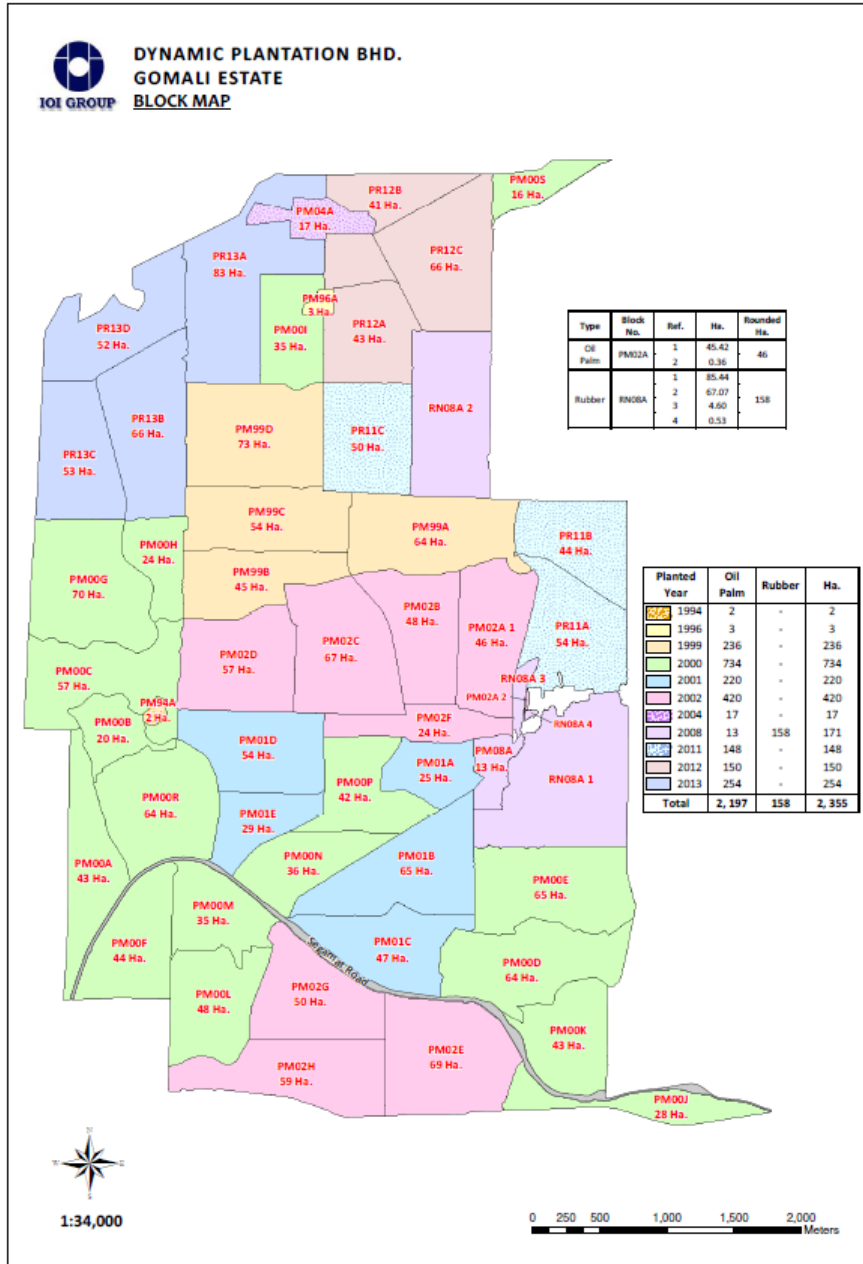


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Appendix C-3-1: Map of Gomali estate



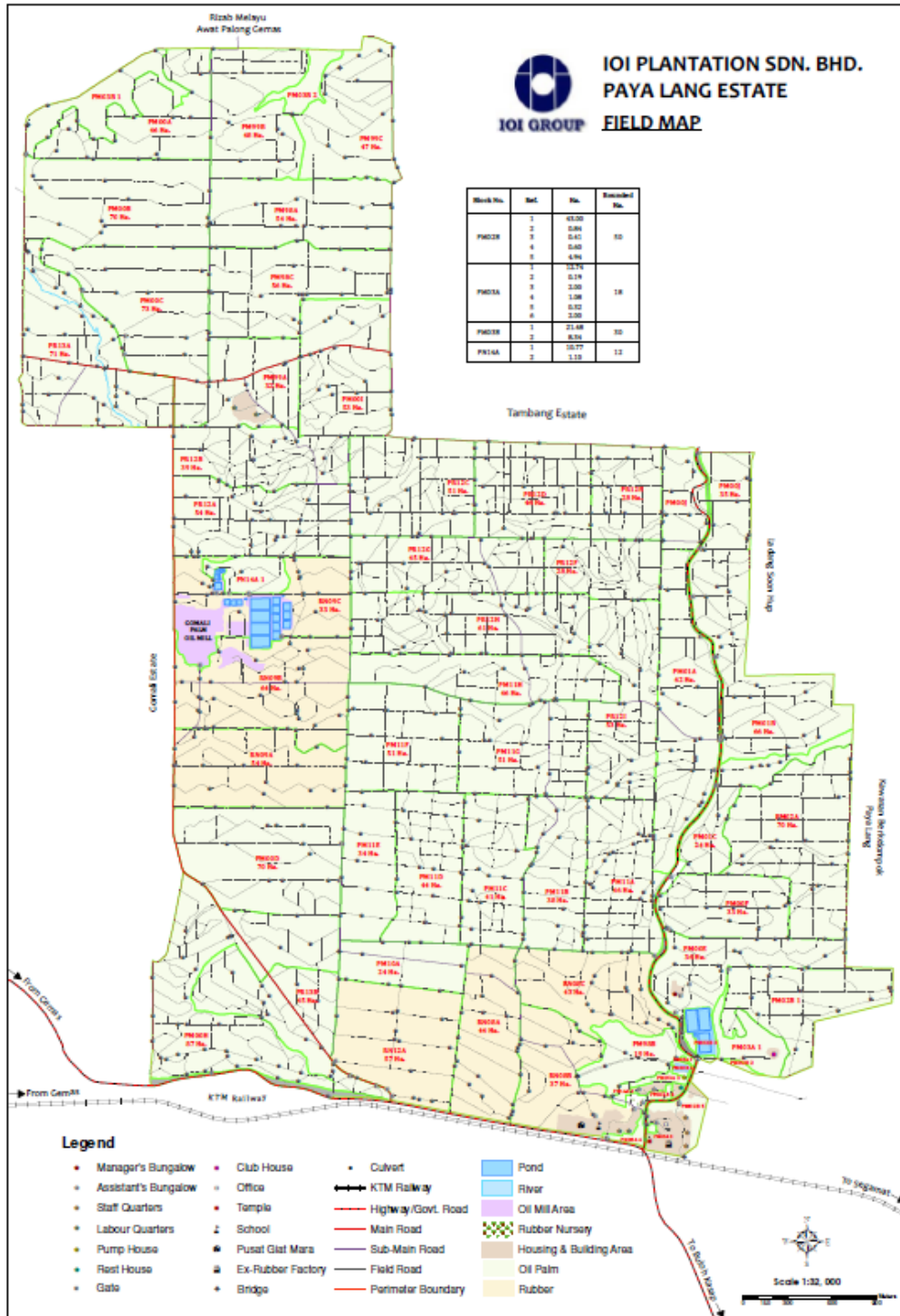
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**Appendix C-3-2:
Map of Paya Lang estate**



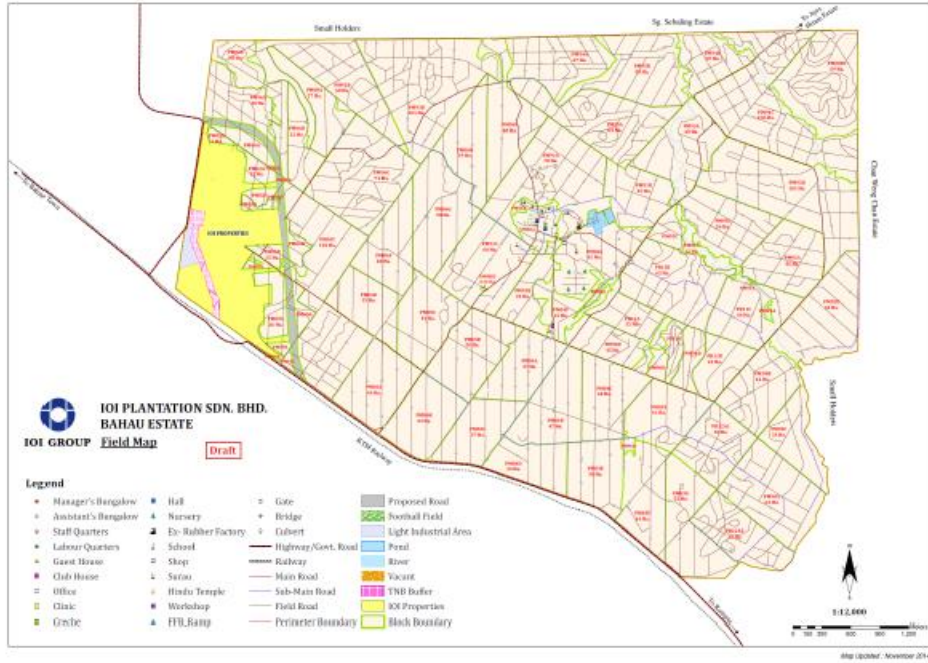
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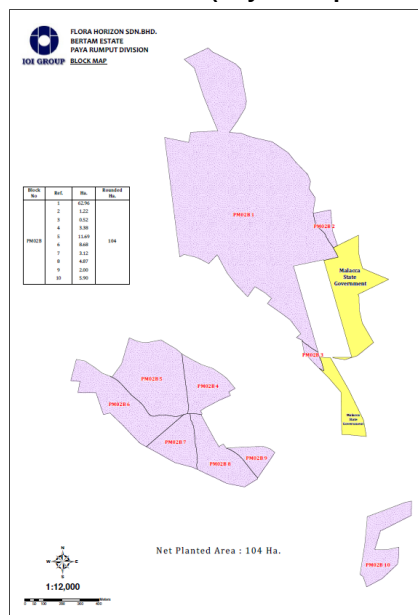
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Appendix C-3-3: Map of Bahau estate



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

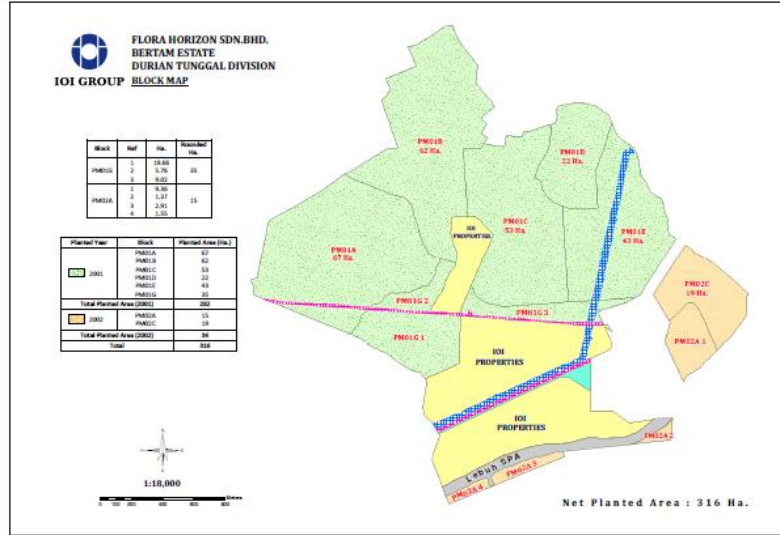


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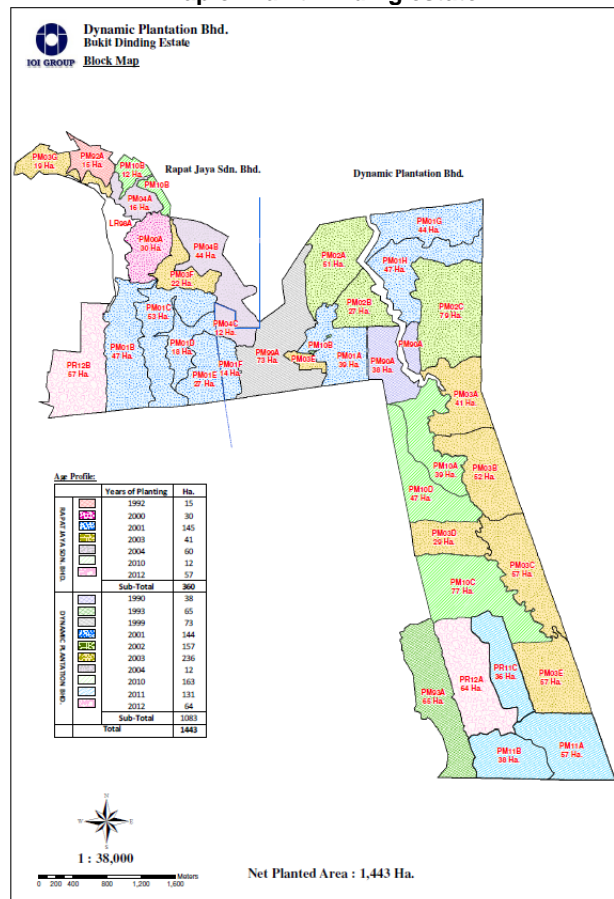
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**Appendix C-3-4:
 Map of Bertam estate (Durian Tunggal Division)**



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

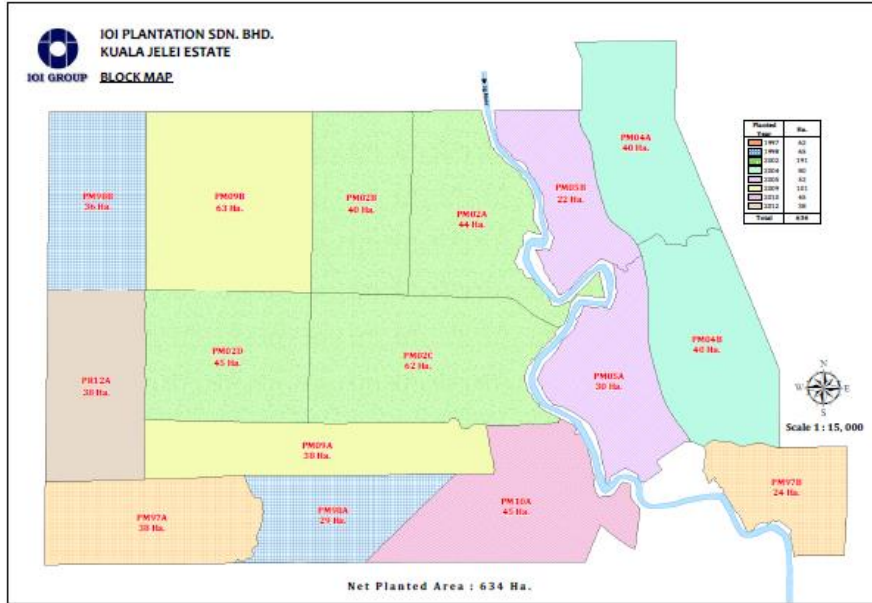


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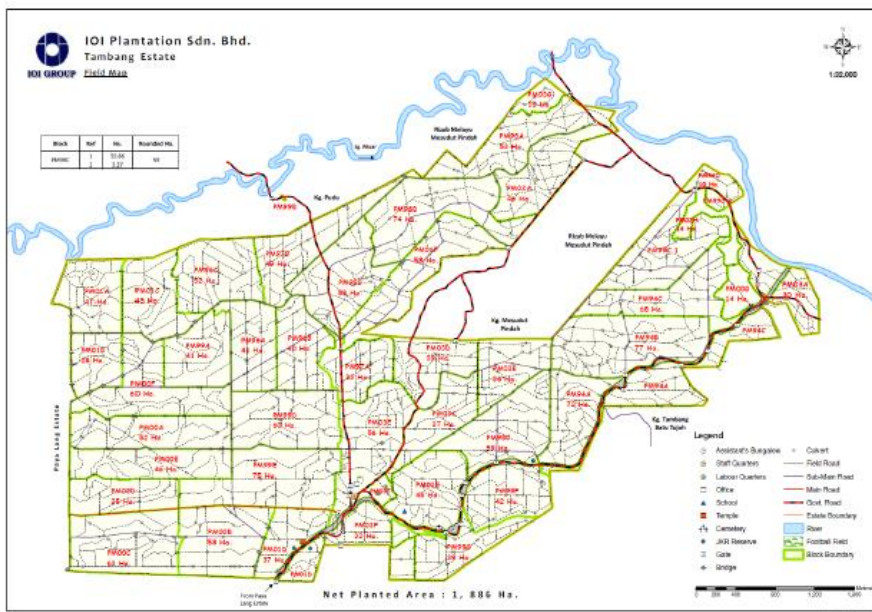
(188296-W)

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



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

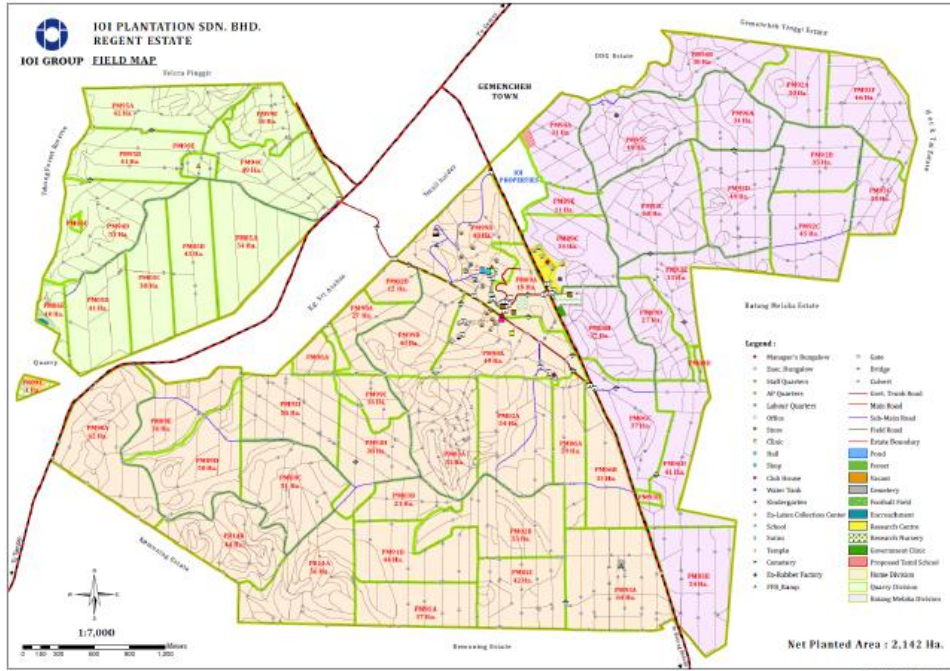


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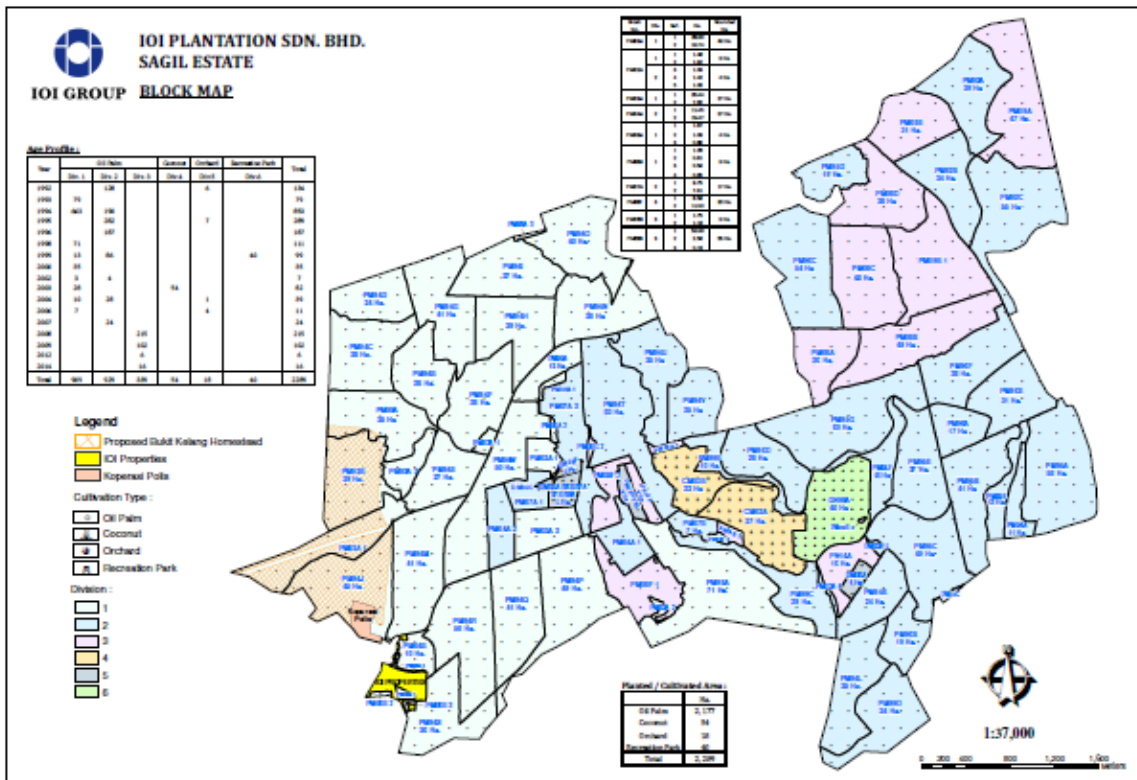
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**Appendix C-3-8:
Map of Regent estate**



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

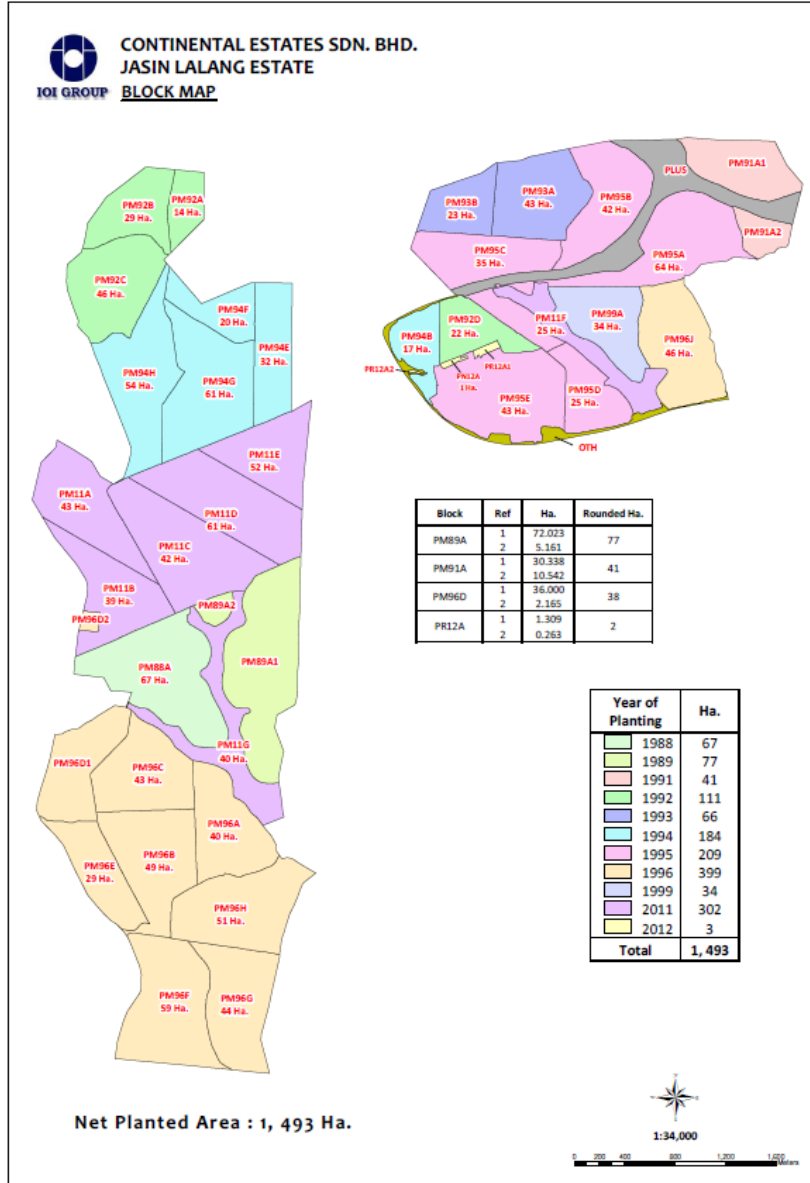


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Appendix C-3-10: Map of Jasin Lalang estate



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Appendix D:

Photographs of findings at Gomali Grouping (ASA-01)

<p>PPE worn by Sprayers at Paya Lang estate</p>	<p>Housing quarters at Paya Lang estate</p>
<p>PPE worn by Manurers at Regent estate</p>	<p>First Aid Kit and content at field site, Regent estate</p>
<p>Buffalo assisted transportation of FFB, Sagil estate</p>	<p>Storage and labels at chemical store, Sagil estate</p>

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Appendix E:

Time Bound Plan

Details of Time Bound Plan as submitted by IOI Plantation Services Sdn Bhd (17 August 2016)

No	PMU	Main Assessment	Certification Status	Current Status	Updated information for Partial Certification, Clause 4.2.4 RSPO Certification Systems for Certified and Uncertified units
1.	Pamol POM, Sabah	May 2008	Re-Certified in Feb 2014	ASA-01 planned for 2016.	No outstanding issues
2.	Sakilan POM	Nov 2008	Certified in Mar 2010	ASA-01 planned for 2016	No outstanding issues
3.	Pamol Kluang POM	Mar 2009	Certified in Mar 2010	ASA-01 planned for 2016	No outstanding issues
4.	Gomali POM,	Aug 2009	Certified in Aug 2010	ASA-01 planned for 2016	No outstanding issues
5.	Baturong POM	Sep 2009	Certified in Oct 2010	ASA-01 planned for 2016	No outstanding issues
6.	Bukit Leelau POM	Apr 2010	Certified in Nov 2010	ASA-01 planned for 2016	No outstanding issues
7.	Mayvin POM	Aug 2010	Certified in Dec 2010	ASA-01 planned for 2016	No outstanding issues
8.	Pukin POM Johor	Dec 2010	Certified in Jun 2012	Re-Certification assessment completed for 2016.	No outstanding issues
9.	Leepang POM	Aug 2012	Certified in Dec 2013	ASA-03 planned for 2016.	No outstanding issues
10.	Syarimo POM	Sep 2012	Certified in Mar 2013	ASA-03 planned for 2016.	No outstanding issues
11.	Ladang Sabah POM	Oct 2012	Certified in Apr 2013	ASA-03 planned for 2016.	No outstanding issues
12.	Morisem POM, Sabah	Sep 2013	Certified in Dec 2013	ASA-03 planned for 2016.	No outstanding issues
13.	IOI-Pelita, Sarawak	Planned – 2019	Uncertified unit	New certification for IOI-Pelita (Sarawak) is pending resolution of land dispute and RSPO decision. No POM yet.	Settlement Discussion with local community is presently still ongoing. A Dialogue and Mediation session with LTK Community was held on the 5 th August 2016. Ms. Oi Soo Chin from RSPO attended as an observer. Some preliminary agreements between the parties have been reached. Meeting notes are being finalized.
14.	Unico POM-1, Sabah	Planned – 2018	Uncertified unit	Acquired in 2014. Established OP plantation (before 2005). Supply base do consists of external / independent smallholders.	Certification preparations in progress
15.	Unico Desa POM-2, Sabah	Planned – Sep 2017	Uncertified unit	Acquired in 2014. Established OP plantation (before 2005). Supply base comprised of own estates.	Certification preparations in progress
16.	PT SKS, Indonesia	Planned – 2017	Uncertified unit	Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental 'Hak Guna Usaha' application in progress.	Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5 th August 2016 had lifted the Suspension effective 8 th August 2016 Certification preparations in progress Pending issuance of HGU.

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17.	PT BNS, Indonesia	Planned – 2017	Uncertified unit	Acquired in 2009 (new concession land). POM was commission in Feb 2015 and Governmental HGU application in the process.	Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5 th August 2016 had lifted the Suspension effective 8 th August 2016 Certification preparations in progress. Pending the issuance of HGU.
18.	PT BSS, Indonesia	Planned – 2019	Uncertified unit	Acquired in 2009 (new concession land). No POM yet, still in development phase. Governmental 'Hak Guna Usaha' application in progress.	Update on the RSPO Suspension and complaint by Aidenvironment – After reviewing our progress reports and submission, RSPO on the 5 th August 2016 had lifted the Suspension effective 8 th August 2016 Certification preparations in progress. Pending the issuance of HGU.
19.	PT KPAM, Indonesia	Planned – 2020	Uncertified unit	Acquired in 2010 (new concession land). No POM planned yet, all necessary permits are up to date.	HCV assessment completed and the SEIA in progress. The NPP will be conducted upon completion of all reports and will be posted on the RSPO for Public Consultation.

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Appendix F:

Summary of RSPO CP decisions and RSPO Case Tracking on IOI Group

- 1) Updated RSPO Announcement on IOI – Suspension of IOI’s RSPO certificates is lifted by the RSPO Board of Governors effective 8 August 2016

Weblink: <http://www.rspo.org/news-and-events/announcements/update-on-the-status-of-ioi-groups-certification>

- 2) Monitoring by RSPO Complaints Panel (CP)

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

RSPO Case Tracker on: PT SUKSES KARYA SAWIT (SKS), PT BERKAT NABATI SAWIT (PT BNS), PT BUMI SAWIT SEJAHTERA (PT BSS) SUBSIDIARY OF PT SAWIT NABATI AGRO (PT SNA), IOI Group

Weblink: <http://www.rspo.org/members/complaints/status-of-complaints/view/80>

- 3) Updated IOI Group Newsletters

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

IOI Launches Revised Palm Oil Sustainability Policy and Sustainability Implementation Plan (8 August 2016)

Weblink: <http://www.ioigroup.com/Content/News/NewsroomDetails?intNewsID=813>

-- End of Report--