

**MOODY INTERNATIONAL CERTIFICATION (M) SDN BHD**  
(188296-W)

Report No.: R2020/10-2 IOI Corporation Berhad  
(Pukin Grouping: ASA-01)

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**ANNUAL SURVEILLANCE ASSESSMENT (ASA-01)  
ON RSPO CERTIFICATION**

**PUBLIC SUMMARY REPORT**

**IOI CORPORATION BERHAD**  
(9027-W)

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

**PLANTATION MANAGEMENT UNIT**

**Rompin (Pahang) & Segamat (Johor), Malaysia**

**Certificate No:** RSPO 927888  
**Issued date:** 13 June 2012  
**Expiry date:** 12 June 2017

<b>Assessment Type</b>	<b>Assessment Dates</b>
Initial Certification	08 - 11 December 2010
(Main Assessment)	
Surveillance 1	05 - 09 November 2012
Surveillance 2	
Surveillance 3	
Surveillance 4	
Re-Certification	



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**1.0 SCOPE OF SURVEILLANCE ASSESSMENT**

**1.1 Introduction**

This 1<sup>st</sup> Annual Surveillance Assessment (ASA-01) was conducted on the Pukin Grouping (Plantation Management Unit-PMU) of IOI Corporation Berhad on the **5 to 9 November 2012**, to monitor the organization's operations of the mill and its supply bases, on the continued fulfillment and compliance against the RSPO Principles and Criteria (October 2007), Malaysian National Indicators (MY-NI 2010) and the RSPO Supply Chain Certification Standard (November 2011) for Palm Oil Mill.

**1.2 Location (address, GPS and map)**

Details of the addresses and locations of the POM and Estates are as indicated in Table 1 below. Geographical maps of the locations are provided under **Appendix C**.

**Table 1: Address and GPS Location**

Name	Address	GPS Reference	
		Latitude	Longitude
Pukin Palm Oil Mill (Capacity: 60 MT/hr)	30km, Lebuhraya Tun Abdul Razak, Keratong, Rompin, Pahang	02° 43'07.9" N	102° 54'28.7" E
Pukin Estate	30km, Lebuhraya Tun Abdul Razak, Keratong, Rompin, Pahang	02° 43'07.9" N	102° 54'28.7" E
Shahzan 1 Estate	30km, Lebuhraya Tun Abdul Razak, Keratong, Rompin, Pahang	02° 47'58.5" N	102° 50'56.3" E
Shahzan 2 Estate	36km, Lebuhraya Tun Abdul Razak, Keratong, Rompin, Pahang	02° 48'59.6" N	102° 52'26.5" E
Segamat Estate	Km 5, Jalan Segamat Muar, 85009 Segamat, Johor	02° 29'22.0" N	102° 52'58.5" E

**1.3 Description of Estate Areas and Supply base**

The four (4) estates which are owned by IOI are the main sources of FFB to the POM at Pukin Grouping-PMU as indicated in Table 2. Details of the planted hectareage for the FFB supply are as per Table 2 below.

**Table 2: Estate Area Summary**

Estate	Area Summary (ha)		Immature (ha)
	Total	Planted	
Pukin Estate	2,437.26	2,198.0	240.0
Shahzan 1 Estate	1,562.95	1,517.0	Nil
Shahzan 2 Estate	1,640.77	1,602.0	Nil
Segamat Estate	1,921.62	1,779.0	Nil
Total	7,562.60	7,096.0	240.0



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**1.4 Year of plantings and cycle**

The 4 estates been developed between 1988 and 2010 and are still in the 1<sup>st</sup> cycle of planting. The age profile is as shown in Table 3.

**Table 3: Age Profile of Planted Oil Palm**

Year of Planting	Age of Palm (years)	Planted (Ha)			
		Pukin	Shahzan 1	Shahzan 2	Segamat
2007-2010	< 3 (immature)	240.0	-	-	-
2004-2007	3-5	389.0	-	-	96.0
1994-2003	6-15	1,384.0	1,517.0	1602.0	694.0
1988-1993	16-25	185.0	-	-	989.0
<b>Total</b>		<b>2,198.0</b>	<b>1,517.0</b>	<b>1602.0</b>	<b>1,779.0</b>

Note: The above data are extracted from the respective Area Statement submitted as at 30 October 2012.

**1.5 Summary of Conservation and HCV Areas - Pukin**

The summary of Conservation and HCV Areas as identified in Pukin Grouping as updated during the current assessment in 2012 is shown in Table 4 below:

**Table 4: Conservation and HCV Areas**

#	Statement of Land Use (HA)	2010/11 (Main Assessment) Hectarage - Ha	2011/12 (ASA-01) Hectarage - Ha
<b>1</b>	<b>Planted Area (ha) – Oil Palm</b>		
	- Mature	6,856.0	6,856.0
	- Immature	240.0	240.0
<b>2</b>	<b>Conservation Area (ha)</b>		
	- comprising buffer zones, hilly areas and unplantable areas	1.52	1.52
<b>3</b>	<b>HCV Area (ha)</b>		
	- comprising burial and religious sites	0.15	0.15

**1.6 Other certifications and Use of RSPO Trademarks**

IOI-Pukin Grouping has been certified to the International Sustainability & Carbon Certification (ISCC) on 8 June 2012 by SGS.

To date, the RSPO's trademarks and logo are not being used by the PMU since being RSPO P&C certified on 13 June 2012. Instructions for use were provided and acknowledged by the PMU through a signed Memorandum during the assessment.



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**1.7 Organizational information / Contact Person**

Mr. Too Heng Liew  
Head of Sustainability  
IOI Corporation Berhad  
Level 8, Two IOI Square, IOI Resort,  
62502 Putrajaya  
Malaysia  
Tel: 603 89478888  
Fax: 603 89478988  
Email: hltoo@ioigroup.com

**1.8 Tonnages Verified for Certification**

The breakdown of the all the suppliers and their tonnages of FFB supplied to the POM at Pukin Grouping based on the reporting period from July 2011 to June 2012 were as follows:

#	Estate /Supplier	FFB Processed (MT)	Main Receiving POM	RSPO P&C Certification By CB (Issued date)
1.	Pukin	24,963.04	Pukin POM	MICM (13 June 2012)
2.	Segamat	38,469.06	Pukin POM	MICM (13 June 2012)
3.	Shahzan 1	38,763.68	Pukin POM	MICM (13 June 2012)
4.	Shahzan 2	41,287.54	Pukin POM	MICM (13 June 2012)
	S/Total	143,483.32		
5.	Leepang A	39,307.11	Bukit Leelau POM	SIRIM (19 Nov 2010)
6.	Laukin A	4,229.45	Bukit Leelau POM	SIRIM (19 Nov 2010)
7.	Mekassar	566.91	Bukit Leelau POM	SIRIM (19 Nov 2010)
8.	Merchong	321.60	Bukit Leelau POM	SIRIM (19 Nov 2010)
9.	Detas	317.93	Bukit Leelau POM	SIRIM (19 Nov 2010)
10.	Bukit Leelau	150.20	Bukit Leelau POM	SIRIM (19 Nov 2010)
11.	Bahau	383.06	Gomali POM	SGS (16 October 2010)
	S/Total	45,276.26		
	G/Total	188,759.58		

Note:

- All the estates supplying the FFB are IOI owned and are RSPO certified estates in FY2011/2012.



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Total annual volumes / tonnages of FFB supplied to Pukin Grouping from the supply base during the previous assessment period, during the current surveillance and projected next FY period are as follows:

Estate / Supplier	FFB Processed from FY2010/11 – previous		FFB Processed from FY2011/12 – current		FFB Processed for FY2012/13 – projected	
	MT	%	MT	%	MT	%
Pukin Group Estates	130,018.77	67.0	143,483.32	76.0	160,500	70.0
Other certified IOI PMU	65,150.74	33.0	45,276.26	24.0	48,150	30.0
<b>Total</b>	<b>195,170.37</b>	<b>100.0</b>	<b>188,759.58</b>	<b>100.00</b>	<b>208,650</b>	<b>100.0</b>
*SCCS Model for POM	SG		SG		SG	

The annual certifiable tonnages of CPO and PK production of Pukin PMU assessed and verified for the current surveillance (based on 2011/12 data) and projected for next FY period are detailed as follows:

Pukin POM	FY2010/11		FY2011/12		FY2012/13 – projected	
<b>Total certified FFB Processed (MT)</b>	195,170.37		188,759.58		208,650	
<b>Total CPO Production (MT)</b>	42,550.60	OER: 21.80%	42,433.15	OER: 22.48%	47,154.90	OER: 22.60%
<b>Total PK Production (MT)</b>	7,863.00	KER: 4.03%	8,777.32	KER: 4.65%	10,432.50	KER: 5.00%

\*Note: Currently, the POM has established and maintained procedures for the book keeping and monitoring requirements for the CPO at the mill and was verified to be adopting the “Segregation – SG” 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 Management Units

IOI Corporation Berhad has been a member of RSPO since 18 May 2004 and is committed to full compliance with the RSPO P&C and full certification in all aspects of its operations. IOI Corporation Berhad owns and operates 12 palm oil mills and 77 estates throughout Malaysia and Indonesia.

To-date a significant number of its Plantation Management Units (PMUs) have undergone the RSPO certification process in accordance with its revised and updated time bound plan which is to achieve RSPO certification for all its PMU's by year end 2016.

Currently, the Time Bound Plan as submitted by IOI Group is subject to certain conditions as set by the RSPO Secretariat. Details of the updates on this are covered under Appendix E.

The information pertaining to IOI's plantation activities and status are also available at the following website link:  
[http://www.ioigroup.com/business/busi\\_plantoverview.cfm](http://www.ioigroup.com/business/busi_plantoverview.cfm)  
[http://www.ioigroup.com/business/busi\\_millsestates.cfm](http://www.ioigroup.com/business/busi_millsestates.cfm)

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**1.10 Abbreviations Used**

CHRA	Chemical Hazard and Risk Assessment	LTA	Lost Time Accidents
CPO	Crude Palm Oil	MSDS	Material Safety Data Sheets
CSDS	Chemical Safety Data Sheets	MICM	Moody International Certification (Malaysia) Sdn Bhd
DOE	Department of Environment	MSC	Marine Stewardship Council
ECC	Employees Consultative Council	MTCS	Malaysia Timber Certification Scheme
EHS	Environmental Health & Safety	NCR	Non-Conformance Report
EFB	Empty Fruit Bunch	NGO	Non-Government Organization
EIA	Environmental Impact Assessment	NUPW	National Union Plantation Workers
ERT	Endangered, Rare & Threatened species	OER	Oil Extraction Rate
ETP	Effluent Treatment Plant	OHS	Occupational Health & Safety
FFB	Fresh Fruit Bunch	PEFC	Programme for the Endorsement of Forest Certification
GAP	Good Agriculture Practice	PK	Palm Kernel
HCV	High Conservation Values	POM	Palm Oil Mill
IOI	IOI Corporation Berhad	POME	Palm Oil Mill Effluent
IPM	Integrated Pest Management	PPE	Personal Protective Equipment
ISCC	International Sustainability & Carbon Certification	SCCS	Supply Chain Certification Standard
IUCN	International Union for Conservation of Nature	SOCSO	Social Security Insurance
KER	Kernel Extraction Rate	StOP	Standard Operating Procedures

**2.0 ASSESSMENT PROCESS**

**2.1 Assessment Methodology, Plan and Site Visits**

Since 8 October 2012, MICM 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 the Pukin PMU regarding the environmental, biodiversity, community development and other relevant issues.

From 5 to 9 November 2012, the Assessment team of MICM conducted the annual surveillance assessment at the Pukin PMU in which 3 out of the 4 estates; namely Pukin, Shahzan 2 and Segamat estate as well as the Pukin Palm Oil Mill were assessed for continued compliance against the RSPO requirements. The number of estates sampled was based on a minimum sample of 0.8/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 the standard operating procedures, management plans, hectareage development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance. The Assessment team covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide



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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).

Pukin POM was assessed against the requirements for both the Segregation (SG) and Mass Balance (MB) modules as specified in RSPO Supply Chain Certification Standard for CPO mill. This assessment covered the verification and implementation of documented procedures; and availability of records to demonstrate compliance against all the requirements of the SG and MB modules. These include purchasing and goods in, processing, record keeping, sales and goods out, monitoring and traceability of the CSPO and CSPK quantities, training for staff and claims.

After completion of the on-site field assessment, MICM 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 MICM Internal Evaluation Panel prior to submission of the Public Summary Report to RSPO Secretariat for approval.

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

### **2.2 Date of next scheduled visit**

The next scheduled visit will be the 2<sup>nd</sup> Annual Surveillance Assessment (ASA-02) which will be carried out after RSPO acceptance of this report and within a 12-month period.

### **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 Moody is the Trading / Branding Name for Moody International Certification (Malaysia) Sdn Bhd. The Intertek Moody Group 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, Marine Sustainability Chain-of-Custody, MTCS and PEFC Chain-of Custody and ISCC certification in applicable industry sectors including the agricultural and forestry sectors. Intertek Moody operates globally providing clients with a wide-ranging technical inspection expertise and access to thousands of skilled specialists worldwide. Our Management Systems Certification business is ranked among the top 10 worldwide, and is offering certification across a wide range of industries globally.

### **2.5 Process of stakeholder consultation**

Stakeholder consultations began with notification of upcoming assessment through websites of RSPO, IOI and MICM. E-mails, facsimiles and letters of the same were sent to applicable stakeholders including government agencies, NGOs and relevant parties.

Telephone enquiries were made and feedbacks received prior to the actual assessment from stakeholders were followed up accordingly.



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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, government departments / agencies, NGO representatives, suppliers and contractors.

The list of key stakeholders consulted was as follows:

### Government Agencies

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

### Statutory Bodies

28. Malaysian Palm Oil Board (MPOB)
29. Malaysian Palm Oil Board (MPOB) - Central Region
30. Malaysian Palm Oil Board (MPOB) - Southern Region
31. Malaysian Palm Oil Board (MPOB) - Eastern Region
32. Malaysia Palm Oil Association (MPOA)

### NGOs

33. All Women's Action Society (AWAM)
34. BCSDM - Business Council for Sustainable Development in Malaysia
35. Center for Orang Asli Concerns COAC
36. Centre for Environment, Technology and Development; Malaysia - CETDEM
37. EcoKnights
38. Environmental Management and Research Association of Malaysia (ENSEARCH)
39. Environmental Protection Society Malaysia (EPSM)
40. Future in Our Hands Society; Malaysia
41. Global Environment Centre
42. Institute of Foresters; Malaysia (IRIM)
43. JUST - International Movement for a Just World
44. Malaysian Environmental NGOs - MENGO
45. Malaysian National Animal Welfare Foundation - MNAWF
46. Malaysian Nature Society (MNS) Kuala Lumpur
47. Malaysian Nature Society Johor
48. Malaysian Nature Society Pahang
49. Malaysian Plant Protection Society (MAPPS)
50. National Council of Welfare & Social Development Malaysia - NCWSDM
51. National Union of Plantation Workers (NUPW)
52. Proforest - South East Asia Regional Office
53. SUARAM - Suara Rakyat Malaysia
54. SUHAKAM - National Human Rights Society - Persatuan Kebangsaan Hak Asasi Manusia
55. Sustainable Development Network Malaysia (SUSDEN)
56. Tenaganita Sdn Bhd
57. The Malaysian Forum of Environmental Journalist (MFEJ)
58. TRAFFIC - the wildlife trade monitoring network
59. Transparency International - Malaysian Chapter
60. Treat Every Environment Special Sdn Bhd. (TrEES)
61. United Nations Development Programme - UNDP Malaysia
62. Wetlands International (Malaysia)
63. Wild Asia Sdn Bhd
64. World Wide Fund for Nature (WWF) Malaysia
65. UNION - AMESU
66. Malaysian CropLife & Public Health Association (MCPA)



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**3.0 ASSESSMENT FINDINGS**

**3.1 Summary of findings**

**Principle 1: Commitment to transparency**

<b>Criterion 1.1</b>			
Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	1.1.1 Records of requests and responses must be maintained.  Major compliance	<ul style="list-style-type: none"> <li>Records of requests for information by stakeholders were maintained, i.e. letters, correspondences and minutes of meetings held with the local authorities, employee consultative committees and local community leaders' up till July 2012.</li> <li>The mill and estates have maintained their respective 'Correspondence &amp; Stakeholders Meeting file'.</li> <li>Records as maintained in the 'Register of Complaints' was reviewed during on-site surveillance assessment.</li> </ul>	Complied
<b>Criterion 1.2</b>			
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.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Documents that must be publicly available include, but are not necessarily limited to:  Major compliance 1.2.1 Land titles/user rights (C2.2).	<ul style="list-style-type: none"> <li>No changes to the organization's policies since the last assessment and the 7 types of mandatory documents (land titles, health and safety plan, plans and impact assessments relating to environment and social impacts, pollution prevention plans, details of complaints &amp; grievances, negotiation procedures and continuous improvement plan) are available to the public as required.</li> <li>Management documents relating to environmental, social and legal issues were verified to be maintained and available to the public (notices and websites) and updated by IOI, HQ e.g. website link: <a href="http://www.ioigroup.com/business/busi_plantover_view.cfm">http://www.ioigroup.com/business/busi_plantover_view.cfm</a></li> <li>Copies of all the land titles were available and have been maintained at the Mill and estates during current 2<sup>nd</sup> surveillance.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	1.2.2 Safety and health plan (C4.7).	<ul style="list-style-type: none"> <li>Safety and Health Plan was annually reviewed i.e. in May 2012 by Safety Manager for Mill &amp; Estates and additional activities and action items were implemented such as wearing of PPE by external contractors.</li> </ul>	Complied

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Annual Surveillance Assessment (ASA-01) R2020/10-2	1.2.3 Plans and impact assessments relating to environmental and social impacts (C5.1, 6.1, 7.1, 7.3)	<ul style="list-style-type: none"> <li>SEIA reports were reviewed by Sustainability Manager together with feedback by respective Estate managers in a meeting on 22 June 2012 and were evidenced in the minutes of meeting.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	1.2.4 Pollution prevention plans (C 5.6)	<ul style="list-style-type: none"> <li>Pollution Prevention Management Plans were reviewed in March 2012. Action items recorded included the programs for awareness and better implementation of the 3Rs in handling domestic wastes among the estate staff and workers.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	1.2.5 Details of complaints and grievances (C 6.3)	<ul style="list-style-type: none"> <li>The mill and respective estates had maintained the Complaints and Grievances Logbook. ECC representatives interviewed had confirmed that there were no serious issues which warrant major actions from the PMU Management.</li> <li>Noted that Logbook entries between July 2011 and June 2012 were on minor issues such as delayed repairs to workers housing/quarters facilities such as lighting and water supply which were attended to on a weekly basis by the respective estate maintenance personnel.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	1.2.6 Negotiation procedures (C 6.4)	<ul style="list-style-type: none"> <li>Negotiation procedure and flowchart was available and maintained since July 2009. Additionally via website link: <a href="http://www.ioigroup.com/business/busi_plantover_view.cfm">http://www.ioigroup.com/business/busi_plantover_view.cfm</a></li> <li>No borders at estates in Pukin grouping were adjacent to any villages or native land.</li> <li>Therefore not required for records of negotiation or compensation pertaining to this criteria.</li> <li>No changes in status noted during 1<sup>st</sup> surveillance assessment on-site. Hence no negotiation or compensation records pertaining to this criterion needing follow up verification.</li> <li>IOI had also uploaded the status on the land dispute/claim at their plantation in Sarawak which is publicly available at website link: <a href="http://www.ioigroup.com/default.cfm">http://www.ioigroup.com/default.cfm</a></li> </ul>	Complied



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Annual Surveillance Assessment (ASA-01) R2020/10-2	1.2.7 Continuous Improvement plan (C 8.1)	<ul style="list-style-type: none"> <li>• Continuous improvements plans in key operations have been developed at the Pukin Grouping-PMU which were regularly monitored and reviewed. This has included the Integrated Pest Management (IPM) program, for pest control and reduction in the consumption of chemical pesticides, the use of direct bio-control methods such as the cultivation of beneficial plants; and environmental and social programs i.e. the introduction of waste pollution and reduction including the recycling of materials i.e. via central collection and disposal of scrap iron collected from the renovations of older buildings and structures.</li> <li>• The Overall long term improvement plans were also viewed via the website link: <a href="http://www.ioigroup.com/business/busi_agritech.com">http://www.ioigroup.com/business/busi_agritech.com</a></li> <li>• See also details of findings on C 8.1</li> </ul>	Complied
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**Principle 2: Compliance with applicable laws and regulations**

<b>Criterion 2.1</b>			
There is compliance with all applicable local, national and ratified international laws and regulations.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	2.1.1 Evidence of compliance with relevant legal requirements.  Major compliance	<ul style="list-style-type: none"> <li>• At Pukin Grouping - PMU, a legal register covering the applicable local and international laws and regulations were available at the mill with the Mill Manager and at each estate with the respective Estate Managers.</li> <li>• The Mill and Estate Managers had maintained the tracking for any changes in legal requirements. These were reviewed on yearly basis and updated with the compliance status indicated. The relevant legislations identified and listed were among others regarding safety and health, environmental management, pollution management, chemical handling, usage &amp; storage, schedule waste management.</li> <li>• Based on the site observations, interviews and records checking at the field and mill, there was sufficient evidence of compliance with the relevant laws, regulations, local and international laws at that the POM and estates.</li> <li>• Levy and other deductions have been taken with the consent of the workers in accordance with the Labour Ordinances e.g. *FOMEMA fees, for the health screening of foreign workers which was borne by the company and carried out as per the Ministry of Health guidelines.</li> <li>• Permits for Hiring of Foreign Workers have been</li> </ul>	Complied

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		renewed and valid till September 2013 for the POM and all the estates. Evaluation of legal requirements was done by respective Estate Managers, Mill Manager and Sustainability Team (from HQ) in June 2012.	
Annual Surveillance Assessment (ASA-01) R2020/10-2	2.1.2 A documented system, which includes written information on legal requirements.  <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>The documented system for identifying, determining, reviewing and updating applicable legal and other requirements that the PMU has subscribed to was maintained.</li> <li>During this 1<sup>st</sup> Surveillance, the list of laws and circulars received from regulatory bodies such as from DOE and DOSH were maintained and complied with. Updates had been monitored and changes made were appropriate.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	2.1.3 A mechanism for ensuring that they are implemented.  <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>Annual review and appropriate updates was noted on June 2012, with the compliance status indicated. Among others, safety and health, environmental and pollution management, chemical handling, usage and storage, scheduled waste management requirements were evaluated.</li> <li>Evaluation of legal requirements was done by the Mill and respective Estate Managers in June 2012. Licenses and permits were renewed and evidenced to be valid, e.g. MPOB license for Mill – valid till June 2013 (at the time of audit). Statutory returns to relevant authorities found to be in compliance.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	2.1.4 A system for tracking any changes in the law. The systems used should be appropriate to the scale of the organization.  <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>Changes in the relevant laws are communicated and received from the IOI Group HQ. The PMU managers subsequently ensured that the changes and tracking done was adequately updated. Based on the site observations, interviews and records updated, the system used is appropriate to the operations at Pukin PMU.</li> <li>Monitoring of changes to the applicable laws and regulations carried out through periodical review in accordance with the documented procedure and last performed in June 2012 by the Sustainability Team with the Mill and estate managers.</li> </ul>	Complied
<b>Criterion 2.2</b>			
The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	2.2.1 Evidence of legal ownership of the land including history of land tenure.  <b>Major compliance</b>	<ul style="list-style-type: none"> <li>Copies of the land titles were maintained and sighted to be in proper order. There were no recorded or known disputes over the ownership of the land and no changes to the land ownership since the last audit.</li> </ul>	Complied

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Annual Surveillance Assessment (ASA-01) R2020/10-2	2.2.2 Growers must show that they comply with the terms of the land title. [This indicator is to be read with Guidance 2]  <b>Major compliance</b>	<ul style="list-style-type: none"> <li>The land title was designated for agricultural use specifically for the cultivation of oil palm. The stated use of the respective plots of land for agricultural / oil palm plantation purpose is maintained.</li> <li>It is verified that there has been no change to the stated land titles and designated use is complied.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	2.2.3.1 Evidence that boundary stones along the perimeter adjacent to state land and other reserves are being located and visibly maintained.  <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>During this surveillance, the legal boundary stones and markers were checked on site as per the mapping of the perimeters along estates land indicated in the land titles presented. However the maintenance for the boundary stones /markers were found to be in adequate and thus a nonconformance was raised as follows:  Nonconformance:               <ul style="list-style-type: none"> <li>At Shahzan 2 estate, the boundary markers along the perimeter adjacent to State owned land and other smallholders are not adequately maintained and the current status at neighbouring perimeters have not been updated.</li> </ul> </li> </ul>	NCR 1 / 4 Minor
	2.2.3.2 Where there are, or have been, disputes, proof of resolution or progress towards resolution by conflict resolution processes acceptable to all parties are implemented. Cross ref. to 2.3.3, 6.4.1 and 6.4.2.  <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>On-site verification confirmed that there has been no planting beyond the legal demarcated boundary of the estates. There were no existing land disputes at the PMU.</li> <li>There has been no dispute on the land rights in the Pukin PMU.</li> <li>Process for conflict resolution is verified to be publicly available via website link: <a href="http://www.ioigroup.com/business/busi_plantover_view.cfm">http://www.ioigroup.com/business/busi_plantover_view.cfm</a></li> </ul>	Complied
<b>Criterion 2.3</b> Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.			
Assessment	Indicators	Findings and Objective Evidence	Compliance
Annual Surveillance Assessment (ASA-01) R2020/10-2	2.3.1 Where lands are encumbered by customary rights, participatory mapping should be conducted to construct maps that show the extent of these rights.  <b>Major compliance</b>	<ul style="list-style-type: none"> <li>The estate lands at the PMU are legally owned by IOI and no other users were identified in the land area.</li> <li>The existing estates are not encumbered by any customary land rights and therefore participatory mapping is not required.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	2.3.2 Map of appropriate scale showing extent of claims under dispute.  <b>Major compliance</b>	<ul style="list-style-type: none"> <li>There has been no existing disputed land.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	2.3.3 Copies of negotiated agreements detailing process of consent (C2.2, 7.5 and 7.6).  <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>The lands were acquired in 1980's from private plantation owners. Records are available to show such land acquisition complied with legal requirements without infringement of any legal rights.</li> </ul>	Complied



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**Principle 3: Commitment to long-term economic and financial viability**

<b>Criterion 3.1</b>			
There is an implemented management plan that aims to achieve long term economic and financial viability.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	3.1.1 Annual budget with a minimum 2 years of projection  Major compliance	<ul style="list-style-type: none"> <li>The mill and each estate within the PMU have documented management plans with the annual budget for FFB, CPO, PK, OER, KER, CPO yield/ha, cost of production involved with projections for the next 5 years i.e. till FY2016/2017.</li> <li>A financial management mechanism was evidenced to be monitoring the actual performance results on a daily, monthly and annual basis.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	3.1.2 Annual replanting programme projected for a minimum of 5 years with yearly review.  Minor compliance	<ul style="list-style-type: none"> <li>Annual replanting programme had been prepared up to FY2021/2022 for the estates.</li> <li>Replanting was carried out at Pukin estate between 2004 and 2010. No replanting is expected over the next 5 years for the estates of Shahzan 1, Shahzan 2 and Segamat.</li> </ul>	Complied

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

<b>Criterion 4.1</b>			
Operating procedures are appropriately documented and consistently implemented and monitored.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.1.1 Documented Standard Operating Procedures (SOP) for estates and mills.  Major compliance	<ul style="list-style-type: none"> <li>The StOPs documented were annually reviewed and had been maintained without changes.</li> <li>Implementation and reviews done on the procedures at the POM and the estates were found to be consistent and effective.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.1.2 Records of monitoring and the actions taken are maintained and kept for a minimum of 12 months.  Minor compliance	<ul style="list-style-type: none"> <li>Monitoring records were available such as store requisitions and store issuances of agro-chemicals were properly maintained. Noted from the estates audited that rat attacks were minimal and below 5% based on quality checks on the FFB crop.</li> <li>Records of monitoring and actions taken have been maintained and kept for more than 12 months. Records and actions taken such as for the circle spraying, selective spraying, road maintenance, POME application, pest control and manuring were verified to be satisfactorily maintained for the period June 2011 to July 2012.</li> </ul> <p>Nonconformance:</p> <ul style="list-style-type: none"> <li>Chemicals used for circle spraying and selective spraying were not completely recorded in the daily</li> </ul>	NCR 2 / 4 Minor



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		costing records at Segamat estate e.g. data was not complete from 01/10/11 to 10/10/11 in Field PM 04D.	
<b>Criterion 4.2</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
Assessment	Indicators	Findings and Objective Evidence	Compliance
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.2.1 Monitoring of fertilizer inputs through annual fertilizer recommendations.  Minor compliance	<ul style="list-style-type: none"> <li>Annual fertilizer recommendations for 2011/2012 have been implemented and monitored at the estates as was verified at the estates. Fertilizer applications were performed according to the fertilizer recommendations as provided by the Agronomist at IOI Research Centre.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.2.2 Evidence of periodic tissue and soil sampling to monitor changes in nutrient status.  Minor compliance	<ul style="list-style-type: none"> <li>Soil maps had been sighted in the estates.</li> <li>Sampling of palm leaves for nutrient analysis was also carried out annually. Soil sampling carried out on 20% of the total fields each year and thus a single round of sampling were conducted on every field on a 5-year cycle (last done in Feb 2010). Soil analysis of all fields completed over a 5 years cycle. Leaf sampling and analysis had been carried out annually with the latest leaf sampling and analysis carried out in May 2012.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.2.3 Monitor the area on which EFB, POME and zero-burn replanting is applied.  Minor compliance	<ul style="list-style-type: none"> <li>EFB application records and maps showing the locations of mulching had been sighted for the estates assessed.</li> <li>The dosages of dry POME applied were noted to be in accordance with the recommendations of the IOI Research Centre, which was based on their analytical findings on POME utilization, to maintain the nutrient status and microbiological health of the soil. During field inspections, mulching with EFB noted at planted areas.</li> <li>There was no evidence seen of any open burning at the replanting sites, line sites and in the mill and estates. Zero-burning policy is in compliance.</li> </ul> <p>Nonconformance:</p> <ul style="list-style-type: none"> <li>EFB mulching in the inter-row of mature palms had been spread in heaps of up to 4 layers e.g. at Field 94D at Pukin estate. This is not in accordance with the company procedure which states EFB should be spread in the inter-row in a single layer.</li> </ul>	NCR 3 / 4 Minor
<b>Criterion 4.3</b> Practices to minimize and control erosion and degradation of soils.			
Assessment	Indicators	Findings and Objective Evidence	Compliance



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Annual Surveillance Assessment (ASA-01) R2020/10-2	4.3.1 Documented evidence of practices minimizing soil erosion and degradation  <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>• Inspection at sites verified that soil erosion counter-measures were taken. Among the measures taken were: (a) Frond stacking done at alternate inter-rows of oil palm planting. Inter-row maintenance was done through selective weeding to ensure that the 'woodies' are removed and that only soft weeds are growing; (b) Fronds were also stacked along lips of terraced areas and parallel to streams to minimise soil runoff; (c) Terrace planting was adopted at slopes which are more than 8 degrees. At slopes which were less than 8 degrees, the fronds were stacked along the contours of the slopes as part of prevention of soil erosion programme. The terraces had been satisfactorily maintained. Stop bunds were constructed within the planting terraces.</li> <li>• Planting of 'vetiver' grass and natural riverine plants was observed to minimize stream and river bank erosion and restoration done at demarcated buffer zones and riparian areas. Continued efforts to re-designate riparian strips which were adjacent to the estates were observed.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.3.2 Avoid or minimize bare or exposed soil within estates.  <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>• Ground vegetations had been well maintained in the estates audited and avoidance of bare and exposed soil conditions was verified.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.3.3 Presence of road maintenance programme.  <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>• Road maintenance programme and record on road work had been sighted in the estates audited. Regular road and culvert maintenance were performed.</li> <li>• Road condition, bridges and culverts found to be satisfactory during the field trips.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.3.4 Subsidence of peat soils should be minimized through an effective and documented water management programme.  <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>• It was verified that there are no peat soils in the Pukin Group estates.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.3.5 Best management practices should be in place for other fragile and problem soils (e.g. sandy, low organic matter and acid sulphate soils).  <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>• Verified that there are no fragile or problematic soils in these estates.</li> </ul>	Complied
<b>Criterion 4.4</b>			
Practices maintain the quality and availability of surface and ground water.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.4.1 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before replanting along all natural waterways within the	<ul style="list-style-type: none"> <li>• IOI's Group policy on slope protection and river buffer-zoning was available for inspection and public viewing.</li> <li>• The PMU has identified appropriate buffer zones along all natural waterways i.e. rivers and streams</li> </ul>	Complied

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	estate.  <b>Major compliance</b>	<p>passing through the estates. No spraying or manuring activities were allowed to be performed within the demarcated zones. Appropriate markings and signages were found to be placed and maintained during on-site inspection.</p> <ul style="list-style-type: none"> <li>• The environmental management plans were reviewed. No replanting was observed at the demarcated buffer zones. On-site Inspections confirmed the sighting of demarcations and restoration done with the natural riverine plants seen growing at the banks. The field workers were adequately trained and instructed to avoid spraying of agro-chemicals in the buffer zones.</li> <li>• The POM had monitored and controlled discharges to waterways with installation of silt traps to reduce suspended solids and contaminants to meet the DOE limits. Daily checks for leakages were observed on the POME which was channeled to the Effluent Treatment Ponds (ETP) for desludging. Water and treated POME samples were taken monthly and sent to external laboratories for analysis.</li> </ul>	
Annual Surveillance Assessment (ASA-01) R2020/10-2	<p>4.4.2 No construction of bunds/weirs/dams across the main rivers or waterways passing through an estate.</p> <p><b>Major compliance</b></p>	<ul style="list-style-type: none"> <li>• Pukin PMU has not constructed any bunds/weirs/dams across the main rivers or waterways passing through the estates as part of their practices to maintain the quality and availability of surface and ground water.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	<p>4.4.3 Outgoing water into main natural waterways should be monitored at a frequency that reflects the estates and mills current activities which may have negative impacts : (Cross reference to C 5.1 and 8.1).</p> <p><b>Major compliance</b></p>	<ul style="list-style-type: none"> <li>• The monitoring of the effluent quality at the POM was continued to be done on a monthly analysis with results submitted by an independent laboratory i.e. KL-Kepong Sdn Bhd.</li> <li>• During current surveillance, the assessment team found that the monitoring of outgoing water discharge was done and regularly reviewed with appropriate actions taken to minimise negative impacts.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	<p>4.4.4 Monitoring rainfall data for proper water management.</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• Rainfall data (2011/2012) had been recorded on daily basis and monitored for proper water management.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	<p>4.4.5 Monitoring of water usage in mills (tonnage water use/tonne FFB processed).</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• PMU Pukin grouping has monitored the water usage in Pukin Palm Oil Mills (tonnage water use/tonne FFB processed) as part of their practice in order to maintain the quality and availability of surface and ground water.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	<p>4.4.6 Water drainage into protected areas is avoided wherever possible. Appropriate mitigating measures will be implemented following consultation with relevant stakeholders.</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• No water drainage into any protected areas found.</li> </ul>	Complied

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<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>4.4.7 Evidence of water management plans.</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• The water management plans by the Mill for the estates i.e. latest being reviewed and amended in June 2012 were approved with the review period indicated. The plan was reviewed by an experienced team comprising the GM, Mill &amp; Estate managers.</li> <li>• The raw water intake(s) points used for treating water for human consumption in all the estates were tested monthly, and based on the Ministry of Health (MOH), Malaysia's requirements.</li> <li>• Noted that the results of drinking water quality for water supplied from the POM were within the specifications / limits set by MOH. Thus it was verified that the control and monitoring of dosing/chlorination process at the mill's water treatment plant has been implemented satisfactorily.</li> </ul>	<p>Complied</p>
<p><b>Criterion 4.5</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</p>			
<p><b>Assessment</b></p>	<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>4.5.1 Documented IPM system.</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• The PMU had adopted the IOI group policy and Internal Environmental Management &amp; Monitoring Plan on IPM system which was made available. Inspection at site observed the following: <ul style="list-style-type: none"> <li>• Parasitoid host and beneficial predator plants such as <i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> had been planted at along the access roads within the estates. Monitoring and records of areas where pesticides were being used and the usage per hectare basis were maintained.</li> </ul> </li> <li>• There was evidence of studies and monitoring done by the IOI-operating units on the IPM system adopted by them such as the detection of pest infestation as per the FAO guidelines and census taking. It was noted the findings had concluded that pest and weed infestations were at a minimal level in these estates.</li> <li>• The estates were effectively managed using appropriate Integrated Pest Management (IPM) techniques similar to the previous years.</li> <li>• Documents on IPM system for rat control and insect pest control in the estates had been sighted for 2011/ 2012</li> </ul>	<p>Complied</p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>4.5.2 Monitoring extent of IPM implementation for major pests.</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• Records on planting of beneficial plants and rat damage census had been sighted in the estates.</li> <li>• Pest infestation was minimal in the estates.</li> </ul>	<p>Complied</p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>4.5.3 Recording areas where pesticides have been used.</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• Areas where pesticides had been used were recorded in all the estates.</li> </ul>	<p>Complied</p>

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Annual Surveillance Assessment (ASA-01) R2020/10-2	4.5.4 Monitoring of pesticide usage units per hectare or per ton crop e.g. total quantity of active ingredient (a.i.) used/ tonne of oil. <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>Records on monitoring of pesticide usage units per hectare or per tonne crop had been verified at the estates.</li> </ul>	Complied
<p><b>Criterion 4.6</b> Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorized as World Health Organization Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.</p>			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.6.1 Written justification in Standard Operating Procedures (SOP) of all agrochemicals use. <b>Major compliance</b>	<ul style="list-style-type: none"> <li>The estates have documented procedures for the use of all agrochemicals. Written justification in Standard Operating Procedure of all agrochemicals use had been sighted.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.6.2 Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). <b>Major compliance</b>	<ul style="list-style-type: none"> <li>Pesticides used were only those pesticides officially registered under Section 53A of the Pesticide Act 1974 (Act 149); and in accordance with USECHH Regulations (2000).</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.6.3 Pesticides shall be stored in accordance to the Local Occupational Safety and Health Laws and Regulations and local laws on Pesticides control. <b>Major compliance</b>	<ul style="list-style-type: none"> <li>The estates had well ventilated store facilities to store pesticides in accordance to the Occupational Safety and Health Act 1994 (Act 514), Pesticides Act 1974 (Act 149) and Chemical Health and Risk Assessment (CHRA) guidelines.</li> <li>Inspection at sites observed that pesticides were kept under lock and key.</li> <li>Empty containers disposed off in accordance with the DOE requirements. Information regarding the chemicals and their usage, hazard and general names were displayed in the National Language (i.e. Bahasa Malaysia) and translated for the understanding of the foreign workers.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.6.4 All information regarding the chemicals and its usage, hazards, trade and generic names must be available in language understood by workers or explained carefully to them by a plantation management official at operating unit level. <b>Major compliance</b>	<ul style="list-style-type: none"> <li>MSDS in both English and Bahasa Malaysia of chemicals had been displayed in the chemical stores.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.6.5 Annual medical surveillance as per CHRA for plantation pesticide operators. <b>Major compliance</b>	<ul style="list-style-type: none"> <li>Annual medical checkup has been carried out for pesticides operators. Annual medical surveillance as per CHRA for all the pesticide operators had been carried out in July 2012.</li> <li>Results were verified to be satisfactory with no cases of any poisoning occurring.</li> </ul>	Complied



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Annual Surveillance Assessment (ASA-01) R2020/10-2	4.6.6 No work with pesticides for confirmed pregnant and breast-feeding women. <b>Major compliance</b>	<ul style="list-style-type: none"> <li>Confirmed no pregnant and breast-feeding workers were assigned to carry out work with pesticides.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.6.7 Documentary evidence that use of chemicals categorized as World Health Organization Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions and paraquat, is reduced and/or eliminated. Adoption of suitable economic alternative to paraquat as suggested by the EB pending outcome of the RSPO study on IWM. <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>Paraquat usage had been eliminated in all the estates since end of December, 2011. No paraquat usage found during site and field inspections in July 2012.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.6.8 Documented justification of any aerial application of agrochemicals. No aerial spraying unless approved by relevant authorities. <b>Major compliance</b>	<ul style="list-style-type: none"> <li>The PMU does not practice any aerial application of agrochemicals. All agrochemicals are used in a way that does not endanger health or the environment was sighted during assessment at the estates visited</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.6.9 Evidence of chemical residues in CPO testing, as requested and conducted by the buyers. <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>To date there has been no request by the buyers for this testing.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.6.10 Records of pesticide use (including active ingredients used, area treated, amount applied per ha and number of applications) are maintained for either a minimum of 5 years or starting November 2007. <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>Records of pesticides and their active ingredients used, area treated, and the number of applications had been maintained and kept for a minimum of 5 years.</li> <li>See also finding for indicator 4.5.4</li> </ul>	Complied
<b>Criterion 4.7</b>			
An occupational health and safety plan is documented effectively communicated and implemented.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>



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<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>4.7.1 Evidence of documented Occupational Safety Health (OSH) plan which is in compliance with OSH Act and Factory Machinery Act.</p> <p><b>Major compliance</b></p> <p>The safety and health (OSH) plan shall cover the following:</p> <p>a. A safety and health policy, which is communicated and implemented.</p> <p>b. All operations have been risk assessed and documented.</p> <p>c. An awareness and training programme which includes the following specifics for pesticides :</p> <p>i. to ensure all workers involved have been adequately trained in a safe working practices ( See also C 4.8)</p> <p>ii. all precautions attached to products should be properly observed and applied to the workers.</p> <p>d. The appropriate personal protective equipment (PPE) is used for each risk assessed operation.</p> <p>i. Companies to provide the appropriate PPE at the place of work to cover all potentially hazardous operations such as pesticide application, land preparation, harvesting and if used, burning.</p> <p>e. The responsible person (s) should be identified.</p> <p>f. There are records of regular meetings between the responsible person(s) and workers where concerns of workers about health and safety are discussed.</p> <p>g. Accident and emergency procedures should exist and instructions should be clearly understood by all workers.</p> <p>h. Workers trained in First Aid should be present in both field and mill operations.</p> <p>i. First Aid equipment should be available at worksites.</p>	<ul style="list-style-type: none"> <li>• The Occupational Safety and Health (OSH) Policy were displayed at the POM and all the estates. The Occupational Safety and Health (OSH) Plan established have included the establishment of escape routes and locations of the firefighting equipment at the sites covered. Each estate and mill had identified and assessed their respective hazards and risks as per established procedures. Actions and precautions established to address the identified risks.</li> <li>• All operations where health and safety is an issue have been assessed and procedures and actions are documented and implemented to address the identified issues.</li> <li>• Noted evidence that each procedure is further supported with documented tasks and task elements and all possible risks assessed. All precautions attached to products are observed and applied to the workers.</li> <li>• Noted in the training records that workers involved in the operations have been adequately trained in the OSH policy, programs and in safe working practices. Pesticide sprayers and fruit cutters selected at random at the estates were interviewed and they were able to demonstrate the correct safety precautions required.</li> <li>• Adequate and appropriate PPE were available to labourers at the place of work to cover all potentially hazardous operations, such as pesticide application, chemical storage / handling, land preparation and harvesting.</li> <li>• The responsible persons (i.e. mandores / field supervisors), conductors and store supervisor) were identified.</li> <li>• There were records of regular meetings between the responsible person and workers where concerns of all parties about health, safety and welfare were briefed and discussed.</li> <li>• Records detailing the occurrence and issues raised were properly maintained. Meeting minutes were available.</li> <li>• Accident and Emergency procedures and First Aid procedures are present and instructions are clearly understood by all workers. Accident procedures are also available in Bahasa Malaysia, which is understood to the workers. Assigned operatives trained in First Aid are present in both field and other operations and first aid equipment are available at worksites. Sighted a list of sites where all First Aids boxes are placed.</li> <li>• Records of accidents are kept and reviewed monthly. Fire Drills had been conducted at each site (Mill and Estates) with records observed in response to potential emergency.</li> <li>• All workers (including the Indonesian foreign workers) were covered by the worker's compensation scheme. Calculation on Lost Time</li> </ul>	<p>Complied</p>
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		<p>Accident was maintained. Workplaces, machinery, equipment, transportation vehicles were maintained to ensure safety and without undue risk to health. Chemical, physical and biological substances and agents were stored under controlled conditions. A safe and healthy working environment was provided for the workers regardless of whether they are estate full time employees or contract workers.</p> <ul style="list-style-type: none"> <li>• Good Agriculture Practice (GAP) and Chemical Health Risk Assessment (CHRA) were among the references used in maintaining the safe working environment for the employees.</li> <li>• Field inspection at BPE (D1A/1) observed circle spraying with 'Supreshade 41' (Glyphosate) + 2,4-D Amine (herbicide) and workers with appropriate PPE. Signboards indicated spraying of herbicides in progress and the harvesting supervisor (mandore) also carried the First Aid Box during supervision at the field.</li> <li>• OSH Plan has been reviewed as planned and the communication and implementation aspects are in place. The OSH plans had been sighted in the estates.</li> </ul>	
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.7.2 Records should be kept of all accidents and periodically reviewed at quarterly intervals. <b>Major compliance</b>	<ul style="list-style-type: none"> <li>• Records on accidents had been kept and reviewed at quarterly intervals.</li> <li>• Lost Time Accident (LTA) had been monitored.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.7.3 Workers should be covered by accident insurance. <b>Major compliance</b>	<ul style="list-style-type: none"> <li>• Local workers were covered by SOCSO whereas foreign workers were covered by Workmen Compensation Insurance Scheme.</li> </ul>	Complied
<b>Criterion 4.8</b>			
All staff, workers, smallholders and contractors are appropriately trained.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	4.8.1 A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training for employees are kept.  <b>Major compliance</b>	<ul style="list-style-type: none"> <li>• Training plans and training records (e.g. training attendance) are in place as appropriate for all staff and workers for period Y2012 at Pukin Mill and sampled estates.</li> <li>• Employees including EHA are trained in accordance with IOI Pukin training needs analysis conducted by Mill and Estate management as well as meeting DOSH requirements.</li> <li>• Selected trainings include On-Job-Training, safety training, emergency drill, First-aid, gender committee-sexual harassment, chemical handling among others, to enable them to fulfill their assigned tasks and responsibilities. Actual dates and other records were available in the training record files at both POM and estates sampled. Contractors have signed safety instruction documents to comply with IOI's safety rules and regulations.</li> </ul>	Complied



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

<b>Criterion 5.1</b>			
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	5.1.1 Documented aspects and impacts risk assessment that is periodically reviewed and updated.  Major compliance	<ul style="list-style-type: none"> <li>Documented Environmental Impact Assessment, Management Actions Plans and Continuous Improvement Plans dated May 2010 were prepared for the respective estates by the IOI Sustainability Team. A timetable / monitoring frequency was developed and noted.</li> <li>Management action plans addressing issues raised which was monitored and projected to be reviewed annually. The implementation and monitoring of the above mentioned plans were appropriate.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	5.1.2 Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored.  Minor compliance	<ul style="list-style-type: none"> <li>PMU Pukin grouping has developed, implemented and monitored the environmental improvement plan to mitigate the negative impacts and promote the positive ones.</li> </ul>	Complied
<b>Criterion 5.2</b>			
The status of rare, threatened or endangered species (ERTs) and 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 their conservation taken into account in management plans and operations.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	5.2.1 Identification and assessment of HCV habitats and protected areas within landholdings; and attempt assessments of HCV habitats and protected areas surrounding landholdings.  Major compliance	<ul style="list-style-type: none"> <li>The identification and assessment of HCV areas and the annual review of their status has been performed in August 2012 and was noted to have been updated and did not contain any reduction in the land area / hectareage and monitoring had been implemented satisfactorily.</li> <li>(Note: NCR from Main Assessment regarding the updating of the HCV status was by the Sustainably team &amp; estate managers review done in August 2012 which had included all significant prayer sites under HCV 6.NCR effectively closed see details in section 3.2)</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	5.2.2 Management plan for HCV habitats (including ERTs) and their conservation.  Major compliance	<ul style="list-style-type: none"> <li>The HCV assessment report(s) have indicated that there were no ERT / protected species at the external HCVs (forest land) at the areas covered by the Pukin PMU estates. The collated information has included the planted areas, buffer areas bordering the state forest land such as the boundary of the State Forest Land adjacent to the Shahzan 1 &amp; 2 estates.</li> <li>The HCV assessment report review has indicated monitoring of the identified common species of wildlife in existence such as mammals, birds and fishes found in the estate</li> </ul>	Complied



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		<p>environment e.g. egrets, herons and long tail macaques as identified under the IUCN list.</p> <ul style="list-style-type: none"> <li>• Cooperation with the Forestry /Land department to gather information on the animal species near the forest land boundaries was maintained.</li> <li>• The relevant estate(s) management has undertaken appropriate measures to control any illegal hunting, fishing or trapping activities within the PMU.</li> <li>• "No hunting" policy and signage were prominently displayed to convey this policy especially at the state forest land bordering with the estates.</li> </ul>	
Annual Surveillance Assessment (ASA-01) R2020/10-2	<p>5.2.3 Evidence of a commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts.</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• The PMU is committed to discourage any illegal or inappropriate hunting, fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts. Signages prohibiting the said activities at the conservation areas were erected and the monthly patrols conducted were recorded in the Patrol book.</li> </ul>	Complied
<p><b>Criterion 5.3</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	<p>5.3.1 Documented identification of all waste products and sources of pollution.</p> <p><b>Major compliance</b></p>	<ul style="list-style-type: none"> <li>• All waste products and their sources have been identified and documented in the "Environmental Impact Assessment, Management Action Plans, and Continuous Improvement Plans" for mill and estates - e.g. EFB, fibres, shells, boiler ash, decanter cakes and scheduled wastes.</li> <li>• Plans to identify pollution aspects and actions to mitigate pollution are in place.</li> <li>• Recycling bins of three different color codes were available in the POM, workers quarters/ line site(s) and estates and were used for solid waste segregation and recycling.</li> <li>• The solid waste management at the dumpsite / landfill has appropriate signage i.e. on Health, Safety and Environment rules that are required at the current designated landfill/dumpsite(s).</li> <li>• Biomass is recycled – fibre and shells are sent to mill boiler to be used as fuel. POME from mill is used for land application in the estates. The practice being both environmentally and socially responsible.</li> <li>• Scheduled Waste management file identifying all wastes e.g. used batteries, spent hydraulic oil, spent / residual chemicals, oily contaminated rags and contaminated containers.</li> <li>• Scheduled waste stores inspected at all sites and disposal was done by scheduled waste disposal company authorized by Department of Environment.</li> </ul>	Complied
Annual Surveillance Assessment	<p>5.3.2 Having identified wastes and pollutants, an operational plan should be developed and</p>	<ul style="list-style-type: none"> <li>• Management Operational plans for wastes and pollutants control established at the POM and estates were reviewed and mitigation measures</li> </ul>	

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(ASA-01) R2020/10-2	implemented, to avoid or reduce pollution.  <b>Minor compliance</b>	being monitored. Nonconformance 9ASA-01): • At Segamat estate, the bund capacity for the diesel tank was note to be insufficient to contain at the minimum of 110% of the diesel tank volume.	NCR 4 / 4 Minor
Annual Surveillance Assessment (ASA-01) R2020/10-2	5.3.3 Evidence that crop residues / biomass are recycled (Cross ref. C 4.2).  <b>Minor compliance</b>	• Recycling of crop residues / biomass had been carried out.	Complied
<b>Criterion 5.4</b> Efficiency of energy use and use of renewable energy is maximized.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	5.4.1 Monitoring of renewable energy use per tonne of CPO or palm product in the mill.  <b>Minor compliance</b>	• 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 fibre and shell were used as fuel. Diesel generators were on standby basis to support the operation in the event of boiler / steam turbine system breakdown. Monthly records of KW usage of non-renewable and renewable fuel per metric tonne of palm product were available  • The efficiency and use of energy in palm oil mill and line site was monitored. Monthly records of KW usage of non-renewable and renewable fuel per metric tonne of palm product were available.	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	5.4.2 Monitoring of direct fossil fuel use per tonne of CPO or kW per tonne palm product in the mill (or FFB where the grower has no mill).  <b>Minor compliance</b>	• PMU Pukin grouping has monitored direct fossil fuel use per tonne of CPO or kW per tonne palm product in the mill.	Complied
<b>Criterion 5.5</b> Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	5.5.1 No evidence of open burning. Where controlled burning occurs, it is as prescribed by the Local - Environmental law on Open Burning'.  <b>Major compliance</b>	• PUKIN GROUPING-PMU had observed the IOI group policy of 'Zero open burning' in the estates. Inspections at site confirmed no evidence of open burning. No burning of waste including domestic waste was noted.  • No evidence of open burning found during site inspection which is consistent with PUKIN GROUPING-PMU's and IOI's group policy of 'Zero open burning' in the estates including at the workers quarters.	Complied

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Annual Surveillance Assessment (ASA-01) R2020/10-2	5.5.2 Previous crop should be felled / mowed down, chipped/shredded, windrowed or pulverized/ ploughed and mulched. <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>• Previous crop felled were appropriately disposed back to the soil according to the practices required.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	5.5.3 No evidence of burning waste (including domestic waste). <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>• The PMU has adhered to the 'zero burning 'policy at the estates. There were no evidence of any burning of domestic waste during site inspection.</li> </ul>	Complied
<b>Criterion 5.6</b>			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	5.6.1 Documented plans to mitigate all polluting activities (Cross ref to C 5.1). <b>Major compliance</b>	<ul style="list-style-type: none"> <li>• Environmental impact assessment performed to identify potential pollution to water, gaseous emissions to air and contamination on land.</li> <li>• Management Action Plans and Continuous Improvement Plans were developed to mitigate significant impacts identified. These exercises were reviewed periodically (i.e. annually) such as next review scheduled in April 2011.</li> </ul> <p>Reviews of Management Action Plans and Continuous Improvement Plans that were developed to mitigate significant impacts identified were carried out as planned in April 2011 and approved by senior management appropriately.</p>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	5.6.2 Plans are reviewed annually. <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>• Management plans have been reviewed and approved by the Sustainability Team and respective Mill and Estate Manager. Current year updated documents were available.</li> <li>• Field inspections confirmed that mitigation actions are being implemented as per management plans.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	5.6.3 Monitor and reduce peat subsidence rate through water table management (Within ranges specified in C 4.3). <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>• No peat land exists within the estates of the Pukin PMU.</li> </ul>	Complied

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

<b>Criterion 6.1</b>			
Aspects of plantation and mill management, including replanting, that have social impacts 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 continuous improvement.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	6.1.1 A documented social impact assessment including records of meetings. <b>Major compliance</b>	<ul style="list-style-type: none"> <li>• Documented Social Impact Assessment, Management Actions Plans and Continuous Improvement Plans were prepared for the respective mill and estates under Pukin-PMU by the IOI Sustainability Team from IOI Research</li> </ul>	Complied



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		<p>Centre.</p> <ul style="list-style-type: none"> <li>• The findings of the assessment had included the identification of social impacts through internal and external stakeholder consultations. Each operating unit has appointed social officer in-charge and has established social committee meetings with records adequately maintained.</li> <li>• The meeting reports include action plans and recommendations in order to mitigate negative impacts and for reviewing grievances from internal and external stakeholders. Documented actions are implemented in accordance with RSPO and legal requirements.</li> <li>• Timelines have been suitably established for the above-mentioned action plans and responsibilities have been assigned by the Mill and Estate Managers.</li> <li>• The documented "Social Impact Assessment, Management Action Plans and Continuous Improvement Plans" for individual Mill and Estates of IOI PUKIN PMU Grouping have been prepared as dated below:             <ul style="list-style-type: none"> <li>• 29 September 2010 (Pukin POM)</li> <li>• 30 July 2010 (Pukin Estate)</li> <li>• 02 September 2010 (Segamat Estate)</li> <li>• 27 July 2010 (Shazan 1 Estate)</li> <li>• 27 July 2010 (Shazan 2 Estate)</li> </ul> </li> <li>• Documents have been reviewed and approved by the respective Mill/ Estate Manager as well as the Sustainability Team. Current updated document was dated October 2012.</li> </ul>	
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>6.1.2 Evidence that the assessment had been done with the participation of affected parties.</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• The consultations were attended by a wide range of stakeholders including government agencies such as the Forestry Dept., local businesses-transporters, labour contractors, maintenance contractors, neighboring estates and representatives from the villages surrounding the estates.</li> <li>• 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.</li> <li>• All issues raised during the consultations were acted upon such as the maintenance of the access roads, recreational facilities among others.</li> </ul>	<p>Complied</p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>6.1.3 A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary.</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• A time table of activities identified was sighted with time frame on implementation plans. Site inspections carried out confirmed that the implementation was satisfactorily acted on.</li> <li>• Stakeholder consultation meetings with the local communities and employees on the assessment were performed by the Estate managers with their Social Liaison Officers.</li> </ul>	<p>Complied</p>

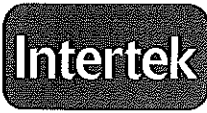
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		<ul style="list-style-type: none"> <li>• Employee representation was through the Employees Consultative Council (ECC) which has representation from the different levels of workers who are elected by the workers. In all estates in IOI Pukin POM grouping an Employees Consultative Committee (ECC) was formed. Members in the ECC include representatives from manurers, sprayers, harvesters, FFB checkers, general workers and loaders.</li> <li>▪ In Segamat Estate, the National Union of Plantation Workers (NUPW) representative was also interviewed and the response was very positive.</li> </ul>	
<b>Criterion 6.2</b>			
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	6.2.1 Documented consultation and communication procedures.  Major compliance	<ul style="list-style-type: none"> <li>• IOI Pukin grouping has adopted open and transparent methods 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.</li> <li>• The lists of stakeholders are updated on a monthly basis and records of meeting were maintained.</li> <li>• The maintenance of the list of stakeholders at the IOI Pukin grouping is adequate and has ensured that the list is kept current. Noted that there are open and transparent methods for communication and consultation which has taken into consideration the local mechanisms including migrant workers and languages.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	6.2.2 A nominated plantation management official at the operating unit responsible for these issues.  Minor compliance	<ul style="list-style-type: none"> <li>• PMU Pukin grouping found as open and transparent in communication and consultation between growers and/or millers, local communities and other affected or interested parties. Nominated respective officers at the operating unit are responsible to represent the PMU Pukin grouping when any relevant issues raised by local communities and other affected or interested parties.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	6.2.3 Maintenance of a list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders.  Minor compliance	<ul style="list-style-type: none"> <li>• Respective officer at PMU Pukin grouping has updated the stakeholders' list and records of all communication and also record the actions taken in response to input from stakeholders.</li> </ul>	Complied
<b>Criterion 6.3</b>			
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>



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<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>6.3.1 Documentation of the process by which a dispute was resolved and the outcome.</p> <p><b>Major compliance</b></p>	<ul style="list-style-type: none"> <li>• All estates in Pukin grouping have established complaints and grievances procedures and it was well implemented. Complaints and Grievances logbook were sighted in all estates in the grouping.</li> <li>• Alternative to the logbook, estate workers and administration staff could also file their complaints and grievances through their respective ECC representatives.</li> <li>• Timelines for response to complaints and grievances are either through the logbook or ECC representatives are appropriately established and implemented</li> <li>• The estates had maintained the established complaints and grievances procedures. Noted that any Complaints and Grievances Logbook were used in the estates appropriately and records of corrective actions implemented were stated in the logbook. ECC representatives interviewed understood that roles, responsibility and treated them as an important matter.</li> </ul>	<p>Complied</p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>6.3.2 The system resolves disputes in an effective, timely and appropriate manner.</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• PMU Pukin grouping have procedure for handling compensation claim in an effective, timely and appropriate manner.</li> </ul>	<p>Complied</p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>6.3.3 The system is open to any affected parties.</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• The resolution procedure for handling compensation claim is open to any affected parties upon request and available at Pukin Palm Oil Mill office</li> </ul>	<p>Complied</p>
<p><b>Criterion 6.4</b> Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities<sup>1</sup> and other stakeholders to express their views through their own representative institutions.</p>			
<p><b>Assessment</b></p>	<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>6.4.1 Establishment of a procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation.</p> <p><b>Major compliance</b></p>	<ul style="list-style-type: none"> <li>• There were no borders at estates in Pukin grouping which were adjacent to any villages or native land.</li> <li>• Therefore no has been no records of any negotiation or compensation pertaining to this criteria.</li> <li>• No changes in status as of audit day hence no negotiation or compensation pertaining to this criterion</li> </ul>	<p>Complied</p>

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Annual Surveillance Assessment (ASA-01) R2020/10-2	6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented. This takes into account gender differences in the power to claim rights, ownership and access to land; and long-established communities; differences in ethnic groups' proof of legal versus communal ownership of land. <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>PMU Pukin grouping has documented a procedure for handling compensation claim (including calculating and distributing fair compensation). To the date, there is no dispute by any parties reported.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	6.4.3 The process and outcome of any compensation claims is documented and made publicly available. <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>The procedure for handling compensation claim process are documented and made publicly available upon request.</li> </ul>	Complied

**Criterion 6.5**

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

Assessment	Indicators	Findings and Objective Evidence	Compliance
Annual Surveillance Assessment (ASA-01) R2020/10-2	6.5.1 Documentation of pay and conditions.  <b>Major compliance</b>	<ul style="list-style-type: none"> <li>Basic daily rate for all employees in Pukin grouping estates have met the industry minimum standards which included extra pay under the statutory fringe benefits.</li> <li>The estate managements also provide free housing and treated water supply, subsidized electricity, medical benefits, community halls, mosques and welfare amenities constitutes a decent living for the employees</li> <li>There were positive improvements with regards to salary / pay increment this w.e.f. July 2011 for the estate workers in Pukin grouping. Other benefits were maintained such as free housing and treated water supply, subsidized electricity, medical benefits, community halls, mosques and welfare amenities which constitute a decent living for the employees.</li> <li>Pay and conditions for employees on maternity leave were satisfactorily implemented as per employment contract signed.</li> </ul>	Complied

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Annual Surveillance Assessment (ASA-01) R2020/10-2	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) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit. <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>• Documented employment offer / contract for local as well as migrant workers had been established in compliance with Malaysian labour laws and collective agreements with plantation unions and has covered all labour issues such as working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, employment termination, period of notice.</li> <li>• The employment documents are made available in both Bahasa Malaysia and English and have been explained and adequately understood by the workers (both local and foreign).</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	6.5.3 Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Local - Workers' Minimum Standard of Housing and Amenities or above, where no such public facilities are available or accessible (not applicable to smallholders). <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>• PMU Pukin grouping has provided adequate housing, water supplies, medical, educational and welfare amenities in accordance with Local - Workers' Minimum Standard of Housing and Amenities</li> </ul>	Complied
<p><b>Criterion 6.6</b> The employer respects the right 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>			
Assessment	Indicators	Findings and Objective Evidence	Compliance
Annual Surveillance Assessment (ASA-01) R2020/10-2	6.6.1 Documented minutes of meetings with main trade unions or workers representatives.  <b>Major compliance</b>	<ul style="list-style-type: none"> <li>• The published statements of policy which recognizes the employee's freedom of association, was noted to be available in a few native languages including Bahasa Malaysia, English and some local native languages.</li> <li>• Due to the restrictions stated in Immigration Act 1959/63, in which foreign employees are not allowed to form or be affiliated to any society or association, the estate management had formed the ECC as an alternative mechanism to cater to the collective bargaining needs of the workers.</li> <li>• Results of ECC meetings were minuted and available</li> <li>• The policy statements which recognizes the employee's freedom of association</li> <li>• These were widely displayed in local languages and English. ECC was functional in Pukin grouping estates and their meetings were minuted, distributed accordingly and available as records.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	6.6.2 A published statement in local languages recognizing freedom of association. <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>• The PMU has published statement (in local languages) recognizing freedom of association which was available at the Pukin Palm Oil Mill office.</li> </ul>	Complied





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<b>Criterion 6.7.</b> Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.			
Assessment	Indicators	Findings and Objective Evidence	Compliance
Annual Surveillance Assessment (ASA-01) R2020/10-2	6.7.1 Documentary evidence that minimum age requirement is met.  <b>Major compliance</b>	<ul style="list-style-type: none"> <li>• There was no evidence of any child labor being used at the estates of Pukin grouping.</li> <li>• The Child Labour policy adopted by estate managements on had stated that the minimum age of workers is 19 years. Site inspection of the employment records in all estates confirmed that this has been complied.</li> <li>• Crèche' were established to cater to the proper education of the workers children.</li> <li>• Inspections of the employment records including field trips in the estates of Pukin grouping confirmed that this criterion has been complied.</li> </ul>	Complied
<b>Criterion 6.8</b> Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
Assessment	Indicators	Findings and Objective Evidence	Compliance
Annual Surveillance Assessment (ASA-01) R2020/10-2	6.8.1 A publicly available equal opportunities policy.  <b>Major compliance</b>	<ul style="list-style-type: none"> <li>• An Equal Job Opportunity Policy was adopted by the estate management was displayed in the places where workers usually gather such as the estate administration offices, community halls, crèche, health clinics and housing blocks.</li> <li>• Payment slips were also inspected in all estates in order to ensure no discrimination in daily rate between workers, unfair deduction of wages and proper wage payment for work done during the rest days as reflected in the payment slips issued.</li> <li>• There was no negative feedback on any form of discrimination from the private interviews conducted with the interviewees, and from the payment slips inspection.</li> <li>• 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 Pukin grouping of the employment records including migrant workers, pay slips and deductions of wages (according to law) confirmed that this criteria has been complied. No negative feedback received from the interviews conducted.</li> </ul>	Complied
Annual Surveillance Assessment (ASA-01) R2020/10-2	6.8.2 Evidence that employees and groups including migrant workers have not been discriminated against.  <b>Minor compliance</b>	<ul style="list-style-type: none"> <li>• Based on interview and feedback from stakeholders, workers and local communities there has been no issue of discrimination at the PMU.</li> </ul>	Complied
<b>Criterion 6.9</b> A policy to prevent sexual harassment and all other forms of violence against women and to protect their productive rights is developed and applied.			
Assessment	Indicators	Findings and Objective Evidence	Compliance

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<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>6.9.1 A policy on sexual harassment and violence and records of implementation.</p> <p><b>Major compliance</b></p>	<ul style="list-style-type: none"> <li>• The established social policy has covered aspects on sexual harassment, gender and women reproductive rights.</li> <li>• There was a documented procedure on the management of sexual harassment.</li> <li>• Pregnant and breastfeeding women were exempted from work associated with potentially hazardous chemicals and were given light duties such as work in and around the office and crèche.</li> <li>• There was a gender committee specifically to address areas of concern to women. This committee was headed by the manager and, has representatives from all areas of work. The minutes of meetings were documented and kept.</li> <li>• The policy statements which recognize sexual harassment, gender and women reproductive rights were widely available and displayed in local languages and English. There were functional gender committee(s) specifically to address areas of concern to women and noted no negative feedback received from the interviews conducted. Their minutes of meetings were documented, kept and could be retrieved during audit.</li> </ul>	<p>Complied</p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>6.9.2 A specific grievance mechanism is established.</p> <p><b>Major compliance</b></p>	<ul style="list-style-type: none"> <li>• Under PMU Pukin grouping policy, management of PMU Pukin grouping has take all precaution to prevent sexual harassment and violence against women and to protect their productive rights is developed and applied. Based meeting minutes on PMU Pukin grouping and employees, the grievance mechanism that has been established will be used if issue raise</li> </ul>	<p>Complied</p>
<p><b>Criterion 6.10</b> Growers and mills deal fairly and transparently with smallholders and other local businesses.</p>			
<p><b>Assessment</b></p>	<p><b>Indicators</b></p>	<p><b>Findings and Objective Evidence</b></p>	<p><b>Compliance</b></p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>6.10.1 Pricing mechanisms for FFB and inputs/services shall be documented.</p> <p><b>Major compliance</b></p>	<ul style="list-style-type: none"> <li>• All the estates in the Pukin grouping do not have any dealings with smallholders.</li> <li>• There was also no evidence to suggest of any unfair business practices with the local businesses.</li> <li>• No changes with regards to dealing with smallholders since last year and no evidence to suggest of any unfair business practices with the local businesses.</li> </ul>	<p>Complied</p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>6.10.2 Current and past prices paid for FFB shall be publicly available.</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• PMU Pukin grouping has record and documented all data on current and past prices paid for FFB. This are found available upon request</li> </ul>	<p>Complied</p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>6.10.3 Evidence that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• Based on employee contract and meeting minute (between PMU Pukin management and employee) it is sighted that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</li> </ul>	<p>Complied</p>



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Annual Surveillance Assessment (ASA-01) R2020/10-2	6.10.4 Agreed payments shall be made in a timely manner.  Minor compliance	<ul style="list-style-type: none"> <li>The Mill and estates was found to have practiced settlement of agreed payments in a timely manner.</li> <li>Samples of payments made and the acknowledgement of receipts /signed dates were scrutinized and noted to be in order.</li> <li>All FFB were supplied from the IOI owned estates and there were no dealings with any smallholders or middlemen for the FFB supply.</li> </ul>	Complied
<b>Criterion 6.11</b>			
Growers and millers contribute to local sustainable development wherever appropriate.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>
Annual Surveillance Assessment (ASA-01) R2020/10-2	6.11.1 Demonstrable contributions to local development that are based on the results of consultation with local communities.  Minor compliance	<ul style="list-style-type: none"> <li>The PMU was found to have contributed positively to CSR for development of local communities. CSR activities include organizing local sports activities, donations made to local communities for religious occasions, hiring local workers where available, permission for local communities to use estate facilities for religious and sports activities, supporting education activities children of local staff/workers, and providing free services to local people who require immediate medical attention at their clinics.</li> </ul>	Complied

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

The PMU has a procedure for this development but has not carried any new plantings since November 2005. Plans were available for replanting according to Principle 7, subject to the EIA and other regulatory approval.

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

<b>Criterion 8.1</b>			
Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.			
<b>Assessment</b>	<b>Indicators</b>	<b>Findings and Objective Evidence</b>	<b>Compliance</b>

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<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>Demonstrate progressive improvement to the following but not limited to: 8.1.1 Minimize use of certain pesticides (C4.6)</p> <p><b>Major compliance</b></p>	<ul style="list-style-type: none"> <li>• Continuous improvements in key operations have been developed at the Pukin Grouping-PMU which were regularly monitored and reviewed. Under the Integrated Pest Management (IPM) program, for pest control and reduction in the consumption of chemical pesticides. There were increasing efforts made through the use of direct bio-control methods such as the cultivation of beneficial plants, the introduction of waste pollution and reduction programs including the recycling of materials i.e. the central collection and disposal of scrap iron collected from the renovations of older buildings and structures.</li> <li>• Continuous improvements in key operations have been reviewed in 2011 at the Pukin Grouping-PMU and were regularly monitored .It was noted that the growers are actively seeking to identify alternatives to paraquat and a join study with BASF was in progress (refer also section 4.6).</li> <li>• The use of Paraquat had been reduced during the last few years and eventually stopped by the end of 2011.</li> </ul> <p>Refer also to website link: <a href="http://www.ioigroup.com/business/busi_agritech.cfm">http://www.ioigroup.com/business/busi_agritech.cfm</a></p>	<p>Complied</p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>8.1.2 Environmental Impacts (C5.1)</p> <p><b>Major compliance</b></p>	<ul style="list-style-type: none"> <li>• Maintained EIA had been carried out, report of which would be available soon, as replanting exercise would begin soon in the Group Estates.</li> </ul> <p>Refer also website link: <a href="http://www.ioigroup.com/Corporateresponsibility/environment_plantation.cfm">http://www.ioigroup.com/Corporateresponsibility/environment_plantation.cfm</a></p>	<p>Complied</p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>8.1.3 Maximizing recycling and minimizing waste or by-products generation.</p> <p><b>Major compliance</b></p>	<ul style="list-style-type: none"> <li>• Land application of POME had been carried out on Pukin 2 Estate at Field 95B over 52 ha; Field 95A over 18 ha; and Field 94D over 10.9 ha, giving a total of 80.9 ha.</li> <li>• EFB had been applied in the fields to improve the soil structure in addition to the recycling of nutrients to the soil during decomposition.</li> </ul>	<p>Complied</p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>8.1.4 Pollution prevention plans (C5.6)</p> <p><b>Major compliance</b></p>	<ul style="list-style-type: none"> <li>• Shower rooms, lockers for clean clothes, and a washing machine had been provided on each estate as part of the pollution prevention plans.</li> </ul>	<p>Complied</p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>8.1.5 Social Impacts (C6.1)</p> <p><b>Major compliance</b></p>	<ul style="list-style-type: none"> <li>• PMU Pukin grouping has identified the social impact, implemented and monitored the plan to mitigate the negative impacts and promote the positive ones are, to demonstrate continuous improvement.</li> </ul>	<p>Complied</p>
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>8.1.6 A mechanism to capture the performance and expenditure in social and environmental aspects.</p> <p><b>Minor compliance</b></p>	<ul style="list-style-type: none"> <li>• Expenditure in social and environmental aspects had been included in the accounting system under separate items.</li> </ul>	<p>Complied</p>

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



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The RSPO Supply Chain Certification model applied at Pukin POM during this Main Assessment is Module D – CPO Mills: Segregation (SG)

Details of findings are as follows:

D.1 Documented procedures			
Assessment	Indicators	Findings and Objective Evidence	Compliance
Annual Surveillance Assessment (ASA-01) R2020/10-2	D.1.1 The facility 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: a) Complete and up to date procedures covering the implementation of all the elements in these requirements	<b>SCC Module D (SG)</b> <ul style="list-style-type: none"> <li>Standard Operation Procedure Doc. No. RSPOSC/SOP/SG/3 Issue No. 03 dated 15 Sep 2012 documented the implementation of a Segregation (SG) model Supply Chain Certification at the Palm Oil Mill, that included all the requirements for controlling the FFB receipt, processing, sales, CPO and PK dispatch, training and claims for Module D - Segregation for the Palm Oil Mill. Verified that all the elements of the supply chain requirements were implemented.</li> <li>Audit interviews with the Palm Oil Mill, Mr. Jerome Lai and the operations staff further confirmed that;               <ol style="list-style-type: none"> <li>he had the overall responsibility and authority over the implementation of the requirements of Module D.</li> <li>he and other relevant staff under his charge demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard Module D requirements for the respective areas of operations.</li> <li>The Palm Oil Mill Organization Chart and job responsibilities of employees (Mill Manager, Assistant Manager, Engineers, Assistant Engineers, Security Officer, Weighbridge Operator, Lab Attendant, Chief Clerk) documented in Standard Operation Procedure StOP/MST/001 Issue no. 1 dated 23 Jun 2011</li> </ol> </li> </ul>	Complied
	b) The name 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 facilities procedures for the implementation of this standard.		Complied
	D.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	<ul style="list-style-type: none"> <li>Verified from receiving documents (FFB Dispatch Chit and Weighbridge Ticket) and production records that the Palm Oil Mill receives all FFB supplied from certified sources i.e. their own 4 estates and certified FFB from other IOI PMUs within the region. <b>See details in section 1.8 of this report.</b></li> <li>Confirmed that there was no supply of FFB from sources which were non-certified.</li> </ul>	Complied
D.2 Purchasing and goods in			
Assessment	Indicators	Findings and Objective Evidence	Compliance
Annual Surveillance Assessment (ASA-01) R2020/10-2	D.2.1 The facility shall verify and document the volumes of certified and non-certified FFBs	<ul style="list-style-type: none"> <li>All supplies of FFB were subjected to verification of FFB Dispatch Chit by weighbridge personnel and quality checks (Grading Chit) by Lab</li> </ul>	Complied



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	<p>received.</p> <p>D.2.2 The facility shall inform the CB immediately if there is a projected overproduction.</p>	<p>Attendant to determine the origin, quantity and quality of the FFB. The FFB Dispatch Chit indicated the date, vehicle no., estate &amp; field no., harvesting date, seal no., and weight.</p> <ul style="list-style-type: none"> <li>• Daily Record on purchase/receipt of FFB detailed the supplying estates (as identified in section 1.8 ), time in/out, weighbridge ticket no., vehicle no., weight (gross, tare &amp; nett), OER, bunch weight, bunch quality. FFB Quality Report detailed the Supply Estate, nett weight, OER, bunch quality.</li> <li>• Monthly FFB and CPO/PK Report and YTD (Year to date) Report for the period Jan 2012 to date were audited / verified and found to have complied with requirements of the Segregated (SG) module whereby the Palm Oil Mill received and processed FFB from its own 4 estates and IOI certified estates.</li> <li>• The documented Standard Operation Procedure Doc. No. RSPOSC/SOP/SG/3 Issue No. 03 dated 15 Sep 2012 specified an internal monitoring and reporting mechanism for notifying the CB of production variations that includes projected overproduction.</li> </ul>	<p>Complied</p> <p>Complied</p> <p>Complied</p>
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**D.3 Record keeping**

Assessment	Indicators	Findings and Objective Evidence	Compliance
<p>Annual Surveillance Assessment (ASA-01) R2020/10-2</p>	<p>D.3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.</p> <p>D.3.2 Retention times for all records and reports shall be at least five (5) years.</p> <p>D.3.3 The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.</p> <p>D.3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.</p>	<ul style="list-style-type: none"> <li>• Records of transaction (goods in and goods out) and production records of FFB, CPO and PK found to be done daily and monthly.</li> <li>• The SOP stated a retention period of 5 years for all records and reports. Pertinent records and reports are properly filed, accessible and retrievable.</li> <li>• A volume balance recording system was implemented to show the FFB deliveries, CPO and PK production and dispatch that were balanced every month.</li> <li>• Stamp prepared for indicating the SG Module of the Supply Chain model as 'RSPO CSPO/SG' on the relevant documents (FFB delivery document, weighbridge ticket, sales contracts, delivery orders, etc.). The documents had been stamped for the SG Module were presented, e.g. 'RSPO CSPO/SG, Cert No: xxxxx'.</li> </ul>	<p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p>

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D.4 Sales and good out			
Assessment	Indicators	Findings and Objective Evidence	Compliance
Annual Surveillance Assessment (ASA-01) R2020/10-2	<p>D.4.1</p> <p>The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:</p> <p>a) The name and address of the buyer;</p> <p>b) The date on which the invoice was issued;</p> <p>c) A description of the product, including the applicable supply chain model (Segregated);</p> <p>d) The quantity of the products delivered;</p> <p>e) Reference to related transport documentation.</p>	<ul style="list-style-type: none"> <li>• Sales and dispatch of CPO and PK with the identification of contract number. Dispatched CPO and PK found to be accompanied by relevant documents such as weighbridge ticket, delivery order, gate pass, MPOB L3 Form that clearly state the following:               <ul style="list-style-type: none"> <li>- Name and address of the buyer</li> <li>- Date of issue</li> <li>- Description of the product including the Supply Chain model SG (Segregation)</li> <li>- Quantity of product</li> <li>- Inspection Checklist of CPO tankers &amp; PK delivery lorries.</li> </ul> </li> </ul>	Complied

D.5 Processing			
Assessment	Indicators	Findings and Objective Evidence	Compliance
Annual Surveillance Assessment (ASA-01) R2020/10-2	<p>D.5.1</p> <p>The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that it has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical materials; ( up to 5 % contamination is allowed)</p> <p>D.5.2</p> <p>The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.</p> <p>D.5.3</p> <p>In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that:</p> <p>a) The crush operator conforms</p>	<ul style="list-style-type: none"> <li>• The processing facility has established and implemented a clear procedure and mechanism for the RSPO CSPO/SG module. Review and on-site verification confirmed that the mechanism was implemented and in compliance with the module requirements during receipt, transport and storage. No contamination to the segregated physical material.</li> <li>• The following audit findings confirmed that the mill has demonstrated full compliance of D5.1 to D 5.3 including avoidance of contamination from uncertified materials.</li> <li>• Documents and records examined found to show evidence of traceability of the CPO and PK produced to the FFB supply. SG module was verified from the production and operational controls and records for the January to October 2012 production and the requirements found to be met.</li> <li>• CPO produced was stored in Storage Tank nos.1 to 4, whilst the PK produced was stored in PK Bunker no.1 to 4.</li> <li>• There is no PK crushing in the Palm Oil Mill. All</li> </ul>	<p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p>



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	<p>to these requirements for segregation</p> <p>b) The crush is covered through a signed and enforceable agreement</p>	<p>PK are sold and dispatched to Felda Johor Bulklers at Pasir Gudang for crushing. All CPO and PK from the Palm Oil Mill are delivered out to Felda Johor Bulklers at Pasir Gudang, Johor (warehouse storage) and eventually sold to IOI Refinery at Pasir Gudang, Johor.</p> <ul style="list-style-type: none"> <li>• The sales are covered by a monthly contract with specified quantity and quality requirements (% FFA, % moisture, DOBI, dirt).</li> <li>• Dispatch of CPO and PK to the external warehouse and buyer was carried out with relevant documents appropriately signed and traceable to the contracts.</li> </ul>	Complied
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D.6 Training			
Assessment	Indicators	Findings and Objective Evidence	Compliance
Annual Surveillance Assessment (ASA-01) R2020/10-2	D.6.1 The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	<ul style="list-style-type: none"> <li>• Training for all mill personnel had been done on 2 July 2012 and records evidenced and maintained. Interviews conducted with mill personnel confirmed their awareness and knowledge of SG module.</li> </ul>	Complied

D.7 Claims			
Assessment	Indicators	Findings and Objective Evidence	Compliance
Annual Surveillance Assessment (ASA-01) R2020/10-2	D.7.1 The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Rules for Communication and Claims.	<ul style="list-style-type: none"> <li>• Based on the records verified at site, there have been no claims that can constitute a breach of the RSPO Rules for Communications and Claims as to date.</li> </ul>	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 Pukin POM has been able to comply with the requirements of the RSPO SCCS under the 'SG' module and is thus eligible for 'SG' trading for its palm products for year 2012/2013.

### 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)
Initial / Main Assessment	2010	1- Major & 4- Minor	7
Annual Surveillance - 01	2012	2 - Minor	-





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**Main Assessment (Y2010):**

NCR #	MYNI Indicator	Details of NCR		
01 / 5 Major	4.6.5	Date issued: 12 December 2010	Date due (reply): Within 30 days	Date closed: 9 November 2012
		Nonconformance: In year 2009 till current in December 2010, the estates within the grouping did not send all workers who were exposed to chemicals for the annual medical surveillance by the Occupational & Health Dept. e.g. at the Segamat estate, in 2009 - only 2 employees and in 2010 - only 6 employees out of a total of 43 workers were medically examined.		
		Root Cause and Corrective Action (replied): All workers needing the annual medical surveillance as per CHRA findings have been examined as per List attached.		
		Verification (on-site): Documented evidence submitted was acceptable after review and was verified. Effectiveness of implementation was confirmed during Surveillance assessment. NCR was closed on 9 November 2012 (on-site).		

NCR #	MYNI Indicator	Details of NCR		
02 / 5 Minor	6.5.2	Date issued: 12 December 2010	Date due (reply): Within 30 days	Date closed: 9 November 2012
		Nonconformance: The 'Surat Tawaran Bekerja Sebagai Pekerja Ladang' did not reflect the current and actual practices of the estates within the grouping e.g. the wage rate, levy and current signatory.		
		Root Cause and Corrective Action (replied): Memo was issued by Human Resource Manager (Plantation Division) to all operation centres. Samples of updated contract and copies were attached.		
		Verification: Documented evidence submitted was acceptable after review and was verified. Effectiveness of implementation was confirmed during Surveillance assessment. NCR was closed on 9 November 2012 (on-site).		

NCR #	MYNI Indicator	Details of NCR		
03 / 5 Minor	4.4.7	Date issued: 12 December 2010	Date due (reply): Within 30 days	Date closed: 9 November 2012
		Nonconformance: The Pukin Oil Mill's pump house (raw water intake point) used for human consumption / domestic purposes was not secured and was lacking in warning and safety precaution signages.		
		Root Cause and Corrective Action (replied): Raw water Pump House was secured and SOPs including appropriate signage(s) (photograph attached).		



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		<p>Verification:</p> <p>Documented evidence submitted was acceptable after review and was verified. Effectiveness of implementation was confirmed during Surveillance assessment. NCR was closed on November 2012 (on site).</p>
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NCR #	MYNI Indicator	Details of NCR		
04 / 5 Minor	4.4.7	Date issued: 12 December 2010	Date due (reply): Within 30 days	Date closed: 9 November 2012
		<p>Nonconformance:</p> <p>1) The tube well located at 0311 at Shahzan 1 estate was noted to be exposed to pesticide spraying, hence the raw water samples should be tested for Group 4 (pesticides) under Ministry of Health's (MOH) Drinking water standard 2009.</p> <p>2) The tube well area is not secured. Warning and safety precaution signages should be prominently displayed.</p>		
		<p>Root Cause and Corrective Action (replied):</p> <p>The tube well secured, appropriate warning signage(s) and actions taken (photograph was attached) testing of pesticide residual from the tube well's raw water sample conducted and certificate of analysis provided.</p>		
		<p>Verification:</p> <p>Documented evidence submitted was acceptable after review and was verified. Effectiveness of implementation was confirmed during Surveillance assessment. NCR was closed on 9 November 2012 (on site).</p>		

NCR #	MYNI Indicator	Details of NCR		
05 / 5 Minor	5.2.1	Date issued: 12 December 2010	Date due (reply): Within 30 days	Date closed: 9 November 2012
		<p>Nonconformance:</p> <p>1) The HCV assessment dated 1<sup>st</sup> October 2010 for the Pukin PMU estates and Oil Mill has not included the 'Chinese Shrine' located near the Assistant Estate Manager's bungalow at block 0311, Shahzan 1 &amp; 2 estates.</p> <p>2) The aforesaid HCV assessment report has not considered the three ponds at the Shahzan 1 &amp; 2 estates for HCV status.</p>		
		<p>Root Cause and Corrective Action (replied):</p> <p>The HCV assessment dated 1<sup>st</sup> October 2010 for the Pukin PMU estates and Oil Mill revised in December 2010 have included the Chinese Shrine (Taoist Shrine) which has been assessed. Additionally, reported in the HCV status findings were the three ponds identified.</p>		
		<p>Verification (for effective closure – on site):</p> <p>Documented evidence submitted was acceptable after review and was verified. Effectiveness of implementation was confirmed during Surveillance assessment. NCR was closed on 9 November 2012 (on site).</p>		

**Year 2012: Annual Surveillance Assessment, ASA-01**

NCR #	MYNI Indicator	Details of NCR		
1 / 4	2.2.3.1	Date issued: 9 November 2012	Date due: (Within 30 days of NCR issuance)	Date closed: (Next Surveillance)

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Minor		<p><b>Nonconformance:</b> At Shahzan 2 estate, the boundary markers along the perimeter adjacent to State owned land and other smallholders are not adequately maintained and the current status at neighbouring perimeters have not been updated.</p> <p><b>Root Cause and Corrective Action (replied):</b> The boundary markers were difficult to locate due to overgrowth at many points along the perimeter and boundary of the estate. Maintenance of boundary markers will be done and indicated in the estate maps.</p> <p><b>Verification (for effective closure – on site):</b> Corrective active plan and supporting documents submitted has been verified to be acceptable. (Note: Above reply received on 4 Dec 2012). Verification to be done next surveillance.</p>		
2 / 4 Minor	4.1.2	Date issued: 9 November 2012	Date due: (Within 30 days of NCR issuance)	Date closed: (Next Surveillance)
		<p><b>Nonconformance:</b> Chemicals used for circle spraying and selective spraying were not completely recorded in the daily costing records at Segamat estate e.g. data was not complete from 01/10/11 to 10/10/11 in Field PM 04D.</p> <p><b>Root Cause and Corrective Action (replied):</b> The recording for daily costing records was not consistently done as the personnel were not aware or well trained. Training on the Chemical costing recording was done on 19/11/12 and review of daily records is now closely monitored by Field Supervisors and Assistant Estate Managers.</p> <p><b>Verification (for effective closure – on site):</b> Corrective active plan and supporting documents submitted has been verified to be acceptable. (Note: Above reply received on 4 Dec 2012). Verification to be done next surveillance.</p>		
		<p><b>Nonconformance:</b> EFB mulching in the inter-row of mature palms had been spread in heaps of up to 4 layers e.g. at Field 94D at Pukin estate. This is not in accordance with the company procedure which states EFB should be spread in the inter-row in a single layer.</p> <p><b>Root Cause and Corrective Action (replied):</b> The procedure was not strictly followed and monitored by the field personnel. Training was provided to EFB shovel driver on EFB application as the procedure on 19/11/2012</p> <p><b>Verification (for effective closure – on site):</b> Corrective active plan and supporting documents submitted has been verified to be acceptable. (Note: Above reply received on 4 Dec 2012). Verification to be done next surveillance.</p>		
3 / 4 Minor	4.2.3	Date issued: 9 November 2012	Date due: (Within 30 days of NCR issuance)	Date closed: (Next Surveillance)
		<p><b>Nonconformance:</b> EFB mulching in the inter-row of mature palms had been spread in heaps of up to 4 layers e.g. at Field 94D at Pukin estate. This is not in accordance with the company procedure which states EFB should be spread in the inter-row in a single layer.</p> <p><b>Root Cause and Corrective Action (replied):</b> The procedure was not strictly followed and monitored by the field personnel. Training was provided to EFB shovel driver on EFB application as the procedure on 19/11/2012</p> <p><b>Verification (for effective closure – on site):</b> Corrective active plan and supporting documents submitted has been verified to be acceptable. (Note: Above reply received on 4 Dec 2012). Verification to be done next surveillance.</p>		
		<p><b>Nonconformance:</b> At Segamat estate, the bund capacity for the diesel tank was insufficient. to contain at the minimum of 110% of the diesel tank volume.</p>		
4 / 4 Minor	5.3.2	Date issued: 9 November 2012	Date due: (Within 30 days of NCR issuance)	Date closed: (Next Surveillance)
		<p><b>Nonconformance:</b> At Segamat estate, the bund capacity for the diesel tank was insufficient. to contain at the minimum of 110% of the diesel tank volume.</p>		



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	<p>Root Cause and Corrective Action (replied): Estate personnel were not aware of the capacity of the bunding made. The estate has appointed a contractor to extend the height of the bunding from current 0.57m to 1.1 m by December 2012 which will be able to meet the 110% capacity needed.</p>
	<p>Verification (for effective closure – on site): Corrective active plan and supporting documents submitted has been verified to be acceptable. (Note: Above reply received on 4 Dec 2012). Verification to be done next surveillance.</p>

**Summary of Observations:**

The status of the Observations (OBS) identified in during the Main Assessment including updates on the improvements made and new observations identified during current assessment are detailed as per below.

Note: The progress made on the observations listed will be reviewed during the subsequent surveillance assessments on the action and implementations taken.

**Main Assessment (Y2010)**

OBS	MYNI Indicator	Details of Observation ( Main Assessment)	
01/7	4.5.2	Date issued: 12 December 2010	Date due: 1 <sup>st</sup> Surveillance
		<p>Observation: The number of barn owl boxes in the estates is found to be below the target set by the company (i.e. 1 box to 15 hectare). The level required be reviewed and be set in accordance with the monitoring done on the rat bait dosages at the estates and severity of the situation.</p>	
		<p>Follow up Verification: Verified that level of barn owl boxes and rat bait dosages at the estates has been satisfactorily reviewed during surveillance in November 2012.</p>	
02/7	4.6.7	Date issued: 12 December 2010	Date due: 1 <sup>st</sup> Surveillance
		<p>Observation: There was no 'Fuller's earth' available in all the clinics at the estates and no alternative was prepared in case of an emergency.</p>	
		<p>Follow up Verification: Verified that 'Fuller's earth' was available in all clinics at the PMU estates during surveillance in November 2012.</p>	
03/7	6.9	Date issued: 12 December 2010	Date due: 1 <sup>st</sup> Surveillance
		<p>Observation: A report on a sexual harassment case was not treated with proper confidentiality at the estates.</p>	
		<p>Follow up Verification: Verified that cases of any sexual harassment were satisfactorily handled and proper confidentiality was maintained at the PMU estates.</p>	
04/7	6.9	Date issued: 12 December 2010	Date due: 1 <sup>st</sup> Surveillance
		<p>Observation: There was no training provided for the male workers on sexual harassment at all the estates within the PMU.</p>	

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		Follow up Verification: Verified that training had been provided on sexual harassment to all workers the PMU estates	
05/7	4.3.5	Date issued: 12 December 2010	Date due: 1 <sup>st</sup> Surveillance
		Observation: It was noted at the Pukin estate (i.e. at PR10A), that leguminous cover has not been established at certain sections of the immature area, which should be established when the ground condition was ready.	
		Follow up Verification: Verified that leguminous cover had been properly established at the immature areas at the estates.	
06/7	5.2	Date issued: 12 December 2010	Date due: 1 <sup>st</sup> Surveillance
		Observation: The HCV assessment reports can be enhanced by having more photographs of species identified during the assessments performed. The HCV report dated 1 <sup>st</sup> October 2010 should also identify as many common species i.e. mammals, birds and fishes found in the estate(s) environment e.g. egrets, herons and long tail macaque. Cooperation with the forestry/land department can be further enhanced to gather information on the wildlife near the land boundaries. The knowledge of species particularly ERT species at the boundaries could significantly affect conservation status (e.g. IUCN status) which can be covered more in depth in the HCV reports.	
		Follow up Verification: Verified that HCV reports available at the PMU estates were annually reviewed and had included documentation and details of the various wildlife species sighted and these were monitored.	
07/7	5.2	Date issued: 12 December 2010	Date due: 1 <sup>st</sup> Surveillance
		Observation: HCV biodiversity areas / forests type 6 e.g. church, temples, shrines, surau/mosques, cemetery etc has been appropriately identified for PUKIN GROUPING-PMU estates and mill based on the assessment report dated 1 <sup>st</sup> October 2010. However, the HCV(s) actual boundaries, dimensions / hectareage and the latitude & longitude (where not fully determined yet) could be further defined for future reference.	
		Follow up Verification: Verified that HCV areas were properly identified and marked out at the estate maps.	

**Observation (Year 2012): Nil**

### 3.2.2 Identified Positive Elements

1. Continued support provided to the children of the local community and estate workers such as through the financial funding of the school upkeep and social activities notably at Segamat estate.
2. The continued function of the Employees Consultative Committee (ECC) which has encouraged more gender and workers representation for solving internal disputes and making improvements.
3. The continued promotion of Safety and Health practices is prominently evidenced at the mill and estates.
4. The increased use of water buffaloes, as evidenced at the estates of Shahzan 1 and 2 during FFB harvesting activities being part of the emissions reduction programs.



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**3.3 Feedback from Stakeholders and Findings**

During this Annual Surveillance Assessment, all pertinent feedback received via stakeholder notification and consultations were reviewed and followed up for verification and was incorporated into the report findings.

**3.3.1 Stakeholders feedback during on Pukin Grouping, PMU response and MICM verification / comments**

There was no negative issue / feedback from the Local Government Agencies, NGOs, Local Community leaders which were invited for comment on the assessment on the Pukin Grouping PMU. Comments reported in the earlier RSPO Summary reports including those performed by other CBs on the other estates within the said PMU region were reviewed with no recent adverse issues needing our further verification.

A summary of the feedback communicated to MICM is tabulated below:

Stakeholders' Feedback	PMU Response	MICM verification / comments
<b>Government Agencies</b>		
Malaysian Palm Oil Board (Datuk Dr. Choo Yuen May) via email of 8 October 2012: <ul style="list-style-type: none"> <li>Informed no current issue</li> </ul>	Ongoing consultation with MPOB will be maintained.	Verified during on-site assessment at Pukin PMU that MPOB requirements and reporting has been adhered to.
<b>Non-Governmental Organizations</b>		
Nil	Nil	Nil
<b>Local Communities</b>		
The on-site consultation and feedback session on 8 November 2012 had a total of 24 persons from the local community (comprising 16 Contractor representatives and 8 Neighbouring smallholders) <ul style="list-style-type: none"> <li>Overall the feedback given ranged from satisfactory to good level on the matters pertaining to socio-economic conditions such as infrastructure, road access and maintenance, worker safety, employment and business opportunity and payment terms.</li> <li>Stakeholders generally confirm that the PMU has taken adequate positive measures in the environmental related issues such as protection of water sources and prevention of pollution and soil erosion.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing social impact and consultations with contractors will be maintained.</li> </ul> Ongoing mitigation of any negative social and environmental impacts and consultations with local communities will be maintained.	Verified during on-site assessment at Pukin PMU that no significant social issues has arisen (see report details under P&C 4,5,6 & 8)
<b>Other Interested parties</b>		
Nil	Nil	Nil

However, there were 2 cases on dispute i.e. at Sarawak, Malaysia and at Kalimantan, Indonesia that involved the IOI Plantation Group which is still being resolved. Details on the status as updated till July 2012 are as per below:



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**3.4 Feedback and response to Stakeholders comments on the other Management units of the IOI Group of Plantations and MICM verification. (Refer to RSPO Certification Systems document, para. 4.2.4)**

Background information: On the 26<sup>th</sup> September 2011, the RSPO Secretariat via a public announcement uploaded at the RSPO website, effectively suspended the new RSPO certifications for the IOI Group due to the following circumstances as extracted (website link: [http://www.rspo.org/news\\_details.php?nid=97](http://www.rspo.org/news_details.php?nid=97)):

### **3.4.1 Breach of RSPO Code of Conduct 2.3 & Certification Systems 4.2.4 (c)**

Historical: On March 30th, 2011, a formal letter was sent to IOI Research Centre and IOI Corporation Berhad (IOI) on complaints raised by several Non Governmental Organizations namely Migros, Friends of the Earth and Grassroots as well as the local community of Long Teran Kanan in Sarawak.

The statement indicated that the RSPO Grievance Panel has taken several measures against IOI for breaching two core membership mandates and obligations:

1. RSPO's Code of Conduct 2.3: members will commit to open and transparent engagement with interested parties and actively seek resolution of conflict
2. RSPO's Certification Systems 4.2.4 (c): Organizations with more than one management unit and/or that have a controlling holding in more than one autonomous company will be permitted to certify individual management units and/or subsidiary companies only if there are no significant land conflicts, no replacement of primary forest or any area containing HCVs since November 2005, no labour disputes that are not being resolved through an agreed process and no evidence of non-compliance with law in any of the non-certified holdings.

The measures announced in the public announcement on March 31st 2011 included:

1. The suspension of the current and ongoing certification process of all IOI group's activities with effect from date of announcement.
2. The provision of 28 days to the IOI group to revert with an acceptable solution to these matters, which preferably should be mutually agreed by parties involved.
3. The stipulation to IOI to publish a statement on this matter on their corporate website.

The suspension was related to the cases of dispute as follows:

#### **Case 1 - Dispute With The Long Teran Community In Sarawak, Malaysia:**

Upon review of reports including discussions and deliberation, the RSPO is pleased to announce that both IOI Corporation Berhad (IOI) and the complainants are now committed to the process of mediation as a means to resolve the dispute. Despite having taken some time to resolve, due to the complexity of the matter, the RSPO views this as a positive progress in the right direction. The lifting of the current suspension of new certification for IOI will be dependent on the progress attained by both parties concerned as a result of the mediation process.

#### **Case 2 - Dispute In Ketapang District, Kallmantan, Indonesia:**

Upon diligent review of the documents submitted to the RSPO, it is concluded that the concerns with regards to drained peat land on wildlife habitat and clearing of HCV of primary forests have not been proven. However, IOI has accepted that some of the procedural requirements by the RSPO with regards to the permits for new plantings were not adequately complied with. In line with this, IOI has arrived at an agreement with RSPO in committing to improvements in operational procedures, as well as to comply with all RSPO requirements moving forward.



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**Lifting of Suspension for New Certifications for IOI Group:**

On 8 May 2012, following an announcement made by RSPO, an interim lifting suspension for the new certifications for IOI Group (except for IOI estates in the state of Sarawak) valid for a period of 6 months. See links below for details and conditions in the communication from RSPO to IOI and related parties dated 3 May 2012:

<http://www.rspo.org/file/RSPO%20letter%20to%20IOI%20LTK%20sNGO%2020120503.pdf>

*Note: A full lifting of suspension for the IOI Group has yet to be officially announced by the RSPO Secretariat since the expiration of the interim suspension in November 2012.*

#### **4.0 Assessment Conclusion and Recommendation**

Based on the findings above, Pukin Grouping had been able to demonstrate its compliance with the RSPO Principles and Criteria (October 2007), Malaysian National Interpretation (MY-NI 2010) and the RSPO Supply Chain Certification Standard (November 2011) for Palm Oil Mill.

Therefore, it is recommended that the certification of Pukin Grouping be approved and continued.

Signed for and on behalf of Moody International Certification (Malaysia) Sdn Bhd

Mr. Augustine Loh  
Lead Assessor

Date: 28 January 2013

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

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

Signed for and on behalf of IOI Corporation Bhd

Mr. Too Heng Liew  
Head of Sustainability

Date: 28 January 2013





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### 4.2 MICM - RSPO Certificate details for Pukin Grouping

Certificate No:	RSPO 927888
Issue date:	13 June 2012
Expiry date:	12 June 2017
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:	Pukin Grouping
Standards:	RSPO Principles and Criteria (October 2007) Malaysian National Interpretation (MY- NI, November 2010) and RSPO Supply Chain Certification Standards (November 2011) for the Palm Oil Mill
Certification scope:	Production of Crude Palm Oil and Palm Kernels
Supply Chain model for CPO & PK:	Segregated (SG)

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

Name	Address	GPS Reference	
		Latitude	Longitude
Pukin Palm Oil Mill (Capacity: 60 MT/hr)	30km, Lebuhraya Tun Abdul Razak, Keratong, Rompin, Pahang	02° 43'07.9" N	102° 54'28.7" E
Pukin Estate	30km, Lebuhraya Tun Abdul Razak, Keratong, Rompin, Pahang	02° 43'07.9" N	102° 54'28.7" E
Shahzan 1 Estate	30km, Lebuhraya Tun Abdul Razak, Keratong, Rompin, Pahang	02° 47'58.5" N	102° 50'56.3" E
Shahzan 2 Estate	36km, Lebuhraya Tun Abdul Razak, Keratong, Rompin, Pahang	02° 48'59.6" N	102° 52'26.5" E
Segamat Estate	Km 5, Jalan Segamat Muar, 85009 Segamat, Johor	02° 29'22.0" N	102° 52'58.5" E

Annual tonnages of CPO and PK production claimed for certification (2011/2012):

FFB Processed (MT) from certified sources	CPO Production claimed for certification (MT)	PK Production claimed for certification (MT)
188,759.58	42,433.15	8,777.32

(End of report - Part 1)

