

IOI Corporation Berhad

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

PLANTATION MANAGEMENT UNIT

Pukin Grouping

Rompin & Maudzam Shah (Pahang), Segamat &
Tangkak (Johor), Malaysia



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Assessment Report

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**ANNUAL SURVEILLANCE ASSESSMENT REPORT
ON RSPO CERTIFICATION**

PUBLIC SUMMARY REPORT

IOI CORPORATION BERHAD

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

PLANTATION MANAGEMENT UNIT
Pukin Grouping

Rompin & Maudzam Shah (Pahang), Segamat & Tangkak (Johor), Malaysia

Certificate No:

RSPO 927888

Issued date:

13 Jun 2012

Expiry date:

12 Apr 2017

Assessment Type

Assessment Dates

Initial Certification (Main Assessment)

8-11 Dec 2010

Annual Surveillance Assessment (ASA-01)

5-9 Nov 2012

Annual Surveillance Assessment (ASA-02)

22-26 Apr 2013

Annual Surveillance Assessment (ASA-03)

08-11 Apr 2014

cum Extension of Scope

Annual Surveillance Assessment (ASA-04)

13-17 Apr 2015

Re-Certification



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1.0 SCOPE OF ASSESSMENT

1.1 Introduction

This Surveillance Assessment was conducted on the Plantation Management Unit (PMU) Pukin Grouping of IOI Corporation Berhad (hereafter abbreviated as IOI), from 13-17 Apr 2015, to assess the organization's operations of the mill and its supply bases for compliance against the RSPO Principles and Criteria (Apr 2013), Malaysian National Interpretation (MYNI 2014) and the RSPO Supply Chain Certification Standard (Nov 2014) for the Palm Oil Mill.

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

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

Pukin Grouping consists of 1 palm oil mill, namely Pukin Palm Oil Mill and 7 estates as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estates. The location maps are provided in **Appendix C**.

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

Name	Address	GPS Reference	
		Latitude	Longitude
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
Leepang A Estate	KM 68, Kuantan-Segamat Highway, 26700 Muadzam Shah, Pahang.	03°00'36" N	103°01'48" E
Laukin A Estate	KM 72, Kuantan-Segamat Highway, 26700 Muadzam Shah, Pahang.	03°01'26" N	103°02'33" E
Bukit Serampang Estate	KM 12, Jalan Sagil-Tangkak, Segamat, 84900, Tangkak, Johor.	02°19'53.65" N	102°41'17.37" E

Note:

Leepang A Estate, Laukin A Estate, and Bukit Serampang Estate (previously certified under a different PMU of IOI) were included into the PMU during the previous ASA-03 cum Extension of Scope assessment.

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1.3 Description of supply base (fruit sources)

The supply base i.e. FFB sources to the POM at Pukin Grouping PMU are from the abovementioned 7 estates which are owned by IOI. Verification done on site during the Surveillance Assessment confirmed that there were no outgrowers / independent suppliers / smallholders involved in the supply of FFB to the said PMU.

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

Table 2: Estate Area Summary – 2014 / 2015

Estate	Area Summary (ha) – 2013 / 2014		Area Summary (ha) – 2014 / 2015	
	Certified (Titled) Area	Planted Area	Certified (Titled) Area	Planted Area
Pukin Estate (Assessed in ASA-01, 02 & 04)	2,437.26	2,188.00	2,437.26	2,188.00
Shahzan 1 Estate (Assessed in ASA-02 & 04)	1,562.95	1,517.00	1,562.95	1,517.00
Shahzan 2 Estate (Assessed in ASA-02)	1,640.77	1,602.00	1,640.77	1,602.00
Segamat Estate (Assessed in ASA-01 & 04)	1,921.62	1,779.00	1,921.62	1,779.00
Leepang A Estate (Assessed in ASA-03)	2403.70	1,829.00	2403.70	1,829.00
Laukin A Estate (Assessed in ASA-03)	1,619.90	1,051.00	1,619.90	1,051.00
Bukit Serampang Estate (Assessed in ASA-03)	2,564.46	2,558.00	2,564.46	2,558.00
Total:	14,150.66	12,524.00	14,150.66	12,524.00
Percentage:	100%	88.50%	100%	88.50%

Notes:

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

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1.4 Summary of plantings and cycle

The 7 estates been developed beginning from 1988 and 2010 and are in the 2nd cycle of planting. The age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm 2014 / 2015

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below
1. Pukin Estate	2007-2010	2 nd	2,188	0
	2004-2007	2 nd		
	1994-2003	1 st		
2. Shahzan 1 Estate	2003	1 st	1,517	0
3. Shahzan 2 Estate	2002-2003	1 st	1,602	0
4. Segamat Estate	2013	2 nd	1,660	119
	2004-2006	2 nd		
	1994-2003	2 nd		
	1989-1993	1 st		
5. Leepang A Estate	2002	1 st	1,829	0
	2001	1 st		
6. Laukin A Estate	2002	1 st	1,051	0
7. Bukit Serampang Estate	2011-2012	2 nd	2,462	96
	2007	2 nd		
	1999-2002	2 nd		
	1993-1998	1 st		
		Total	12,309	215

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1.5 Summary of Land Use - Conservation and HCV Areas

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

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	2013 / 2014 (Annual Surveillance Assessment ASA-03) Hectarage – Ha	2014 / 2015 (Annual Surveillance Assessment ASA-04) Hectarage – Ha
1	Planted Area (ha) – Oil Palm		
	• Mature	12,309	12,309
	• Immature	215	215
2	Conservation Area (ha)		
	• comprising buffer zones along small streams, hilly areas, swampy and unplatable areas	22.77	22.77
3	HCV Area (ha)		
	- comprising buffer zones near forest reserves, water catchments, burial & religious sites	14.89	14.89

1.6 Other certifications held and Use of RSPO Trademarks

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

1.7 Organizational information / Contact Person

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1.8 Tonnages Verified for Certification

1.8.1 The breakdown of all the suppliers and their tonnages of FFB supplied to the POM at Pukin Grouping based on the reporting period for 2014 / 2015 are as shown in Table 5 below:

Table 5: Tonnages Verified for Certification

(Reporting period 01 Jul 2014 until 30 Jun 2015 - Actual 9 months + projected 3 months)

#	Estate /Supplier	FFB Processed (MT)	Main Receiving Palm Oil Mill	RSPO P&C Certification By CB (date)
1.	Pukin estate	47,405.37	Pukin Oil Mill	Intertek (2012)
2.	Segamat estate	41,067.79	Pukin Oil Mill	Intertek (2012)
3.	Shahzan 1 estate	39,204.42	Pukin Oil Mill	Intertek (2012)
4.	Shahzan 2 estate	45,792.12	Pukin Oil Mill	Intertek (2012)
5.	Leepang A estate	45,905.20	Pukin Oil Mill	SIRIM (2010)
6.	Laukin A estate	22,868.32	Pukin Oil Mill	SIRIM (2010)
7.	Bukit Serampang estate	64,163.39	Pukin Oil Mill	SGS (2010)
A	Sub-Total Pukin PMU estates	306,406.61		
8.	Bahau estate	205.32	Gomali Oil Mill	SGS (2010)
9.	Regent estate	98.27	Gomali Oil Mill	SGS (2010)
10.	Sagil estate	414.58	Gomali Oil Mill	SGS (2010)
11.	Jasin Lalang estate	163.30	Gomali Oil Mill	SGS (2010)
B	Sub-Total other IOI certified estates:	881.47		
C	Grand total:	307,288.08		

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

Table 6: FFB Processed by POM for 3-Years Reporting Period

Estate / Supplier	FFB Processed in 2013 / 2014 (01 Jul 2013 – 30 Jun 2014)		FFB Processed in 2014 / 2015 Actual + Projected 3 months (01 Jul 2014 -30 Jun 2015)		FFB Processed for 2015 / 2016 - Projected (01 Jul 2015 - 30 Jun 2016)	
	MT	%	MT	%	MT	%
Pukin Grouping	291,427.15	97.97	306,407	99.7	349,230	100
Other Suppliers (certified PMUs under IOI Group)	6,026.03	2.03	881	0.3	0	0
Total	297,453.18	100.00	307,288	100.00	349,230	100.00
SCCS Module for POM	SG		SG / IP (see Note)		IP (see Note)	

Note:

Based upon the revised RSPO Supply Chain Certification Standard (Nov 2014), the SG Module for CPO Mill is now re-designated as IP Module as the POM meets all the requirements for the IP Module

1.8.3 The annual **certified** tonnages of CPO and PK production by the PMU from the supply base/suppliers as assessed and verified during the current Surveillance Assessment (based on 2014 / 2015 data) are detailed as shown in Table 7 below:

Table 7: Total Certified Tonnages of CPO and PK for 3-Years Reporting Period

POM	2013 / 2014		2014 / 2015 - Actual + Projected		2015 / 2016 - Actual + Projected	
Total certified FFB Processed (MT)	297,453.18		307,288		349,230	
Total certified CPO Production (MT)	64,815.05	OER: % 21.79%	67,972.11	OER: 22.12%	79,449.83	OER: % 22.75%
Total certified PK Production (MT)	14,158.77	KER: % 4.76%	14,964.93	KER: 4.87%	17,461.50	KER: % 5.00%

Note: The POM has established and maintained procedures for the book keeping and monitoring requirements for the CPO and PK at the mill and was verified to be adopting the '**Identity Preserved – IP**' module in accordance with the RSPO Supply Chain Certification Standard (Nov 2014) requirements. In the revised RSPO Supply Chain Certification Standard (Nov 2014), the requirements for CPO Mill with SG module is now replaced by the '**Identity Preserved – IP**' module. Verified activities and checked items for the **SCCS of the POM are reported in section.3.1.1. The POM meets all the requirements for the IP Module.**

1.9 Time Bound Plan for Other Plantation Management Units

IOI 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.

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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 2017.

Currently, the Time Bound Plan as submitted by IOI Group is subject to certain conditions as set by the RSPO Secretariat. Details of the time bound plan as submitted by IOI are as per **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_millsestates.cfm

1.10 Abbreviations Used

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

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2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 11 Mar 2015, Intertek has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on Pukin Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 13-17 Apr 2015, the Assessment team conducted the Surveillance Assessment in which 3 out of the 7 estates of Pukin Grouping namely Pukin Estate, Shahzan 1 Estate and Segamat Estate, as well as the palm oil mill were assessed for compliance against the RSPO requirements. The number of estates sampled was based on a minimum sample of $0.8\sqrt{y}$ where y is the number of management sub-units and the selection was made based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and high conservation value areas.

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

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

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

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

2.2 Date of next scheduled visit

The next scheduled visit will be the Re-Certification Assessment which will be carried out within 3 months before the expiry date of the certificate.

2.3 Qualifications of the Lead Assessor and Assessment Team

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

2.4 Certification Body

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

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2.5 Process of stakeholder consultation

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

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

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

Among the list of key stakeholders consulted was the following:

Government Agencies (by emails)

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

Statutory Bodies (by emails)

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

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NGOs (by emails)

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

Local community (On-site interviews)

81. Consultative Committee & Gender representatives
82. Workers & Workers representatives
83. Village Heads & representatives
84. Suppliers & Contractors representatives

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3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

Criterion 1.1		
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
Indicators	Findings and Objective Evidence	Compliance
<p>1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>Minor Compliance</p>	<p>Information on environmental, social and legal issues relevant to RSPO Criteria was made available to relevant stakeholders for effective participation in decision making. EIA, Management Plans & Continuous Improvement Plans were also reviewed.</p> <p>Records of participation and decision plans were verified to be maintained.</p> <p>Date of public notification of this assessment of the PMU was made on 11 Mar 2015.</p> <p>The PMU has established and implemented a documented procedure for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>This was evident from records of visits, inspections, minutes of meetings, attendance notes and correspondence with stakeholders such as DOSH (JKKP), DOE (JAS), BOMBA, TNB, MPOB and Energy Commission (“Suruhanjaya Tenaga”), employee consultative committees and local community leaders.</p> <p>There were no requests for information from external stakeholders.</p>	Complied
<p>1.1.2 Records of requests for information and responses shall be maintained.</p> <p>Major Compliance</p>	<p>The PMU had established and maintained an updated list of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, etc.</p> <p>The PMU had conducted its internal and external stakeholder consultations in Feb and Mar 2015 respectively. Meeting minutes were maintained. Noted that the various categories of stakeholders were consulted. There were no complaints/ grievances or negative remarks.</p> <p>Records maintained were easily retrievable and made available upon request during the assessment.</p>	

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Criterion 1.2		
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.		
Indicators	Findings and Objective Evidence	Compliance
<p>1.2.1 Management documents that are made available to the public shall include, but are not necessarily limited to:</p> <p>Major Compliance</p>	<p>Management documents' relating to environmental, social and legal issues was verified to be maintained and available to the public (notices and websites) and updated by IOI, HQ e.g. website link: http://www.ioigroup.com/business/busi_plantoverview.cfm</p> <p>The organization's policies declared that upon request, the following types of mandatory documents are available to the public:</p> <ul style="list-style-type: none"> • land titles/user rights, • occupational health and safety plan, • plans and impact assessments relating to environment and social impacts, • pollution prevention plans, • details of complaints & grievances, • negotiation procedures • continuous improvement plan • Public summary of certification assessment report. <p>These publicly available documents include key indicators of performance like waste management and disposal plans for the mill and estates. Also, Continual Improvement Action Plans include targets for waste reduction and pollution prevention.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); 	<p>Copies of all land titles were available and have been maintained at the POM and Estates. HQ kept the original copies.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); 	<p>Detailed Occupational Safety and Health Plan has been established and documented by the Safety & Health Manager Plantations (Malaysia) and approved by the respective manager for mill and estates in Pukin POM Grouping. The Plan had been reviewed (annually) and updated for the POM and estates. The OSH Program was displayed prominently in notice boards in the Mill and respective estates. An effective level of activities and action items were planned and progressively implemented for FY2014/2015.</p> <p>Policy and HIRAC documented for both mill and estates. The HIRAC was also reviewed for the POM and estates on 01 Apr 2015 and 10 Mar 2015 respectively.</p> <p>The OSHA Plan include the establishment and implementation of CHRA, medical surveillance, Emergency Drill, First Aid training, Line site Inspection, Chemical Store Inspection, Audiometric test, PPE training, etc.</p> <p>POM has conducted the Emergency Preparedness (ERP). Safety Committee meetings held quarterly in year 2014.</p> <p>Programmes for protecting workers' health and safety were satisfactorily implemented.</p>	<p>Complied</p>

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<ul style="list-style-type: none"> Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); 	<p>Environmental aspect and impact assessment conducted for the POM and estates and reviewed on 10 Mar 2015. Management action plan documented and implemented.</p> <p>Social Impact Assessment carried out and suitably reviewed on 02 Feb 2015 by the IOI Sustainability Team together with the respective Mill and Estate Managers. Positive and negative impacts and action plan documented.</p>	<p>Complied</p>
<ul style="list-style-type: none"> HCV documentation summary (Criteria 5.2 and 7.3); 	<p>The Assessment reports on 'Internal HCV and Conservation Areas' dated FY2014/2015 were available. It was verified that the Management Action Plans for HCV and Conservation areas were being monitored and progressively implemented at the respective Estates.</p>	<p>Complied</p>
<ul style="list-style-type: none"> Pollution prevention and reduction plans (Criterion 5.6); 	<p>Pollution Prevention Management Plans were reviewed in for FY2014/2015. Action items include measures for pollution control (smoke emission, POME / effluent discharge), pesticides reduction, schedule wastes (chemicals, drums, tyres, used PPE, hydraulic oil) and organic/domestic wastes disposal, reuse and recycling (paper, glass, scrap iron).</p>	<p>Complied</p>
<ul style="list-style-type: none"> Details of complaints and grievances (Criterion 6.3); 	<p>The mill and respective estates had maintained the Complaints and Grievances Logbook. ECC (Employees Consultative Committee) representatives interviewed had confirmed that there were no serious issues which warrant major actions from the PMU Management. Logbook entries were examined and found to be in order. Employees Consultative Council (ECC) representatives interviewed had confirmed that there were no serious issues.</p>	<p>Complied</p>
<ul style="list-style-type: none"> Negotiation procedures (Criterion 6.4); 	<p>Negotiation procedure and flowchart documented in the Grievance Procedure on Land Dispute. The procedure was reviewed in Feb 2015.</p> <p>No borders at estates in Pukin Grouping were adjacent to any villages or native land. Therefore not required for records of negotiation or compensation pertaining to this criteria.</p> <p>No changes in status noted during this assessment on-site. Hence no negotiation or compensation records pertaining to this criterion require follow up verification.</p> <p>IOI had also uploaded the status on the land dispute/claim at their plantation in Sarawak which is publicly available at website link: http://www.ioigroup.com/default.cfm</p>	<p>Complied</p>
<ul style="list-style-type: none"> Continual improvement plans (Criterion 8.1); 	<p>The PMU has identified, documented and implemented Continuous Improvement Plans in key operations for the mill and estates. The plans includes bio-polishing for reduction in BOD level, biogas plant, reduction in the consumption of pesticides, cultivation of beneficial plants, recycling, pollution prevention and environmental and social programs. Monitoring and implementation of the Continuous Improvement Plans is progressive. Reviews were done by the Mill and Estate Managers.</p>	<p>Complied</p>
<ul style="list-style-type: none"> Public summary of certification assessment report; 	<p>Public summary of certification assessment reports and their status for the IOI Group certified PMUs are made publicly available via weblink: http://www.ioigroup.com/business/busi_plantoverview.cfm</p>	<p>Complied</p>

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<ul style="list-style-type: none"> Human Rights Policy (Criterion 6.13). 	See findings in 6.13.1	Complied
Criterion 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.		
Indicators	Findings and Objective Evidence	Compliance
1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	The Policy of commitment to a Code of Ethical Conduct has been documented and signed by the Group Executive Director and communicated to all levels of the workforce and operations. Copies of the policy found to be displayed at prominent locations in the POM and estates. There is a booklet containing details of the Code of Business Conduct and Ethics.	Complied

Principle 2: Compliance with applicable laws and regulations

Criterion 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.		
Indicators	Findings and Objective Evidence	Compliance
2.1.1 Evidence of compliance with relevant legal requirements shall be available. Major Compliance	At the PMU, a legal register covering the applicable local and international laws and regulations are available. Compliance to each law and regulation is monitored by the PMU. The relevant laws and legislations identified and listed cover safety and health, environment, pollution management, chemical handling, usage & storage, schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities. There were no cases of any violation or actions imposed by relevant authorities. Statutory returns to relevant authorities found to be in compliance. Based on the site observations, interviews and records checking at the POM and estates, there was sufficient evidence of compliance with the relevant laws, regulations, local and international laws. Licenses and permits (License for Foreign Workers Employment, Workers Wages Deduction Permit, License for Controlled Items – Diesel and Fertilizer, MPOB license, DOSH Certificate, DOE license, BOMBA Fire Certificate, Energy Commission License, etc.) were monitored for their expiry dates and found to be renewed and valid. Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty chemical and lubricants containers collected at six monthly intervals by DOE licensed contractor. Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated. Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and chargeman were noted to be with valid certificates from relevant authorities (DOSH and Energy Commission). The POM has maintained a Boiler Register that indicate the date of commission, cleaned, inspected, tested or repaired. Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator,	Complied

	<p>steam separator, vacuum oil dryer, etc. issued by DOSH.</p> <p>Valid license for diesel generators issued by Energy Commission (“Suruhanjaya Tenaga”).</p> <p>Valid licenses for authorized gas tester (ACT), authorized entrant and standby by person for confined space activities in POM.</p> <p>Occupational Health and Safety Act 1994 – safety and health meetings to be conducted at quarterly intervals. Noise Monitoring Report is available.</p> <p>The POM is certified by SIRIM for its Quality, Environment and Safety & Health Management Systems.</p> <p>Legal documents (work permits, passports) of foreign workers (Indonesian, Bangladesh) in the estates. Insurance for foreign workers in estates under MSIG Insurance and RHB Insurance Bhd. There are no foreign workers in the POM.</p>	
<p>2.1.2 A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>Minor Compliance</p>	<p>The PMU has established and implemented a documented procedure for identifying, determining, reviewing and updating applicable legal and other requirements. It included the listing of laws and regulations that were being monitored for changes and reference.</p>	Complied
<p>2.1.3 A mechanism for ensuring compliance shall be implemented.</p> <p>Minor Compliance</p>	<p>Monitoring mechanism was done through a yearly evaluation checked against the items in the Legal Register.</p>	Complied
<p>2.1.4 A system for tracking any changes in the law shall be implemented.</p> <p>Minor Compliance</p>	<p>Changes in the relevant laws are communicated and received from the IOI Group HQ. The PMU subsequently ensured that the changes and tracking conducted was adequately updated. Based on the site observations, interviews and records updated, the system used is appropriate to the operations at the PMU.</p>	Complied
<p>Criterion 2.2</p> <p>The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available.</p> <p>Major Compliance</p>	<p>Land ownership or lease for the POM and estates found to be in order. There is no change in the land ownership since the last assessment.</p> <p>Copies of the land titles of the POM and estates were maintained and found to be in proper order.</p> <p>The original copies are maintained by the Corporate Head Office. The legal use of the land was confirmed for the cultivation of oil palms and agricultural use.</p>	Complied
<p>2.2.2 There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.</p> <p>Minor Compliance</p>	<p>It was verified that there has been no change to the stated land titles and designated use for cultivation of oil palm and agricultural use.</p> <p>Locations of several boundary stones and pole markers were visited and verified to be within the boundary parameters of the estates. Demarcation was also evidenced by the dug up trenches and drains which were adjacent to neighboring estates.</p>	Complied

<p>2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>Minor Compliance</p>	<p>There has been no dispute on the land rights in the PMU. As such, the process of fair compensation and FPIC is currently not applied.</p>	<p align="center">Complied</p>
<p>2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p> <p>Major Compliance</p>	<p>The estate lands at the PMU are legally owned or leased by IOI and no other users were identified in the land area. The existing estates are not encumbered by any customary land rights and therefore participatory mapping is not required.</p>	<p align="center">Complied</p>
<p>2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable).</p> <p>Minor Compliance</p>	<p>The estate lands at the PMU are legally owned or leased by IOI and no other users were identified in the land area. The existing estates are not encumbered by any customary land rights and therefore participatory mapping is not required.</p>	<p align="center">Complied</p>
<p>2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>Major Compliance</p>	<p>The estate lands at the PMU are legally owned or leased by IOI and no other users were identified in the land area. No conflict or dispute over the lands in the PMU. No incident of violence being instigated in their current and planned operations.</p>	<p align="center">Complied</p>
<p>Criterion 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>2.3.1 Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>Major Compliance</p>	<p>The estate lands at the PMU are legally owned or leased by IOI and no other users were identified in the land area. The existing estates are not encumbered by any customary land rights and therefore participatory mapping is not required.</p>	<p align="center">Complied</p>
<p>2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision</p>	<p>The lands were acquired from private plantation owners or leased from the Sultan of Pahang in 2000 for a period of 99 years. Records are available to show such land acquisition complied with legal requirements without infringement of any legal rights that require free, prior and informed consent (FPIC).</p>	<p align="center">Complied</p>

<p>was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>Minor Compliance</p>		
<p>2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>Minor Compliance</p>	<p>The estate lands at the PMU are legally owned or leased by IOI and no other users were identified in the land area. No conflict or dispute over the lands in the PMU. As such, this process is not available for verification.</p>	Not applicable
<p>2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>Major Compliance</p>	<p>The estate lands at the PMU are legally owned or leased by IOI and no other users were identified in the land area. No conflict or dispute over the lands in the PMU. As such, this process is not available for verification.</p>	Not applicable

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

<p>Criterion 3.1</p> <p>There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>Major Compliance</p>	<p>Business Plans for five (5) years had been prepared by the Palm Oil Mill and the estates concerned. on FFB yield, CPO, OER, and KER, costs of production, etc., and the records had been verified.</p> <p>Details of the Business Plans for the POM include the following:</p> <p>(1) Mill extraction rates = OER and KER trends;</p> <p>(2) Cost of Production = Cost/MT CPO trends;</p> <p>(3) Forecast prices;</p> <p>(4) Financial indicators = Cost of labour, cost of supervision, depreciation costs, salaries/allowances, cost of materials, etc.).</p> <p>Details of the Business Plans for the estates include the following:</p> <p>(1) Replanting program (planting materials are DxP seedling);</p> <p>(2) Crop projection = FFB yield/ha trends;</p> <p>(3) Cost of Production = Cost/MT FFB trends;</p> <p>(4) Forecast prices;</p> <p>(5) Financial indicators = Cost of upkeep & cultivation, harvesting & collection cost, depreciation, cost of materials, cost of labour, cost of supervision, utilities, transport, depreciation costs, salaries/allowances, cost of materials, etc.).</p> <p>The Business Plans also include provisions for sustainability efforts and improvement programmes (environmental, social,</p>	<p>Complied</p>

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	<p>Occupational Safety & Health, training, etc.).</p> <p>Mill and Estate Managers monitor the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc).</p> <p>There is evidence of monitoring of costs against budget to achieve specified targets.</p> <p>Performances are discussed in the monthly meetings held at the PMU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit.</p> <p>Monthly, quarterly, half-yearly and yearly reports are submitted to the HQ.</p>	
<p>3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>Minor Compliance</p>	<p>There would be no replanting on Shahzan 1 Estate for the next twenty (20) years as the palms were replanted in 2002 and 2003.</p> <p>Segamat Estate's replanting programme for the next six (6) years from 2016 to 2022 involved 886 ha.</p>	<p>Complied</p>

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

Criteria 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p>Major Compliance</p>	<p>Documents on SOP had been maintained by the Palm Oil Mill and the Estates, and the documents had been verified to be in order.</p> <p>POM has documented the following SOPs:</p> <ol style="list-style-type: none"> 1. Group SOP for Palm Oil Mill Operations covering every station from FFB receiving until the delivery of processed oil and POME management. 2. Laboratory Operation Manual (01/01/2008) Issue 1. 3. SOP for pollution prevention includes measuring and monitoring mill effluents and waste disposal / recycling. 4. Occupational Safety & Health Manual and OSH Management System documents. The SOP for safe working practices includes hazards identification, risk assessment and control measures. The hazards include noise, chemicals, heat, fire, fuel spillage, working at heights, working in enclosed space, hot work, lightning, electrocution, machinery, etc. Control measures include the use of PPE, fire drill training, first aid training, etc. and "permit to work system" for the mill. Records of 'Permit to Work' including gas entry and stand-by permits issued by NIOSH to the competent personnel at the POM was verified to be maintained and found to be in order. 5. Supply Chain Procedure Doc No. RSPO/SOP/COC/2 Issue No. 2 (01 Apr 2014) SOP for Mill RSPO Supply Chain Certification System using the Identity Preserved (IP) Module. <p>The estates have the following SOPs:</p> <ol style="list-style-type: none"> 1. Group SOP for Estate Operation. The SOP describes operational procedure for oil palm DxP seed production, 	<p>Complied</p>

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	<p>planting density, pre-nursery seedlings, land clearing & preparation, oil palm planting technique, leguminous cover plant, fertilizer application for immature & mature palms, weeding, integrated management of rat control, bagworm control, road maintenance, workshop, harvesting, buffalo healthcare, etc. The SOP for pesticides specifies safe working practices and application of pesticides. It includes annual medical surveillance for pesticides operators.</p> <p>2. SOP for riparian zone management with specified buffer zones.</p> <p>Relevant Key Performance Indicators (KPIs) specified for quality, environment, safety and cost control.</p>	
<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance</p>	<p>There is a mechanism to check the implementation of the SOPs. Records had been kept by the staff concerned for each operation to monitor the procedure and progress of work and these records would be checked by the Assistant Manager and the Manager regularly. These records had been verified to indicate satisfactory implementation during the visit.</p>	<p>Complied</p>
<p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance</p>	<p>Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estates. Overall, these records verified to be satisfactory.</p> <p>Daily Muster chits were available at estates</p> <p>The chart printer in the POM has been properly set. Thus the corrective action taken on previous assessment NCR# 1 of 2 verified to be effective.</p> <p>Spraying operation carried out at Shahzan 1 Estate for the immature palms. The records for spraying verified to be in order. Thus the corrective action taken on previous assessment NCR#2 of 2 verified to be effective.</p>	<p>Complied</p> <p>Closed and verified: ASA-03 Minor NC # 1 of 2</p> <p>ASA-03 Minor NC # 2 of 2</p>
<p>4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance</p>	<p>The mill did not source any FFB from third-party. The entire crop was supplied by the estates within the company as verified from the records that indicate the source origin of FFB.</p>	<p>Complied</p>
<p>Criteria 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance</p>	<p>Annual fertilizer inputs had been monitored through fertilizer recommendations made by IOI Research Centre. Recommendations by the Agronomist had been viewed and verified.</p> <p>GAP for minimization of soil erosion and maintenance of soil fertility is maintained via the frond stacking and fertilizer application as per the recommendation provided by the Agronomist.</p> <p>These had been verified through the records for fertilizer application and observation during field visit. Evidences provided were verified as following good agricultural practices.</p> <p>Soil sampling and leaf sampling records provided guide for the fertilizer application and all recommendations had been properly followed at estate levels.</p> <p>Noted that proper pesticide/herbicide spraying had also been</p>	<p>Complied</p>

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	done.	
4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance	Records of fertilizer application had been verified to be in order.	Complied
4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	Leaf sampling and analysis had been carried out annually and soil sampling and analysis on a 5 year cycle to determine the nutrient levels. Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long term soil fertility and nutrient efficiency. Records of the sampling and analysis had been verified to be satisfactory.	Complied
4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance	Geotube had been used to filter the solid from the POME and the solid would be used by the estates for field application as organic fertilizer. EFB mulching had been carried out in mature area along the inter-row. Records of the quantities of EFB mulching including locations applied are in order. There was no more land irrigation of effluent water discharge at Pukin Estate since the commencement of the polishing plant and biogas plant in Oct 2014.	Complied
Criteria 4.3 Practices minimise and control erosion and degradation of soils.		
Indicators	Findings and Objective Evidence	Compliance
4.3.1 Maps of any fragile/marginal soils shall be available. Major Compliance	Based on the soil maps and field visit verification, there was no fragile soil or marginal soil existence on the estates. Soil series are: Shahzan 1 Estate: mostly Harimau followed by Sogomana, Durian, Segamat . Segamat Estate: mostly Batu Anam followed by Telemong/Akob/Local Alluvium and Malacca /Tavy/ Gajah Mati.	Complied
4.3.2 A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	Shahzan 1 Estate is of flat and undulating terrain. Segamat Estate and Pukin have steep terrain. Planting terraces constructed on land with slope more than 6°. Records and maps on terraces constructed had been verified on the estates. The PMU has a SOP (Best Management Practices) for erosion control during replanting or any activities involving earth disturbance. Steps taken for erosion control are soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways. There was no soil erosion noted during the field visit. No soil erosion encountered at estates audited as leguminous cover crop, <i>macuna bracteata</i> was well established.	Complied
4.3.3 A road maintenance programme shall be in place. Minor Compliance	Estate roads were maintained in good and satisfactory condition. Road maintenance programme for 2014/2015 verified to be established and implemented. The programme covers road grading and patching. There was no soil erosion noted during the field visit.	Complied

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<p>4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance</p>	<p>It was confirmed during assessment on site that there is no peat soil on the estates.</p>	<p>Not Applicable</p>
<p>4.3.5 Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance</p>	<p>There was no peat soil on the estates as confirmed by auditor's on-site assessment</p>	<p>Not Applicable</p>
<p>4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance</p>	<p>Based on the estate soil maps and visit to the estates, there were no other fragile and problematic soils on the estates.</p>	<p>Complied</p>
<p>Criteria 4.4 Practices maintain the quality and availability of surface and ground water.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.4.1 An implemented water management plan shall be in place. Minor Compliance</p>	<p>Documented water management plan verified to be in place for the palm oil mill and estates. The plan includes steps such as soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways.</p> <p>Water samples were taken at monthly interval at the inlet and outlet of the final discharge at the palm oil mill effluent pond. Also, water samples taken twice a year at upstream, midstream and downstream of streams. Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet the DOE requirements.</p> <p>The water supply for domestic use to staff and workers' housing at Segamat Estate is piped water from the water treatment plant operated by the government utility company. Suruhanjaya Perkhidmatan Air Negeri (SPAN) that comply with the Specification for Drinking Water Quality.</p> <p>The water for domestic use at Shahzan 1 Estate is extracted from tube well underground. Water samples taken twice a year and tests carried out on parameters (turbidity, E. Coli, Total Coliform, aluminium, iron, manganese, etc.) to meet the SPAN and Ministry of Health Specification for Drinking Water Quality.</p> <p>The water for domestic use at Pukin Estate is from the water treatment plant in the POM that draws water from Sungai Pukin. Water samples taken twice a year and tests carried out on parameters to meet the SPAN and Ministry of Health Specification for Drinking Water Quality.</p> <p>Rainfall data found to be monitored as part of the water management plan.</p> <p>There was no construction of bunds/ weirs/dams across the rivers or waterways passing through the estates.</p>	<p>Complied</p>
<p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.</p>	<p>Riparian buffer zones maintained along the streams in Shahzan 1 and Segamat Estates.</p>	<p>Complied</p>

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Major Compliance																										
<p>4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance</p>	<p>The water at the outlet of the final discharge point of the palm oil mill effluent pond was analyzed at monthly intervals for pH, BOD, COD, Total Solids, Suspended Solids, oil & grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet the DOE requirement of <100 ppm. Stack emission monitoring by CEMS – Refer to 5.6.3</p>	Complied																								
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance</p>	<p>Water usage in the mill from Jan to Dec 2014 ranged from 1.79 to 2.21 m³/tonne FFB with an average of 2.0 m³/tonne FFB which is above the industrial norm of 1.2m³ to 1.5 m³/tonne FFB. Noted that this water usage includes that for domestic use in Pukin Estate.</p>	Complied																								
<p>Criteria 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>																										
Indicators	Findings and Objective Evidence	Compliance																								
<p>4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance</p>	<p>IPM Plan includes the planting of beneficial plants and control of damage by rodents. Programme for planting of the beneficial plant <i>Turnera subulata</i>. Also, <i>Antigonon leptopus</i> is currently under trial. Records on areas planted had been verified together with the respective maps to be satisfactory. Beneficial plants establishment:</p> <table style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: center;">Current</th> <th style="text-align: center;">Additional</th> </tr> </thead> <tbody> <tr> <td>Shahzan 1 Estate</td> <td style="text-align: center;">12.6 km</td> <td style="text-align: center;">4.4 km</td> </tr> <tr> <td>Segamat Estate</td> <td style="text-align: center;">5.0 km</td> <td style="text-align: center;">4.0 km</td> </tr> <tr> <td>Pukin Estate</td> <td style="text-align: center;">11.5 km</td> <td style="text-align: center;">2.0 km</td> </tr> </tbody> </table> <p>Barn owl also used for the control of rodents. Barn Owl boxes census carried out and location maps available. The no. of barn owl boxes:</p> <table style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: center;">Current</th> <th style="text-align: center;">Additional</th> </tr> </thead> <tbody> <tr> <td>Shahzan 1 Estate</td> <td style="text-align: center;">81</td> <td style="text-align: center;">26</td> </tr> <tr> <td>Segamat Estate</td> <td style="text-align: center;">83</td> <td style="text-align: center;">25</td> </tr> <tr> <td>Pukin Estate</td> <td style="text-align: center;">164</td> <td style="text-align: center;">21</td> </tr> </tbody> </table> <p>Pest infestation was minimal on the estates. No cases of infestation by other pests (bagworms and rhinoceros beetle).</p>		Current	Additional	Shahzan 1 Estate	12.6 km	4.4 km	Segamat Estate	5.0 km	4.0 km	Pukin Estate	11.5 km	2.0 km		Current	Additional	Shahzan 1 Estate	81	26	Segamat Estate	83	25	Pukin Estate	164	21	Complied
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<p>4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance</p>	<p>IPM training conducted by for all those involved in IPM implementation. Training records for staff and workers on IPM implementation were available and was verified on-site to be satisfactory during field assessment.</p>	Complied																								
<p>Criteria 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>																										
Indicators	Findings and Objective Evidence	Compliance																								
<p>4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance</p>	<p>Register of agrochemicals use with written justification had been reviewed. The types of chemicals used are as follows: (1) Glyphosate isopropyl amine - Supremo (2) Metsulfuron methyl – Kenlly / Ellytech (3) 2, 4 - dimethy amine – 2,4-D Amine (4) Triclopyr Butoxyethyl Esther – Kenlon / Garlon Specific pesticides had been used to deal with the respective target pest, weed or disease.</p>	Complied																								

<p>4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance</p>	<p>Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications had been maintained and kept for a minimum of 5 years. Verified that records of monitoring were satisfactorily.</p>	<p align="center">Complied</p>
<p>4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance</p>	<p>It had been the policy of the estates to minimize the use of pesticides in accordance with IPM plan. The pesticide reduction program is monitored on usage per hectare basis. Overall, there has been a slight decline in pesticide usage per hectare on a year to year basis. No prophylactic use of pesticides had been carried out at the estates for the period concerned.</p>	<p align="center">Complied</p>
<p>4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance</p>	<p>Paraquat had been eliminated at end 2011 for IOI Group Estates. Alternatives such as Glyphosate Isopropylamine, Metsulfuron Methyl, and Triclopyr Butoxyethyl Esther had been used with the elimination of paraquat. First Aid Kits found to be available during pesticides spraying in the fields (4th Schedule). Portable signboard noted to be displayed at areas of spraying activity (5th Schedule).</p>	<p align="center">Complied</p>
<p>4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance</p>	<p>All pesticide operators (including the contractor's workers) have attended training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974. Appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls) have been provided and used by the pesticides operators. All precautions attached to the pesticides (MSDS) have been observed, applied and understood by the workers. Programme and training records verified to be satisfactory. The training include spraying technique, precautions and symptoms of symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems. The PMU has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE.</p>	<p align="center">Complied</p>
<p>4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations.</p>	<p>Storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974. Emergency shower and eye wash are available near the pesticides store in case of accidents. Material Safety Data Sheets (MSDS) are available in the store. The MSDS are in English and Bahasa Malaysia (understood by the workers). Used chemical containers were either reused as containers for spraying solution. For disposal as scheduled waste,</p>	<p align="center">Complied</p>

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Major Compliance	empty pesticide containers are triple rinsed and pierced at the bottom.	
4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off. Programme and training records verified to be satisfactory.	Complied
4.6.8 Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance	It is the policy of the company not to carry out aerial application of pesticides. This policy has been followed by the PMU.	Complied
4.6.9 Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8). Minor Compliance	The Annual Training Plan includes training on pesticides handling. All new pesticides operators were trained before being assigned to work with pesticides. In addition, based upon training needs, the existing pesticide operators (including the contractor's workers) attended continual training to enhance their knowledge and skills on pesticides handling. Information and safety precautions on the pesticides displayed on the notice board and next to the pesticides in the store.	Complied
4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance	Scheduled waste had been disposed of through M/S. OLSST Petro-Chemical Sdn. Bhd., a licensed contractor approved by DOE. Records of scheduled waste collection at 180 days interval verified to be satisfactory.	Complied
4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	Annual medical surveillance in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2 for all pesticide operators in all the estates audited had been carried out in Dec 2014. Next medical surveillance is due in Dec 2015. It was verified that the CHRA recommendations has been satisfactorily followed. Medical surveillance reports of individual sprayers were checked and no abnormalities reported by the Medical Doctor. The medical reports showed that there was no case of low blood cholinesterase levels. It is the policy that any worker with such health condition is unfit for work with pesticides. No such cases in the PMU as at the date of assessment. Pesticides operators were interviewed during field visits and feedback received that they do not have any symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems. Besides the annual medical surveillance, monthly clinical tests (to check lungs gastro intestinal, urinary system, nails, skin, etc.) also carried out by Health Assistant on sprayers and records maintained indicate no cases of toxic reactions.	Complied
4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance	Verified from records, field inspections and interviews that no pregnant or breast-feeding woman had been offered work as pesticide operator.	Complied
Criteria 4.7		

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An occupational health and safety plan is documented, effectively communicated and implemented.

Indicators	Findings and Objective Evidence	Compliance
<p>The occupational health and safety plan shall cover the following:</p> <p>4.7.1 An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>Major Compliance</p>	<p>Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory & Machinery Act 1967 was documented and implemented.</p> <p>OSH Policy found to be clearly displayed at POM and in the estates office. Adequate posters, regulations, newsletters were prominently displayed on notice boards. Interviewed workers demonstrated awareness towards occupational safety and health.</p> <p>The Safety & Health Officer is in charge of safety and health planning, operation & coordination. Mill/Assistant Mill Managers and Estate Managers / Assistant Estate Managers are also directly involved.</p> <p>Records on training had been verified on the Palm Oil Mill and the Estates.</p> <p>Analysis on the understanding of training by the workers on the PMU had been verified.</p>	<p>Complied</p>
<p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>Major Compliance</p>	<p>Risk assessment carried out on operations where health and safety is an issue in order to determine the significant hazards. Significant hazards determined and documented include noise exposure, pesticides/ chemicals exposure, accident, fire. Procedures and actions implemented to mitigate the hazards.</p> <p>There was an additional assessment of noise levels in the POM on 10 Oct 2013 and Consultant Report is available. Work areas identified with high noise levels are the boiler station and engine room where noise level exceeded 85 db. Also, additional assessment of noise levels in Biogas Recovery Plant conducted on 13 Nov 2013 indicated only a small area >85 db.</p> <p>Mill management have taken steps to reduce the noise levels by construction of a room to isolate the gen sets, reducing the exposure time to high noise and mandatory use of both ear plugs and ear mufflers.</p> <p>Annual audiometric test conducted for all mill staff and workers. The latest audiogram was carried out for all 85 POM employees on 27 Oct 2014. The PMU has identified the few employees whose audiometric reports indicated slight hearing impairment and taken measures to reduce noise exposure.</p> <p>Baseline audiogram and occupational and medical history records of workers maintained.</p> <p>The employees exposed to high noise levels were interviewed. The workers are aware of the danger of hearing loss due to prolonged exposure to high noise. The workers knew about the complaints process and mechanism available.</p> <p>“Permit to work” system applied at the POM. Staff and workers have been trained and certified by NIOSH for gas entrant and stand-by involving work in confined space.</p> <p>Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear mufflers) verified to be provided to and being used by the workers. Associated training provided to address safety and health issues.</p>	

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	<p>Warning signs sighted at high noise areas and ear plugs and ear mufflers to be worn. There are also warning signs to use other PPE such as helmet and safety boots.</p> <p>An audit for determining compliance with the minimum standards had been conducted on all types of PPE used.</p> <p>Adequate fire extinguishers and hose reels found to be located at strategic locations, operational and maintained in good conditions. Location map of fire extinguishers is available.</p> <p>First Aid equipment was available at POM, estates and at worksites. Samples of First Aid box was checked and contents found to be complete and in usable order during field visit. Training for workers in First Aid was carried out in the mill and estates and records maintained.</p> <p>The POM and estates have established their accident reporting KPI and incident monitoring implemented. Yearly reporting of JKPP8 regulations was submitted to JKPP on time, i.e. in January of each year. The Safety & Health Officer maintains records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities captured to prevent mishaps.</p> <p>During the line site visit to Shahzan 1 Estate, it was found that a total of more than 20 unsheathed sickles were kept by the workers in their quarters. This is against the SOP on Health and Safety and there is an element of high risk of potential incident.</p>	<p>Major NC# OCL-01</p>
<p>4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>Major Compliance</p>	<p>Training programme planned for year 2015 includes training for all categories of workers.</p> <p>Appropriate trainings on safe working practices are planned for:</p> <ul style="list-style-type: none"> - workers exposed to machinery and high noise levels, - workers working in confined space, - harvesters - pesticides operators - manurers <p>The training programme included the various types of training such as fire fighting and fire drill, exposure to high noise levels and control measures for protection of hearing and audiometric tests, understanding MSDS/CSDS and first aid training.</p> <p>The above trainings were conducted for year 2014 and records were available. Evaluation carried out on each of the trainings to determine its effectiveness.</p>	<p>Complied</p>
<p>4.7.4 The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>Major Compliance</p>	<p>The responsible person (usually the Mandore or Headman) had been identified.</p> <p>Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified to be satisfactory.</p>	<p>Complied</p>

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<p>4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance</p>	<p>Accident and emergency procedures had been written in English and Bahasa Malaysia and briefed to staff, workers, contractors and visitors. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents had been verified to be maintained satisfactorily. Quarterly review on accident cases had been carried out during quarterly meeting of Safety, & Health Committee.</p>	<p>Complied</p>
<p>4.7.6 All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance</p>	<p>Medical care had been provided to all the workers. Local workers are covered by SOCSO, whereas foreign workers are covered by Foreign Workers Compensation Scheme with insurance company, MSIG Insurance Berhad.</p>	<p>Complied</p>
<p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance</p>	<p>Records on Lost Time Accident (LTA) metrics had been verified to be satisfactory. There were only 2 cases of LTA > 5 days in year 2014 and report submitted to JKKP.</p>	<p>Complied</p>
<p>Criteria 4.8 All staff, workers, smallholders and contract workers are appropriately trained.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance</p>	<p>A formal training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System have been established and implemented. Training for various categories of operators, including all field and office staff, with regards to their duties and training needs had been reviewed and found acceptable.</p>	<p>Complied</p>
<p>4.8.2 Records of training for each employee shall be maintained. Minor Compliance</p>	<p>Records of training for each employee, including new employees were available and maintained.</p>	<p>Complied</p>

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

<p>Criteria 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.1.1 An environmental impact assessment (EIA) shall be documented. Major Compliance</p>	<p>The Environmental Aspect and Impacts Assessment were conducted and well documented. The assessment documents had included the identification of aspects from field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal and also road maintenance. The report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as relevant conservation activities applicable to the PMU.</p>	<p>Complied</p>
<p>5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a</p>	<p>There were no major changes to the identified impacts since the establishment of the documents above. Impacts such as smoke emissions, noise levels, POME and EFB management were verified at the Pukin POM.</p>	<p></p>

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<p>comprehensive action plan. The action plan shall identify the responsible person/persons.</p> <p>Minor Compliance</p>	<p>The Management Plan for mitigation of environmental impacts, timeframe for action and responsible persons were not adequately followed up by the Estate managers.</p> <p>St the Segamat Estate, it was found that no signage was placed along the stream to show the prohibited activities. Also, there was no buffer zone identified and no signage on prohibited activities around the pond located near the office.</p> <p>At Shahzan 1 Estate, no demarcation of buffer zone for pond conservation areas identified. In addition, there was no container supplied for the disposal of domestic waste at the workers' quarters.</p>	<p>Minor NC# SH-01</p>
<p>5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>Minor Compliance</p>	<p>The monitoring of the documented environmental improvement plans is ongoing.</p> <p>Implementation and monitoring of the documented environmental improvement plans will be reviewed on an annual basis. The review will take into consideration the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone, clearing of overgrown natural vegetation and debris along the streams</p> <p>At all estates visited (Segamat Estate, Shahzan 1 and Pukin Estate), it was found that the disposal of plantation waste materials was not properly monitored and recorded. The waste materials (mostly fertilizer bags and plastics) were strewn everywhere. Monitoring and implementation of the environmental improvement plan were not adhered to.</p>	<p>Minor NC# SH-02</p>
<p>Criteria 5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>Major Compliance</p>	<p>HCV assessment was conducted by the IOI Group HQ and documented in a report dated Oct 2010 and reviewed on 20 Feb 2015</p> <p>The exercise has taken into consideration all aspects of environmentally sensitive areas such as ponds, streams, wildlife boundaries and was documented.</p> <p>Visits to site confirmed that the Segamat Estate and Pukin estates are surrounded by palm oil estates.</p> <p>Both the estates are also neighbouring forest reserves near the PMU.</p> <p>Conservation areas/environmentally sensitive areas i.e. buffer zones along the stretches of streams which pass through the estate had been identified and being monitored.</p> <p>HCV and other environmentally sensitive areas were documented and inspected on site. Boundaries bordering the forest reserves were well demarcated with trenches to deter wildlife from going into the estate.</p>	<p>Complied</p>
<p>5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance</p>	<p>Regular patrols within the PMU were being carried out and findings recorded by the respective Estate Executives to monitor the Conservation / buffer zone areas.</p> <p>Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented.</p>	<p>Complied</p>

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<p>them shall be implemented through an action plan.</p> <p>Major Compliance</p>	<p>Also, signage that prohibit hunting, fishing and water polluting activities were verified on-site at all PMUs visited i.e. Shahzan 1, Segamat Estate and Pukin Estate and found to have been satisfactorily maintained.</p>	
<p>5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>Minor Compliance</p>	<p>There was evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signage erected around the affected areas which prohibit such activities.</p> <p>However, Information on rare, threatened and endangered species was inadequately disseminated to the workers. This is of importance as the Shahzan 1 and Pukin estates are bordered by Forest Reserves and there is possibility of encounters with wildlife</p>	<p>Minor NC# SH-03</p>
<p>5.2.4 Where an action plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the action plan. <p>Minor Compliance</p>	<p>Management plans were established and monitoring outcomes were reviewed by the Estate managers.</p> <p>Verification were also made during on-site assessment and found to be satisfactory implemented at Shahzan 1, Segamat Estate and Pukin Estate.</p> <p>The overall management plan on the status of HCV/RTE of the Pukin plantation group is collated, reviewed and monitored by the HQ sustainability team and is ongoing.</p>	<p>Complied</p>
<p>5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>Minor Compliance</p>	<p>It was verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the PMUs visited i.e. Segamat Estate, Pukin Estate and Shahzan 1 Estate. Thus negotiated agreement of such nature is not applicable.</p>	<p>Complied</p>
<p>Criteria 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.3.1 All waste products and sources of pollution shall be identified and documented.</p> <p>Major Compliance</p>	<p>Visits made to POM and estates (Shahzan1, Segamat Estate and Pukin Estate) showed that all waste products and sources of pollution were identified and documented.</p> <p>The documentation and identification of all the waste products such as scheduled waste, domestic waste , clinical waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, Stack emissions and Boiler ashes were maintained and monitored at the POM.</p> <p>Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306) , used chemical containers/drums (SW 409), used filters (SW 410) , clinical waste (SW 404) and used batteries (SW 102). Records on the usage and disposal were well recorded and documented.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained at the POM.</p> <p>Segregation of wastes i.e. general wastes and scheduled</p>	<p>Complied</p>

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	wastes was verified to be satisfactory carried out in the Pukin mill and Plantations. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.	
<p>5.3.2 All chemicals and their containers shall be disposed of responsibly.</p> <p>Major Compliance</p>	<p>At the mill, the disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned.</p> <p>Stores for scheduled waste were inspected and audited at site i.e. POM and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>The mill has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor.(OLST Petro).</p>	Complied
<p>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>Minor Compliance</p>	<p>The waste management and disposal plan were in place at both the POM and estates. It has been documented and implemented as required and is being carried out responsibly.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory in all the Plantations visited. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p> <p>Waste disposal was done by an appointed contractor that is licensed by the Department of Environment.</p> <p>The solid waste management and disposal plan using landfills was available at all the estates (Shahzan 1, Segamat Estate and Pukin Estate).</p> <p>Recycling of crop residues / biomass i.e. EFB and POME had been implemented. Management EFB application plans and progress reports were verified to be satisfactory.</p> <p>Recycling bins of three different colour codes for specific recycle waste were available in the POM and were used for solid waste segregation and recycling.</p> <p>The placement and condition of all the signages for use in the estates and mill can be further improved.</p>	OBS # SH-01
<p>Criteria 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>Minor Compliance</p>	<p>Monthly record on energy consumption for both renewable and non renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement.</p> <p>Visit to Pukin mill showed evident that they are compiling the data, document it for further action to improve on their efficiency of using the renewable and non renewable energy.</p> <p>Apart from use of diesel for generating electricity, palm fiber was also used to generate electricity through steam turbine and boiler. The processing of the CPO was done using the turbine generation.</p> <p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through</p>	Complied

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	<p>steam turbine and boiler where Palm fiber and PK shells were used as renewable energy/fuel on a 70:30 ratio basis.</p> <p>It was verified that energy usage are being monitored especially at the POM for better control and comparison of trends.</p>	
<p>Criteria 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>Major Compliance</p>	<p>IOI Group had observed the policy of 'Zero open burning' for any replanting, if any, at the estates.</p> <p>Field inspections made at Shahzan 1, Segamat Estate and Pukin Estate showed no evidence of open burning.</p>	Complied
<p>5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>Minor Compliance</p>	<p>The PMUs shall adhere to the 'zero burning' policy for replanting at the estates.</p> <p>During the audit, there were no replanting activities carried out in the IOI Pukin plantation group.</p> <p>Also, there was no evidence of any burning of domestic waste at the housing line sites and at the sanitary landfills of the estates during on site field assessment. Sanitary landfill was located at Shahzan 1, Segamat Estate and Pukin Estate. The area is located far away from the village and water sources.</p>	Complied
<p>Criteria 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>Major Compliance</p>	<p>Monitoring of mill gas emissions is being done online using the Continuous Emissions Monitoring System (CEMS) and supported by the Ringelman Smoke Chart. Report showed evident that the emission is within the permissible limits of DOE as verified by documents made available during the on site visit to the Pukin mill.</p> <p>POME treatment, monitoring and land application is monitored, maintained and adhered to DOE regulations.</p>	Complied
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>Major Compliance</p>	<p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done. e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at the PMU. The PMU plans to reduce or minimize their GHG emissions.</p>	Complied
<p>5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>Minor Compliance</p>	<p>The PMU has not complied with the requirement for submission of their GHG emission report (using PalmGHG or an equivalent) to RSPO Secretariat for review by the ERWG during the implementation period. If using tools other than PalmGHG, the PMU is required to submit these tools and their calculations for endorsement by RSPO well before their assessment.</p> <p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place.</p> <p>Tools and systems used include the DOE online CEMS</p>	Minor NC# SH-04

	<p>monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements</p> <p>Water samples were regularly taken and tested by mill environment officer in charge and analyzed to ensure compliance to DOE requirements at final discharge points. The water samples were sent for analysis. This was conducted by ENV Consultancy & Monitoring Services. Records are maintained and verified on-site to have met the permissible regulatory limits. (Domestic Water Discharge Quality Report dated March 2015)</p> <p>However during the audit, the flow meter at the POM was not functioning and action is still pending as parts need to be imported and due to arrive in May 2015.</p>	<p align="center">OBS# SH-02</p>
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Principle 6: Responsible consideration of employees, and of individuals and communities affected by growers and mills

<p>Criterion 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance</p>	<p>All estates and mill in the PMU has a document on social impact assessments (SIA) which are reviewed annually. Last revision made for all SIA in the PMU was in Feb. 2015. Validity of the SIA varies, earliest to expire will be in June for Shahzan 1 Estate, others will be in Aug. 2015.</p>	<p align="center">Complied</p>
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance</p>	<p>External and internal consultations were conducted by the POM and all estates sampled, e.g. Pukin Mill external meeting was conducted on 11 Mar. 2015 and internal stakeholder consultation were conducted on 31 Mar. 2015.</p> <p>Attendance list of the stakeholders consultation mentioned above showed the following official representatives from government agencies such as the police force, medical services, schools as internal management staff and workers, as well as contractors/suppliers to the groupings</p> <p>Judging from the issues raised and from interview of stakeholders during audit, attendees of these meetings were seemed to be able to freely express their view during the identification of findings, impacts, mitigation plans.</p>	<p align="center">Complied</p>
<p>6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Major Compliance</p>	<p>Time bound action plans based on the stakeholders' consultation as well as all inputs during the ECC meetings conducted were developed by each member of the PMU.</p> <p>The mitigation is ongoing and monitored regularly at stated intervals. The plan includes issues to be monitored, proposed mitigation, responsible persons, and expected date of completion.</p>	<p align="center">Complied</p>
<p>6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices.</p>	<p>Each member of the PMU has a document on social impact assessments (SIA) which were reviewed annually.</p> <p>Time-bound plan for mitigation of issues raised during the stakeholders' consultation is reviewed as and when the new</p>	<p align="center">Complied</p>

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There shall be evidence that the review includes the participation of affected parties. Minor Compliance	development occurs.	
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). Minor Compliance	Not applicable.	Not applicable
Criterion 6.2		
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
Indicators	Findings and Objective Evidence	Compliance
6.2.1 Consultation and communication procedures shall be documented. Major Compliance	Documented Policies and procedures are available for internal and external communication. Managers and their assistants of each member of the PMU are the nominated persons responsible for communication with the stakeholders. The PMU has a list of stakeholders including local authorities, government departments, NGOs, service providers, suppliers and contractors. Interviews with representatives of Gender Committee, foreign workers, etc. revealed easy and transparent communication. These interviews confirmed the effectiveness of PMU consultation and communication processes with the internal and external stakeholders.	Complied
6.2.2 A management official responsible for these issues shall be nominated. Minor Compliance	Records sighted show evidence of the existence of appointed teams headed by estate managers assisted by assistant managers. E.g. letter to S. Prakash Rao as Social Liaison Officer dated 1 Feb. 2015 signed by V. Ganapathi, Mill Manager and Letter of appointment of Mohamad Nizanudin as Social Liaison Officer dated 2 Jan. 2015 signed by Saravana s/o Subramaniam, Estate Manager, Segamat Estate. The roles and responsibilities of these appointed officials are defined.	Complied
6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance	The list of stakeholders, communication and actions taken were maintained in Stakeholders File. Consultations with various stakeholders held and meeting minutes have been verified during the audit.	Complied
Criterion 6.3		
There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.		
Indicators	Findings and Objective Evidence	Compliance
6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties. A mutually agreed and documented system in the form of Grievances Book. Procedures and flow chart has been	Complied

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Major Compliance	<p>prepared to deal with complaints, dispute and resolution. So far the record shows the Grievance Books in all estates are still active in recording complaints/requests made by internal workers.</p> <p>Interviews with staff and workers and their representatives revealed knowledge and understanding of the dispute and resolution mechanism. The mechanism provides for open and consensual agreements with relevant affected parties.</p> <p>Another documented system available was 'Stakeholder Request Procedure'. Here, the corporate level stakeholder could check with the IOI Group website www.ioigroup.com, call IOI Group General line 0389478888 or write to Two IOI Square, IOI Putrajaya to lodge a formal request/complaint.</p> <p>Other methods of expressing grievances to the estates managements made available are;</p> <ul style="list-style-type: none"> • Employee Consultative Committee (ECC) meeting • Gender Consultative Committee (GCC) meeting • Weekly linesite inspection EHA. <p>The IOI Audit and Risk Management department had issued an internal whistle blowing protection policy with the objectives to give the opportunity to the staff and all parties involved with IOI group to report any misconduct.</p>	
<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>Minor Compliance</p>	<p>A standard grievance book for IOI Group is used throughout the PMU – IOI Group Complaints and Grievances Book. The complainants need to sign off upon completion of the request/resolution of complaints. Entries were noted to have been attended and in general found to be resolved in a timely manner. E.g. In Shahzan 1 Estate, it was found that water from tube well did not meet the national standard for drinking water. To address the problem the management already acquired a budget for installation of water treatment in the estate.</p>	Complied
<p>Criterion 6.4</p> <p>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>Major Compliance</p>	<p>The IOI group procedure for the handling of grievances and compensation which may arise from any party claiming legal or customary rights is available at the PMU and is also available at the website link: http://www.ioigroup.com/business/busi_millsestates.cfm</p> <p>There were no borders which were adjacent to any villages or native land in the PMU. Therefore no cases requiring any negotiation or compensation pertaining to this criterion. There have been no changes in this status as at the period of verification on site.</p>	Complied
<p>6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the</p>	<p>The IOI group procedure was documented in handling this indicator has included the statement of fair and legal compensation in the event of any such claims being made. To date, there is no such dispute by any parties reported at the grouping.</p>	Complied

<p>power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p>Minor Compliance</p>		
<p>6.4.3 The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>Major Compliance</p>	<p>To date, there has been no dispute by any parties relating to legal, customary or user rights at the PMU. The procedure for handling compensation claim process is documented and made publicly available upon request.</p>	<p align="center">Complied</p>
<p>Criterion 6.5</p> <p>Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.5.1 Documentation of pay and conditions shall be available.</p> <p>Major Compliance</p>	<p>Documentation of pay and conditions are evident in “Kontrak Pekerjaan” Seksyen 18 Ordinan Buruh Sabah Bab 67 (Pindaan 2005).</p> <p>The contract details all necessary employment terms and conditions including job/assignment, minimum wage per day, overtime calculations, allowance, working hours, deductions, sick leave, holiday entitlement, reasons for dismissal, period of notice etc.</p> <p>A review of some field workers' pay slips showed that the calculation of pay is clearly itemised, for example:</p> <ul style="list-style-type: none"> • Normal day field work wage [Daily Rated or Piece Rated] • Normal working day overtime • Working rest day • Overtime for working rest day • Working public holiday • Overtime for working public holiday • Out-turn incentives [December pay slips only] • Conversion of annual leave into annual payment renewal [December pay slips only] <p>Based on instruction circulated in IOI Memorandum dated 2 Feb. 2015 all estates and mill managements at the PMU are instructed to use workers contracts in national language of the foreign workers hired. Signed workers contract in Bengali, Nepali and Indonesian languages were verified.</p>	<p align="center">Complied</p>
<p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>Minor Compliance</p>	<p>Review of relevant document and interviews with the newly recruited workers of different categories confirmed knowledge and understanding of items stated on employment contract including the following:</p> <ul style="list-style-type: none"> • Pay rates including calculation of over time claims are based on the newly implemented Minimum Wages Order 2012. • Entitlement for paid public holidays, annual and sick leaves. • The migrant workers with valid working permits are covered under Foreign Workers Compensation scheme (FWCS), whilst migrant workers with pending working 	<p align="center">Complied</p>

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	<p>permits are covered under Workmen's Compensation Insurance Policy from MSIG. Both insurances coverage are valid. E.g. in all estates and mill, foreign workers are covered under FWCS underwritten by MSIG and valid until 30 Sep. 2015. List of new intake to be included in the FWCS after the issuance of FWCS cover letter were also verified.</p> <ul style="list-style-type: none"> • Accidents are reported to relevant government agencies and incidents that are qualified for compensation were handled in appropriate and timely manner. 	
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>Minor Compliance</p>	<p>The estate management was noted to have complied with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446).</p> <p>Site visits to workers' homes and interviews with their dependents revealed their general satisfaction with their housing conditions and amenities.</p> <p><u>Housing, electricity and water supply</u></p> <p>Workers are given a small patch of land to grow vegetables/fruit trees and keep poultry around their houses in order to reduce the cost of living. The workers staying in the estate are provided with free 24 hours electricity supply, except for Segamat Estate. Clean water supply comes from treated pond water [except for Shahzan 1 Estate] which is supplied to the workers quarters once in two days. Water samples are collected and sent for external lab test at least twice in a year the results are verified during the audit. Weekly line-site inspections are also carried out and properly recorded. In all the estates, rubbish collection is scheduled at least twice a week.</p> <p>Only one fire extinguisher found to be available for 8 blocks of houses in the POM and Pukin estate workers' quarters. All quarters are newly built and building material is brick, therefore incident of fire outbreak is very low.</p> <p><u>Sundry shops</u></p> <p>The availability of sundry shops within the estates which helped the staff and workers get their sundries nearby. From interviews with the workers in the PMU it was found that most household sundries, including frozen foodstuffs were available on sale. Furthermore, the estates are located not too far from town which the workers can get most of their grocery items</p> <p><u>Crèche (Rumah Asuhan Kanak-kanak)</u></p> <p>Creches are available but during the audit no children are being accommodated.</p> <p><u>Medical clinics</u></p> <p>Clinics are available in all estates audited which are manned by an Estate Hospital Assistants (EHA). The EHAs also conduct the linesite inspection. Visiting Medical Officer comes once a month to monitor the services provided by the clinic and to attend to the referred cases. Basic medical treatment of minor ailment and first aids such as toilet and</p>	<p style="text-align: center;">OBS # JMD-01</p>

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	<p>suturing (T&S) of small laceration wounds are provided. Sharp bins are available in all clinics and content of the bins are disposed through proper channel. No charge for the medical services provided at the estate clinics and the clinics also available for neighbouring plantations and village.</p> <p>Wrongful deduction was made for one day sick leave in Mar 2015 for a worker interviewed in Shahzan 1 Estate due to the failure of the Health Assistant to issue medical certificate and pass it over to Field Supervisor for time sheet recording. One worker in Segamat Estate was given one day sick leave by the Health Assistant but payment was made for two days sick leave in the Mar 2015 payslip. This not a common policy in IOI, oversights at the EHA, Field Supervisors and the office clerks are confirmed during the audit.</p>	<p>OBS # JMD-01</p>
<p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. Minor Compliance</p>	<p>Food for the workers provided through sundry shops in each of the PMU estates verified to be adequate and affordable. In Shahzan 1 estate, the management also has just approved for a contractor to open a canteen starting Jan. 2015.</p>	<p>Complied</p>
<p>Criterion 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.6.1 A published statement in local languages recognising freedom of association shall be available. Major Compliance</p>	<p>PMU has a published statement on "Equal Opportunity Employment & Freedom of Association Policies" recognizing freedom of association in English and Bahasa Malaysia languages, which is displayed in public areas.</p> <p>The estate management had formed the Employee Consultative Committee (ECC) as an alternative mechanism to cater to the collective bargaining needs of the workers.</p> <p>It was verified that the ECC consists of representatives of both male and female and are from the workers and management levels.</p>	<p>Complied</p>
<p>6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance</p>	<p>ECC meetings were conducted once in every three months. Minutes of meetings were properly documented and filed. For examples in Pukin POM latest meeting was on 2 Nov. 2014 and in Segamat Estate latest meeting was on 27 Mar. 2015. Minutes of these meetings were verified during the audit.</p>	<p>Complied</p>
<p>Criterion 6.7 Children are not employed or exploited.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.7.1 There shall be documentary evidence that minimum age requirements are met. Major Compliance</p>	<p>The PMU has a policy of not employing child labour (persons below 16 years) in accordance with Labour Act 350, Children and Young Persons (Employment), evident in the "Policy Statement of No Child Labor" available.</p> <p>The age of new hires were verified against their birth dates in their identification cards including those of the foreign workers. It was verified through interviews at the respective estates that the minimum age requirements of the workers</p>	<p>Complied</p>

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	were met.	
Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
Indicators	Findings and Objective Evidence	Compliance
6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	IOI Group document on “Equal Opportunity Employment & Freedom of Association Policies” was approved on 20 August 2009 by the IOI Group Plantation Director. The equal opportunity policy includes relevant and affected groups in the local environment. This policy is displayed at the front of POM and estate offices along with the other policies.	Complied
6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	There is a documented “Policy on Foreign Workers”. Migrant workers are recruited within the framework of Employment Act 1955, Sabah Labor Ordinance 2005, immigration Act 1959/63 and Workmen’s Compensation Act 1952. The employment of foreign workers was implemented without affecting the opportunities for local communities. Local workers are covered under SOCSO scheme and the migrant workers are covered under Foreign Workers Compensation scheme (FWCS). Interviews with foreign workers revealed their satisfaction with the PMU for job opportunities and many welfare amenities like free housing, free water and electricity supplies, medical care. Foreign workers are aware of the grievance procedures through the various Committees, including the ECC, Gender Consultative Committee (GCC) and sprayer group communication through participation at the SIA consultative meetings. It was verified that there has been no issue of discrimination at the PMU.	Complied
6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	Under the employment process, applicants for field worker positions are usually accepted by the estate management with very minimal requirements due to a shortage of labour supply in the plantation industry. For management and supervisory positions, the PMU has considered the needs of technical and other related skills depending on the nature of the work offered. It was verified that the promotions to higher position at the estates and POM were based on evaluations which considered the skill, capabilities, qualities and medical fitness of the employees. It was evident from interviews with employees and verification of records that there has been no discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age.	Complied
Criterion 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.		
Indicators	Findings and Objective Evidence	Compliance
6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the	The “Policy on Sexual Harassment” for prevention and eradication of sexual harassment in the workplace is available and verified to be communicated to all employees and implemented in the PMU.	Complied

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<p>workforce. Major Compliance</p>	<p>Record books for documenting such cases are available and kept under lock and key.</p> <p>Interviews with PMU field workers and office staff, both male and female, revealed their knowledge of the policy, their rights as male and female worker, the definition of sexual and other forms of harassment and understanding of the mechanism to lodge a complaint of sexual or other harassment.</p> <p>The GCCs comprised of both male and female representatives for both genders to communicate their grievances or complaints related to sexual harassment effectively. Latest meeting-cum-briefing session specific for female workers was conducted in Pukin POM on 26 Mar., in Shahzan 1 on 7 Mar. and in Segamat Estate on 27 Jan. 2015. Minutes of these meetings were verified. Male workers were also briefed on IOI sexual harassment policies, e.g. in both Shahzan 1 and Segamat estates, the briefing was conducted on 11 Mar. 2015. These briefing session for male workers were conducted together with all other policies adopted by IOI.</p>	
<p>6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance</p>	<p>Reproductive rights of the workers especially women are fully protected in PMU. Office staff is fully aware that they are entitled for two months paid maternity leave. No female staff or estate workers pregnant at the time of audit.</p>	Complied
<p>6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance</p>	<p>There is an established mechanism in the form of "Grievance procedure" to manage grievances from internal and external stakeholders and as well as from the general public.</p> <p>The procedure is explained in a flow chart and available in Bahasa Malaysia for easy understanding of the local people.</p> <p>The display of this Grievance Procedure in the staff offices, muster call stations and at the public areas is verified on audit.</p> <p>Sensitive grievances and complaints are treated as private and confidential thus protecting the anonymity of the complainants, for example the sexual harassment reports. The sexual harassment report books are kept under lock and key and accessible only to assigned personnel within the Gender Consultative Committee.</p>	Complied
<p>Criterion 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance</p>	<p>The current monthly FFB pricing was displayed at the Mill and Estate offices. Data on past prices were maintained in the FFB pricing memos issued from the IOI HQ and were available upon request.</p>	Complied
<p>6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance</p>	<p>The interviews conducted with estate field workers confirmed that the workers are aware of FFB pricing and the payment they are entitled for the types of work they are conducting.</p> <p>Data related to inputs/services such as costing incurred by transportation, logistics, maintenance for road and vehicles, social and environmental costs were noted to have been</p>	Complied

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	documented in the respective 5-year budget plans of the Mill and estates.	
<p>6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.</p> <p>Minor Compliance</p>	<p>All parties having contractual agreements with the PMU had entered their contracts with adequate understanding of the terms and conditions set between both parties.</p> <p>Evidence was obtained during the viewing of the contracts sampled which among others included the office staff, field workers of both genders; various contractors providing labour, transport and maintenance works at the PMU.</p> <p>On site stakeholder interviews and consultation carried out with the various parties further confirmed their understanding of the contracts entered.</p> <p>Based on the documented contracts sighted, review of meeting minutes with stakeholders as maintained in the respective files, there was no evidence to suggest of any unfair, illegal or non-transparent practices in the grouping dealings with the local community businesses.</p>	Complied
<p>6.10.4 Agreed payments shall be made in a timely manner.</p> <p>Minor Compliance</p>	<p>Payment of wages to office staff is consistently made on 25th of every month. The field workers pay is made no later than seventh day of every month. Only when the seventh day of the month falls during weekend the payment is made before tenth day of the month. However, this happens in a very rare occasion.</p> <p>PMU by local business clearly stated that services rendered or purchases made will be paid within 60 days. This is a standard practice and the PMU received no complaints from any local business on delay of payments during the verification visit. The PMU also shows no pending payments to contractors or suppliers beyond the given period.</p>	Complied
<p>Criterion 6.11 Growers and millers contribute to local sustainable development where appropriate.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.</p> <p>Minor Compliance</p>	<p>The commitment to contribute towards local communities is evident and verified as sampled below.</p> <ul style="list-style-type: none"> • Pukin POM management received complaints regarding the workers children were left at school by the mill hired school bus. The mill management resolved the issue by allowing the workers to temporary leave work in order to pick up their children when necessary especially when the hired school bus has responsibilities elsewhere. • Segamat Estate management received a complaint regarding the safety of road users as well as the football players when the ball accidentally flew beyond the field. The management has immediately approved a budget to raise fence behind the goal post to prevent any untoward incidents occur while the field is being used. • Management of Shahzan 1 approved a contractor to open a canteen-cum-sundry shop at the workers quarters in order for the workers to have more options compared to previously only one sundry shop available. • Management of Shahzan 1 also instructed the date of 	Complied

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	<p>the pay day should be rotated and not fixed to near the 7th of every month. This is to prevent any possible mishaps on the road from the bank as the pay for the workers is made in cash.</p> <ul style="list-style-type: none"> • Neighbouring estates with Shahzan 1 complaint that the FFB lorry drivers are speeding on the road. The management immediately conducts a briefing session specifically to the transporters on 2 Mar. 2015 explaining the relevant IOI rules and regulations. • In Shahzan 1 Estate, it was found that water from tube well did not meet the national standard for drinking water. To address the problem the management already acquired a budget for installation of water treatment in the estate. • Based on instruction circulated in IOI Memorandum dated 2 Feb. 2015 all estates and mill managements at the PMU are instructed to use workers contracts in national language of the foreign workers hired. Signed workers contract in Bengali, Nepali and Indonesian languages were verified. 	
<p>6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity Minor Compliance</p>	<p>The PMU have not been directly involved with any smallholder schemes. Therefore no records of any particular impacts pertaining to this criterion.</p> <p>No changes in this status as at the period of verification on site.</p>	Complied
<p>Criterion 6.12 No forms of forced or trafficked labour are used.</p>		
<p>6.12.1 There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance</p>	<p>All migrant workers at the PMU are legal with passports and valid working permits thus no evident of trafficked workers were found during the verification audit.</p>	Complied
<p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance</p>	<p>No incidents have been found and this is confirmed that during interviews with external stakeholders this issue has not been raised.</p>	Complied
<p>6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance</p>	<p>The policy on 'Equal Opportunity and Non-Discrimination' adopted and implemented by the PMU seemed to cover all necessary aspects of migrant workers related issues.</p>	Complied
<p>Criterion 6.13 Growers and millers respect human rights.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). Major Compliance</p>	<p>Clauses pertaining to Human Rights Policy were stated in the Equal Opportunity and Non-Discrimination Policy. However, there is a lack of clarity in meeting the requirements for the Human Rights Policy.</p>	<p>OBS # JMD-02</p>
<p>6.13.2 As long as children of plantation workers of Sabah and Sarawak are not secured a right to go to government school, the plantation companies should engage in a process to secure</p>	<p>Not applicable</p>	<p>Not applicable</p>

<p>the children of the plantation workers access to education as a moral obligation. Minor Compliance</p>		
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Principle 7: Responsible development of new plantings

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

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

<p>Criterion 8.1</p>		
<p>Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>8.1.1 The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Encourage ptimising the yield of the supply base. <p>Major Compliance</p>	<p>There are areas of continual improvement carried out by the POM and estates but there is a need to organize and document these continual improvements with clear indication of the outcomes.</p> <p>The continual improvement activities planned and progressively implemented in the palm oil mill and estates are:</p> <ul style="list-style-type: none"> • Planting of more cover crops along steep slopes and streams. • Increase planting of beneficial plants (<i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>) along the roads. • Fertilizer bags are recycled and empty pesticide containers returned to supplier. In addition, segregation of wastes carried out. • Construction of more barn owls boxes. • Bio-gas plant commenced operation for management of POME and reduction of GHGs. • Continuously building new workers quarters and upgrading the old housing quarters to improve living conditions. • Pukin POM management received complaint that the workers' children were left at school by the mill hired school bus when the hired school bus is required elsewhere. The mill management resolved the issue by allowing the workers to temporary leave from work in order to pick up their children when necessary. • Segamat Estate management received a complaint regarding the safety of road users as well as the football players when the ball accidentally flew beyond the field. The management has immediately approved a budget to erect a fence behind the goal posts to prevent any untoward incidents. • Management of Shahzan 1 approved a contractor to open a canteen-cum-sundry shop at the workers' quarters for workers to have more options compared to the current single sundry shop. • Management of Shahzan 1 also instructed the date of the 	<p>OBS # OCL-01</p>

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	<p>pay day should be rotated and not fixed to near the 7th of every month. This is to prevent any possible mishaps on the road from the bank as the pay for the workers is made in cash.</p> <ul style="list-style-type: none"> • Neighbouring estates with Shahzan 1 complained that the FFB lorry drivers are speeding on the road. The management immediately conduct a briefing session specifically to the transporters on 02 Mar. 2015 explaining the relevant IOI rules and regulations. • In Shahzan 1 Estate, the management has already budgeted for the installation of water treatment in the estate to enhance the water quality. 	
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3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

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

Details of findings are as follows:

D.1 Definition		
Indicators	Findings and Objective Evidence	Compliance
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>The POM only processed FFB from its own supply base (see Section 1.3). It was verified that there was no sources of FFB from any outgrowers or independent suppliers / smallholders. The CPO Mill is therefore deemed to be Identity Preserved (IP).</p>	<p>Complied</p>
D.2 Explanation		
Indicators	Findings and Objective Evidence	Compliance
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the POM is recorded in this Assessment Report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced has been recorded in each annual surveillance report (see Section 1.8.3 Table 7).</p>	<p>Complied</p>

<p>volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>		
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The POM meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	Complied
<p>D.3 Documented procedures</p>		
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p>	<p>Documented procedure for IP Module is: RSPO/SOP/COC/2 Issue No. 2 (01 Apr 2014). The procedure covered the implementation of all elements of IP Module.</p>	Complied
<p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements</p>	<p>The documented procedure and its implementation confirmed to have complied with all the specified requirements of Identity Preserved (IP) Module D that include controlling the FFB receipt, processing, sales, CPO and PK dispatch, and records keeping.</p>	Complied
<p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>Mill manager, Mr V. Ganapathy has the overall responsibility and authority for implementation and compliance with the documented procedure. He and other relevant staff under his charge demonstrated competence, skill and knowledge of the RSPO Supply Chain Certification Standard Module D requirements and its implementation. Interview of the Assistant Mill Manager, Mr. Melvin and other relevant staff confirmed their knowledge of the RSPO Supply Chain Certification requirements for the respective areas of operations. Organization Chart and job descriptions documented. Training on the RSPO SCCS (2014) conducted on 08 Apr 2014 and record of training is available.</p>	Complied
<p>D.3.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>For the period FY 2014/2015, the POM only received and processed FFB mainly from the PMU Pukin estates and some FFB from other certified PMUs under the IOI Group. The PMU did not receive any non-certified FFB from other sources or suppliers. All supplies of FFB were subjected to verification of documents and quality checks by weighbridge personnel.</p>	Complied
<p>D.4 Purchasing and goods in</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>D.4.1 The facility shall verify and document the tonnages and sources of certified and non-certified FFBs received.</p>	<p>The Mill had maintained record of tonnages and supply source of FFB from the respective estates at the weighbridge station, in the dispatch chit and weighbridge ticket and these are reported daily to the Pukin POM office as well as the IOI Head Office at Putrajaya. Noted that some FFB from other certified PMUs under the IOI Group (e.g. estates under Gomali POM, which is also RSPO certified) (see Section 1.8.1 Table 5). This diversion of FFB is</p>	Complied

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	under special circumstances only (e.g. when the mill undergoes maintenance). There were no non-certified FFBs.	
D.4.2 The facility shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The Mill monitors FFB reception, CPO and PK production. IOI HQ and POM has an internal monitoring and reporting mechanism for advising the CB of production variations such as projected overproduction situation, when such issue arises. So far, there is no projected overproduction.	Complied
D.5 Record keeping		
Indicators	Findings and Objective Evidence	Compliance
D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	<p>The records and reports are available from the computerized system. Also, hard copies of records and reports are properly filed and readily accessible. Inspection of records and reports at the Mill confirmed these were accurate, complete and updated daily. As per the SOP, the records and reports are archived and stored in the Mill Office for a minimum period of 5 years.</p> <p>The weighbridge ticket for delivery of CPO and PK indicates the product as certified and IP Module. For ISCC, the registration no. is indicated.</p> <p>Transaction documents and bookkeeping of FFB, CPO and PK are done daily and monthly summary submitted to Head Office. A tonnage balance recording system that shows FFB deliveries, CPO and PK production and dispatch is balanced every 3 months.</p>	Complied
D.6 Processing		
Indicators	Findings and Objective Evidence	Compliance
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.	<p>Confirmed from records that Pukin POM only received and processed certified FFB from its own estates and estates in other certified PMUs under IOI Group for FY2014/2015. The processing facility has established and implemented a clear procedure and mechanism for the IP module.</p> <p>Review and on-site verification confirmed that the mechanism was implemented and in compliance with the module requirements at the mill including transport and storage.</p>	Complied
E.6.1 The objective is for 100 % segregated material to be reached.	<p>Documents and records provided documented evidence for the FFB receipt and processed, CPO and PK produced to be traceable to certified material.</p> <p>Product type and supply chain module indicated as CSPO/IP and CSPK/IP on relevant documents.</p>	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 'IP' module and is thus eligible for 'IP' trading for its palm products for year 2015/2016.

3.1.3 Monitoring of CSPO and CSPK traded:

Trading of the CSPO and CSPK was monitored by the POM via RSPO eTrace including RSPO GreenPalm and ISCC. The records maintained at the POM relied on internal communications of the trading done by the HQ, Putrajaya on the CSPO delivered by the POM. The volumes of CSPO traded as verified during assessment are as follows:

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	CSPO - Actual Jul 2013 / Jun 2014 (MT)	CSPK - Actual Jul 2013 / Jun 2014 (MT)	CSPO - Actual Jul 2014 till current (MT)	CSPK - Actual Jul 2014 till current (MT)
RSPO	30,425.06	0	20,915.75	0
ISCC	Not available	0	Not available	0
Total Traded	30,425.06	0	20,915.75	0
Actual Produced	64,815.05	14,158.77	64,972.11	14,964.93

Notes:

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

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

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

Assessment Type	Year	Noncompliance (NCR)	Observations (OBS)	Follow up status
Main Assessment	2010	5 (1 Major, 4 Minor)	7	Actions taken on the NCRs and OBS verified to be effective during ASA-01.
Annual Surveillance-01	2012	4 (0 Major, 4 Minor)	0	Actions taken on the NCRs verified to be effective during ASA-02.
Annual Surveillance-02	2013	2 (0 Major, 2 Minor)	0	Actions taken on the NCRs verified to be effective during ASA-03.
Annual Surveillance-03 cum Extension of Scope	2014	2 (0 Major, 2 Minor)	2	Actions taken on the NCRs verified to be effective during ASA-04.
Annual Surveillance-04	2015	5 (1 Major, 4 Minor)	5	Next assessment (Re-certification)

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Year 2014: Surveillance Assessment (ASA-03) cum Extension of Scope Assessment (2 NCRs)

NCR #	MYNI Indicator	Details of NCR	
1 of 2 Minor	4.1.3	Date issued: 11 Apr 2014	
		Nonconformance: The date for the Boiler Smoke Chart printer in the Palm Oil Mill had not been set correctly.	
		Root Cause and Corrective Action: The date was printed incorrectly due to the depleted battery in the device. Oil Mill PIC has replaced with a new unit of battery and reset/ calibrated the date of the device correctly. The accuracy of the date will be constantly monitored by the Mill Assistant Manager and PIC to prevent future re-occurrence of this matter.	
		Verification (Corrective Action plan): Corrective action plan submitted was reviewed. Supporting documentation and evidences were verified to be acceptable for closure.	
		NC status verified by auditor: MT	Date closed: 09 May 2014
		Verification of effectiveness: Verified during ASA-04 that the corrective action taken was implemented effectively.	
		NC status verified by auditor: OCL	Date verified: 13 Apr 2015

NCR #	MYNI Indicator	Details of NCR	
2 of 2 Minor	4.1.3	Date issued: 11 Apr 2014	
		Nonconformance: In Laukin A Estates's Selective Spraying record, the date for the Selective Spraying did not include the "year", hence one cannot tell in which year the work had been carried out.	
		Root Cause and Corrective Action: Estate Office chief clerk has rectified the issue and the "Year" has been added into the costing book.	
		Verification (Corrective Action plan): Corrective action plan submitted was reviewed. Supporting documentation and evidences were verified to be acceptable for closure.	
		NC status verified by auditor: MT	Date closed: 09 May 2014
		Verification of effectiveness: Verified during ASA-04 that the corrective action taken was implemented effectively.	
		NC status verified by auditor: OCL	Date verified: 13 Apr 2015

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Year 2015: Surveillance Assessment (ASA-04) (5 NCRs)

NCR	MYNI Indicator	Details of NCR
Major NC# OCL-01	4.7.2	Date issued: 17 Apr 2015
		Nonconformance: During the line site visit to Shahzan 1 Estate, it was found that a total of more than 20 unsheathed sickles were kept by the workers in their quarters. This is against the SOP on Health and Safety and there is an element of high risk of potential incident.
		Root Cause and Corrective Action: Root Cause: Though all harvesting workers have been trained to ensure that all sharp equipment like harvesting sickle is sheathed when not in use, some workers failed to adhere to this procedure. Corrective Action: Management have carried out the following corrective actions <ol style="list-style-type: none"> 1. An empty house has been converting into a harvesting sickle storage area. 2. Safe Operating Procedures re-training was carried out for all harvesters. 3. Workers who prefer to keep their harvesting sickles at their own quarters are ensuring that they are sheathed.
		Verification (Corrective Action): Off site verification carried out. Verified that the appropriate corrective actions have been taken. Photos and records were available to provide evidence of implementation. The corrective actions satisfactorily addressed the non-conformance.
		NC status verified by auditor: Closed by OCL Date closed: 18 May 2015
		Verification (for effectiveness): At next assessment.

NCR	MYNI Indicator	Details of NCR
Minor NC# SH-01	5.1.2	Date issued: 17 Apr 2015
		Nonconformance: <ol style="list-style-type: none"> 1. The Management Plan for mitigation of environmental impacts, timeframe for action and responsible persons were not adequately followed up by the Estate Managers. 2. At the Segamat estate, no signage was placed along the stream to show the prohibited activities. Also, there was no buffer zone identified and no signage on prohibited activities around the pond located near the office. 3. At Shahzan 1estate, no demarcation of buffer zone for pond conservation areas identified. Also there was no container supplied for the disposal of domestic waste at the workers' quarters.

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		<p>Root Cause and Corrective Action:</p> <p>Root Cause:</p> <ol style="list-style-type: none"> 1. Though most of the actions have been taken to mitigate environmental impacts, some Estate Managers may have unintentionally overlooked the updating of the Management Plan. 2. As the areas were well maintained with minimum activities carried out in the buffer zones, Segamat estate management felt that it was not required to demarcate the area to display or display a signage. 3. As no activities were carried out in or around the pond in Shahzan 1, the estate management felt that it was unnecessary to identify or demarcate the buffer zone. As the previously supplied waste disposal containers at Shahzan 1 workers' quarters were dilapidated, the rubbish collection workers had disposed them altogether with the rubbish. <p>Corrective Action:</p> <ol style="list-style-type: none"> 1. The Estate Managers have followed up on actions taken to mitigate environmental impacts and updated the Management Plan accordingly. 2. Sign boards on prohibited activities along streams and around the pond located near the office had been put up. The buffer zone beside the pond has been identified and palms have been marked with red paint. 3. The buffer zone around the pond has been fenced up and a signage has been displayed. Workers' quarters with old rubbish disposal containers were provided with new containers. 		
		<p>Verification (Corrective Action):</p> <p>Off site verification carried out. Verified that the appropriate corrective actions have been taken. Records and photos were available to provide evidence of implementation. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 18 May 2015</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 18 May 2015
NC status verified by auditor: Closed by OCL	Date closed: 18 May 2015			
		<p>Verification (for effectiveness): At next assessment.</p>		

NCR	MYNI Indicator	Details of NCR		
Minor NC# SH-02	5.1.3	Date issued: 17 Apr 2015		
		<p>Nonconformance:</p> <p>At all estates visited (Segamat Estate and Pukin Estate), it was found that the disposal of plantation waste materials was not properly monitored and recorded. The waste materials (mostly fertilizer bags and plastics) were strewn everywhere. Monitoring and implementation of the environmental improvement plan were not adhered to.</p>		
		<p>Root Cause and Corrective Action:</p> <p>Root Cause:</p> <p>After loading loose fruits (placed in the fertilizers bags) onto tractors, the loaders are supposed to hang the fertilizer bags on the palm trees. However, due to lackadaisical attitude and sometimes due to urgency, some workers failed to hang the fertilizer bags on the palm trees.</p> <p>Corrective Action:</p> <p>The workers involved (mandores, bunch checkers, loaders, tractors drivers) have been given re-training on field cleanliness and the proper way to hang up the fertilizer bags.</p>		
		<p>Verification (Corrective Action):</p> <p>Off site verification carried out. Verified that the appropriate corrective actions have been taken. Records and photos were available to provide evidence of implementation. The corrective actions satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 18 May 2015</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 18 May 2015
		NC status verified by auditor: Closed by OCL	Date closed: 18 May 2015	
<p>Verification (for effectiveness): At next assessment.</p>				

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NCR	MYNI Indicator	Details of NCR	
Minor NC# SH-03	5.2.3	Date issued: 17 Apr 2015	
		Nonconformance: Information on rare, threatened and endangered species were inadequately disseminated to the workers. This is of importance as the Shahzan 1 and Pukin estates are bordered by Forest Reserves and there is possibility of encounters with wildlife.	
		Root Cause and Corrective Action: Root Cause: As there was a “No Hunting” sign at the entrance of the estates. The Estate Management felt that it was sufficient to prevent workers from endangering wildlife. Corrective Action: New sign boards have been displayed at Shahzan 1 and Pukin estates entrances and Forest Reserve borders. Training/briefing have been given to workers to disseminate information, especially on the consequence of endangering rare, threatened and endangered species.	
		Verification (Corrective Action): Off site verification carried out. Verified that the appropriate corrective actions have been taken. Photos and records were available to provide evidence of implementation. The corrective actions satisfactorily addressed the non-conformance.	
		NC status verified by auditor: Closed by OCL	Date closed: 18 May 2015
		Verification (for effectiveness): At next assessment.	

NCR	MYNI Indicator	Details of NCR	
Minor NC# SH-04	5.6.3	Date issued: 17 Apr 2015	
		Nonconformance: The PMU has not complied with the requirement for submission of their GHG emission report (using PalmGHG or an equivalent) to RSPO Secretariat for review by the ERWG during the implementation period. If using tools other than PalmGHG, the PMU is required to submit these tools and their calculations for endorsement by RSPO well before their assessment.	
		Root Cause and Corrective Action: Root Cause: As the submission of the GHG emission report is a relatively new requirement, the Management personnel were not aware of this. Corrective Action: Management personnel have been briefed otold to take steps to ensure that the GHG emission report is sent to RSPO well before future assessments. The GHG report has been generated and is attached for RSPO endorsement.	
		Verification (Corrective Action): Off site verification carried out. The PMU has submitted the GHG emission data to the CB and will take action to submit the same to the RSPO Secretariat. The Corrective Action Plan (CAP) is acceptable.	
		NC status verified by auditor: Closure of Minor NC at next assessment.	Date closed: Pending
		Verification (for effectiveness): At next assessment.	

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Year 2014: Surveillance Assessment (ASA-03) cum Extension of Scope Assessment (2 Observations)

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Follow up remarks (if any)
1 of 2 Obs	6.3.2	All PMUs with the Grouping	Issues raised in different meetings/consultations should be compiled in one file and updated regularly according to latest status.	11 Apr 2014	13 Apr 2015	Verified during ASA-04 that action taken.
2 of 2 Obs	5.2	Pukin POM	HCV details in Pukin POM should be more clearly indicated in writing in the combined (with Pukin Estate) HCV assessment document.	11 Apr 2014	13 Apr 2015	Verified during ASA-04 that action taken.

Year 2015: Surveillance Assessment (ASA-04) (5 Observations)

Ref No:	RSPO P&C Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS # OCL-01	8.1.1	Estates and POM	There are areas of continual improvement carried out by the POM and estates but there is a need to organize and document these continual improvements with clear indication of the outcomes.	17 Apr 2015	Pending	Follow up in next assessment (Re-certification)
OBS # SH-01	5.3.3.	Estates and POM	The placement and condition of all the signages for use in the estates and mill can be further improved.	17 Apr 2015	Pending	Follow up in next assessment (Re-certification)
OBS # SH-02	5.6.3	POM	The flow meter for the effluent discharge was not functioning for a few months. However, action has been taken to replace with a new flow meter expected to be done in May 2015.	17 Apr 2015	Pending	Follow up in next assessment (Re-certification)
OBS # JMD-01	6.5.3	POM and Pukin Estate	Only one fire extinguisher found to be available for 8 blocks of houses in the POM and Pukin estate workers' quarters.	17 Apr 2015	Pending	Follow up in next assessment (Re-certification)
		Shahzan 1 Estate	Wrongful deduction was made for one day sick leave in Mar 2015 for a worker interviewed in Shahzan 1 Estate due to			

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		Segamat Estate	the failure of the Health Assistant to issue medical certificate and pass it over to Field Supervisor for time sheet recording. One worker in Segamat Estate was given one day sick leave by the Health Assistant but payment was made for two days sick leave in the Mar 2015 payslip.			
OBS # JMD-02	6.13.1	POM and Estates	Clauses pertaining to Human Rights Policy were stated in the Equal Opportunity and Non-Discrimination Policy. However, there is a lack of clarity in meeting the requirements for the Human Rights Policy.	17 Apr 2015	Pending	Follow up in next assessment (Re-certification)

3.2.2 Identified Positive Elements

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

3.3 Summary of Feedback Received from Stakeholders and Findings

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

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
ASA-03) cum Extension of Scope (2014) Communication done via email on 04 Mar 2014 to various categories of stakeholders: No comments / feedback received from stakeholders.	No response needed	Verified no response needed	Nil
ASA-04 (2015) Communication done via email on 11 Mar 2015. See list under para 2.5			
Government Agencies: No feedback received.	No response needed	Verified no response needed	Nil
Non-Governmental Organizations: No feedback received.	No response needed	Verified no response needed	Nil
Local Communities: Stakeholder interviews were made during assessment from 13 to 17 Apr 015 at the PMU.			

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<p>A total of 11 stakeholders comprising contractors, suppliers, local community (schools and sundry shops), neighbouring estates, Government agencies and employees/workers were interviewed during the on-site assessment. Only one suggestions from a stakeholder:</p>		<p>The stakeholders gave feedbacks that there were no complaints or adverse issues concerning the activities of the POM and estates.</p>	<p>Nil</p>
<p>Suggestion to place importance on good attendance of students in the school.</p>	<p>The PMU has taken note of this matter and will communicate to the parents of the students.</p>	<p>To be followed up during the next Assessment.</p>	<p>Pending</p>
<p>Other Interested parties: No feedback received.</p>	<p>No response needed</p>	<p>Verified no response needed</p>	<p>Nil</p>



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4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

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

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

Signed for and on behalf of
Intertek Certification International Sdn Bhd

Dr. Ooi Cheng Lee
Lead Assessor

Date: 18 May 2015

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
Sustainability Head (Malaysia / Indonesia)

Date: 18 May 2015

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4.2 INTERTEK- RSPO P&C Certificate details for IOI Pukin Grouping (ASA-04)

Certificate No:	RSPO 927888
Original Issue date:	13 Jun 2012
New issue date (ASA-04):	13 Jun 2015
Expiry date:	12 Jun 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
Address of POM:	30km, Lebuhraya Tun Abdul Razak, Keratong, Rompin, Pahang
Standards:	RSPO Principles and Criteria (Apr 2013); Malaysian National Interpretation (2014); RSPO Supply Chain Certification Standard (Nov 2014) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernels
Supply Chain module for CPO & PK:	Identity Preserved (IP)

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
Leepang A Estate	KM 68, Kuantan-Segamat Highway, 26700 Muadzam Shah, Pahang.	03°00'36" N	103°01'48" E
Laukin A Estate	KM 72, Kuantan-Segamat Highway, 26700 Muadzam Shah, Pahang.	03°01'26" N	103°02'33" E
Bukit Serampang Estate	KM 12, Jalan Sagil-Tangkak, Segamat, 84900, Tangkak, Johor.	02°19'53.65" N	102°41'17.37" E

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Total annual certified tonnages of FFB processed, CPO and PK produced from the supply base to Pukin Grouping POM during the previous, current Assessment and next projected period are as follows:

POM	2013 / 2014		2014 / 2015 - Actual + Projected		2015 / 2016 - Actual + Projected	
Total certified FFB Processed (MT)	297,453.18		307,288		349,230	
Total certified CPO Production (MT)	64,815.05	OER: % 21.79%	67,972.11	OER: 22.12%	79,449.83	OER: % 22.75%
Total certified PK Production (MT)	14,158.77	KER: % 4.76%	14,964.93	KER: 4.87%	17,461.50	KER: % 5.00%



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Appendix A:

Qualifications of Lead Assessor and Assessment Team

Dr. Ooi Cheng Lee (OCL) Lead Assessor / Technical Expert

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

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

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

Mr. Sazali Hasni – Assessor / Technical Expert

(Environment, Conservation and HCV area)

- Bachelor of Science (Forestry)

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

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

– BSc (Social Science)

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

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Appendix B:

Certification Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
13/04/15 Day 1	8.00 am – 11.00 am	Travel to hotel at Pahang		
	11.00 am – 12.00 noon	Travel from hotel to Pukin grouping Palm Oil Mill (POM) Office		
	12.00 pm – 1.00 pm	Lunch Break		
	1.00 -1.30 pm	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)		
	1.30 -5.00 pm	OCL	SZH	JMD
		Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Mill • P8 Continual Improvement • Supply Chain for POM (SCCS) 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation, including HCV • P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	<ul style="list-style-type: none"> • Document Review and Assessment by all Assessors on respective RSPO P&C:1 to 8 at POM • Review of changes for compliance to revised P&C 2013 • Review of Time Bound Plan • Verification for compliance with rules on partial certification • Verification and follow up on NCs and Obs issued in previous assessment 			
	5.00 pm – 6.00 pm	Travel to Hotel & Break		
6.00 pm – 7.00 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity		
		OCL	SZH	JMD
14/04/15 Day 2	8.30 am – 12.30pm	Site assessment at Shahzan 1 estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Shahzan 1 estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation, including HCV • P8 Continual Improvement 	Site assessment at Shahzan 1 estate <ul style="list-style-type: none"> • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
		Lunch Break		
	1.30 pm - 5.00 pm	Continue site assessment Shahzan 1 estate	Continue site assessment Shahzan 1 estate	Continue site assessment Shahzan 1 estate
	5.00 pm – 6.00 pm	Travel to Hotel & Break		
	6.00 pm – 7.00 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity		
		OCL	SZH	JMD
15/04/15 Day 3	8.30 am – 12.30pm	Site assessment at Segamat estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations 	Site assessment at Segamat estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation, including 	Site assessment at Segamat estate <ul style="list-style-type: none"> • P6 Employees, Individuals & Communities incl. Gender Issues

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		<ul style="list-style-type: none"> • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	HCV <ul style="list-style-type: none"> • P8 Continual Improvement 	<ul style="list-style-type: none"> • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.00 pm	Continue site assessment at Segamat estate	Continue site assessment at Segamat estate	Continue site assessment at Segamat estate
	5.00 pm – 6.00 pm	Travel to Hotel & Break		
	6.00 pm – 7.00 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity		
16/04/15 Day 4	8.30 am – 12.30pm	OCL	SZH	JMD
		Site assessment at Pukin estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Pukin estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation, including HCV • P8 Continual Improvement 	Site assessment at Pukin estate <ul style="list-style-type: none"> • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch break		
	1.30 pm - 5.00 pm	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below): <ul style="list-style-type: none"> • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community • Settlers, in the case of independent and organized smallholders. <p>Notes</p> <p>1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders <u>prior</u> to the assessment.</p> <p>2. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement.</p>		
	5.00 pm – 6.00 pm	Travel to Hotel & Break		
	6.00 pm – 7.00 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity
17/04/15 Day 5	8.30 am – 10.00 am	Site assessment at POM or estates to follow up on any specific criteria/areas
	10.00 am – 11.00 am	Preparation for Closing Meeting
	11.00 am – 11.30 am	Team Meeting and Discussions with PMU Management Representative
	11.30 am – 12.30 pm	Closing Meeting & Briefing at Palm Oil Mill Office
	12.30 pm onwards	Lunch and travel from Pahang back to Kuala Lumpur

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Appendix C-1:

Location Map of IOI Pukin Grouping, Johor, Malaysia



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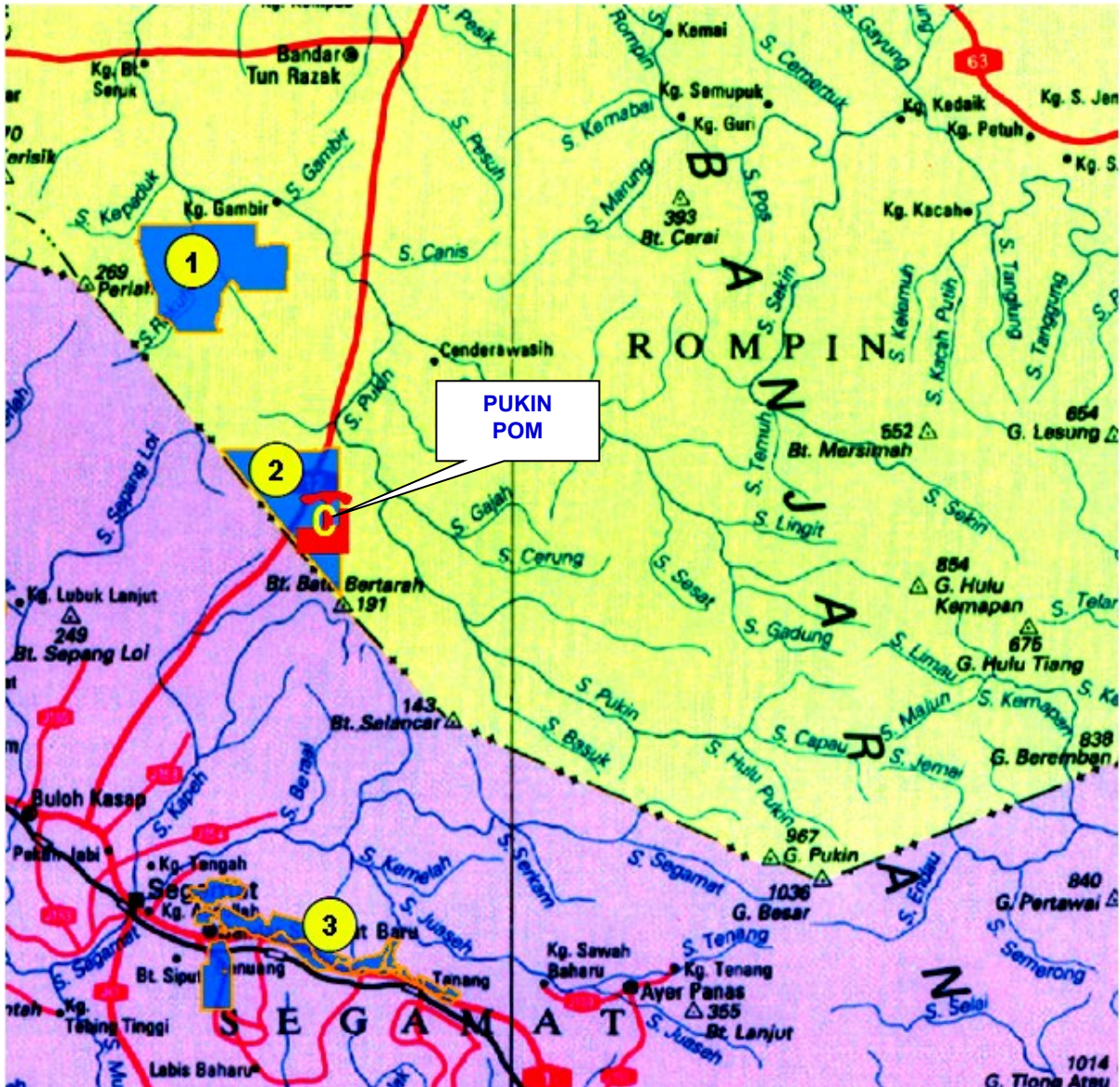
(188296-W)

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Appendix C-2:

Location Map of IOI Pukin PMU



Legend:

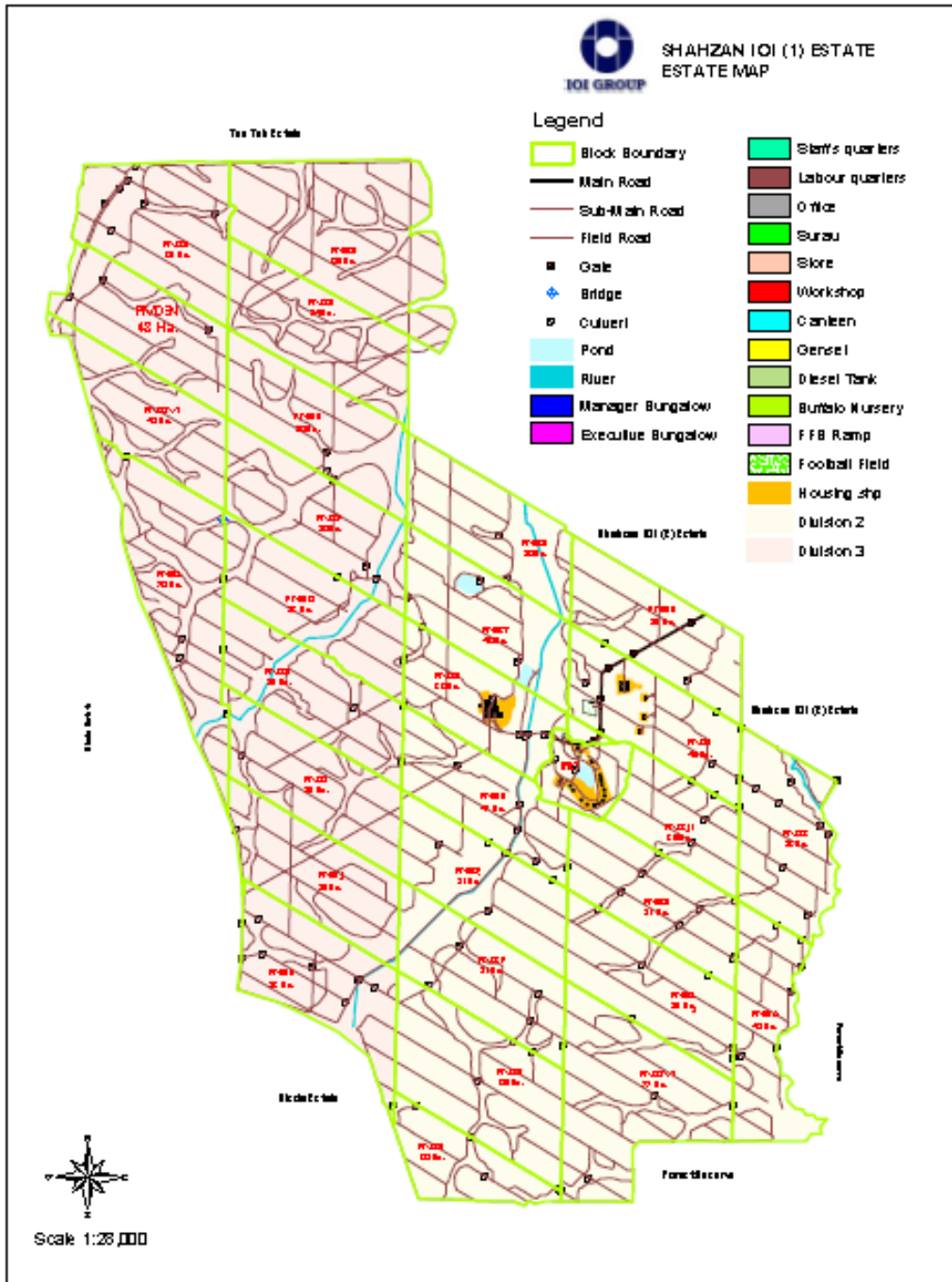
- C - Pukin Oil Mill
- 1 - Shahzan 1 & Shahzan 2 Estates
- 2 - Pukin Estate
- 3 - Segamat Estate

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Appendix C-4:

Field Map Shahzan 1 Estate



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Appendix C-5:

Field Map Shahzan 2 Estate



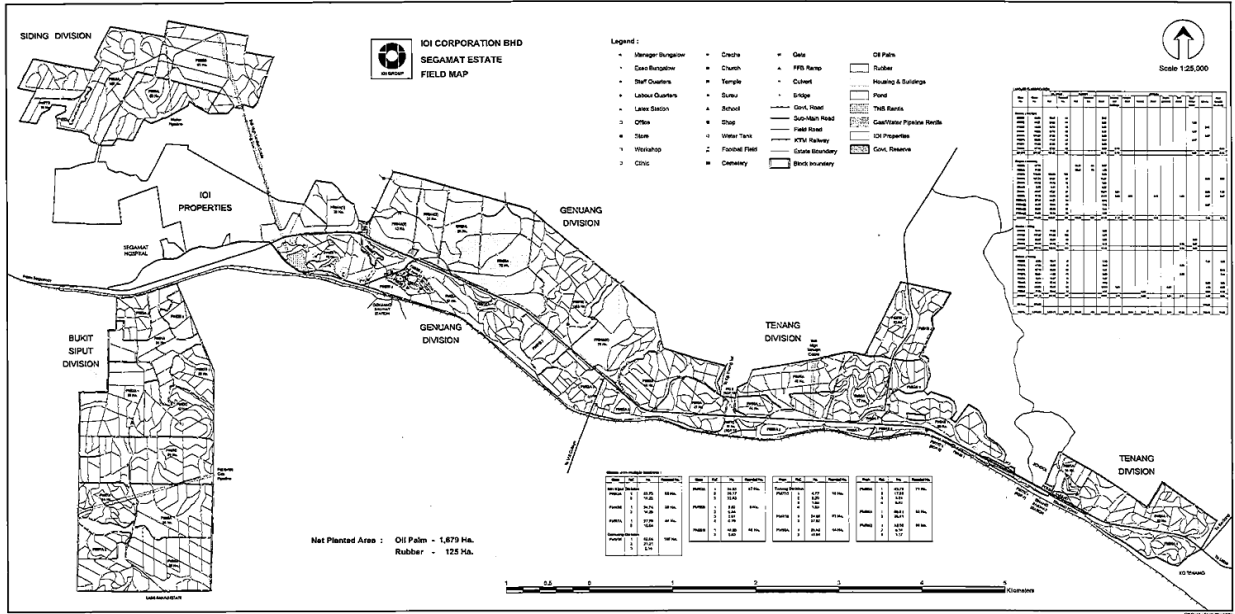
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Appendix C-6:

Field Map Segamat Estate



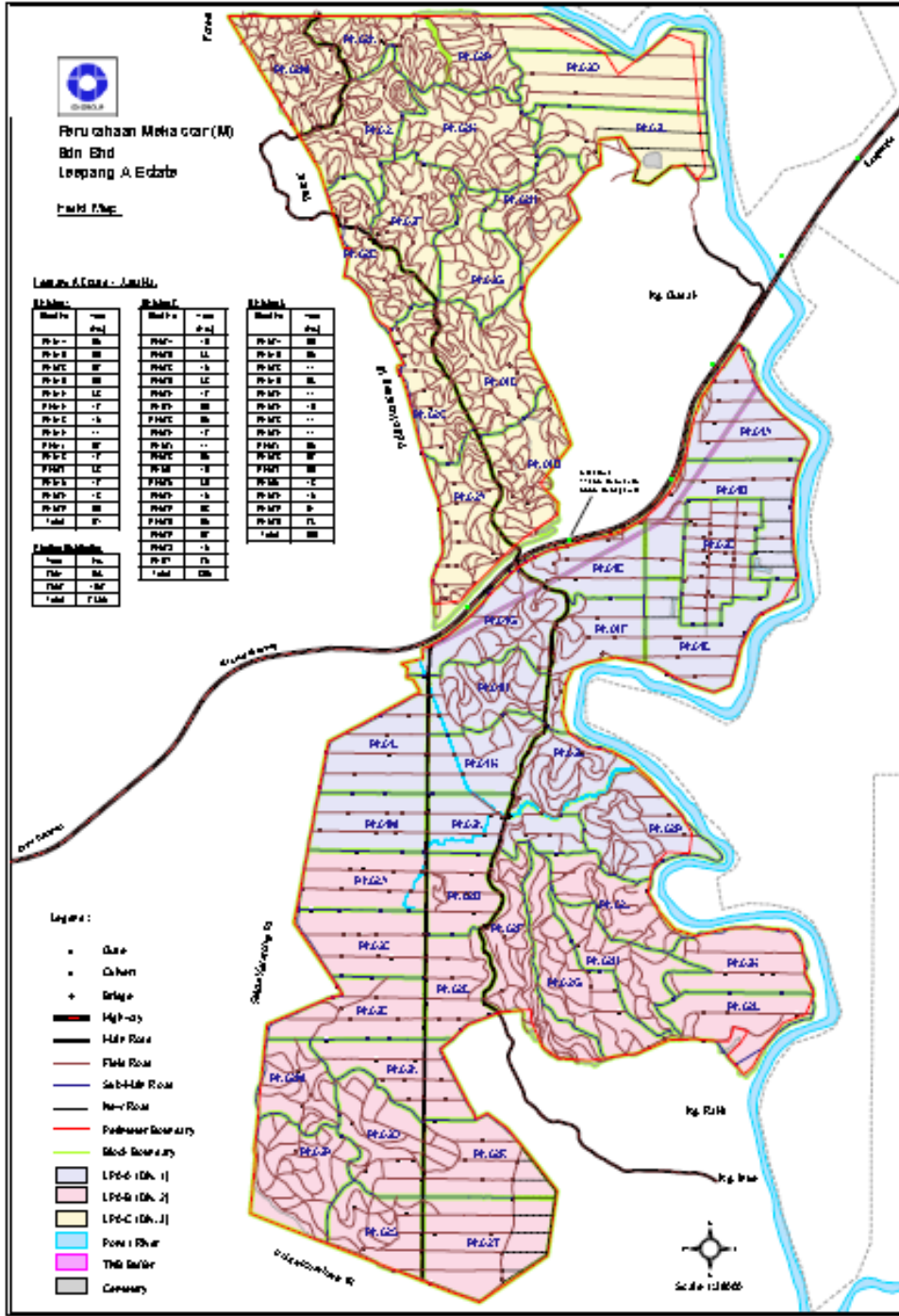
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Appendix C-7:

Location Map of Leepang A Estate



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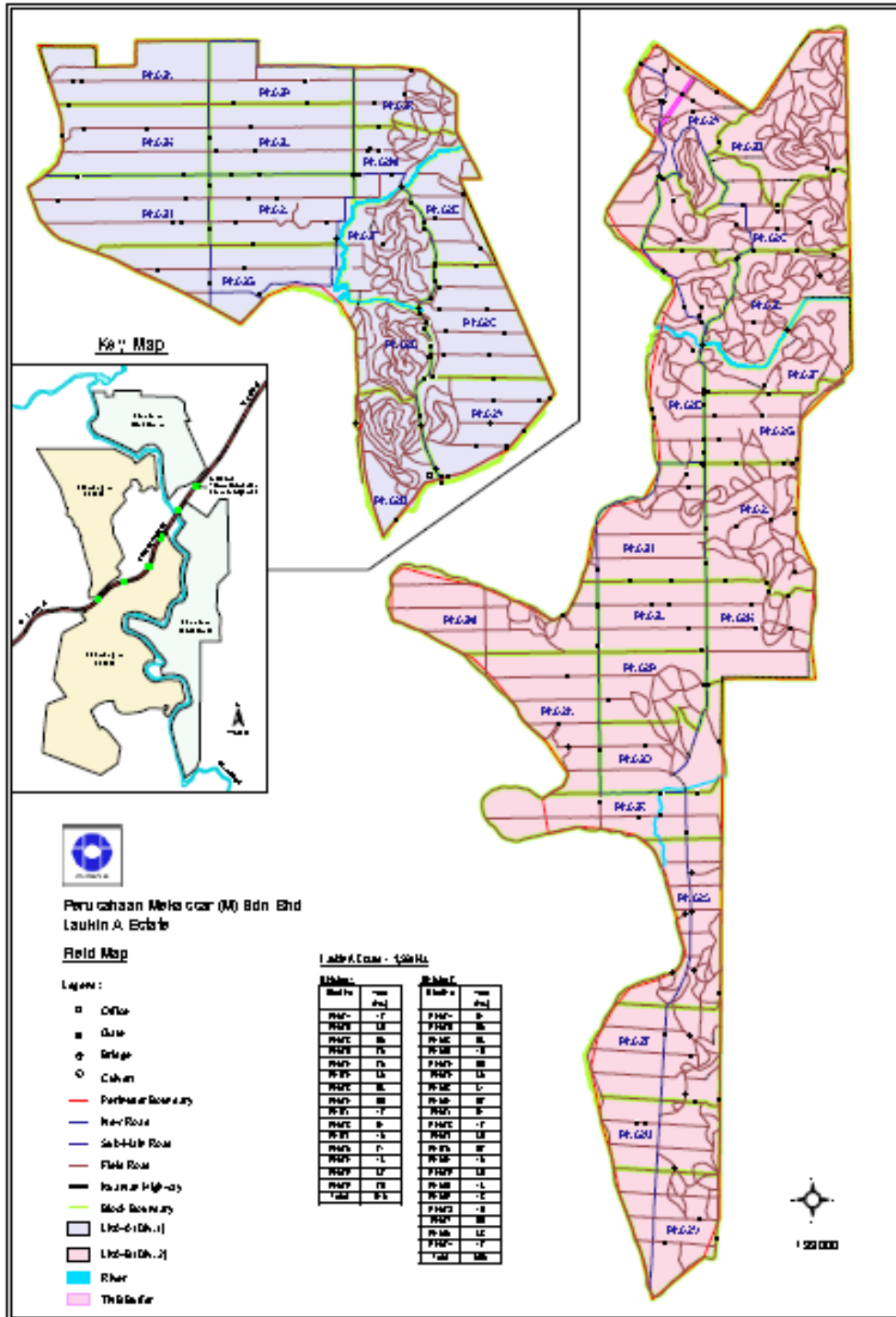
(188296-W)

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Appendix C-8:

Location Map of Laukin A Estate



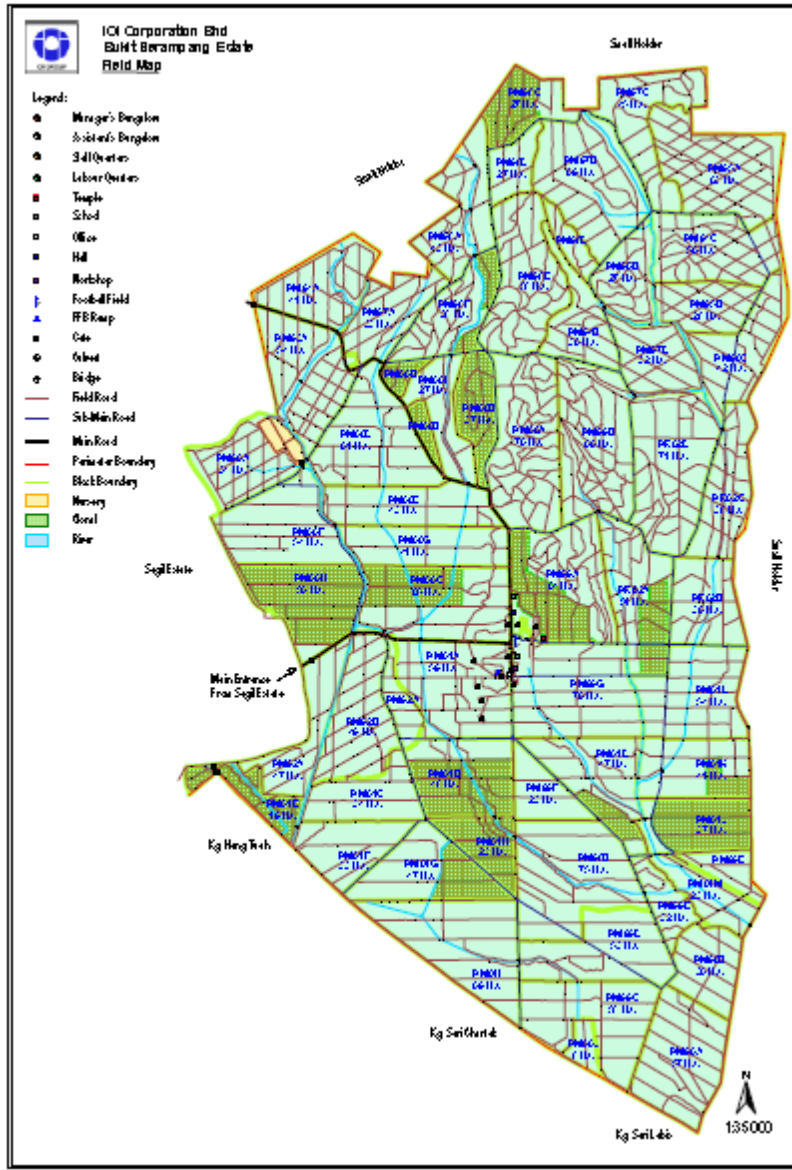
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Appendix C-9:

Location Map of Bukit Serampang Estate



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Appendix D:

Photographs of Surveillance Assessment ASA-04 Findings at Pukin Grouping

<p>Barn Owl Box</p>	<p>Harvester with PPE at Shahzan 1 Estate</p>
<p>Buffalo used for transport of FFB in Shahzan 1 Estate</p>	<p>Interviewing pesticides sprayers (with PPE) at Segamat Estate.</p>

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First Aid Kit at the field during spraying (Segamat Estate)



EFB application at Segamat Estate

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Appendix E:

Time Bound Plan as submitted by IOI Corporation Berhad (updated for 2015 – 2017)

No	PMU	Main / Assessment	Certification Status	Current Status
1.	Pamol Sabah POM	May 2008	Certified in Feb 2009 Re-Certified in Feb 2014	Re-Certified in 2014 ASA-01 planned in 2015.
2.	Sakilan POM, Sabah	Nov 2008	Certified in Mar 2010	ASA-04 done. Re-Certification planned for 2015
3.	Pamol Kluang POM	March 2009	Certified in Mar 2010	ASA-04 done. Re-Certification planned for 2015
4.	Gomali POM, Sabah	August 2009	Certified in Aug 2010	ASA-04 done. Re-Certification planned for 2015
5.	Baturong POM	Sept 2009	Certified in Oct 2010	ASA-04 done. Re-Certification planned for 2015
6.	Bukit Leelau POM	April 2010	Certified in Nov 2010	ASA-04 done. Re-Certification planned for 2015
7.	Mayvin POM	August 2010	Certified in Dec 2010	ASA-04 done. Re-Certification planned for 2015
8.	Pukin POM	Dec 2010	Certified in Jun 2012	ASA-03 done. ASA-04 planned for 2015.
9.	Leepang POM	Aug 2012	Certified in Dec 2013	ASA-01 done. ASA-02 planned for 2015.
10.	Syarimo POM	Sept 2012	Certified in Mar 2013	ASA-01 done. ASA-02 planned for 2015.
11.	Ladang Sabah POM	Oct 2012	Certified in Apr 2013	ASA-01 done. ASA-02 planned for 2015.
12.	Morisem POM, Sabah	Sept 2013	Certified in Dec 2013	ASA-01 done. ASA-02 planned for 2015.
13.	IOI-Pelita, Sarawak	Planned – Dec 2016	-	<i>New certification for IOI Pelita (Sarawak) is pending resolution of land dispute and RSPO decision.</i>
14.	IOI-Unico POM-1, Sabah	Planned – 2017	-	-
15.	IOI-Unico Desa POM-2, Sabah	Planned – 2018	-	-
16.	PT SKS, Indonesia	Planned – 2016	-	-
17.	PT BNS, Indonesia	Planned – 2016	-	-
18.	PT BSS, Indonesia	Planned – 2018	-	-
19.	PT KPAM, Indonesia	Planned – 2019	-	-

---End of Report---