



IOI GROUP

IOI Corporation Berhad (9027-W)

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IOI Corporation's Statement on Finnwatch Report 5/2014

We refer to the Finnwatch Report titled “Corporate responsibility of Finnish palm oil purchases” which contains several findings about the labour practices and conditions in IOI’s estates in Malaysia.

Finnwatch had requested to visit three of IOI’s estates in West Malaysia as a “familiarization visit” and IOI gave its consent around May this year. IOI had readily given its cooperation during the visit and furnished various explanation and documents to Finnwatch’s appointed representative.

We wish to stress that the estates visited have been RSPO and ISCC certified with annual audits done since 2010 for compliance to all the principles, through certified, trained and experienced auditors . It is through trained eyes and minds of the RSPO/ISCC auditors that the grasp of the complexity in plantation operations are able to be translated into compliance with the RSPO and ISCC principles both in spirit and in practice. Mere desktop studies or hearsays may distort the right information and lead to inaccurate views or conclusions.

The Malaysian labour laws are made to protect the nation from the social impacts of migrant worker and at the same time safeguard the human rights of the migrant workers to make an honest living through diligence and hard work. In addition, the employers’ interest is safeguarded to continue the partnership with the workers.

The perception of fair and humane labour practices is different in different cultures and economies. The environment of the work place in Malaysia is better than the migrant workers’ home country but of course as compared to the developed economies, the work place environment may deem to be of a different standard.

IOI is proud of the Malaysian palm oil industry’s role in providing much-needed employment opportunity to migrant workers from other less-developed countries and helping to uplift these workers and their families’ living condition in their home countries. In this regard, Malaysia is practicing much more open immigration and employment policies when compared with many other more developed countries which practice protectionist labour policies.



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After the draft findings of the Finnwatch report were made known, IOI agreed to the verification visit requested by RSPO and ISCC technical personnel to the estates concerned and IOI will study the findings arising from the verification audits and cooperate with these two organisations in improving their certification procedure.

Separately, IOI is also doing its own review of its present labour policies and practices and will make further refinements or improvements to enhance the labour conditions in its estates while ensuring it continues to run a competitive and sustainable business within the industry landscape.

Too Heng Liew
Head Sustainability(Malaysia/Indonesia)
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