

**MALAYSIAN SUSTAINABLE PALM OIL
2nd ANNUAL SURVEILLANCE ASSESSMENT
Public Summary Report**

IOI Corporation Berhad
Client company Address: IOI City Tower 2, Lebuhr IRC IOI Resort City 62502 Putrajaya, Malaysia
Certification Unit: Sakilan Palm Oil Mill and Supply Base Location of Certification Unit: Sakilan Palm Oil Mill and Supply Base Halusah Ladang Sdn Bhd Mile 22, Sandakan/ Telupid Road, W.D.T 164 90009 Sandakan, Sabah, Malaysia

Report prepared by:
Muhammad Fadzli b. Masran (Lead Auditor)

Report Number: 3102120

Assessment Conducted by:
BSI Services Malaysia,
Suite 29.01 Level 29,
The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel +60392129638 Fax +60392129639
www.bsigroup.com

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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	Sakilan Palm Oil Mill: 500293404000 Sakilan Estate: 503335002000 Linbar 1 Estate: 502435102000 Linbar 2 Estate: 502435102000		
Company Name	IOI Plantation Services Sdn Bhd Halusah Ladang Sdn Bhd (Sakilan Palm Oil Mill)		
Address	<p>Regional Office Sandakan Regional Office, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah.</p> <p>Operating Unit Halusan Ladang Sdn Bhd (Sakilan Palm Oil Mill), Mile 22, Sandakan, W.D.T 164, 90009 Sandakan, Sabah, Malaysia</p>		
Group name if applicable:	IOI Corporation Berhad		
Subsidiary of (if applicable)	IOI Plantation Services Sdn Bhd - Halusah Ladang Sdn Bhd Sakilan Group		
Contact Person Name	Mr. Leang Hon Wai (General Manager, IOI Sandakan Region, Sabah) William Siow Kar Dat (Sustainability Manager, Plantation Division, IOI HQ) Mr. Agos Bin Atan (Manager - Sustainability (Sabah)) Mr. Sabtu Bin Manna (Senior Assistant Mill Manager-In Charge, Sakilan POM) Mdm. Veronica Abel (Assistant Manager, SPO Department Sandakan Region, Sabah)		
Website	www.ioigroup.com	E-mail	hwleang@ioigroup.com william.siow@ioigroup.com agos@ioigroup.com skpom1010@yahoo.com veronica.abel@ioigroup.com
Telephone	+603-89478888 (Head Office) +6089-509101 (Regional Office) +6089-563164 (Sakilan POM)	Facsimile	+603-89432266 (Head Office) +6089-509100 (Regional Office) +6089-568601 (Sakilan POM)

1.2 Certification Information			
Certificate Number	Mill: MSPO 720885 Plantation: MSPO 720886		
Issue Date	26/01/2018	Expiry date	25/01/2023

Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	06 – 10 November 2017		
Continuous Assessment Visit Date (CAV) 1	11 - 14 December 2018		
Continuous Assessment Visit Date (CAV) 2	18 – 20 November 2019		
Continuous Assessment Visit Date (CAV) 3	N/A		
Continuous Assessment Visit Date (CAV) 4	N/A		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 543161	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2013; Malaysian National Interpretation : 2014; RSPO Supply Chain Certification June 2017 for CPO Mills (Module D: Identity Preserved)	BSI Services Malaysia Sdn. Bhd.	07/03/2020

1.3 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Sakilan POM	Mile 22, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah, Malaysia	117° 50' 37.77" E	5° 50' 9.74" N
Sakilan Estate	Mile 22, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah, Malaysia	117° 53' 15.6137" E	5° 50' 49.1063" N
Linbar 1 Estate	Mile 45, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah, Malaysia	117° 40' 53.42" E	5° 32' 58.63" N
Linbar 2 Estate	Mile 45, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah, Malaysia	117° 38' 42.87" E	5° 30' 8.31" N

1.4 Plantings & Cycle

Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Sakilan Estate	0	0	0	2,104	0
Linbar 1 Estate	594	1,725	0	0	0

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Linbar 2 Estate	947	355	0	193	467
Total (ha)	1,541	2,080	0	2,297	467

1.5 FFB Production (Actual) and Projected (tonnage)

Producer Group	Projected from last audit (Jan 2019 – Dec 2019)	Actual production (Jan 2019 – Oct 2019)	Projected production for next 12 months (Jan 2020 – Dec 2020)
Sakilan Estate	51,354 mt	49,106.11 mt	49,436 mt
Linbar 1 Estate	48,356 mt	38,652.64 mt	54,780 mt
Linbar 2 Estate	26,231 mt	22,825.67 mt	24,000 mt
Total	125,941 mt	110,584.42 mt	128,216 mt

1.6 Certified CPO / PK Tonnage

Mill	Estimated (Jan 2019 – Dec 2019)	Actual (Jan 2019 – Oct 2019)	Forecast (Jan 2020 – Dec 2020)
Sakilan POM 40 MT/hour	CPO (OER:22%)	CPO (OER:22%)	CPO (OER: 20.48%)
	27,709 mt	24,325.79 mt	26,258 mt
	PK (KER:4.5%)	PK (KER:4.47%)	PK (KER:4.34%)
	5,667 mt	4,947.39 mt	5,564 mt

1.7 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Sakilan Estate	2,104	0	192.37	2,296.37	91.62
Linbar 1 Estate	2,319	0	309.17	2,628.17	88.24
Linbar 2 Estate	1,962	0	249.83	2,211.83	88.70
Total	6,385	0	751.37	7,136.37	89.47

- Latest resurvey has been carried out at Linbar 1 Estate on 19-27 September 2019. Remapping done by GIS Dept. of IOI. Conservation area has been included in.

1.8 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the 2nd Annual Surveillance ASA2 Certification Assessment of Sakilan Palm Oil Mill and supply base, located in Sandakan, Sabah comprising three (3) estates and one (1) mill and infrastructure.

The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and MSPO Guidance - Part 2_EDITED VERSION (100114).

The onsite assessment was conducted on 18 – 20 November 2019.

Based on the assessment result, Sakilan Palm Oil Mill and supply base complies with the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and MSPO Guidance - Part 2_EDITED VERSION (100114) and recommended for certification.

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel +603 2242 4211 Fax +603 2242 4218
Nicholas Cheong: Nicholas.Cheong@bsigroup.com
www.bsigroup.com

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 18 – 20 November 2019. The audit programme is included as Appendix A. The approach to the audit was to treat the Sakilan Palm Oil Mill and supply base as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 Part 4: General principles for palm oil mills were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The estates or smallholders sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix B.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment are detailed in Section 4.2.

This report is structured to provide a summary of assessment finding as attached in the Section 3. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

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This report was externally reviewed by MSPO approved Peer Reviewer prior to certification decision by BSI.

The following table would be used to identify the locations to be audited each year in the 5 year cycle

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Sakilan Palm Oil Mill	X	X	X	X	X
Sakilan Estate	X	X	X		X
Linbar 1 Estate	X	X	X	X	
Linbar 2 Estate	X	X		X	X

Tentative Date of Next Visit: November 16, 2020 - November 18, 2020

Total No. of Mandays: 6 Mandays

BSI Assessment Team:

Muhammad Fadzli Masran – Lead Assessor

He holds Bachelor Degree in Forestry Science, graduated from University Putra Malaysia. He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation, Fadzli had accumulated more than 10 years of sustainability implementation experience including workers’ welfare, workers’ occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. Fadzli had accumulated auditing experience when he was the internal auditor for ISO 9001 and ISO 14001 at Kulim Plantations. He has completed ISO IMS 9001, 14001, 45001 (OHS 18001) Lead Auditor Course in April 2018 and endorsed RSPO Lead Auditor Course in July 2018. Fluent in Bahasa Malaysia and English Language. During this assessment, he assessed on the aspects of mill and estate best practices, waste management, HCV, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.

Ismadi Ismail – Team Member

He holds Diploma in Planting Industry Management from MARA Institute of Technology, Kuantan Pahang. 24 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in CoP, MSPO and OSHAS. Qualified as Lead Auditor/Auditor for MSPO and CoP. Involved in MSPO assessment since 2017. Completed and certified MSPO Auditor course in 2017 held by SGS (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Able to speak and understand Bahasa Malaysia and English. During this assessment, he assessed on the aspects of Mill best practices, Estate best practices, workers welfare, stakeholder consultation, social, long-term economic viability etc.

Accompanying Persons: NA

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has been assessed using the following MSP0 normative requirements. The assessment details are provided in Appendix A.

- MSP0 MS 2530-2:2013 – General Principles for Independent Smallholders
- MSP0 MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSP0 MS 2530-4:2013 – General Principles for Palm Oil Mills

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were two (2) Minor nonconformities raised. The Sakilan Palm Oil Mill and supply base Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for its effectiveness and closed accordingly.

Minor Nonconformities:		
Ref	Area/Process	Clause
1848666-201911-N1	Plantations	4.4.2.2 - Part 3
Requirements:	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	
Statement of Nonconformity:	No evidence complaints and grievances being resolved in an effective, timely and appropriate manner that is accepted by all parties.	
Objective Evidence:	Sakilan Estate No evidence on date of action taken and completion sighted in the Green Book, Complaint and Grievances, Sample taken on complaints at Sakilan Estate dated 6/8/19 by Mrs. Samsiah Soga, AU 116500 on House No 6, Block K, Division 2 - kitchen door out of order.	
Corrections:	1. Date of action taken and completion evidence will be attached on the said samples. 2. To appoint a dedicated person to regularly monitor the status of action taken on each of the issue reported in the Complaint / Grievances Book. Timeline: The attachment of the said samples sighted during audit were presented to auditors on 21st November 2019. The similar document will be submitted together with the appointment letter of the dedicated person by end December 2019.	
Root cause analysis:	There is no dedicated person to follow up the status of action taken by the management.	

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Corrective Actions:	<p>1. Management will confirm with workers’ representatives if there is any unresolved complaints during Joint Consultative Committee meeting.</p> <p>2. Grievance procedure training will be conducted to Sakilan Estate management by the regional office.</p> <p>Timeline:</p> <p>1. Meeting to be conducted every 2 months.</p> <p>2. Grievance Procedure training to be conducted in 2nd half of FY19/20.</p>
Assessment Conclusion:	The effectiveness of the implementation will be verified during next assessment

Minor Nonconformities:		
Ref	Area/Process	Clause
1848666-201911-N2	Plantations	4.6.3.2 - Part 3
Requirements:	All contract shall be fair, legal and transparent and agreed payments shall be made in timely manner.	
Statement of Nonconformity:	The duration of payment for the Contractors has not been stated in the term and conditions of the Contract Agreement.	
Objective Evidence:	<p>Linbar 1 Estate</p> <p>No clause of duration/ timeframe of payment provided in a terms and conditions of the contract agreement.</p> <p>Sample taken on Contract Agreement of M/S Zana Enterprise, contract period 1/7/2019 – 30/6/2020 on FFB & Gravel Stone Transport.</p>	
Corrections:	<p>The clause duration/timeframe of payment will be mentioned on an additional document to the current contract agreement with the said contractor.</p> <p>Timeline:</p> <p>The additional document shall complete in early 2nd half of FY19/20.</p>	
Root cause analysis:	The clause on duration/timeframe of payment was mentioned in another document which was not attached with the contract agreement for the said contractor.	
Corrective Actions:	<p>The management had decided to revise the contract agreement content. The revised content will include the clause of duration/timeframe of payment.</p> <p>Timeline:</p> <p>The document revision shall be completed prior to next renewal of contract agreement on end FY19/20.</p>	
Assessment Conclusion:	The effectiveness of the implementation will be verified during next assessment	

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Opportunity For Improvement		
Ref	Area/Process	Clause
1848666-201911-I1	Palm Oil Mill and Estates	4.4.5.6 Part 3 and Part 4
Requirements:	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.	
Objective Evidence:	Seen in the Contract Agreement of workers under clause no 19; "Kontrak ini tidak boleh dipindahkan kepada majikan lain tanpa persetujuan daripada pekerja dan kebenaran bertulis daripada Pengarah Tenaga Kerja Sabah." However, the Management need to re-look into the clause as any transfer of foreign workers might involve Immigration Department as the visa & permit are approved by their respective department.	

Noteworthy Positive Comments	
1.	Good cooperation and commitment from the management and staff
2.	Management, staff and workers were able to demonstrate good understanding on sustainability
3.	Good housekeeping of documentation

3.3 Status of Nonconformities Previously Identified and OFI

Not applicable.

3.4 Issues Raised by Stakeholders

IS #	Description
1	Issues: Gender Committee Representatives: No sexual harassment, discrimination on gender or violence case being reported thus far. They are aware of the complaint procedure and the function of gender committee.
	Management Responses: The management will continue working hand- in- hand with the Committee.
	Audit Team Findings: No further issue.
2	Issues: Crèche Attendant: She informed that merely children below 12 years old at the creche. The Management always taken care on the facilities and provided titbits to the children on monthly basis. The creche attendant will undergo the medical check-up on monthly basis.
	Management Responses: The Management will keep on monitoring the children and attendant healthcare and the facilities.
	Audit Team Findings: No further issue.

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1848666-201911-N1	Minor	20/11/2019	Open
1848666-201911-N2	Minor	20/11/2019	Open

3.6 Summary of the findings by Principles and Criteria

MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder

Criterion / Indicator	Assessment Findings	Compliance	
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	IOI group has established IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato’ Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Head of Sustainability, the policy was last revised in March 2018. The policy emphasizes on their commitment towards: - <ol style="list-style-type: none"> 1. Compliance of applicable legislation and codes of practice 2. To implement leading sustainability standards for environmental management, human rights and workplace conditions, community development and social impact. 3. To build traceable supply chains 4. To strive for highest levels of transparency with the stakeholders. 	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	Sighted under IOI Sustainable Palm Oil Policy under clause 4; Existing Plantations point No 3 stated Committing towards sustainable production of palm oil and its continuous improvement as outlined in the MSPO guidelines.	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.1.2 – Internal Audit			
4.1.2.1	<p>Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.</p> <p>- Major compliance -</p>	<p>Internal audit was conducted on 15th August 2019 at Sakilan Estate by four internal auditors, Madam Veronica Abel, Mr Bryan Barrega, Mr Voo Chee Kwong atau Mr. Ten Kok Hua.</p> <p>As for, Linbar 1 Estate Internal audit was conducted on 14th August 2019 at Sakilan Estate by four internal auditors, Madam Veronica Abel, Mr Bryan Barrega, Mr Voo Chee Kwong atau Mr. Ten Kok Hua.</p> <p>The Management had drawn an Internal Audit Plan and it being carried out once a year to all Estates</p>	<p>Complied</p>
4.1.2.2	<p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>The company has established Standard Operation Procedure for MSPO Internal Audit Procedure (Ref. No.: MSPO/SOP/IA/2, revision no: 02, dated 1st Nov 2018).</p> <p>The audit findings were documented under Internal Audit Summary and total findings were 8 major and 1 minor at Sakilan Estate and 9 majors at Linbar 1 Estate.</p> <p>The response and action taken by Estate Manager for all the findings raised by the Internal Audit was on 6th September 2019 within the deadline. All details are well documented by Estate Management</p>	<p>Complied</p>
4.1.2.3	<p>Report shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The internal audit report was documented and made available for management review. As evidence, all findings from internal audit was responded by both estates' management within the timeframe stipulated in the Audit Procedure.</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>Management review was conducted on 22nd August 2019 at Sakilan Estate. The meeting being chaired by the respective Estate Manager and attended by 13 personnel.</p> <p>In Linbar 1 Estate, the Management Review was held on 16th August 2019 attended by 11 personnel.</p> <p>The agenda of both meeting were on Internal Audit Findings by Sustainable Palm Oil Department.</p>	<p>Complied</p>
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>Sakilan Estate have established Continuous Improvement Plan covering Social, Best Practices and Environmental dated 11th October 2019.</p> <ol style="list-style-type: none"> 1. Social <ul style="list-style-type: none"> - 1-unit Concrete Humana School - Concrete Labour quarters (2 Block x 6 units) - Concrete drainage size (116'/357'/235'/66' phase 1 2. Environment <ul style="list-style-type: none"> - Training on anti -pollution, waste management - Grass cutting by knapsack at buffer zone - Reduction on chemical usage 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>3. Safety</p> <ul style="list-style-type: none"> - Sphymanometer for clinic – 1 unit - Fire Extinguisher ABC Powder – 42 units <p>4. Technology</p> <ul style="list-style-type: none"> - Mobile devise & accessories for EPMS rollout <p>As for Linbar 1 Estate, the Continuous Improvement Plan as below: -</p> <ol style="list-style-type: none"> 1. Social <ul style="list-style-type: none"> - 1-unit Shop - New Gen-set 2. Environment <ul style="list-style-type: none"> - Constructing diesel tank platform 3. Safety <ul style="list-style-type: none"> - Constructing safety harness for ramp loader - Constructing Safety tower at weighbridge 4. Technology <ul style="list-style-type: none"> - Constructing camera at weighbridge - Computer Device & Equipment / mobile device for EPMS 	
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry	Any new technology and/or innovation equipment is subject to approval by HQ. No new technology adopted by the estate for field operation so far.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -		
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	Training will be provided to respective personnel that involved with any new technology and/or innovation equipment.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	IOI Group has established several procedure and record to ensure all request, response and release information to stakeholders. Communication and consultation process are also through stakeholder meeting and the records with attendance lists was sighted. Evidence as follows: - <ol style="list-style-type: none"> 1. The Employee Consultative Committee meeting for Sakilan Estate was held on 3rd October 2019 attended by 10 personnel. 2. Meeting on Social Impact and High Conservation Value areas dated 13th September 2019 attended by 28 personnel. 3. The stakeholder meeting@ Forum Kelestarian Persijilan Bersama Pihak Berkepentingan was held on 7th August 2019 attended by 70 external stakeholders. The meeting was collaborated between 	Complied

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Criterion / Indicator		Assessment Findings	Compliance				
		<p>Linbar 1 Estate, Sakilan Estate and Sakilan POM. The meeting chaired by Mr. Laibon Dansek, The Chairman Central Working Committee.</p> <p>Internal and External Stakeholders may also retrieve information through www.ioigroup.com</p> <p>Evidence 24 request & response being recorded, sample as listed herein: -, Sample taken at Linbar 1 Estate as below: -</p> <ul style="list-style-type: none"> • Requester: En. Tusnan bin Awang, 760217-12-5149 • Date: 14th August 2019 • Request: Memohon perpanjangan pemasangan elektrik pada 15th August 2019 dari jam 8.00 am hingga 3 pm Untuk Kenduri Aqiqah • The Manager responded and approved on the same day. 					
4.2.1.2	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>Sighted Procedure of Controlling the Disclosure of Confidential Information (For Third Party) Estate. The document is divided into two grades: -</p> <table border="1"> <tr> <td>Grade A</td> <td>Production Control Data, Account Control Data</td> </tr> <tr> <td>Grade B</td> <td>Worker's Personal File, Contract of Agreement, Store & Stock Document, Correspondence Document, Internal & External Audit Report, RSPO, MSPO, ISCC Control Document, Harvesting Record.</td> </tr> </table> <p>Merely, under Grade B upon requests for official documents will have to go through the Estate Manager, whom will make the decision as to</p>	Grade A	Production Control Data, Account Control Data	Grade B	Worker's Personal File, Contract of Agreement, Store & Stock Document, Correspondence Document, Internal & External Audit Report, RSPO, MSPO, ISCC Control Document, Harvesting Record.	Complied
Grade A	Production Control Data, Account Control Data						
Grade B	Worker's Personal File, Contract of Agreement, Store & Stock Document, Correspondence Document, Internal & External Audit Report, RSPO, MSPO, ISCC Control Document, Harvesting Record.						

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Criterion / Indicator		Assessment Findings	Compliance									
		<p>whether the information can be shared to or viewed by the person requesting the information or document. The Manager require to sign the Book of Confidential Information Disclosure.</p> <p>Sighted, the latest request of official record at Sakilan Estate was on 25th April 2018 on Pay-slip by Puan Mastura Mohamad, Sustainability Executive and 8th November 2019 on RSPO & MSPO Documents by Mr. Brian Barrega, Sustainability Executive at Linbar 1 Estate.</p>										
Criterion 4.2.2 – Transparent method of communication and consultation												
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>IOI Group has established Guideline Procedure on Stakeholder Consultation under SPO/SDK/S/001-2018, Revision 01/01 dated 20th July 2018. Three stages on grievance procedures: -</p> <table border="1"> <tr> <td>1</td> <td>Grievance Submission</td> <td>Submitted through Green Book, hotline or ECC immediately or within 24 hours</td> </tr> <tr> <td>2</td> <td>Preliminary Investigation</td> <td>Investigate within 30 working days from grievance submission date</td> </tr> <tr> <td>3</td> <td>Further Investigation / Meeting with complainant</td> <td>Meet up with complainant within 10 working days after preliminary investigation outcome.</td> </tr> </table>	1	Grievance Submission	Submitted through Green Book, hotline or ECC immediately or within 24 hours	2	Preliminary Investigation	Investigate within 30 working days from grievance submission date	3	Further Investigation / Meeting with complainant	Meet up with complainant within 10 working days after preliminary investigation outcome.	Complied
1	Grievance Submission	Submitted through Green Book, hotline or ECC immediately or within 24 hours										
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3	Further Investigation / Meeting with complainant	Meet up with complainant within 10 working days after preliminary investigation outcome.										

Criterion / Indicator		Assessment Findings	Compliance																												
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>Evidence, Sakilan Estate have appointed the responsible person for transparency. The management have appointed Mr Romeo D Padilla, the Assistant Manager as the person responsible vide letter dated 1/4/2018 and approved by Mr Jupri Mado, Manager.</p> <p>In Linbar 1 Estate, the responsible person for transparency is Mr Berthold Kibin, the Assistant Manager as the person responsible vide letter dated 1/10/2017 and approved by Mr Ahmad bin Mohammad, Manager.</p>	Complied																												
4.2.2.3	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p> <p>- Major compliance -</p>	<p>The list of stakeholders is adequately maintained and keep current. As evidence in all estate, sighted latest stakeholders list for year 2019. The list stakeholder consists of various stakeholders covering:</p> <table border="1" data-bbox="1093 928 1832 1391"> <thead> <tr> <th>NO</th> <th></th> <th>Sakilan Estate</th> <th>Linbar 1</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Government</td> <td>26</td> <td>25</td> </tr> <tr> <td>2</td> <td>Non - Government</td> <td>5</td> <td>5</td> </tr> <tr> <td>3</td> <td>Service Provider</td> <td>12</td> <td>NA</td> </tr> <tr> <td>4</td> <td>Supplier</td> <td>49</td> <td>31</td> </tr> <tr> <td>5</td> <td>Contractor</td> <td>2</td> <td>NA</td> </tr> <tr> <td>6</td> <td>Transporter</td> <td>1</td> <td>4</td> </tr> </tbody> </table>	NO		Sakilan Estate	Linbar 1	1	Government	26	25	2	Non - Government	5	5	3	Service Provider	12	NA	4	Supplier	49	31	5	Contractor	2	NA	6	Transporter	1	4	Complied
NO		Sakilan Estate	Linbar 1																												
1	Government	26	25																												
2	Non - Government	5	5																												
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5	Contractor	2	NA																												
6	Transporter	1	4																												

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Criterion / Indicator		Assessment Findings				Compliance
		7	Private Company	5	4	
		8	Individual Land	3	2	
		9	Neighboring Village	3	2	
			DATA LAST UPDATED	12/11/2019	12/11/2019	
Criterion 4.2.3 – Traceability						
4.2.3.1	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>IOI have established three Traceability Procedure for Estate namely:</p> <ol style="list-style-type: none"> Bunch Count / Grading refer to ITPLT/SO/MCMS/1718/0006/02 <ul style="list-style-type: none"> Harvesters’ attendance and number of bunches harvested being recorded in Portable Data Reader (PDR). Upon completion of grading at platform, print a copy of bunch chit and attached to one of the bunches at the platform with clear vision. The data from Portable Data Reader (PDR) being transfer into Pinfopalm application at Office. FFB Evacuation Direct to Mill refer to ITPLT/SO/MCMS/1718/0008/01 <ul style="list-style-type: none"> Collect the bunch chits and load the bunches into the trailer. 				Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Bunch chits being pass to mill weighbridge clerk. - Return with mill weighbridge tickets and bunch chit to office. - Scan the bunch chits and mill weighbridge ticket into Pinfopalm application by end of the day. <p>3. FFB Evacuation to Estate Weighbridge refer to ITPLT/SO/MCMS/1718/0007/01</p> <ul style="list-style-type: none"> - Collect the bunch chits and load the bunches into the trailer. - Bunch chits being pass to weighbridge clerk. - Unload the FFB at ramp - Weigh the empty tractor, generate weighbridge ticket and attached the bunch chits - Scan the bunch chits and weighbridge ticket into Pinfopalm application by end of the day. - Transporter dispatch the FFB to mill, weight the empty lorry. - Load the FFB at Ramp. - Weight the FFB at weighbridge before dispatch to mill. - Mill weighbridge ticket input place in Pinfipalm. <p>During estate visit, the weighbridge operator and Person in-charge traceability able to demonstrate on how the system tracks the FFB input.</p>	
4.2.3.2	The management shall conduct regular inspections on	The Management team on harvesting holds the responsibility on regular inspection of traceability system. Periodical inspections also	Complied

Criterion / Indicator		Assessment Findings	Compliance
	compliance with the established traceability system. - Major compliance -	being conducted through General Manager, Plantation Director, Sustainable Palm Oil Department and Agronomist visit. The effectiveness of the monitoring will evidence in the internal audit and visit report findings.	
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	Evidence, Sakilan Estate have appointed the responsible person for transparency. The management have appointed Mr Romeo D Padilla, the Assistant Manager as the person responsible vide letter dated 1/4/2018 and approved by Mr Jupri Mado, Manager. In Linbar 1 Estate, the responsible person for transparency is Mr Berthold Kibin, the Assistant Manager as the person responsible vide letter dated 1/10/2017 and approved by Mr Ahmad bin Mohammad, Manager.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	FFB being sell to Sakilan POM and being monitored by Regional Office, Ladang Sabah. Sighted records of sales, delivery, or transportation of FFB being maintained at the Estate.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	Estates visited continued to comply with the legal requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and sustainability team. Mill had	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance -</p>	<p>obtained and renewed license and permits as required by the law. Sample of licenses or permit viewed were:</p> <p>SE</p> <ul style="list-style-type: none"> i. MPOB license no. 503335002000. Validity till 31/7/2020 ii. Business license no. KBTG/2019/1492. Validity 31/12/2019 iii. Lesen bagi pemasangan persendirian, no. 2019/01399 validity till 12/6/2020 iv. Lesen untuk menggaji pekerja bukan pemastautin no. JTK,H.SDK.600-4/1/1/01261/003858, validity till 10/10/2020 <p>LIE</p> <ul style="list-style-type: none"> i. MPOB license no. 502435102000. Validity till 31/8/2020 ii. Business license no. R3375/80. Validity 31/12/2019 iii. Lesen bagi pemasangan persendirian, no. 2019/01651 validity till 13/6/2020 iv. Lesen untuk menggaji pekerja bukan pemastautin no. JTK,H.KBN.600-4/1/1/01261/0281, validity till 18/5/2020 v. Air compressor permit no. PMT 19/21-244. Validity till 6/3/2020 	
<p>4.3.1.2 The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>List of applicable Legal and Other Requirements Register was made available during the assessment and date of last review was 15th July 2019. The register being divided into 3 sections, namely: -</p> <ul style="list-style-type: none"> 1. Federal Law - Occupational Safety & Health Act,1994 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Fire Services Act, 1988 - Environmental quality act 1974, Amendment Act 2012 (A1441) - Etc 2. State Law <ul style="list-style-type: none"> - Sabah Land Ordinance (Sabah CAP.68) - Labour Ordinance (Sabah CAP.67) - Forest Enactment, 1968 - Etc 3. Code of Practice <ul style="list-style-type: none"> - Code of Practice for Safe Working in Confined Space, 2001 	
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>The mechanism of tracking changes and update are guided by Sustainable Palm Oil Department. The LORR was reviewed by Sustainable Palm Oil Department. The new revision in 2019 at both Estates are as follows: -</p> <ol style="list-style-type: none"> 1. Occupational Safety and Health (Noise Monitoring) Regulation 2019 2. Environmental Quality (Clean air) Regulation 2014 3. Employee Social Security Amendment 2016 	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p>	<p>Evidence, Sakilan Estate have appointed the responsible person for transparency. The management have appointed Mr Romeo D Padilla,</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance						
	- Minor compliance -	<p>the Assistant Manager as the person responsible vide letter dated 1/4/2018 and approved by Mr Jupri Mado, Manager.</p> <p>In Linbar 1 Estate, the responsible person for transparency is Mr Berthold Kibin, the Assistant Manager as the person responsible vide letter dated 1/10/2017 and approved by Mr Ahmad bin Mohammad, Manager.</p>							
Criterion 4.3.2 – Lands use rights									
4.3.2.1	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	The oil palm cultivation activities for all estates visited do not diminish the land use rights of other users. The conditions stipulated in the land title was adhered to.	Complied						
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>IOI Plantation acquired land in directly from Sabah State Government and previous land owners. All documents regarding the legal ownership of the land are available for review. There were no issues of land disputes recorded. All land title were kept in the office and available for review.</p> <p>Sighted the sample land title as follows:</p> <p>SE</p> <table border="1"> <thead> <tr> <th>Grant No.</th> <th>Hectare</th> </tr> </thead> <tbody> <tr> <td>CL 075471260</td> <td>999.600</td> </tr> <tr> <td>CL 075471288</td> <td>1.974</td> </tr> </tbody> </table>	Grant No.	Hectare	CL 075471260	999.600	CL 075471288	1.974	Complied
Grant No.	Hectare								
CL 075471260	999.600								
CL 075471288	1.974								

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Criterion / Indicator		Assessment Findings		Compliance
		CL 075471242	1294.800	
		LIE		
		Grant No.	Hectare	
		CL 09511667 area =4840.0	4840.00	
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.		Complied
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	No disputes have been recorded in estate area. There is no evidence of conflict present in this estate. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict.		Complied
Criterion 4.3.3 – Customary rights				
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land in or surrounding all the estates. There are also no land disputes or claims involving these estates. The company has proper legal land tile for the land ownership.		Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - Minor compliance -	Hence, there is no customary land in or surrounding all the estates. There are also no land disputes or claims involving these estates. The company has proper legal land title for the land ownership.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	The company have Established the Grievance Procedure for Land Owner under Social Impact Assessment, prepared in October 2019 by Sustainable Palm Oil Department.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	Social Impact Assessment – Management Action Plans & Continuous Improvement Plan” were sighted at each Estates assessed. Based on the reports produced indicate the assessment covers these aspects: <ol style="list-style-type: none"> 1. Estate Demographics 2. Adherence to National Law & Regulations 3. General Work / Labor Conditions 4. Social Liaison Officer 5. Grievance Procedure 6. Stakeholder Request Procedure 7. Employee Handbook 8. Facilities / Amenities 	Complied

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Criterion / Indicator		Assessment Findings	Compliance									
		<p>9. Custom and cultures</p> <p>From SIA report, noted that all negative and positive impacts have been identified. The management came up with action plan to address identified negative impacts.</p> <p>Included in the reports, Summary and Status of Stakeholder Communication/ Grievance/ Complaint/ Request for year 2019 from all estate's stakeholders. Noted that the requests had been reacted accordingly by the estate management.</p> <p>The report is prepared by estate in October 2019.</p>										
Criterion 4.4.2: Complaints and grievances												
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>IOI Group was established several procedure and record to ensure all request, response and release information to stakeholders. Three stages on grievance procedures: -</p> <table border="1"> <tr> <td>1</td> <td>Grievance Submission</td> <td>Submitted through Green Book, hotline or ECC immediately or within 24 hours</td> </tr> <tr> <td>2</td> <td>Preliminary Investigation</td> <td>Investigate within 30 working days from grievance submission date</td> </tr> <tr> <td>3</td> <td>Further Investigation / Meeting with complainant</td> <td>Meet up with complainant within 10 working days after preliminary investigation outcome.</td> </tr> </table>	1	Grievance Submission	Submitted through Green Book, hotline or ECC immediately or within 24 hours	2	Preliminary Investigation	Investigate within 30 working days from grievance submission date	3	Further Investigation / Meeting with complainant	Meet up with complainant within 10 working days after preliminary investigation outcome.	Complied
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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.2.2 The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Sighted in SOP Complaints Forms, to be responded and completed within 30 working days. In Sakilan Estate, 12 complaints being recorded in 2019.</p> <p>Seen samples of complaints at Sakilan Estate dated 6/8/19 by Mrs. Samsiah Soga, AU 116500 on House No 6, Block K, Division 2 - kitchen door out of order.</p> <p>All the 41 complaints being resolve in an effective, timely and appropriate manner that is accepted by all parties at Linbar 1 Estate.</p> <p><u>Minor Non-Conformity</u></p> <p>No evidence on date of action taken and completion sighted in the Green Book, Complaint and Grievances, Sample taken on complaints at Sakilan Estate dated 6/8/19 by Mrs. Samsiah Soga, AU 116500 on House No 6, Block K, Division 2 - kitchen door out of order.</p>	<p>Non-Compliance</p>
<p>4.4.2.3 A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p>- Minor compliance -</p>	<p>Seen Green Book, hotline or ECC used for all internal and external complaints, grievance and request. This complaint form/method is clearly explained during Stakeholder Consultation Meeting</p>	<p>Complied</p>
<p>4.4.2.4 Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p>- Minor compliance -</p>	<p>Communication and consultation process are also through stakeholder meeting and the records with attendance lists was sighted. Evidence at Sakilan Estate: -</p> <ol style="list-style-type: none"> 1. The Employee Consultative Committee meeting for Sakilan Estate was held on 3rd October 2019 attended by 10 personnel. 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance												
		<p>2. The stakeholder meeting@ Forum Kelestarian Persijilan Bersama Pihak Berkepentingan was held on 7th August 2019 attended by 70 external stakeholders. The meeting chaired by Mr. Laibon Dansek, The Chairman Central Working Committee.</p> <p>As for Linbar 1 Estate:</p> <ol style="list-style-type: none"> 1. Seen, Grievance Procedure being briefed to all internal stakeholders covering 168 workers on 13th June 2019. 2. Sustainable Palm Oil Policy was briefed to 170 workers on 21st August 2019. 													
4.4.2.5	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>Sighted all internal complaints filled, responded and the records being maintained for the last 24 months.</p> <p>No negative complaints made by external stakeholders within last 24 months at both Estates.</p>	Complied												
Criterion 4.4.3: Commitment to contribute to local sustainable development															
4.4.3.1	<p>Growers should contribute to local development in consultation with the local communities.</p> <p>- Minor compliance -</p>	<p>All estates are committed and have contributed to local development. The contribution made to the internal and external stakeholders. In general the CSR performed by the company consist of the following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4">Sakilan Estate</th> </tr> <tr> <th>No</th> <th>Activities</th> <th>Date</th> <th>Amount (RM)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Sakilan Estate				No	Activities	Date	Amount (RM)					Complied
Sakilan Estate															
No	Activities	Date	Amount (RM)												

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Criterion / Indicator		Assessment Findings				Compliance
		1	Sumbangan membaik pulih kerosakan tingkap surau by SK Sakilan Desa	4/7/2019	-	
		2	Sambutan Hari Kebangsaan Kali ke -62 SK Sakilan Desa	19/7/2019	200.00	
		1	Sumbangan Hamper and Air Mineral, HUMANA Sport Day	27/7/2019		
		Linbar 1 Estate				
		1	Bantuan Bekalan Pasir by SK Lung Manis dated 6 th November 2019	8/11/2019		
		2	Gotong Royong at Workers Quarters	7/4/2019		
Criterion 4.4.4: Employees safety and health						
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	IOI Group has established the Occupational Safety, Health and Hygiene Policy signed by Plantation Director in April 2019. In the policy stated the commitment of the company to implement leading sustainability standards for human rights and workplace conditions. The company believe that's is crucial to provide a safe, healthy and				Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>harmonious working environment for all employee across their operations as well as others who may be affected by our work.</p> <p>The policy was communicated through morning briefing, training and displayed at notice board at designated place in the estate.</p> <p>Sighted the implementation of the management plan as follows:</p> <p>SE</p> <p>i. The estate conducted monthly medical checkup for sprayers, manure and oil palm nursery workers. For workshop operators, the medical checkup was done twice a year. Sighted the records of monthly medical checkup for nursery workers dated 11/10/2019, 13/9/2019 and 9/8/2019, workshop apprentice dated 12/10/2019, 30/9/2019 and 8/8/2019.</p> <p>ii. The estate send all sprayers to medical surveillance on annually basis. Medical surveillance for FY 2019 was conducted on 27/4/2019 and 7/8/2019. 30 workers were send for surveillance and all found fit to work as chemical handler.</p>	
<p>4.4.4.2 The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: 	<p>IOI Group has established the Occupational Safety, Health and Hygiene Policy signed by Plantation Director in April 2019. The policy was communicated through morning briefing, training and displayed at notice board at designated place in the estate.</p> <p>SE</p> <p>The estate has conducted assessment on risk of all operations documented in Hazard prevention and Control Measures, HIRARC form</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. 	<p>dated January 2015. The HIRARC review on annually basis or when necessary due to accident occur. Latest review was conducted on 24/8/2019 due to accident occur in August 2019 in pruning operations.</p> <p>LIE</p> <p>The estate has established training program for employees exposed to pesticides used in the estate to ensure the continuous awareness to the employee. The training was conducted by the Estate Manager, Asst. Manager, and other competent person on the training subject to the supervisors and operators. Sighted the training records as follows:</p> <p>SE</p> <ul style="list-style-type: none"> i. Policy and SOP for Spraying, usage, maintenance and storage of PPE training dated 12/9/2019 ii. Chemical handling training dated 30/3/2019 <p>LIE</p> <ul style="list-style-type: none"> i. SOP & PPE training on water treatment 23/1/2019 ii. Rat Baiting training 20/2/2019 <p>The management provide appropriate PPE to the employee's base on the job type. The PPE given as per HIRARC and Standard Operating Procedure. PPE issuance was recorded in PPE Issue Form by individual basis. Sighted the PPE issuance records for employees as follows:</p> <p>SE</p> <ul style="list-style-type: none"> i. 5131 (Sprayers), latest PPE issue dated 16/11/2019 ii. 4592 (Sprayers), latest PPE issue dated 16/11/2019 	

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Criterion / Indicator	Assessment Findings	Compliance
<p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>iii. 5081 (Sprayers) Latest PPE Issue dated 4/10/2019</p> <p>iv. 5040 (Sprayers) Latest PPE Issue dated 16/11/2019</p> <p>LIE</p> <p>i. LB10587 (Sprayers), latest PPE issue dated 30/9/2019</p> <p>ii. LB10187 (Sprayers), latest PPE issue dated 13/11/2019</p> <p>iii. LB100659 (Sprayers) Latest PPE Issue dated 19/10/2019</p> <p>iv. LB11102 (Sprayers) Latest PPE Issue dated 14/10/2019</p> <p>IOI Plantations has established Agrochemical Management Policy signed by the Plantation director in July 2018. In the policy stated the company commitment towards the well-being, safety and health of their employee. The policy covers the scope of storage, handling, transportation, usage and disposal of agrochemical by their employee at all their plantations and operations including refineries. The company advocates safe and judicious use of chemicals whilst complying with all current legislative requirement.</p> <p>IOI Plantations has established Standard Operating Procedure for handlings of chemicals and documented in Occupational Safety and Health Management System as follows:</p> <p>i. Safety Work Procedure Storage and Management Chemical Store. Refer document no. IOI-OSH 3.2.2 rev. no. 1, Appendix 6(8-A) dated 1/8/2012.</p> <p>ii. Safety Work Procedure Pesticides Spraying. Refer document no. IOI-OSH 3.2.2 rev. no. 1, Appendix 6(9) dated 1/8/2012.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>iii. Safety Work Procedure Fertilizer Application by Mechanize or Manual. Refer document no. IOI-OSH 3.2.2 rev. no. 1, Appendix 6(11-A) dated 1/8/2012.</p> <p>iv. Safety Work Procedure Fertilizer Application by Mechanize or Manual. Refer document no. IOI-OSH 3.2.2 rev. no. 0, Appendix 6(26) dated 1/8/2012.</p> <p>v. Safety Work Procedure Fertilizer Application by Mechanize or Manual. Refer document no. IOI-OSH 3.2.2 rev. no. 1, Appendix 6(12) dated 1/8/2012.</p> <p>The estates visited has appointed the Assistant Manager as person responsible for safety and health in the estate cum safety and health committee secretary as per appointment letter signed by the Estate Manger cum Safety and Health committee chairman.</p> <p>The estate has established Safety and Health committee lead by the estate manager as OSH committee chairman, helped by secretary and employer and employee representative. The committee conducted the meeting on quarterly basis. Sighted the minutes meeting as follows:</p> <p>SE</p> <p>Minutes meeting FY 2019 was conducted on 26/3/2019, 28/6/2019 and 11/9/2019. The meeting discuss on safety and health issue including status of issue from previous meeting, workplace inspection report, accident, near miss, dangerous incident and occupational disease report, training and safety program, safety objective, safety work procedure and HIRARC review, ERP and other issue.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>IOI Plantations has established flow chart Emergency Response Plan documented in Safety and health Plan under Emergency Response Plan. The ERP covers as follows:</p> <ul style="list-style-type: none"> i. Accident for plantations tractor and lorry driver ii. Physical Injury iii. Fire outbreak iv. Flood v. Chemical spillage at storage/premix area vi. Chemical spillage in the field vii. CPO, Diesel and lubricant spillage <p>Competent first aider were present at all estates visited. For field operations, store keeper, Mandore or bunch counter for each gang were trained and appointed as the first aid handler and bring the first aid kit daily to the field. Training was conducted by competent first aider. First aid box inspection was conducted on monthly basis by HA at respective estates.</p> <p>SE</p> <ul style="list-style-type: none"> i. Latest Fire drill training was conducted on 28/8/2019 with 10 minutes evacuation time. ii. Latest first aid training was conducted on 26/10/2019. 28 workers attend the training conducted by the Estate Hospital Assistant. <p>LIE</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>i. Latest Fire drill training was conducted on 14/10/2019.</p> <p>SE</p> <p>The estate and HSE Department at Regional Office monitored and reviewed accident cases occur in the estate on monthly basis through Monthly Accident Key Performance Indicator FY 2019. As todate, 9 accident cases reported with 19 Lost Time Accident.</p> <p>JKKP 8 FY 2018 submitted to DOSH on 12/1/2019. 9 accident cases with 26 lost time accident recorded for FY 2018.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>IOI group has established IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato’ Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Head of Sustainability, the policy was last revised in March 2018.</p> <p>Seen, under clause Human Right and Workplace being stated as follows: -</p> <ol style="list-style-type: none"> 1. Respect and uphold rights of all workers, including contract, temporary and migrant workers. 2. Uphold the right to freedom of association and recognize the right to collective bargaining and allow trade unions to have access to our workers. 3. Eliminate all formed of illegals, forced, bonded, compulsory or child labor and in particular, follow responsible recruitment 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>practices including not recruitment related fees at any stage in recruitment process.</p> <ol style="list-style-type: none"> 4. No retention of workers, passport / identity documents or withholding workers' wages other than prescribed by Law. 5. Pay all the workers the statutory monthly minimum wages and overtime compensation in accordance with the current labor regulations. 6. Provide fair and equal employment opportunities for all employees regardless of race, nationality, religion or gender. 7. Promote a safe and healthy working environment that is free from sexual harassment. 8. Provide training and development to employees to ensure achievement of their full potential. 	
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>IOI have established Equal Opportunity Employment and Freedom of Association Policies on October 2017 signed N B Sudhakaran and Group Sustainable Palm Oil Policy signed by Dato' Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Head of Sustainability, the policy was last revised in March 2018.</p> <p>No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the estate.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to</p>	<p>IOI have established Minimum Wages & Leave Pay Policies In Malaysia dated December 2018 signed N B Sudhakaran. The salary is according to Order 3 of the Minimum Wages Order 2018, its stipulate that the</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>minimum wage for daily rated workers working 6 days a week is RM42.31 per day or RM1,100 a month for monthly rated workers.</p> <p>Interview with both Estate staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment. Sample taken on SKL 0923, SKL 5153, SKL 5032, SKL 5065, SKL 5162, LB 10544, LB 12590, LB 10605 and LB 10867</p>	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Evidence at both Estates, contractor's workers monitoring record are available for instance: -</p> <ol style="list-style-type: none"> 1. List of Contractor's workers 2. Salary payment on monthly basis 3. Vehicle registration card 4. Vehicle Insurance coverage 5. Driver's driving license <p>All the documents being updated on monthly basis and well maintained.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>IOI has established Employee Identification Cum Input Document for all data of their workers. The registration card stated the Employee code, Type of work, Passport No, Expiry Date, Date of Birth, Date joined, Marital Status, ETC.</p> <p>Sample taken on the following workers: -</p> <ol style="list-style-type: none"> 1. SKL 0923 2. SKL 5153 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		3. SKL 5032 4. LB 10867 5. LB 12590 6. LB 10544 7. LB 11099	
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Sighted, Employment Contract between the Estate and the workers. The Agreement stated all the term and conditions according to Malaysian Law. The contract is in Bahasa Malaysia.</p> <p>This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of Malaysian, Philippines and Indonesian.</p> <p>Opportunity for Improvement</p> <p>Seen in the Contract Agreement of workers under clause no 19;</p> <p>Kontrak ini tidak boleh dipindahkan kepada majikan lain tanpa persetujuan daripada pekerja dan kebenaran bertulis daripada Pengarah Tenaga Kerja Sabah.</p> <p>However, the Management need to re-look into the clause as any transfer of foreign workers might involve Immigration Department as the visa & permit are approved by their respective department.</p>	OFI
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p>	<p>Working hours is 8 hours. From Monday to Saturday. Total monthly working hours is 208 hours. The overtime maximum is 104 hours according to Malaysian Law.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Portable Data Recorder time chit being use for the harvester attendance record and pocket check-roll for field & general workers.	
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	The working hour and break time have been clearly stated in the Employment Contract. Sighted in the Contract Agreement the rate of overtime which agreed by both parties. There is no complaint received regarding payment or forced to work on overtime during site interview	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made. Documented pay-slip was distributed to individual workers on the day of payment. Payment being made through cheque	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	All workers have been provided with medical and accident insurance. MSIG Insurance (M) Bhd. is appointed as insurance provider to foreign workers With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations. For Indonesian workers, will be covered under SOCSO upon expiring the Foreign Workers Compensation Scheme.	Complied

Criterion / Indicator		Assessment Findings	Compliance												
		Other Welfare Amenities are Mosque, football field, creche, HUMANA and sundry shop.													
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>All workers are provided with housing facilities at workers linesite. Details of workers quarters as below: -</p> <table border="1"> <thead> <tr> <th>No</th> <th>Type of Quarters</th> <th>Sakilan Estate</th> <th>Linbar 1 Estate</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1 x 4 unit</td> <td>9 block @ 36 unit</td> <td>5 block @ 20 unit</td> </tr> <tr> <td>2</td> <td>1 x 6 unit</td> <td>6 block @ 36 unit</td> <td>3 block @ 18 unit</td> </tr> </tbody> </table> <p>Living quarters are habitable.</p> <p>In Linbar 1 Estate, water is provided free and electricity is subsidized free. The electricity operating hours is from 5 pm until 11pm and 3 am- 6am.</p> <p>As for Sakilan Estate, the water is free and electricity being deducted RM5 per unit.</p>	No	Type of Quarters	Sakilan Estate	Linbar 1 Estate	1	1 x 4 unit	9 block @ 36 unit	5 block @ 20 unit	2	1 x 6 unit	6 block @ 36 unit	3 block @ 18 unit	Complied
No	Type of Quarters	Sakilan Estate	Linbar 1 Estate												
1	1 x 4 unit	9 block @ 36 unit	5 block @ 20 unit												
2	1 x 6 unit	6 block @ 36 unit	3 block @ 18 unit												
4.4.5.12	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>IOI group has established IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato' Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Head of Sustainability, the policy was last revised in March 2018.</p> <p>Seen, under clause Human Right and Workplace being stated as follows: -</p>	Complied												

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Criterion / Indicator	Assessment Findings	Compliance
	<p>7. Promote a safe and healthy working environment that is free from sexual harassment.</p> <p>In addition, IOI also established Policy on Harassment at Workplace signed by Plantation Director, N B Sudhakaran in June 2018</p>	
<p>4.4.5.13 The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>IOI group has established IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato’ Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Head of Sustainability, the policy was last revised in March 2018.</p> <p>Seen, under clause Human Right and Workplace being stated as follows: -</p> <p>3. Uphold the right to freedom of association and recognize the right to collective bargaining and allow trade unions to have access to our workers.</p> <p>In IOI, workers will be engaged in collective bargaining with the Management via Employee Consultation Committee (ECC) where the representatives will discuss topics to be brought to the Joint Consultative Meeting. The representatives elected by the workers.</p>	<p>Complied</p>
<p>4.4.5.14 Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>IOI group has established IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato’ Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Head of Sustainability, the policy was last revised in March 2018.</p> <p>Seen, under clause Human Right and Workplace being stated as follows: -</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance	
	<p>3. Eliminate all forms of illegals, forced, bonded, compulsory or child labor and in particular, follow responsible recruitment practices including not recruitment related fees at any stage in recruitment process.</p> <p>No evidence, children below age of 18 working in both Estates based on the list of employees as well as their biodata.</p>		
Criterion 4.4.6: Training and competency			
<p>4.4.6.1</p>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>The estates visited has established training program for all employee and contractors based on training need analysis conducted.</p> <p>Sighted the training records as follows:</p> <p>SE</p> <ul style="list-style-type: none"> i. Harvesting training dated 29/1/2019 ii. Store and management training dated 19/3/2019 iii. PPE training dated 26/3/2019 iv. Diesel management 19/3/2019 v. Chemical handling training dated 30/3/2019 vi. Triple rinsing training handling dated 28/3/2019 and 23/5/2019 vii. First Aid training 20/4/2019 viii. Workshop training dated 18/8/2019 ix. HCV training dated 23/8/2019 	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> x. Buffer zone training dated 17/10/2019 LIE i. First aid training dated 25/1/2019 ii. Chemical calibration training dated 24/1/2019 iii. Workshop, welding, air compressor and oxy-actylene training dated 24/1/2019 iv. SOP vehicle maintenance, workshop, air compressor, driver and machine handling dated 5/2/2019 v. SOP sprayers (div A and B) training dated 9 & 11/2/2019 vi. Re-entry after spraying training dated 22/2/2019 vii. Spraying pump maintenance training dated 20/3/2019 viii. Triple rinsed procedure chemicals container training dated 24/4/2019 ix. Riparian reserve and buffer zone training dated 21/6/2019 x. First Aid and CPR training dated 23/7/2019 xi. SOP for chemical premix dated 16/8/2019 xii. Schedule waste training dated 19/9/2019 xiii. HCV, Riparian Reserve, buffer zone training dated 19/9/2019 x. Fire drill training dated 4/10/2019 	

Criterion / Indicator		Assessment Findings	Compliance
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific Mill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>The estates visited conducted evaluation of training/training need analysis for all training conducted to identify the training requirement for all employee. Base on the training evaluation, the estate established the training program.</p>	Complied
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>The estate continuously provided the training to the workers as per plan. The training plan was reviewed on annually basis base on the training need analysis conducted.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>IOI Group has established Environmental Policy and documented in Sustainable Palm Oil Policy signed by the group CEO and group Head of Sustainability in Feb 2017.</p> <p>The policy was communicated to the employee through training, muster briefing and displayed at several notice board in the estate.</p>	Complied
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. 	<p>The Sustainability team has conducted the Environmental Impacts Assessment and documented in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans –</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance -</p>	<p>prepared in November 2019. The aspect impact assessment conducted covers element as follows:</p> <ul style="list-style-type: none"> i. Identification and Management Plan of Waste Products ii. Identification and Management Plan of Potential Pollutant Source iii. Identification of reuse Agricultural Waste iv. Identification of Potential Source of GHG Emission and GHG Reduction Plan v. Impacts from replanting and its management plan vi. Road construction and culverts maintenance vii. Water management 	
<p>4.5.1.3 An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p>- Major compliance -</p>	<p>SE</p> <p>The Estate has conducted the Environmental Impacts Assessment and documented in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans – Sakilan Estate prepared in November 2019.</p> <p>The estates visited has established Environmental Improvement and Management Plan base on the significant aspect identified during aspects and impacts analysis. The plan was reviewed on annually basis.</p> <p>Sighted the implementation of the management plan as follows:</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance												
	<p>i. The mill disposed the EFB to sister estate as nutrient cycle program. Sighted the EFB records for the month of October 2019 at 4.42 Mt in field 97X and 66.70 MT in field 97Z</p> <p>ii. The estate maintain records for diesel usage for the last 5 years. Sighted the records as follows:</p> <table border="1" data-bbox="1050 639 1868 1034"> <thead> <tr> <th>Financial Year</th> <th>Diesel Usage</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td>3.229</td> </tr> <tr> <td>2015/16</td> <td>4.470</td> </tr> <tr> <td>2016/17</td> <td>3.6988</td> </tr> <tr> <td>2017/18</td> <td>3.6810</td> </tr> <tr> <td>2018/19</td> <td>4.2826</td> </tr> </tbody> </table> <p>iii. Domestic waste collection was conducted 3 times a week. Sighted the collection records for FY 2019. The domestic waste was disposed in designated landfill. Noted during site visit, the only domestic waste were disposed in the landfill</p> <p>iv. The estate has established recycle waste collection area at the landfill area. Group of workers were assigned to conduct the waste segregation. The waste were disposed at recycler. Sighted the disposal records as per receipt no. 8089 and 00350.</p> <p>LIE</p>	Financial Year	Diesel Usage	2014/15	3.229	2015/16	4.470	2016/17	3.6988	2017/18	3.6810	2018/19	4.2826	
Financial Year	Diesel Usage													
2014/15	3.229													
2015/16	4.470													
2016/17	3.6988													
2017/18	3.6810													
2018/19	4.2826													

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Criterion / Indicator		Assessment Findings	Compliance						
		<p>i. The estate has established recycle waste collection area at the office and housing area. Group of workers were assigned to conduct the waste segregation during waste collection. The waste were disposed at recycler. Sighted the disposal records as per receiving ticket no. 013209 dated 31/10/2019.</p> <p>ii. The estate monitor the empty container inventory in Borang Inventori Bulanan. Sighted the inventory records for the month of September and October 2019. The empty container were disposed to approve recycler. Sighted the disposal records to Newgates Industries as per receipt no. 00353 dated 13/8/2019.</p> <p>iii. The estate disposed EFB from sister mill as part of nutrient recycle program. Sighted sampled the EFB application FY 2019 records as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Ton</th> </tr> </thead> <tbody> <tr> <td>Jul</td> <td>13.58</td> </tr> <tr> <td>Aug</td> <td>41.64</td> </tr> </tbody> </table>	Month	Ton	Jul	13.58	Aug	41.64	
Month	Ton								
Jul	13.58								
Aug	41.64								
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>The program to promote positive impacts activities to the environment has been included in the Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans prepared in November 2019.</p>	Complied						

Criterion / Indicator		Assessment Findings	Compliance					
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	The estates visited has established training program for all the employee and documented in annual training program. The training plan , Policies, Environmental Aspects and Impacts, Environmental control procedure and etc.	Complied					
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Environmental related matters were discussed during Internal stakeholder meeting conducted once a year. The estate has appointed Environmental Liaison Officer. Any issue regarding environmental can be reported through the officer appointed. Noted during interview with employee shows the understanding on the importance of environmental quality. The employee are also encouraged to discuss environmental issues with the management.	Complied					
Criterion 4.5.2: Efficiency of energy use and use of renewable energy								
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. - Major compliance -	SE The estate maintain records for diesel usage for the last 5 years. Sighted the records as follows: <table border="1" data-bbox="1048 1222 1756 1353"> <tr> <td rowspan="2">Financial Year</td> <td colspan="2">Diesel Usage</td> </tr> <tr> <td>SE</td> <td>LIE</td> </tr> </table>	Financial Year	Diesel Usage		SE	LIE	Complied
Financial Year	Diesel Usage							
	SE	LIE						

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Criterion / Indicator		Assessment Findings			Compliance
		2014/15	3.229	8.5257	
		2015/16	4.470	9.3028	
		2016/17	3.6988	7.7415	
		2017/18	3.6810	6.3220	
		2018/19	4.2826	5.6281	
		The estate has established management plan to improve efficiency of diesel usage documented in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans – prepared in November 2019.			
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.			Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No renewable energy used in the estate			Complied
Criterion 4.5.3: Waste management and disposal					

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>SE</p> <p>The estate visited had identified all waste products and its source of pollution and documented in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans – Sakilan Estate under Identification and Management Plan of Waste Products prepared in November 2019.</p> <p>Waste identified as follows:</p> <ul style="list-style-type: none"> i. Workshop/Vehicle washing bay – Used lubricants and hydraulics oils, batteries, filters, tyres, scrap irons ii. Loading ramp – Old loose fruit, oil from crush loose fruit iii. Linesite – Sewage discharge, non-biodegradable domestic waste iv. New building – construction waste v. fertilizer store – liner 	Complied
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <p>- Major compliance -</p>	<p>SE</p> <p>The mill has established the waste management plan base on the waste identification conducted and reviewed on annually basis.</p> <p>The plan stated the source of pollution, management plan, monitoring and action plan, data required and person in charge.</p> <p>Sighted the implementation of the waste management plan as follows:</p> <ul style="list-style-type: none"> i. Domestic waste collection was conducted 3 times a week. Sighted the collection records for FY 2019. The domestic waste was disposed 	Complied

Criterion / Indicator	Assessment Findings	Compliance						
	<p>in designated landfill. Noted during site visit, the only domestic waste were disposed in the landfill</p> <p>ii. The estate has established recycle waste collection area at the landfill area. Group of workers were assigned to conduct the waste segregation. The waste were disposed at recycler. Sighted the disposal records as per receipt no. 8089 and 00350.</p> <p>LIE</p> <p>i. The estate has established recycle waste collection area at the office and housing area. Group of workers were assigned to conduct the waste segregation during waste collection. The waste were disposed at recycler. Sighted the disposal records as per receiving ticket no. 013209 dated 31/10/2019.</p> <p>ii. The estate monitor the empty container inventory in Borang Inventori Bulanan. Sighted the inventory records for the month of September and October 2019. The empty container were disposed to approve recycler. Sighted the disposal records to Newgates Industries as per receipt no. 00353 dated 13/8/2019.</p> <p>iii. The estate disposed EFB from sister mill as part of nutrient recycle program. Sighted sampled the EFB application FY 2019 records as follows:</p> <table border="1" data-bbox="1048 1187 1543 1383"> <thead> <tr> <th>Month</th> <th>Ton</th> </tr> </thead> <tbody> <tr> <td>Jul</td> <td>13.58</td> </tr> <tr> <td>Aug</td> <td>41.64</td> </tr> </tbody> </table>	Month	Ton	Jul	13.58	Aug	41.64	
Month	Ton							
Jul	13.58							
Aug	41.64							

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Criterion / Indicator		Assessment Findings			Compliance
		Sep	5.85		
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Estates visited also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected at both estate visited and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during workers interview with storekeeper shows the understanding the proper disposal for waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> <p>Inventory for all scheduled waste generated were recorded in stock card and reported to DOE through E-SWISS.</p> <p>SE</p> <p>Monitoring SW records FY 2019</p> <p>Sighted the 5th Schedule reported to DOE through E-SWISS for the month of April, May and June 2019.</p> <p>Sighted the sampled scheduled waste disposal records:</p> <ul style="list-style-type: none"> i. 31/10/2019, SW 110, C/N no. 20191031160LQA6G ii. 31/10/2019, SW 409, C/N no. 20191031162A3JQ iii. 31/10/2019, SW 410, C/N no. 20191031168TXH5E 			Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>LIE</p> <p>Sighted the 5th Schedule reported to DOE for the month of October 2019. The estate monitor the scheduled waste inventory recorded in Borang Inventori Bulanan Buangan Terjadual. Sighted inventory records for the month of September and October 2019 for SW 410, SW 305 and SW 102.</p> <p>Sighted the sampled scheduled waste disposal records:</p> <ul style="list-style-type: none"> i. 22/10/2019, SW 102, C/N no. 20191027138AR54U ii. 22/10/2019, SW 104, C/N no. 201910271367YXND iii. 22/10/2019, SW 305, C/N no. 2019102714SCMWAY iv. 22/10/2019, SW 409, C/N no. 20191027140BZ52Y v. 22/10/2019, SW 410, C/N no. 2019102714LOEV5A vi. 22/10/2019, SW 417, C/N no. 2019102714XNWRH1 	
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>IOI Plantations has established Standard Operating Procedure for empty pesticides container handling documented in Safety Work Procedure Empty Chemical Container Management document no. IOI-OSH 3.2.2 rev. no. 1, Appendix 6(31) dated 1/8/2012.</p>	Complied
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk</p>	SE	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	of contamination of the environment and watercourses. - Minor compliance -	Domestic waste collection was conducted 3 times a week. Sighted the collection records for FY 2019. The domestic waste was disposed in designated landfill located at field P97W2. Noted during site visit, the only domestic waste were disposed in the landfill LIE Domestic waste were collected at minimum of once a week. Sighted the collection records FY 2019. The landfill was located in P18A. Sighted during site visit, noted that only domestic waste were disposed in the landfill.	
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	The estate has conducted assessment of all polluting activities during aspects and impacts analysis for all the operations and documented in in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans under section Identification of Potential Source of GHG Emission and GHG Reduction Plan	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The estate has established management plan for all polluting activities and documented in the Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans.	Complied
Criterion 4.5.5: Natural water resources			
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources	The estate visited has established Water Management Plan dated 28/10/2019. The management plan covers all aspects related to water management plans as follows:	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>(surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <p>- Major compliance -</p>	<ul style="list-style-type: none"> i. Riparian reserve ii. Drainage management iii. Soil moisture conservation program iv. Workshop and lubricant store v. Sewage and septic tank vi. Sedimentation pond vii. Water for agrochemical use viii. Water sampling point ix. Drinking water analysis x. Stream water analysis. <p>Sighted the implementation of the management plan at both estate visited as follows:</p> <p>SE</p> <ul style="list-style-type: none"> i. The estate has established the riparian buffer zone for Sg. Bulu. The riparian buffer zone was demarcated with red and white pole as sighted at P97U2. Signboard on prohibition of prohibition illegal hunting, catching and collecting wild species, chemical application, farming and building facilities at the buffer zone area. <p>Noted during site visit, there is no evidence of chemical application along the buffer zone at P97U2. Interview with sprayers shows satisfactory awareness on the prohibition of chemical application along the buffer zone.</p>	

Criterion / Indicator	Assessment Findings	Compliance								
	<p>ii. Sighted the estate conducted chemical premixing at designated area. Surplus waste water from the chemical premixing activities were collected in collection sump and recycled back for chemical premixing.</p> <p>LIE</p> <p>i. The estate monitor the water usage on monthly basis. Water usage FY 2019 as follows:</p> <table border="1" data-bbox="1048 687 1516 983"> <thead> <tr> <th>Month</th> <th>Water consumption</th> </tr> </thead> <tbody> <tr> <td>Aug</td> <td>1,107,016 L</td> </tr> <tr> <td>Sep</td> <td>1,441,664 L</td> </tr> <tr> <td>Oct</td> <td>1,564,481 L</td> </tr> </tbody> </table> <p>ii. The estate monitor the stream water quality on quarterly basis by appointed consultant. The report was documented in Environmental Compliance Report submitted to Sabah Environmental Protection Department. Sighted the reports as follows:</p> <p>a. Report no.: JPAS/PP/02/600-1/11/1/81</p> <p>Sampling date: 10/1/2019</p> <p>Results: all parameters was within permissible limits of class III if NWQSM</p>	Month	Water consumption	Aug	1,107,016 L	Sep	1,441,664 L	Oct	1,564,481 L	
Month	Water consumption									
Aug	1,107,016 L									
Sep	1,441,664 L									
Oct	1,564,481 L									

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Criterion / Indicator		Assessment Findings	Compliance												
		iii. The estate monitor the rainfall data on daily basis in Rainfall data logbook. Sighted the sampled rainfall data FY 2019 as follows: <table border="1" data-bbox="1048 523 1749 788"> <thead> <tr> <th>Month</th> <th>Rain days</th> <th>Rainfall</th> </tr> </thead> <tbody> <tr> <td>Aug</td> <td>8</td> <td>120 mm</td> </tr> <tr> <td>Sep</td> <td>8</td> <td>136 mm</td> </tr> <tr> <td>Oct</td> <td>19</td> <td>344 mm</td> </tr> </tbody> </table>	Month	Rain days	Rainfall	Aug	8	120 mm	Sep	8	136 mm	Oct	19	344 mm	
Month	Rain days	Rainfall													
Aug	8	120 mm													
Sep	8	136 mm													
Oct	19	344 mm													
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	No bunds were sighted across main rivers and waterways in both estates.	Complied												
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	The practice water harvesting of water from road-side drains being directed and stored in conservation road side pits was observed in both estates. Estates visited also provided houses, stores and workshop with water container for rain harvesting. The water were for activity such as chemical mixing, washing vehicle and washing clothes.	Complied												
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value															
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:	The estate has conducted HCV re-assessment in November 2018 for all operating units in Sakilan POM and Supply Base. The report was	Complied												

Criterion / Indicator	Assessment Findings	Compliance
<p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>	<p>reviewed on annually basis. Latest review was conducted on 1/8/2019.</p> <p>SE</p> <p>Re-assessment of HCV area was documented in High Conservation value and Conservation Area Management Action Plan and Continuous Improvement Plan dated 1/11/2019. Latest review was conducted on 1/8/2019.</p> <p>No HCV area identified in the estate. The estate has identified conservation area in the estate, listed in Table 1 Summary of Internal and External HCV/Conservation Area for Sakilan Estate. The list of conservation area identified as follows:</p> <ul style="list-style-type: none"> i. Sg. Bulu riparian zone ii. Estate water pond, iii. Unplanted steep area and iv. Volcano mud pond <p>LIE</p> <p>Re-assessment of HCV area was documented in High Conservation value and Conservation Area Management Action Plan and Continuous Improvement Plan dated 1/11/2019. Latest review was conducted on 1/8/2019.</p> <p>No HCV area identified in the estate. The estate identified boundary with Segaliud Lokan Forest Reserve as external HCV 1 area.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>The estate has identified conservation area in the estate, listed in Table 1 Summary of Internal and External HCV/Conservation Area for Linbar I Estate. The list of conservation area identified as follows:</p> <ul style="list-style-type: none"> i. Sg. Lokan riparian zone ii. Estate water pond, iii. Unplanted steep area iv. Forest reserve buffer zone 	
<p>4.5.6.2 If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <ul style="list-style-type: none"> a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <p>- Major compliance -</p>	<p>No RTE species identified in the estates visited.</p> <p>SE The estate has established management plan for conservation area identified documented in the re-assessment report established.</p> <p>LIE The estate has identified conservation area in the estate, listed in Table 1 Summary of Internal and External HCV/Conservation Area for Linbar I Estate.</p>	<p>Complied</p>
<p>4.5.6.3 A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>The estate visited has established environmental management plan documented in High Conservation value and Conservation Area Management Action Plan and Continuous Improvement Plan dated 1/11/2019. Latest review was conducted on 1/8/2019.</p> <p>SE No RTE species identified in the estate.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p>The estate has established management plan for conservation area identified documented in the re-assessment report established. Sighted the implementation of the management plan as follows:</p> <ul style="list-style-type: none"> i. The estate has established the riparian buffer zone for Sg. Bulu. The riparian buffer zone was demarcated with red and white pole as sighted at P97U2. Signboard on prohibition of prohibition illegal hunting, catching and collecting wild species, chemical application, farming and building facilities at the buffer zone area. ii. Patrolling at HCV area was conducted on weekly basis. Sighted the patrolling records FY 2019. The patrolling covers on condition of demarcation, signboard, and buffer zone width, evidence of chemical application activity, erosion and water flow. <p>LIE</p> <p>No RTE species identified in the estate.</p> <p>The estate has identified conservation area in the estate, listed in Table 1 Summary of Internal and External HCV/Conservation Area for Linbar I Estate.</p> <p>The estate has established management plan for conservation area identified documented in the re-assessment report established. Sighted the implementation of the management plan as follows:</p> <ul style="list-style-type: none"> i. Patrolling at HCV area was conducted on weekly basis. Sighted the patrolling records FY 2019 recorded. The patrolling covers on condition of demarcation, signboard, and buffer zone width, evidence of chemical application activity, and animal sighted during the patrol. The 	

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Criterion / Indicator		Assessment Findings	Compliance
		report was summarize on monthly basis. Sighted the monthly report for the month September and October 2019.	
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	IOI group has established Zero Burning Policy as per 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, EQA 1974 specifically on section 29A (prohibition on Open Burning) and 29AA (Exclusion from 'Open Burning') signed by the Plantation Director on May 2018. The policy was communicated to all the employee through training, briefing and signage at several notice board in the estate. IOI group has established Group Standard Operating Procedure (StOP) for Land Clearing, index 4.1 and Group Standard Operating Procedure (StOP) for Land Preparation for New Planting and Replanting, index 4.2 prepared on September 2007. All felled palm will be shredded or chip and piled between planting rows.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	No controlled burning application is allowed as per Zero Burning Policy	Complied
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.	No controlled burning application is allowed as per Zero Burning Policy	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.5.7.4	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p>- Minor compliance -</p>	IOI group has established Group Standard Operating Procedure (StOP) for Land Clearing, index 4.1 and Group Standard Operating Procedure (StOP) for Land Preparation for New Planting and Replanting, index 4.2 prepared on September 2007. All felled palm will be shredded or chip and piled between planting rows.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>IOI has established 3 SOP as guidance to conduct the estate daily operation. IOI has established Group Standard Operating Procedures as guidance document to operate the estate issued on September 2007. Latest review was done in December 2016 with additional on StOP for Planting Beneficial Plant and Stop for management and Monitoring of Exinsting Cultivation of Oil Palm on Peat. The SOP covers all 17 activities such as Seed Production, Planting Techniques, Manuring, Weeding, Pest and Disease, Harvesting and Planting of Beneficial Plants.</p> <p>The estate also follow the Group Agricultural Practice revised in July 2005 as guidance to conduct daily estate operation which covers all estate operations under specific section as per below:</p> <p>1.0 Land Clearing, Preparation and Planting</p> <p>2.0 Nursery Practice</p> <p>3.0 Planting Density and Technique</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		4.0 Soil Conservation and Terracing 5.0 Establishment and Maintenance of Legume Covers 6.0 Weeding: Weed Control 7.0 Ablation 8.0 Manuring 9.0 Pest and Disease 10.0 Roads 11.0 Pruning 12.0 Harvesting For guidance of safety, the estate follows Occupational Safety and Health Manual issued in 1/8/2012.	
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>IOI Plantation has established Standard Operating Procedures for oil palm planting at permitted levels on sloping land documented in Group Standard Operating Procedures (StOPs) for Estate Operations under 2.0: Standard Procedure for Land Preparation for the New Planting and Replanting.</p> <p>Good agriculture practices from the StOP established were followed to manage soil fertility to ensure optimal and sustained yield through annual fertilizer application program.</p> <p>Beside in- organic fertilizer, organic fertilizer in the form of POME and EFB is applied as per recommendation from IOI Research Centre.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance																																				
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	All fields are marked and identified. Information i.e. year planting (field no) and the total hectare is shown in all markers. There are both stenciled at the palm trees and also displayed in signage at the boundary/corners of every field. This is observed during the field visit.	Complied																																				
Criterion 4.6.2: Economic and financial viability plan																																							
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	<p>All estates had 5 years business plan for the financial year 2017/18 – 2021/2022. The business plan includes the following information as sample from Linbar 1 Estate,</p> <table border="1"> <thead> <tr> <th>FY</th> <th>2019/2020</th> <th>2020/2021</th> <th>2021/2022</th> </tr> </thead> <tbody> <tr> <td>Mature Hect</td> <td>2095.00</td> <td>2219.00</td> <td>2319.00</td> </tr> <tr> <td>Immature Hect</td> <td>224.00</td> <td>100.00</td> <td>0</td> </tr> <tr> <td>Progeny/clone</td> <td>DxP (IOI)</td> <td>DxP (IOI)</td> <td>DxP (IOI)</td> </tr> <tr> <td>Yield / Hect</td> <td>24.05</td> <td>26.00</td> <td>27.00</td> </tr> <tr> <td>FFB (Mt)</td> <td>50,380.00</td> <td>57,700.00</td> <td>62,610.00</td> </tr> <tr> <td>Workers ratio / hect</td> <td>10.54</td> <td>10.54</td> <td>10.54</td> </tr> <tr> <td>OER</td> <td>22.00</td> <td>22.00</td> <td>22.00</td> </tr> <tr> <td>PK</td> <td>4.50</td> <td>4.50</td> <td>4.50</td> </tr> </tbody> </table>	FY	2019/2020	2020/2021	2021/2022	Mature Hect	2095.00	2219.00	2319.00	Immature Hect	224.00	100.00	0	Progeny/clone	DxP (IOI)	DxP (IOI)	DxP (IOI)	Yield / Hect	24.05	26.00	27.00	FFB (Mt)	50,380.00	57,700.00	62,610.00	Workers ratio / hect	10.54	10.54	10.54	OER	22.00	22.00	22.00	PK	4.50	4.50	4.50	Complied
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Criterion / Indicator		Assessment Findings				Compliance										
		Upkeep (RM/Mt)	57.91	56.63	54.80											
		Harvesting & Collection (RM/Mt)	92.66	90.62	87.69											
		General Charges (RM/Mt)	44.37	47.35	48.82											
		Depreciation	12.46	11.35	10.91											
		Cost / Mt	207.41	205.95	202.22											
4.6.2.2	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p>- Major compliance -</p>	<p>No replanting programme within 5 years in Linbar 1 Estate.</p> <p>The replanting programme was available in Sakilan estate Business plan 19/20. The replanting programme cover for 10 years. Total will be replant was from year 2020 until 2025 as per detail below:-</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Hectarage</th> </tr> </thead> <tbody> <tr> <td>2020/21</td> <td>230</td> </tr> <tr> <td>2021/22</td> <td>201</td> </tr> <tr> <td>2022/23</td> <td>211</td> </tr> <tr> <td>2023/24</td> <td>234</td> </tr> </tbody> </table>				Year	Hectarage	2020/21	230	2021/22	201	2022/23	211	2023/24	234	Complied
Year	Hectarage															
2020/21	230															
2021/22	201															
2022/23	211															
2023/24	234															

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Criterion / Indicator		Assessment Findings		Compliance
		2024/25	243	
		Total	1119	
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<p>Crop projection, yield, production cost is available. It is provided in the business management plan shown in item 4.6.2.1 above.</p>		Complied
4.6.2.4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	<p>The estates performance is recorded in the monthly progress report. Progress report for the month of October 2019 capturing area statement, rainfall, financial performance, crop performance, Manager's response, etc.</p> <p>Estate & Mill Consultative Meeting being conducted quarterly to review meeting monitoring the achievement of the goals and the objectives of the management.</p>		Complied
Criterion 4.6.3: Transparent and fair price dealing				

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Criterion / Indicator		Assessment Findings				Compliance																				
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Pricing mechanisms for the products and other services well documented in both Estates. The pricing being determined and approved by the Regional Office.				Complied																				
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	<p>All contracts are kept in estate office. Sighted the contract Agreement signed by contractor and the Estate. As evidence in Linbar Estate, four contractors being engaged namely: -</p> <table border="1"> <thead> <tr> <th>No</th> <th>Name of Contractor</th> <th>Date contract</th> <th>Nature of Contract</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Sykt Pengangkutan Koh Seong Kee</td> <td>1/7/2019 – 30/6/2020</td> <td>FFB Transport</td> </tr> <tr> <td>2</td> <td>Zana Enterprise</td> <td>1/7/2019 – 30/6/2020</td> <td>FFB & Gravel stone Transport</td> </tr> <tr> <td>3</td> <td>J.S Enterprise</td> <td>1/7/2019 – 30/6/2020</td> <td>Gravel Stone Enterprise</td> </tr> <tr> <td>4</td> <td>Jen Siong Enterprise</td> <td>1/7/2019 – 30/6/2020</td> <td>FFB & EFB Transport</td> </tr> </tbody> </table>				No	Name of Contractor	Date contract	Nature of Contract	1	Sykt Pengangkutan Koh Seong Kee	1/7/2019 – 30/6/2020	FFB Transport	2	Zana Enterprise	1/7/2019 – 30/6/2020	FFB & Gravel stone Transport	3	J.S Enterprise	1/7/2019 – 30/6/2020	Gravel Stone Enterprise	4	Jen Siong Enterprise	1/7/2019 – 30/6/2020	FFB & EFB Transport	Non - Compliance
No	Name of Contractor	Date contract	Nature of Contract																							
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Criterion / Indicator		Assessment Findings	Compliance
		<p>Payment terms being stated under IOI Group Payment Procedure at Operating Units, Accounts Circular No 01 (Amended 12th APRIL 2017) whereby recommended credit terms is 60 days.</p> <p>Minor Non – Conformity</p> <p>No clause of duration/ timeframe of payment provided in a terms and conditions of the contract agreement.</p> <p>Sample taken on Contract Agreement of M/S Zana Enterprise, contract period 1/7/2019 – 30/6/2020 on FFB & Gravel Stone Transport.</p>	
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>All the contractors aware that estate is certified under MSPO. Therefore, the contractor has been instructed by Estate Management to follow the MSPO standard requirement.</p> <p>The policies were already communicated through the tender process and once contract sign by both parties. The contractor shall be subjected to the management system audits by auditors assigned by the management as and when deemed necessary</p>	Complied
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>All contracts are kept in Estate office. Sighted all contract includes an agreement signed by contractor and estate manager with term and condition.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	The estates were audited by BSI MSPO auditor and the Management accept the BSI MSPO Auditors to verify through a physical inspection if required for audit purposed.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the taMFMs performed by the contractor, by checking and signing the assessment of the contractor for each taMFM and season contracted. - Major compliance -	The completion of work will be monitored by the Estate Management. Upon completion of the work, the estate management will verify the quality of work. Payment will only be made upon approval by the Management and satisfactory work by the contractor	Complied
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks(e.g. fire risk) in areas outside the plantation. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners’ free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.	NA

MS 2530-4:2013 Part 4: General principles for palm oil mills

Criterion / Indicator	Assessment Findings	Compliance	
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	IOI group has established IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato’ Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Head of Sustainability, the policy was last revised in March 2018. The policy emphasizes on their commitment towards: - 5. Compliance of applicable legislation and codes of practice 6. To implement leading sustainability standards for environmental management, human rights and workplace conditions, community development and social impact. 7. To build traceable supply chains 8. To strive for highest levels of transparency with the stakeholders.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	Sighted under IOI Sustainable Palm Oil Policy under clause 4; Existing Plantations point No 3 stated Committing towards sustainable production of palm oil and its continuous improvement as outlined in the MSPO guidelines.	Complied
Criterion 4.1.2 – Internal Audit			

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit was conducted on 19 th August 2019 at Sakilan POM by four internal auditors, Madam Veronica Abel, Mr Bryan Barrega, Mr Voo Chee Kwong and Mr. Ten Kok Hua.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	The company has established Standard Operation Procedure for MSPO Internal Audit Procedure (Ref. No.: MSPO/SOP/IA/2, revision no: 02, dated 1st Nov 2018). The audit findings were documented under Internal Audit Summary and total findings were 8 majors at Sakilan POM. The response and action taken by Mill Manager for all the findings raised by the Internal Audit was on 3 rd September 2019 within the deadline. All details are well documented by Mill Management	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The internal audit report was documented and made available for management review. As evidence, all findings from internal audit was responded by Mill Management within the timeframe stipulated in the Audit Procedure.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Management review was conducted on 26 th August 2019 at Sakilan POM. The meeting being chaired by the respective Mill Manager and attended by 15 personnel. The agenda of the meeting merely on Internal Audit Findings by Sustainable Palm Oil Department	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>Sakilan POM have established Continuous Improvement Plan covering Social, Best Practices and Environmental dated 1st November 2019.</p> <ol style="list-style-type: none"> 1. Social <ul style="list-style-type: none"> - Labour day for Sakilan Group 2019 - GCC Club visiting Kundasang 2. Environment <ul style="list-style-type: none"> - Chemical system for water treatment and boiler treatment plant. - Construction of new water catchment pond 3. Safety <ul style="list-style-type: none"> - Installation of ladder hand rail at CPO dispatch platform. - Installation of platform for Skid Tank 4. Technology <ul style="list-style-type: none"> - CCTV for boiler emission monitoring. - Installation of Electrostatic precipitators. 	<p>Complied</p>
4.1.4.2	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p>	<p>The latest technology being implemented at Mill are as follows: -</p> <ol style="list-style-type: none"> 1. Installed and purchased of CEMS Package (opacity and dust) and CCTV for boiler emission monitoring dated 15th July 2019. 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	The objective to monitor and control the boiler dust emission below limit to comply with the Regulations. Furthermore, adhering to Company's Environmental Policy.	
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p>	<p>IOI Group has established several procedure and record to ensure all request, response and release information to stakeholders.</p> <p>Communication and consultation process are also through stakeholder meeting and the records with attendance lists was sighted. Evidence at: -</p> <ol style="list-style-type: none"> 1. The Joint Consultative Committee Meeting among Employee Consultative Committee for Sakilan POM was held on 21st October 2019 attended by 8 personnel representing all the process activities / stations. 2. Latihan MSPO, Polisi Syarikat dan Kontrak Pekerjaan to 48 internal stakeholders dated 2nd October 2019 by En.Mohd Ezman bin Mond Yusop, Mill Executive and En. Azim Hughes, Laboratory Assistant. 3. The stakeholder meeting@ Forum Kelestarian Persijilan Bersama Pihak Berkepentingan was held on 7th August 2019 attended by 70 external stakeholders. The meeting was collaborated between Linbar 1 Estate, Sakilan Estate and 	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Sakilan POM. The meeting chaired by Mr. Laibon Dansek, The Chairman Central Working Committee.</p> <p>Internal and External Stakeholders may also retrieve information through www.ioigroup.com.</p> <p>No request and response being addressed by Internal & External Stakeholders to date at Mill.</p>	
<p>4.2.1.2 The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>Sighted Procedure of Controlling the Disclosure of Confidential Information (For Third Party) Estate. The document is divided into two grades: -</p> <p>Grade A – Production Control Data, Account Control Data</p> <p>Grade B – Worker’s Personal File, Contract of Agreement, Store & Stock Document, Correspondence Document, Internal & External Audit Report, RSPO, MSPO, ISCC Control Document, Harvesting Record.</p> <p>Merely, under Grade B upon requests for official documents will have to go through the Estate Manager, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document. The Manager require to sign the Book of Confidential Information Disclosure.</p> <p>Sighted, the latest request of official record at Sakilan POM was on 17TH October 2019 on RSPO Documents by Mr. Bryan Barrega, Sustainability Executive.</p>	<p>Complied</p>
<p>Criterion 4.2.2 – Transparent method of communication and consultation</p>		

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Criterion / Indicator		Assessment Findings	Compliance						
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>IOI Group has established Guideline Procedure on Stakeholder Consultation under SPO/SDK/S/001-2018, Revision 01/01 dated 20th July 2018. Three stages on grievance procedures: -</p> <ol style="list-style-type: none"> 1. Grievance Submission – Submitted through Green Book, hotline or ECC immediately or within 24 hours 2. Preliminary Investigation – Investigate within 30 working days from grievance submission date <p>Further Investigation / Meeting with complainant – Meet up with complainant within 10 working days after preliminary investigation outcome.</p>	Complied						
4.2.2.2	<p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p> <p>- Minor compliance -</p>	<p>Evidence, Sakilan POM have appointed the responsible person for transparency. The management have appointed Mr Thong Yee Han, the Assistant Manager as the person responsible vide letter dated 9/7/2018 and approved by Mr Sabtu bin Manna, Senior Assistant Manager In – charge.</p>	Complied						
4.2.2.3	<p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p>- Major compliance -</p>	<p>The list of stakeholders is adequately maintained and keep current. As evidence in all estate, sighted latest stakeholders list for year 2019. The list stakeholder consists of various stakeholders covering:</p> <table border="1" data-bbox="1086 1252 1675 1385"> <thead> <tr> <th>NO</th> <th></th> <th>Sakilan POM</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Government</td> <td>21</td> </tr> </tbody> </table>	NO		Sakilan POM	1	Government	21	Complied
NO		Sakilan POM							
1	Government	21							

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Criterion / Indicator		Assessment Findings			Compliance
		2	Non - Government	5	
		3	Service Provider	11	
		4	Supplier	70	
		5	Contractor	2	
		6	Transporter	6	
		7	Private Company	5	
		8	Individual Land	3	
		9	Neighboring Village	3	
			DATA LAST UPDATED	19/11/2019	
Criterion 4.2.3 – Traceability					
4.2.3.1	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>The Traceability Procedure for mill is referring to MSPO Supply Chain – Oil Mill, MSPOSC/SOP/SG/1 Revision 2, dated 1st September 2019.</p> <p>The procedure is applicable to incoming FFB, outgoing CPO & PK at MSPO certified mills that operate SG supply chain system. The Procedures outline the followings; -</p>			Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 1. Reception of Raw Material 2. Processing & Storage 3. Dispatch of Mill Produce <ul style="list-style-type: none"> - CSPO and CSPK produce - CSPO and CSPK Transportation 4. Records and Retention <p>Monitoring of the system is through Mass Balance Calculation (Input – FFB) and Mass Balance Calculation (Internal Process and Output – Mt Produce and Despatch)</p>	
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>The Management team holds the responsibility on regular inspection of traceability system. Periodical inspections also being conducted through Mill Controller and Sustainable Palm Oil Department.</p> <p>The effectiveness of the monitoring will evidence in the internal audit and visit report findings.</p>	Complied
4.2.3.3	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p>- Minor compliance -</p>	<p>Evidence, Sakilan POM have appointed the responsible person for transparency. The management have appointed Mr Thong Yee Han, the Assistant Manager as the person responsible vide letter dated 9/7/2018 and approved by Mr Sabtu bin Manna, Senior Assistant Manager In – charge.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance																				
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Records of storage of CPO and PK can be reviewed through Sakilan POM Mass Balance Report.	Complied																				
4.3 Principle 3: Compliance to legal requirements																							
Criterion 4.3.1 – Regulatory requirements																							
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	<p>Sighted "Senarai Lesen, Permit dan Serfikat" being monitored and updated by Puan Asnida bt Baba, SPO Supervisor, dated 18th June 2019</p> <p>Sighted list of permits/licenses being monitored and updated such as;</p> <table border="1"> <thead> <tr> <th>No</th> <th>License / Permits</th> <th>Number</th> <th>Expiry Date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>MPOB</td> <td>500293404000</td> <td>30.11.2020</td> </tr> <tr> <td>2</td> <td>RSPO</td> <td>543161</td> <td>7.3.2020</td> </tr> <tr> <td>3</td> <td>RSPO Trademark</td> <td>2-0002-04-100-03</td> <td>18.12.2019</td> </tr> <tr> <td>4</td> <td>Jabatan Alam Sekitar Negeri Sabah</td> <td>003460</td> <td>30.6.2019</td> </tr> </tbody> </table>	No	License / Permits	Number	Expiry Date	1	MPOB	500293404000	30.11.2020	2	RSPO	543161	7.3.2020	3	RSPO Trademark	2-0002-04-100-03	18.12.2019	4	Jabatan Alam Sekitar Negeri Sabah	003460	30.6.2019	Complied
No	License / Permits	Number	Expiry Date																				
1	MPOB	500293404000	30.11.2020																				
2	RSPO	543161	7.3.2020																				
3	RSPO Trademark	2-0002-04-100-03	18.12.2019																				
4	Jabatan Alam Sekitar Negeri Sabah	003460	30.6.2019																				

Criterion / Indicator		Assessment Findings				Compliance
		5	Dandang Stim Tiub Air	PMD 10485	12.6.2020	
		6	Water Softener	PMT 106089	16.6.2020	
		7	Water Softener	PMT 106090		
		8	Steam Receiver	PMT 106087	17.6.2020	
		9	Air Receiver	PMT 106093		
		10	Air Receiver	PMT 80632		
		11	Sterilizer	PMT 105911		
		12	Steriliser	PMT 105912		
		13	Air Receiver	PMT 12964		
		14	Air Receiver	PMT 80633		
		15	Air Receiver	PMT 55		
		16	Permit Pemotongan Gaji	11/SDK/2018-092	12.4.2020	

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Criterion / Indicator		Assessment Findings				Compliance
		17	Lesen Menggaji Pekerja Bukan Pemastautin	JTK.H.SDK.600-4/1/1/10401/003866	13.12.2019	
		18	Permit Wanita Kerja Malam	600-1/2/8/320(08/sdk/2018-023)	19.2.2020	
		19	Permit Kerja Lebih Masa	600-1/2/8/320(08/sdk/2018-026)	19.2.2020	
		20	KPDNKK	S 012866	29.6.2020	
		21	Suruhanjaya Tenaga	2018/00810	6.5.2020	
		22	Weighbridge 60 Mt	B 1201374	15.4.2020	
		23	Weighbridge 80 Mt	B 1200079	22.7.2020	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. - Major compliance -	List of applicable Legal and Other Requirements Register was made available during the assessment and date of last review was 15 th July 2019. The register being divided into 3 sections, namely: - 4. Federal Law - Occupational Safety & Health Act,1994 - Fire Services Act, 1988				Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Environmental quality act 1974, Amendment Act 2012 (A1441) - Etc 5. State Law <ul style="list-style-type: none"> - Sabah Land Ordinance (Sabah CAP.68) - Labour Ordinance (Sabah CAP.67) - Forest Enactment, 1968 - Etc 6. Code of Practice <ul style="list-style-type: none"> - Code of Practice for Safe Working in Confined Space, 2001 	
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>The mechanism of tracking changes and update are guided by Sustainable Palm Oil Department. The LORR was reviewed by Sustainable Palm Oil Department. The new revision in 2019 at both Estates are as follows: -</p> <ul style="list-style-type: none"> 4. Occupational Safety and Health (Noise Monitoring) Regulation 2019 5. Environmental Quality (Clean air) Regulation 2014 6. Employee Social Security Amendment 2016 	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory</p>	<p>Evidence, Sakilan POM have appointed the responsible person for transparency. The management have appointed Mr Thong Yee</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	requirements. - Minor compliance -	Han, the Assistant Manager as the person responsible vide letter dated 9/7/2018 and approved by Mr Sabtu bin Manna, Senior Assistant Manager In – charge.	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	The oil palm milling activities for the mill do not diminish the land use rights of other users. The conditions stipulated in the land title was adhered to.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	The mill located in Sakilan Estate Land in lot 10955 with land title no. CL 075471242. The mill occupied approximately 5.11 ha of the area excluding effluent ponds.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Mill boundary were demarcated with fences around mill compound.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	No disputes have been recorded in estate area. There is no evidence of conflict present in this estate. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict.	Complied
Criterion 4.3.3 – Customary rights			

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	Not Applicable. Sakilan POM located inside Sakilan Estate.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	Not Applicable. Sakilan POM located inside Sakilan Estate.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	Not Applicable. Sakilan POM located inside Sakilan Estate.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	Social Impact Assessment – Management Action Plans & Continuous Improvement Plan” were sighted at each Estates assessed. Based on the reports produced indicate the assessment covers these aspects: <ul style="list-style-type: none"> 1. Mill Demographics 2. Adherence to National Law & Regulations 3. General Work / Labor Conditions 4. Social Liaison Officer 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		5. Grievance Procedure 6. Stakeholder Request Procedure 7. Employee Handbook 8. Facilities / Amenities 9. Custom and cultures From SIA report, noted that all negative and positive impacts have been identified. The management came up with action plan to address identified negative impacts. Included in the reports, Summary and Status of Stakeholder Communication/ Grievance/ Complaint/ Request for year 2019 from all estate’s stakeholders. Noted that the requests had been reacted accordingly by the estate management. The report being prepared by SPO Department in October 2019	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	IOI Group has established Guideline Procedure on Stakeholder Consultation under SPO/SDK/S/001-2018, Revision 01/01 dated 20th July 2018. Three stages on grievance procedures: - 1. Grievance Submission – Submitted through Green Book, hotline or ECC immediately or within 24 hours 2. Preliminary Investigation – Investigate within 30 working days from grievance submission date	Complied

Criterion / Indicator		Assessment Findings	Compliance
		3. Further Investigation / Meeting with complainant – Meet up with complainant within 10 working days after preliminary investigation outcome.	
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	Sighted in SOP Complaints Forms, to be responded and completed within 30 working days. In Sakilan POM, 67 complaints being recorded in 2019 Most complaints being resolve in an effective, timely and appropriate manner that is accepted by all parties. Most complaints are repair to the worker quarters.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	Seen Green Book, hotline or ECC used for all internal and external complaints, grievance and request. This complaint form/method is clearly explained during Stakeholder Consultation Meeting	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Communication and consultation process are also through stakeholder meeting and the records with attendance lists was sighted. Evidence at Sakilan POM: - 1. Latihan MSPO, Polisi Syarikat dan Kontrak Pekerjaan to 48 internal stakeholders dated 2nd October 2019 by En.Mohd Ezman bin Mond Yusop, Mill Executive and En. Azim Hughes Laboratory Assistant. 2. The stakeholder meeting@ Forum Kelestarian Persijilan Bersama Pihak Berkepentingan was held on 7th August 2019 attended by 70 external stakeholders. The meeting chaired by Mr. Laibon Dansek, The Chairman Central Working Committee	Complied

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Criterion / Indicator		Assessment Findings	Compliance																				
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	Sighted all internal complaints filled, responded and the records being maintained for the last 24 months. No negative complaints made by external stakeholders within last 24 months at the mill.	Complied																				
Criterion 4.4.3: Commitment to contribute to local sustainable development																							
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	<p>The Mill is committed and have contributed to local development. The contribution made to the internal and external stakeholders. In general, the CSR performed by the company consist of the following:</p> <table border="1"> <thead> <tr> <th colspan="4">Sakilan POM</th> </tr> <tr> <th>No</th> <th>Activities</th> <th>Date</th> <th>Amount (RM)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Labour Day Sakilan Group</td> <td>1st – 31st August'19</td> <td>-</td> </tr> <tr> <td>2</td> <td>GCC Club visit Kundasang</td> <td>5/10/2019</td> <td></td> </tr> <tr> <td>3</td> <td>Memohon baik pulih system sliran air dan tangki SK Sakilan Desa</td> <td>20/8/2019</td> <td>757.60</td> </tr> </tbody> </table>	Sakilan POM				No	Activities	Date	Amount (RM)	1	Labour Day Sakilan Group	1 st – 31 st August'19	-	2	GCC Club visit Kundasang	5/10/2019		3	Memohon baik pulih system sliran air dan tangki SK Sakilan Desa	20/8/2019	757.60	Complied
Sakilan POM																							
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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.4: Employees safety and health			
<p>4.4.4.1</p>	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>IOI Plantations has established the Occupational Safety, Health and Hygiene Policy signed by Plantation Director in April 2019. In the policy stated the commitment of the company to implement leading sustainability standards for human rights and workplace conditions. The company believe that's is crucial to provide a safe, healthy and harmonious working environment for all employee across their operations as well as others who may be affected by our work.</p> <p>The policy was communicated through morning briefing, training and displayed at notice board at designated place in the estate.</p> <p>Sighted the implementation of the management plan as follows:</p> <ul style="list-style-type: none"> i. The mill send workers expose to chemical such as Hexane, Diesel, Welding Fumes, Boiler Chemicals, Grease, Soda, and Hydrogen Sulfide on annually basis. The surveillance was conducted by certified OHD. Refer OHD reg. no. HQ/18/DOC/00/00201. Latest surveillance was conducted on 3/9/2019. 47 workers send for surveillance and all were found fit to work. ii. The mill send selected workers to attend monthly medical checkup base on their job requirement and CHRA recommendation. The medical checkup were conducted by VMO. Sighted the Summary of Monthly Medical Checkup Result for the month of August, September and October 2019. iii. The mill conducted annual Audiometric test on 3/9/2019 by certified OHD with reg. no HQ/10/DOC/001/167. 39 workers were 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		send for the test with 5 workers identified with hearing impairment and scheduled for audiometric retest in December 2019.	
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. 	<p>IOI Plantations has established the Occupational Safety, Health and Hygiene Policy signed by Plantation Director in April 2019. The policy was communicated through morning briefing, training and displayed at notice board at designated place in the estate.</p> <p>The mill has conducted assessment on risk of all operations documented in Hazard prevention and Control Measures, HIRARC form dated January 2015. The HIRARC review on annually basis or when necessary due to accident occur. Latest review was conducted on 24/8/2019 due to accident occur in 29/7/2019 in effluent ponds stations and 21/9/2019 for accident occur 14/9/2019 in Kernel Plant.</p> <p>The mill has established training program for employees exposed to chemicals used to ensure the continuous awareness to the employee. The training was conducted by the Mill Manager, Asst. Manager, and other competent person on the training subject to the supervisors and operators. Sighted the training records as follows:</p> <ul style="list-style-type: none"> i. SOP for laboratory, chemical handling and ERP training dated 3/1/2019 ii. SOP for lubricant store, PPE and ERP training dated 18/2/2019 iii. Chemical handling, PPE and ERP training dated 20/2/2019 	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>iv. SOP for laboratory, chemical handling and ERP training dated 26/4/2019</p> <p>v. SOP for chemical storage and store management training dated 10/7/2019</p> <p>The management provide appropriate PPE to the employee's base on the job type. The PPE given as per HIRARC and Standard Operating Procedure. PPE issuance was recorded in PPE Issue Form by individual basis. Sighted the PPE issuance records for employees as follows:</p> <p>i. 0813 (Lab), latest PPE issue dated 09/2019</p> <p>ii. 0739 (Lab), latest PPE issue dated 09/2019</p> <p>iii. 0751 (Boiler) Latest PPE Issue dated 09/2019</p> <p>iv. 0580 (Boiler) Latest PPE Issue dated 09/2019</p> <p>v. 0429C (Workshop) Latest PPE Issue dated 09/2019</p> <p>vi. 0793 (Workshop) Latest PPE Issue dated 09/2019</p> <p>IOI Plantations has established Agrochemical Management Policy signed by the Plantation director in July 2018. In the policy stated the company commitment towards the well-being, safety and health of their employee. The policy covers the scope of storage, handling, transportation, usage and disposal of agrochemical by their employee at all their plantations and operations including refineries. The company advocates safe and judicious use of chemicals whilst complying with all current legislative requirement.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>IOI Plantations has established Standard Operating Procedure for handlings of chemicals and documented in Occupational Safety and Health Management System as follows:</p> <ul style="list-style-type: none"> i. Safety Work Procedure Storage and Management Chemical Store. Refer document no. IOI-OSH 3.2.2 rev. no. 1, Appendix 6(8-A) dated 1/8/2012. ii. Safety Work Procedure Pesticides Spraying. Refer document no. IOI-OSH 3.2.2 rev. no. 1, Appendix 6(9) dated 1/8/2012. iii. Safety Work Procedure Fertilizer Application by Mechanize or Manual. Refer document no. IOI-OSH 3.2.2 rev. no. 1, Appendix 6(11-A) dated 1/8/2012. iv. Safety Work Procedure Fertilizer Application by Mechanize or Manual. Refer document no. IOI-OSH 3.2.2 rev. no. 0, Appendix 6(26) dated 1/8/2012. v. Safety Work Procedure Fertilizer Application by Mechanize or Manual. Refer document no. IOI-OSH 3.2.2 rev. no. 1, Appendix 6(12) dated 1/8/2012. <p>The mill management has appointed Asst. Manager as Safety and Health Coordinator cum Secretary for Safety and Health Committee in the mill. Refer appointment letter dated 9/7/2018 signed by the Safety and Health Committee Chairman.</p> <p>The mill has established Safety and Health committee lead by the mill manager as OSH committee chairman, helped by secretary and employer and employee representative. The committee conducted the meeting on quarterly basis. The meeting discuss on safety and health issue including status of issue from previous meeting,</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>workplace inspection report, accident, near miss, dangerous incident and occupational disease report, training and safety program, safety objective, safety work procedure and HIRARC review, ERP and other issue.</p> <p>Sighted the minutes meeting FY 2019 was conducted on 27/3/2019, 21/6/2019 and 27/9/2019.</p> <p>IOI Plantations has established flow chart Emergency Response Plan documented in Safety and health Plan under Emergency Response Plan. The ERP covers as follows:</p> <ul style="list-style-type: none"> i. Accident for plantations tractor and lorry driver ii. Physical Injury iii. Fire outbreak iv. Flood v. Chemical spillage at storage/premix area vi. Chemical spillage in the field vii. CPO, Diesel and lubricant spillage <p>Latest emergency drill was conducted on 1/10/2019 with evacuation time recorded at ± 5 minutes.</p> <p>The mill has appointed 5 competent first aider and send for training on 26 – 27/11/2018. Refer cert. no 804/2018, 805/2018, 806/2018, 807/2018 and 808/2018. The certificate valid for 3 years.</p> <p>The mill has first aid box located in several strategic workstation in the mill. The first aid box were monitored on monthly basis. Sighted</p>	

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Criterion / Indicator	Assessment Findings	Compliance	
	<p>the monitoring records for first aid box at Engine Room, Workshop and Water Treatment Plant. Noted during interview with the workers, noted the awareness on location of the nearest first aid box from their workstation.</p> <p>The mill and HSE Department at Regional Office monitored and reviewed accident cases occur in the estate on monthly basis through Monthly Accident Key Performance Indicator FY 2019. As todate, 6 accident cases reported with 20 Lost Time Accident.</p> <p>JKKP 8 FY 2018 submitted to DOSH on 8/1/2019. 5 accident cases with 2 lost time accident recorded for FY 2018.</p>		
Criterion 4.4.5: Employment conditions			
<p>4.4.5.1</p>	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>IOI group has established IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato' Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Head of Sustainability, the policy was last revised in March 2018.</p> <p>Seen, under clause Human Right and Workplace being stated as follows: -</p> <ol style="list-style-type: none"> 1. Respect and uphold rights of all workers, including contract, temporary and migrant workers. 2. Uphold the right to freedom of association and recognize the right to collective bargaining and allow trade unions to have access to our workers. 3. Eliminate all formed of illegals, forced, bonded, compulsory or child labor and in particular, follow responsible recruitment 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>practices including not recruitment related fees at any stage in recruitment process.</p> <ol style="list-style-type: none"> 4. No retention of workers, passport / identity documents or withholding workers' wages other than prescribed by Law. 5. Pay all the workers the statutory monthly minimum wages and overtime compensation in accordance with the current labor regulations. 6. Provide fair and equal employment opportunities for all employees regardless of race, nationality, religion or gender. 7. Promote a safe and healthy working environment that is free from sexual harassment. 8. Provide training and development to employees to ensure achievement of their full potential. 	
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>IOI have established Equal Opportunity Employment and Freedom of Association Policies on October 2017 signed N B Sudhakaran and Group Sustainable Palm Oil Policy signed by Dato' Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Head of Sustainability, the policy was last revised in March 2018.</p> <p>No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the estate.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements.</p>	<p>IOI have established Minimum Wages & Leave Pay Policies In Malaysia dated December 2018 signed N B Sudhakaran. The salary is according to Order 3 of the Minimum Wages Order 2018, its</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>stipulate that the minimum wage for daily rated workers working 6 days a week is RM42.31 per day or RM1,100 a month for monthly rated workers.</p> <p>Interview with both Mill staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment. Sample taken on September pay-slip for following workers: -</p> <ul style="list-style-type: none"> i.SKM 0806 ii.SKM 0521 iii.SKM 0614 iv.SKM 0723 v.SKM 0674 vi.SKM 0769 	
<p>4.4.5.4 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>The Mill is having 8 contractors and evidence contractor’s workers monitoring record are available for instance: -</p> <ul style="list-style-type: none"> 6.List of Contractor’s workers 7.Salary payment on monthly basis 8.Vehicle registration card 9.Vehicle Insurance coverage 10. Driver’s driving license 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		All the documents being updated on monthly basis and well maintained.	
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>IOI has established Employee Identification Cum Input Document for all data of their workers. The registration card stated the Employee code, Type of work, Passport No, Expiry Date, Date of Birth, Date joined, Marital Status, ETC.</p> <p>Sample taken on the following workers: -</p> <ul style="list-style-type: none"> 8. SKM 0806 9. SKM 0521 10. SKM 0614 11. SKM 0723 12. SKM 0674 13. SKM 0769 	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Sighted, Employment Contract between the Mill and the workers. The Agreement stated all the term and conditions according to Malaysian Law. The contract is in Bahasa Malaysia.</p> <p>This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of Malaysian and Indonesian.</p> <p>Opportunity for Improvement</p> <p>Seen in the Contract Agreement of workers under clause no 19;</p>	OFI

Criterion / Indicator		Assessment Findings	Compliance
		<p>Kontrak ini tidak boleh dipindahkan kepada majikan lain tanpa persetujuan daripada pekerja dan kebenaran bertulis daripada Pengarah Tenaga Kerja Sabah.</p> <p>However, the Management need to re-look into the clause as any transfer of foreign workers might involve Immigration Department as the visa & permit are approved by their respective department.</p> <p>Seen in the Contract Agreement of workers under clause no 19;</p> <p>Kontrak ini tidak boleh dipindahkan kepada majikan lain tanpa persetujuan daripada pekerja dan kebenaran bertulis daripada Pengarah Tenaga Kerja Sabah.</p> <p>However, the Management need to re-look into the clause as any transfer of foreign workers might involve Immigration Department as the visa & permit are approved by their respective department.</p>	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>Working hours is 8 hours. From Monday to Saturday. Total monthly working hours is 208 hours. The overtime maximum is 104 hours according to Malaysian Law.</p> <p>Thumb Print being use for the attendance record.</p>	Complied
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>The working hour and break time have been clearly stated in the Employment Contract.</p> <p>Sighted in the Contract Agreement the rate of overtime which agreed by both parties.</p> <p>There is no complaint received regarding payment or forced to work on overtime during site interview</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.9 Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made.</p> <p>Evidence, the Mill comply to overtime permit not more than 130 hours / month base on the sample data in the Monthly Attendance / Overtime and Overtime Requisition Form for the month of December 2018, June 2019 and September 2019.</p> <p>Documented pay-slip was distributed to individual workers on the day of payment. Payment being made through cheque</p>	<p>Complied</p>
<p>4.4.5.10 Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>All workers have been provided with medical and accident insurance.</p> <p>MSIG Insurance (M) Bhd. is appointed as insurance provider to foreign workers</p> <p>With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.</p> <p>For Indonesian workers, will be covered under SOCSO upon expiring the Foreign Workers Compensation Scheme.</p> <p>In addition, other social benefits are free clinic, creche and HUMANA.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance									
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>All workers are provided with housing facilities at workers linesite. Details of workers quarters as below: -</p> <table border="1"> <thead> <tr> <th>NO</th> <th>Type of Quarters</th> <th>Sakilan POM</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1 x 4 unit</td> <td>8 block @ 32 unit</td> </tr> <tr> <td>2</td> <td>1 x 6 unit</td> <td>5 block @ 30 unit</td> </tr> </tbody> </table> <p>Living quarters are habitable. Water is provided free and electricity is subsidized free.</p>	NO	Type of Quarters	Sakilan POM	1	1 x 4 unit	8 block @ 32 unit	2	1 x 6 unit	5 block @ 30 unit	Complied
NO	Type of Quarters	Sakilan POM										
1	1 x 4 unit	8 block @ 32 unit										
2	1 x 6 unit	5 block @ 30 unit										
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>IOI group has established IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato' Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Head of Sustainability, the policy was last revised in March 2018.</p> <p>Seen, under clause Human Right and Workplace being stated as follows: -</p> <p>7. Promote a safe and healthy working environment that is free from sexual harassment.</p> <p>In addition, IOI also established Policy on Harassment at Workplace signed by Plantation Director, N B Sudhakaran in June 2018</p>	Complied									
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions</p>	<p>IOI group has established IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato' Lee Yeow Chor, group Chief Executive</p>	Complied									

Criterion / Indicator	Assessment Findings	Compliance
<p>relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Officer and Dr. Surina Ismail, Head of Sustainability, the policy was last revised in March 2018.</p> <p>Seen, under clause Human Right and Workplace being stated as follows: -</p> <p>3. Uphold the right to freedom of association and recognize the right to collective bargaining and allow trade unions to have access to our workers.</p> <p>In IOI, workers will be engaged in collective bargaining with the Management via Employee Consultation Committee (ECC) where the representatives will discuss topics to be brought to the Joint Consultative Meeting. The representatives elected by the workers.</p> <p>The mill does have Gender Committee lead by Cik Hasniati bt Ramli. The meeting being conducted twice a year and last meeting was on 19th November 2019.</p>	
<p>4.4.5.14 Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>IOI group has established IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato' Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Head of Sustainability, the policy was last revised in March 2018.</p> <p>Seen, under clause Human Right and Workplace being stated as follows: -</p> <p>3. Eliminate all formed of illegals, forced, bonded, compulsory or child labor and in particular, follow responsible recruitment practices including not recruitment related fees at any stage in recruitment process.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance	
	No evidence, children below age of 18 working in both Estates based on the list of employees as well as their biodata.		
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>The mill has established training program for all employee and contractors based on training need analysis conducted.</p> <p>Sighted the training records as follows:</p> <ul style="list-style-type: none"> i. Sop for working at height training dated 16/9/2019 ii. SOP for work in confined space training dated 13/9/2019 iii. SOP for threshing, PPE and ERP training dated 10/9/2019 iv. Tractor and shovel handling and maintenance training dated 27/8/2019 v. SOP for loading ramp, PPE and ERP dated 25/7/2019 vi. SOP for engine room, PPE and ERP training dated 28/6/2019 vii. SOP grading and ERP training dated 19/6/2019 viii. Manual for FFB grading training dated 11/6/2019 ix. SOP for green tube and PPE training dated 10/6/2019 x. LOTO system training dated 2/4/2019 	Complied
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all	The estates visited conducted evaluation of training/training need analysis for all training conducted to identify the training	Complied

Criterion / Indicator		Assessment Findings	Compliance
	employees based on their job description. - Major compliance -	requirement for all employee. Base on the training evaluation, the estate established the training program.	
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	The estate continuously provided the training to the workers as per plan. The training plan was reviewed on annually basis base on the training need analysis conducted.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	IOI Group has established Environmental Policy and documented in Sustainable Palm Oil Policy signed by the group CEO and group Head of Sustainability in Feb 2017. The policy was communicated to the employee through training, muster briefing and displayed at several notice board in the estate.	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations - Major compliance -	The Sustainability team has conducted the Environmental Impacts Assessment and documented in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans –prepared in November 2019. The aspect impact assessment conducted covers element as follows: i. Identification and Management Plan of Waste Products, Potential Pollutant Source and Potential Source of GHG Emission	Complied

Criterion / Indicator		Assessment Findings	Compliance								
		ii. Identification of side products/waste iii. Identification of Potential Source of GHG Emission and GHG Reduction Plan iv. Road construction and culverts maintenance v. Water management									
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	The Sustainability team has conducted the Environmental Impacts Assessment and documented in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans – Sakilan Palm Oil Mill prepared in November 2019. The estates visited has established Environmental Improvement and Management Plan base on the significant aspect identified during aspects and impacts analysis. The plan was reviewed on annually basis. Sighted the implementation of the management plan as follows: i. The mill monitor the electricity generated by the mill on monthly basis and reported to Energy Commission through form 'Penyata Statistic Penjualan Bulan'. Sighted the sample monitoring records FY 2019 as follows:	Complied								
		<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Fuel Type</th> </tr> <tr> <th>Diesel (kwj)</th> <th>Biomass (kwj)</th> </tr> </thead> <tbody> <tr> <td>Aug</td> <td>168750</td> <td>53110</td> </tr> </tbody> </table>		Fuel Type		Diesel (kwj)	Biomass (kwj)	Aug	168750	53110	
	Fuel Type										
	Diesel (kwj)	Biomass (kwj)									
Aug	168750	53110									

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Criterion / Indicator		Assessment Findings			Compliance
		Sept	160230	241440	
		Oct	170740	239920	
		ii. Ffibre and shell are used in the boiler for fuel recycled in the process system and monitored on monthly basis. Sighted the sample fibre and shell usage as follows:			
		Months	Fiber	Shell	
		Aug	1247.67	249.53	
		Sept	1281.92	256.38	
		Oct	1279.62	255.92	
		iii. The mill monitor the water quality for upstream and downstream of nearest river from the mill, Sg. Bulu on monthly basis. Sighted the sample water analysis report as follows:			
		Months	Report no.	Results	
		Oct	Upstream	E191004/08A	
Downstream	E191004/08B		NWQS Class III		

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Criterion / Indicator		Assessment Findings	Compliance
		<p>iv. The mill monitored the stack emission twice a year. Sighted the sampled report as follows:</p> <p>1st half of 2019</p> <p>Report no.: MS/SAKILAN POM/2019/Boiler No.1 (S1)-1ST HALF</p> <p>Date conducted: 28/03/19</p> <p>Results: Verified the average Dust Emission Load (average Particulate, PM) for Boiler No.3 (S1) @ 258.3 mg/Nm3 was within permissible limit of 400.0mg/Nm3 corrected at 12% CO2.</p> <p>2nd half of 2018 as follows:</p> <p>Report no.: MS/SAKILAN POM/2018/Boiler No.1 (S1)-2ND HALF</p> <p>Date conducted: 11/10/2018</p> <p>Results: Verified the average Dust Emission Load (average Particulate, PM) for Boiler No.1 (S1) @ 335mg/Nm3 was within permissible limit of 400.0mg/Nm3 corrected at 12% CO2.</p>	
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>The program to promote positive impacts activities to the environment has been included in the Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans prepared in November 2019.</p>	Complied
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p>	<p>The mill has established training program for all the employee and documented in annual training program. The training plan , Policies, Environmental Aspects and Impacts, Environmental control procedure and etc.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance												
	- Major compliance -														
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Environmental related matters were discussed during Internal stakeholder meeting conducted once a year.</p> <p>The estate has appointed Environmental Liaison Officer. Any issue regarding environmental can be reported through the officer appointed.</p> <p>Noted during interview with employee shows the understanding on the importance of environmental quality. The employee are also encouraged to discuss environmental issues with the management.</p>	Complied												
Criterion 4.5.2: Efficiency of energy use and use of renewable energy															
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p>- Major compliance -</p>	<p>The estate maintain records for diesel usage for the last 5 years. Sighted the records as follows:</p> <table border="1"> <thead> <tr> <th>Financial Year</th> <th>Consumption</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td>3.27</td> </tr> <tr> <td>2015/16</td> <td>4.51</td> </tr> <tr> <td>2016/17</td> <td>4.35</td> </tr> <tr> <td>2017/18</td> <td>5.04</td> </tr> <tr> <td>2018/19</td> <td>4.66</td> </tr> </tbody> </table>	Financial Year	Consumption	2014/15	3.27	2015/16	4.51	2016/17	4.35	2017/18	5.04	2018/19	4.66	Complied
Financial Year	Consumption														
2014/15	3.27														
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2018/19	4.66														

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Criterion / Indicator		Assessment Findings	Compliance												
		The estate has established management plan to improve efficiency of diesel usage documented in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans – Sakilan Palm Oil Mill prepared in November 2019.													
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.													
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Fibre and shell are used in the boiler for fuel recycled in the process system and monitored on monthly basis. Sighted the sample fibre and shell usage as follows: <table border="1" data-bbox="1086 981 1870 1244"> <thead> <tr> <th>Months</th> <th>Fiber</th> <th>Shell</th> </tr> </thead> <tbody> <tr> <td>Aug</td> <td>1247.67</td> <td>249.53</td> </tr> <tr> <td>Sept</td> <td>1281.92</td> <td>256.38</td> </tr> <tr> <td>Oct</td> <td>1279.62</td> <td>255.92</td> </tr> </tbody> </table>	Months	Fiber	Shell	Aug	1247.67	249.53	Sept	1281.92	256.38	Oct	1279.62	255.92	Complied
Months	Fiber	Shell													
Aug	1247.67	249.53													
Sept	1281.92	256.38													
Oct	1279.62	255.92													
Criterion 4.5.3: Waste management and disposal															

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>SE</p> <p>The mill had identified all waste products and its source of pollution and documented in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans – Sakilan Palm Oil Mill under Identification and Management Plan of Waste Products prepared in November 2019.</p> <p>Waste identified as follows:</p> <ul style="list-style-type: none"> i. Washing of floor, lubricant, CPO from Marshaling yards, ramps – SW305, SW 306, SW 410, SW 409 ii. Clinic – SW 404 iii. Linesite, stores, workshop, office – Domestic waste, sewage, garden residue iv. Workshop - SW305, SW 306, SW 410, SW 104, scrap iron v. Mill – POME, EFB, Fiber, Shell, Boiler Ash, Decanter cake 	Complied
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. <p>- Major compliance -</p>	<p>The mill has established the waste management plan base on the waste identification conducted and reviewed on annually basis.</p> <p>The plan stated the source of pollution, management plan, monitoring and action plan, data required and person in charge.</p> <p>Sighted the implementation of the waste management plan as follows:</p> <ul style="list-style-type: none"> i. The mill monitored the recycle waste inventory in Recycle Waste records form. Sighted the monitoring records for the month of September and August 2019. Sighted the disposal records as per 	Complied

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Criterion / Indicator	Assessment Findings	Compliance																				
	<p>receiving ticket no. 013353 dated 16/11/2019, 013342 dated 15/11/2019, 1051337 dated 22/6/2019 and 1527 dated 6/12/2018.</p> <p>ii. The mill dispose the fiber to sister refinery to be recycle for fuel to generate energy. Sighted the records of fiber disposal as follows:</p> <table border="1" data-bbox="1088 608 1559 935"> <tr> <td>Month</td> <td>MT</td> </tr> <tr> <td>Aug 19</td> <td>1069.83</td> </tr> <tr> <td>Sept 19</td> <td>756.95</td> </tr> <tr> <td>Oct 19</td> <td>911.99</td> </tr> <tr> <td>Total</td> <td>2738.77</td> </tr> </table> <p>iii. POME from geotube were sent to sister estate for nutrient cycle program. Sighted the records as follows:</p> <table border="1" data-bbox="1088 1034 1559 1361"> <tr> <td></td> <td></td> </tr> <tr> <td>Jul 19</td> <td>249.18</td> </tr> <tr> <td>Aug 19</td> <td>652.42</td> </tr> <tr> <td>Sep 19</td> <td>312.47</td> </tr> <tr> <td>Total</td> <td>1214.07</td> </tr> </table>	Month	MT	Aug 19	1069.83	Sept 19	756.95	Oct 19	911.99	Total	2738.77			Jul 19	249.18	Aug 19	652.42	Sep 19	312.47	Total	1214.07	
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Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.3.3</p> <p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>Estates visited also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected at both estate visited and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during workers interview with storekeeper shows the understanding the proper disposal for waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> <p>Inventory for all scheduled waste generated were recorded in Scheduled waste record form and reported to DOE through E-SWISS. Sighted the inventory records for the month of August, September and October 2019.</p> <p>Sighted the 5th Schedule reported to DOE through E-SWISS for the month of August, September and October 2019.</p> <p>Sighted the sampled scheduled waste disposal records:</p> <ul style="list-style-type: none"> i. 19/11/2019, SW 409, C/N no. 20191119189INDXU ii. 19/11/2019, SW 429, C/N no. 20191119189INVHQ1 iii. 19/11/2019, SW 305, C/N no. 2019111919YOR2N9 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		iv 19/11/2019, SW 410, C/N no. 2019111919DGJ174 v. 21/10/2019, SW 102, C/N no. 20191031151WV5R2 vi. 21/10/2019, SW 410, C/N no. 20191031168NJPZ6 vii. 21/10/2019, SW 305, C/N no. 2019103116V524Q9	
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	Domestic waste collection was conducted 3 times a week by Sakilan Estate. Sighted the collection records for FY 2019. The domestic waste was disposed in designated landfill located at field P97W2. Noted during site visit, the only domestic waste were disposed in the landfill	
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	The mill has conducted assessment of all polluting activities during aspects and impacts analysis for all the operations and documented in in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans under section Identification of Potential Source of GHG Emission and GHG Reduction Plan	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The mill has established management plan for all polluting activities and documented in the Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans. Sighted the sampled implementation of the plan as follows: i. The estate maintain records for diesel usage for the last 5 years. Sighted the records as follows:	Complied

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Criterion / Indicator		Assessment Findings		Compliance												
		<table border="1"> <thead> <tr> <th>Financial Year</th> <th>Consumption</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td>3.27</td> </tr> <tr> <td>2015/16</td> <td>4.51</td> </tr> <tr> <td>2016/17</td> <td>4.35</td> </tr> <tr> <td>2017/18</td> <td>5.04</td> </tr> <tr> <td>2018/19</td> <td>4.66</td> </tr> </tbody> </table>	Financial Year	Consumption	2014/15	3.27	2015/16	4.51	2016/17	4.35	2017/18	5.04	2018/19	4.66		
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		<p>ii. The mill monitored the stack emission twice a year. Sighted the sampled report as follows:</p> <p>1st half of 2019</p> <p>Report no.: MS/SAKILAN POM/2019/Boiler No.1 (S1)-1ST HALF</p> <p>Date conducted: 28/03/19</p> <p>Results: Verified the average Dust Emission Load (average Particulate, PM) for Boiler No.3 (S1) @ 258.3 mg/Nm³ was within permissible limit of 400.0mg/Nm³ corrected at 12% CO₂.</p>														
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.	Effluent generated were disposed through compost processed and were not permitted to discharge into any water course as prescribed under "Jadual Pematuhan".		Complied												

Criterion / Indicator	Assessment Findings	Compliance																											
<p>- Major compliance -</p>	<p>Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.</p> <p>Noted the following 3rd quarter 2019 and 2nd quarter 2019 report :-</p> <p>3rd quarter 2019</p> <table border="1" data-bbox="1211 608 1744 1265"> <thead> <tr> <th>Month</th> <th>Parameter</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Jul</td> <td>BOD</td> <td>17.30</td> </tr> <tr> <td>pH</td> <td>8.50</td> </tr> <tr> <td>S. Solid</td> <td>24</td> </tr> <tr> <td rowspan="3">Aug</td> <td>BOD</td> <td>19.70</td> </tr> <tr> <td>pH</td> <td>8.60</td> </tr> <tr> <td>S. Solid</td> <td>2.00</td> </tr> <tr> <td rowspan="3">Sep</td> <td>BOD</td> <td>19.40</td> </tr> <tr> <td>pH</td> <td>8.70</td> </tr> <tr> <td>S. Solid</td> <td>26.00</td> </tr> </tbody> </table> <p>2nd quarter 2019</p> <table border="1" data-bbox="1211 1331 1744 1394"> <thead> <tr> <th>Month</th> <th>Parameter</th> <th>Results</th> </tr> </thead> <tbody> </tbody> </table>	Month	Parameter	Results	Jul	BOD	17.30	pH	8.50	S. Solid	24	Aug	BOD	19.70	pH	8.60	S. Solid	2.00	Sep	BOD	19.40	pH	8.70	S. Solid	26.00	Month	Parameter	Results	
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Month	Parameter	Results																											

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Criterion / Indicator		Assessment Findings				Compliance
			Apr	BOD	14.20	
				pH	8.60	
				S. Solid	50.00	
			May	BOD	17.30	
				pH	8.60	
				S. Solid	61.00	
			Jun	BOD	20.00	
				pH	8.70	
				S. Solid	32.00	
Criterion 4.5.5: Natural water resources						
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a) Assessment of water usage and sources.</p>	<p>The mill visited has established Water Management Plan dated 28/10/2019. The management plan covers all aspects related to water management plans as follows:</p> <ul style="list-style-type: none"> i. Efficiency of usage ii. Renewability of sources iii. Impact of water used 				Complied

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Criterion / Indicator	Assessment Findings	Compliance														
<p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</p> <p>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>- Major compliance -</p>	<p>iv. Surface and ground water availability</p> <p>v. Outgoing water analysis</p> <p>vi. Monitoring of rainfall</p> <p>vii. Water drainage</p> <p>viii. Plantation activities</p> <p>ix. Construction</p> <p>Sighted the implementation of the management plan as follows:</p> <p>i. The mill monitor the water consumption on monthly basis. Sighted the water consumption per FFB processed FY 2018/19 as follows:</p> <table border="1" data-bbox="1088 895 1868 1351"> <thead> <tr> <th>Month</th> <th>Water consumption</th> </tr> </thead> <tbody> <tr> <td>Jul 18</td> <td>1.95</td> </tr> <tr> <td>Aug 18</td> <td>2.03</td> </tr> <tr> <td>Sep 18</td> <td>2.04</td> </tr> <tr> <td>Oct 18</td> <td>2.03</td> </tr> <tr> <td>Nov 18</td> <td>2.01</td> </tr> <tr> <td>Dec 18</td> <td>1.97</td> </tr> </tbody> </table>	Month	Water consumption	Jul 18	1.95	Aug 18	2.03	Sep 18	2.04	Oct 18	2.03	Nov 18	2.01	Dec 18	1.97	
Month	Water consumption															
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Criterion / Indicator		Assessment Findings		Compliance														
		<table border="1"> <tr> <td>Jan 19</td> <td>2.02</td> </tr> <tr> <td>Feb 19</td> <td>2.09</td> </tr> <tr> <td>Mar 19</td> <td>2.25</td> </tr> <tr> <td>Apr 19</td> <td>2.02</td> </tr> <tr> <td>May 19</td> <td>1.88</td> </tr> <tr> <td>Jun 19</td> <td>2.50</td> </tr> <tr> <td>Average</td> <td>2.05</td> </tr> </table>	Jan 19	2.02	Feb 19	2.09	Mar 19	2.25	Apr 19	2.02	May 19	1.88	Jun 19	2.50	Average	2.05		
Jan 19	2.02																	
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Apr 19	2.02																	
May 19	1.88																	
Jun 19	2.50																	
Average	2.05																	
		<p>ii. The mill conducted drinking water analysis twice a year. Sample taken for analysis was before and after chlorination. Sighted latest drinking water analysis as follows:</p> <p>Test: After Chlorination Report no.: 20190626/02B Report date: 19/7/2019 Result: Conform to National Standard for Drinking Water Quality.</p>																
4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>Effluent generated were disposed through compost processed and were not permitted to discharge into any water course as prescribed under "Jadual Pematuhan".</p>		Complied														

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Criterion / Indicator		Assessment Findings	Compliance
		Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance. Noted the following 3 rd quarter 2019 and 2 nd quarter 2019 report as per indicator 4.5.4.3.	
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	The Mill has implemented Good Agriculture Practice (GAP) as seen from mill visit, documents and interviewing the Mill personnel. The Standard Operating Procedures being adhered by the Mill as below: - 1. Group Standard Operating Procedures for Palm Oil Mill dated 1 st July 2017 2. Good Manufacturing Practices dated 1 st august 2010. 3. Osh Manual and OSHMS Documents dated 1 st August 2012.	Complied
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	The mill is certified under RSPO and MSPO. However, mill has implemented Good Milling Practice (GMP) as per their own SOP's. The mill is operating in accordance to Jadual Pematuhan – Syarat-Syarat Lesen Premis Minyak Kelapa Sawit Mentah, Jabatan Alam Sekitar Negeri Sabah and all the Standard Operating Procedures.	Complied

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Criterion / Indicator		Assessment Findings				Compliance
4.6.2.1 A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -		The Mill had 3 years business plan for the financial year 2019/20 – 2021/2022. The business plan includes the following information –				Complied
		FY	2019/2020	2020/2021	2021/2022	
		FFB Forecast (Mt)	124,250.00	113,830.00	122,533.00	
		CPO (Mt)	27,337.00	25,043.00	26,957.00	
		PK (Mt)	5,592.00	5,407.00	5,820.00	
		OER %	22.00	22.00	22.00	
		KER %	4.50	4.75	4.75	
		RM / Mt FFB	68.24	77.49	75.42	
		RM / Mt Palm Product	3.79	3.79	3.79	
Criterion 4.6.3: Transparent and fair price dealing						
4.6.3.1 Pricing mechanisms for the products and other services shall be documented and effectively implemented.		Pricing mechanisms for the products and other services well documented in both the mill. The pricing being determined and approved by the Regional Office.				Complied

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Criterion / Indicator		Assessment Findings				Compliance																												
	- Major compliance -																																	
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>All contracts are kept in Mill office. Sighted the contract Agreement signed by contractor and the Mill. As evidence in Mill, eight contractors being engaged namely: -</p> <table border="1"> <thead> <tr> <th>No</th> <th>Name of Contractor / Transportet</th> <th>Date contract</th> <th>Nature of Contract</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Viridis Engineering Sdn Bhd</td> <td>17/7/2019</td> <td>ESP Installation</td> </tr> <tr> <td>2</td> <td>Thermax Limited</td> <td>19/12/2018</td> <td>ESP Installation</td> </tr> <tr> <td>3</td> <td>Rico Transport Sdn Bhd</td> <td>1/7/2019 until 31/7/2022</td> <td>CPO Transport</td> </tr> <tr> <td>4</td> <td>Affinity Future Sdn Bhd</td> <td>1/7/2019 until 31/7/2022</td> <td>Fiber Transport</td> </tr> <tr> <td>5</td> <td>Syrt Perniagaan Pigrusyahlia Jaya</td> <td>1/7/2019 until 31/7/2022</td> <td>PK Transport</td> </tr> <tr> <td>6</td> <td>K.K Fong Sdn Bhd</td> <td>1/7/2019 until 31/7/2022</td> <td>CPO transport</td> </tr> </tbody> </table>				No	Name of Contractor / Transportet	Date contract	Nature of Contract	1	Viridis Engineering Sdn Bhd	17/7/2019	ESP Installation	2	Thermax Limited	19/12/2018	ESP Installation	3	Rico Transport Sdn Bhd	1/7/2019 until 31/7/2022	CPO Transport	4	Affinity Future Sdn Bhd	1/7/2019 until 31/7/2022	Fiber Transport	5	Syrt Perniagaan Pigrusyahlia Jaya	1/7/2019 until 31/7/2022	PK Transport	6	K.K Fong Sdn Bhd	1/7/2019 until 31/7/2022	CPO transport	Complied
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Criterion / Indicator		Assessment Findings			Compliance	
		7	TSB Transport Sdn Bhd	1/7/2019 until 31/7/2022	Fiber Transport	
		8	Syrt Bersaudara Budi	1/7/2019 until 31/7/2022	PK Transport	
The duration of payment for the Contractors has clearly stated in the term and conditions of the Contract Agreement.						
Criterion 4.6.4: Contractor						
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	All the contractors aware that Mill is certified under MSPO. Therefore, the contractor has been instructed by Mill Management to follow the MSPO standard requirement. The policies were already communicated through the briefing session conducted by Mill to all the contractor personnel dated 4 th September 2019 by Sustainable Palm Oil Department.			Complied	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	All contracts are kept in Mill office. Sighted all contract includes an agreement signed by contractor and estate manager with term and condition.			Complied	
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	The Mill was audited by BSI MSPO auditor and the Management accept the BSI MSPO Auditors to verify through a physical inspection if required for audit purposed. The Sustainable Palm Oil Department have briefed to all contractors on the verification assessment by Auditors through Taklimat RSPO			Complied	

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Criterion / Indicator	Assessment Findings	Compliance
	SCCS, MSPO SCCS dan 3P ON 4 TH September 2019 by Mdm Veronica Abel.	

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
<p>Based on the findings during the assessment Sakilan Palm Oil Mill and supply base Certification Unit complies with the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 Part 4: General principles for palm oil mills. It is recommended that the certification of Sakilan Palm Oil Mill and supply base Certification Unit is approved and/or continued.</p>	
Acknowledgement of Assessment Findings	Report Prepared by
<p>Name: LEANG HON WAI GENERAL MANAGER SANDAKAN REGION</p>	<p>Name: Muhammad Fadzli Masran</p>
<p>Company name: ICI PLANTATION SERVICES SDN BHD</p>	<p>Company name: BSI Services Malaysia Sdn. Bhd.</p>
<p>Title: GENERAL MANAGER</p>	<p>Title: Client Manager</p>
<p>Signature:</p>  <p>Date: 22/01/2020</p>	<p>Signature:</p>  <p>Date: 07/01/2020</p>

Appendix A: Assessment Plan

Date	Time	Subjects	MFM	II
Sunday 17/11/2019	PM	Auditors travelling from KUL to SDK and check in Sandakan Styles Hotel.	√	√
Monday 18/11/2019 Sakilan Estate	08.30 – 09.00	Opening Meeting at Sakilan POM <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan 	√	√
	09.00 – 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Continue with document review Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√
Tuesday 19/11/2019 Linbar 1 Estate	09.00 – 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	09.00 – 11.30	Stakeholder interviews		√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.00	Continue with document review Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√

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Date	Time	Subjects	MFM	II
	16.30 - 17.00	Interim Closing briefing.	√	√
Wednesday 20/11/2019	08.30 – 12.30	Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
Sakilan POM	12.30 – 13.30	Lunch	√	√
	13.30 – 16.00	Continue with document review (MSPO part 4) P1: Management commitment and responsibility P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition P5: Environment, natural resources, biodiversity and ecosystem services P6 : Best practices	√	√
	16.00 - 16.30	Preparation for Closing Meeting	√	√
	16.30 – 17.00	Closing Meeting	√	√
Thursday 21/11/2019	PM	Audit team travelling back to Kuala Lumpur		√

Appendix B: List of Stakeholders Contacted

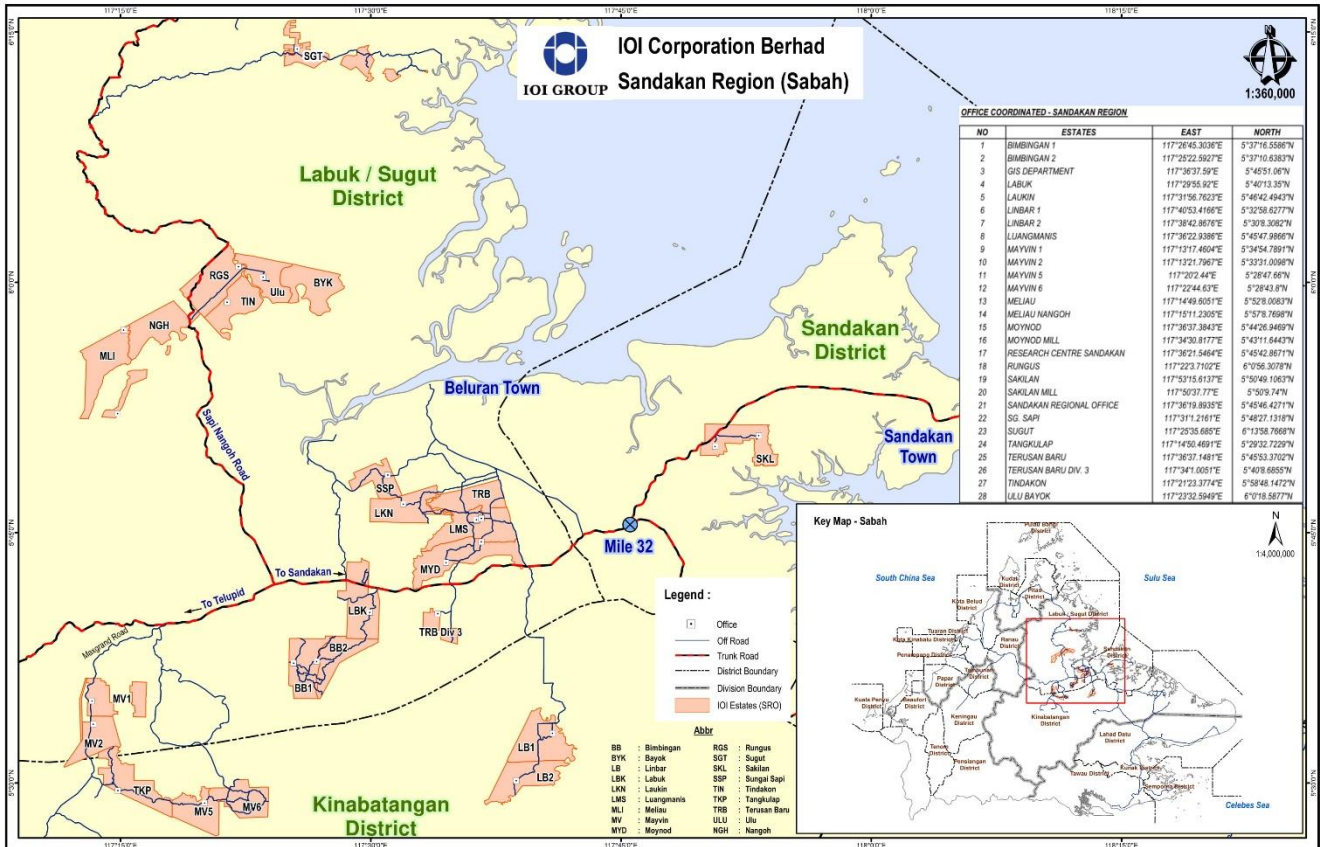
List of Stakeholders Contacted	
<p>Internal Stakeholders</p> <p>Estate managers Mill engineer Supervisors, Staff & Clerks Mill local & foreign workers (process, workshop, etc.) Estate local & foreign workers (harvesters, sprayers, etc.) Local workers representatives Foreign workers representatives Gender committee representative Estate Hospital Assistant</p>	<p>Union/Contractors/Local Communities</p> <p>Wei Liong Contractors Trusmaju Sdn. Bhd. Jen Siong Transport Perniagaan Ismaju Kg. Kimanis Kg. Pahu</p>
<p>Government Departments</p> <p>S.K Sakilan Desa</p>	<p>NGO</p> <p>CLC</p>

Appendix C: Smallholder Member Details

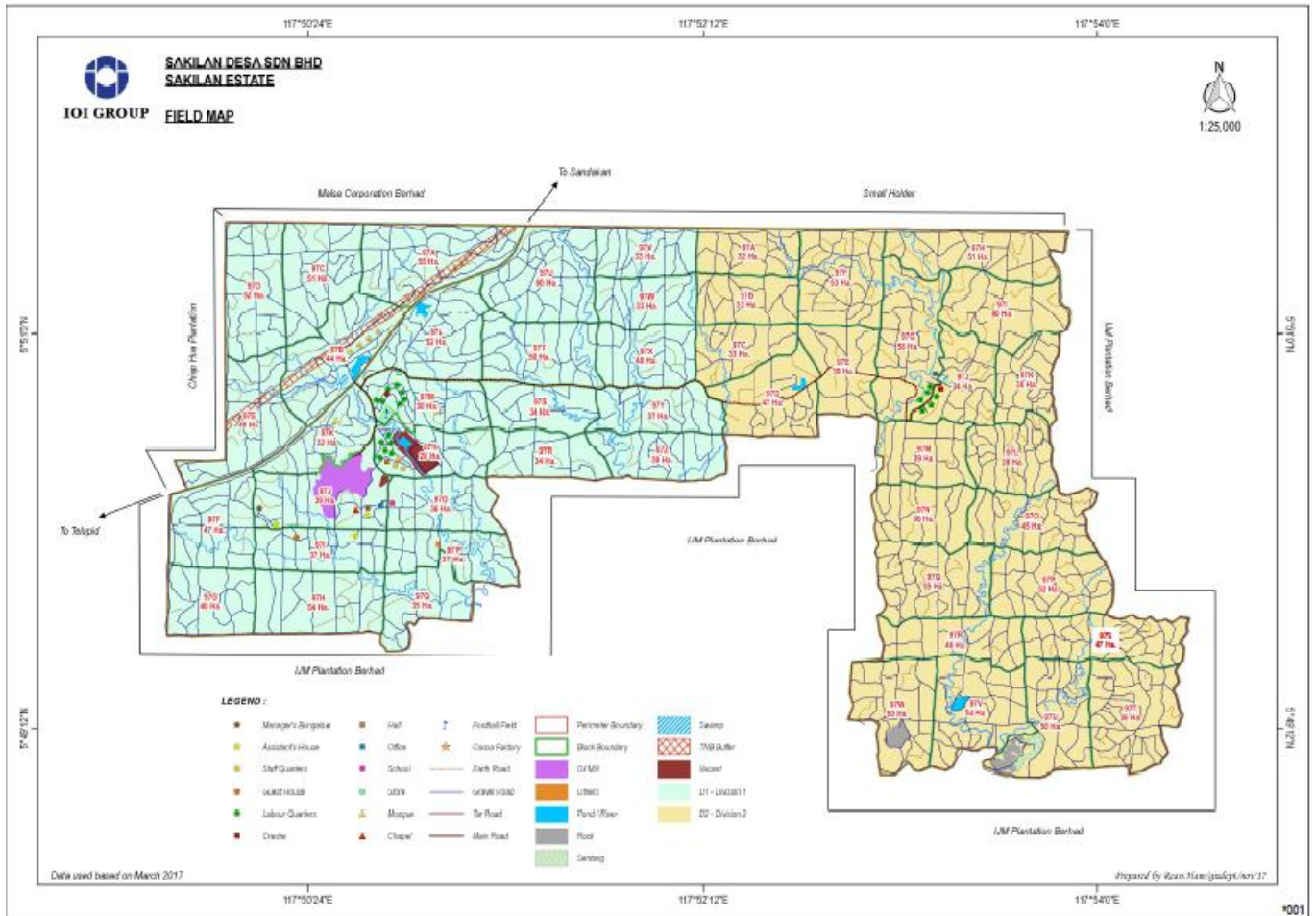
No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	NA			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
TOTAL				

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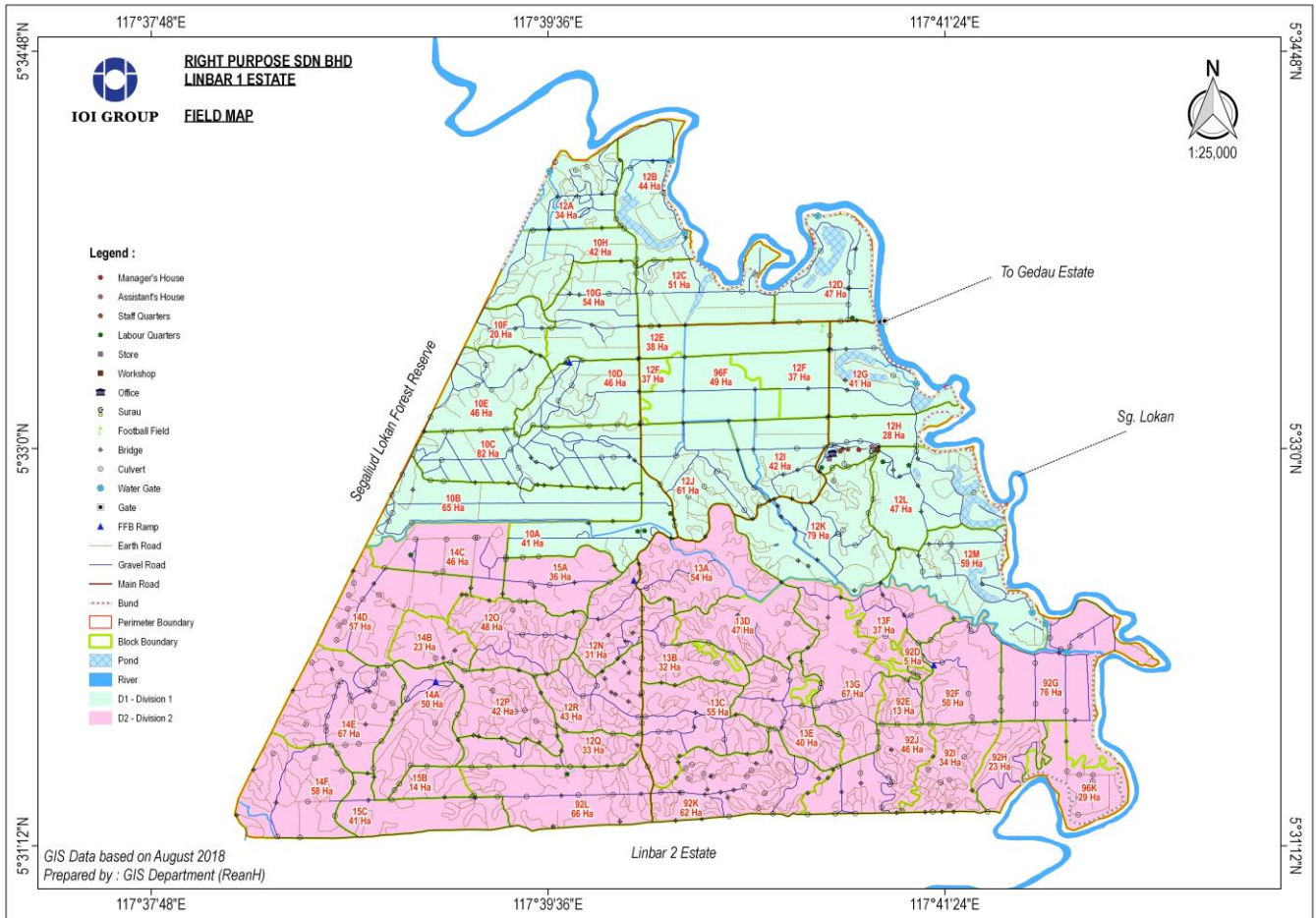
Appendix F: Location and Field Map



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Appendix G: List of Abbreviations

BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MSPO	Malaysian Sustainable Palm Oil
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RTE	Rare, Threatened or Endangered species
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure