

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

<b>IOI Corporation Berhad</b>
Client company Address: Level 8, Two IOI Square IOI Resort 62502 Putrajaya Malaysia
Certification Unit: <b>Dynamic Plantations Bhd - Gomali Palm Oil Mill</b>  Location of Certification Unit: Gomali Palm Oil Mill, 5 <sup>th</sup> Mile, Jalan Gemas-Batu Anam, K.B. No. 102, 85100 Segamat, Johor, Malaysia

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**Report Number:** 3201931

**Assessment Conducted by:**  
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### Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	IOI Corporation Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	Gomali POM: 500117204000	31.01.2021	
	Gomali Estate: 502164502000	31.01.2021	
	Paya Lang Estate: 586873002000	30.06.2021	
	Tambang Estate: 586869002000	30.06.2021	
	Sagil Estate: 586841002000	30.06.2021	
	Regent Estate: 586619002000	30.06.2021	
	Bahau Estate: 586873002000	30.06.2021	
	Kuala Jelei Estate: 586620002000	30.06.2021	
	Bertam Estate: 509491002000	31.12.2020	
	Jasin Lalang Estate: 611934002000	31.05.2021	
Bukit Dinding Estate: 501850402000	30.09.2020		
Address	Level 8, Two IOI Square. IOI Resort 62502 Putrajaya, Malaysia		
Certification Unit	Dynamic Plantations Bhd - Gomali Palm Oil Mill		
Contact Person Name	Chai Tian Siang		
Website	www.ioigroup.com	E-mail	gmm@ioigroup.com
Telephone	+607-9498245	Facsimile	+607-9499245

1.2 Certification Information			
Certificate Number	Mill: MSPO 727189 Estate: MSPO 727190		
Issue Date	10/09/2018	Expiry date	09/09/2023
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	Mill: MS 2530-4:2013 Part 4: General principles for palm oil mills Estate: MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders		
Stage 1 Date	N/A (transfer from other CB)		
Stage 2 / Initial Assessment Visit Date (IAV)	N/A (transfer from other CB)		
Continuous Assessment Visit Date (CAV) 1	N/A (transfer from other CB)		

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Continuous Assessment Visit Date (CAV) 2	29/06 - 03/07/2020		
Continuous Assessment Visit Date (CAV) 3	-		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSCC-005-88	Malaysian Sustainable Palm Oil Supply Chain Certification Standard (MSPO SCCS) under the MSPO Certification Scheme	Intertek Certification International Sdn Bhd	28/08/2024
RSPO 930588	RSPO Principles and Criteria (April 2013) Malaysian National Interpretation (November 2014) and RSPO Supply Chain Certification (June 2017) for Palm Oil Mill	Intertek Certification International Sdn Bhd	22/08/2020
EU-ISCC-Cert-DE100-17192019	ISCC EU	SGS Germany GmbH	30/08/2020

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
Gomali Palm Oil Mill	Gomali Palm Oil Mill, 5 <sup>th</sup> Mile, Jalan Gemas-Batu Anam, K.B. No. 102, 85100 Segamat, Johor, Malaysia	102.67943	2.61068
Gomali Estate	Jalan Gemas-Batu Anam, K.B. No. 102, 85100 Segamat, Johor, Malaysia	102.67333	2.61158
Paya Lang Estate	Batu Anam, 85100 Segamat, Johor, Malaysia	102.70766	2.58238
Tambang Estate	Tambang Estate, Batu Anam, 85100 Segamat, Johor, Malaysia	102.71641	2.63197
Sagil Estate	8 Milestone, Jalan Tangkak-Segamat, 84900 Tangkak, Johor, Malaysia	102.63469	2.31502
Regent Estate	2 <sup>nd</sup> Mile, Jalan Batang Melaka, 73200 Gemencheh, Negeri Sembilan, Malaysia	102.40466	2.51405
Bahau Estate	Batu 5, Jalan Bahau-Rompin, 72100 Bahau, Negeri Sembilan, Malaysia	102.44872	2.80905
Kuala Jelei Estate	5KM, Jalan Tampin, 72109 Bahau, Negeri Sembilan, Malaysia	102.3897	2.77455
Bertam Estate	Flora Horizon Sdn Bhd, Bertam Estate, 76100 Durian Tunggal, Melaka, Malaysia	102.30155	2.30402

Jasin Lalang Estate	5KM from 15 Miles Air Merbau, Jalan Jasin Bemban, Jasin, Melaka, Malaysia	102.42119	2.25469
Bukit Dinding Estate	1 ½ Miles, Jalan Mentakab, 28600 Karak, Pahang, Malaysia	102.07549	3.39125

#### 1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Gomali Estate	2,171	3.93	380.82	2,555.75	84.95
Paya Lang Estate	1,971	0.75	495.50	2,467.25	79.89
Tambang Estate	1,875	10.23	125.47	2,010.70	93.25
Sagil Estate	1,952	34.92	678.74	2,665.66	73.23
Regent Estate	2,137	12.69	150.58	2,300.27	92.90
Bahau Estate	2,629	4.30	210.87	2,844.17	92.43
Kuala Jelei Estate	634	3.88	41.38	679.26	93.34
Bertam Estate	411	0	37.80	448.80	91.58
Jasin Lalang Estate	1,485	2.67	76.22	1,563.89	94.96
Bukit Dinding Estate	1,447	47.53	165.90	1,660.43	87.15
<b>Total</b>	<b>16,712.00</b>	<b>121.07</b>	<b>2,363.11</b>	<b>19,196.18</b>	<b>87.06</b>

#### 1.5 Plantings & Cycle

Estate	Age (Years)					Immature	Mature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Gomali Estate	0	545	1396	230	0	0	2171
Paya Lang Estate	0	894	821	256	0	0	1971
Tambang Estate	299	212	656	699	9	299	1576
Sagil Estate	456	22	450	553	471	456	1496
Regent Estate	447	281	689	373	347	447	1690
Bahau Estate	636	480	1019	257	237	636	1993
Kuala Jelei Estate	0	83	424	127	0	0	634
Bertam Estate	0	0	411	0	0	0	411
Jasin Lalang Estate	0	450	1035	0	0	0	1485
Bukit Dinding Estate	67	429	825	73	53	67	1380
<b>Total (ha)</b>	<b>1905</b>	<b>3396</b>	<b>7726</b>	<b>2568</b>	<b>1117</b>	<b>1905</b>	<b>14807</b>

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<b>1.6 Certified Tonnage of FFB</b>			
Estate	Tonnage / year		
	Estimated (Sept 2019 - Aug 2020)	Actual (May 2019 – May 2020)	Forecast (Sept 2020 - Aug 2021)
Gomali Estate	46,103.18	44,895.92	49,940
Paya Lang Estate	46,008.53	42,949.23	39,100
Tambang Estate	31,792.90	27,093.25	26,851
Sagil Estate	37,446.05	35,776.79	29,130
Regent Estate	38,473.11	35,893.56	36,494
Bahau Estate	49,636.30	47,703.07	40,919
Kuala Jelei Estate	20,682.91	16,220.36	14,220
Bertam Estate	19,108.96	12,619.93	12,330
Jasin Lalang Estate	37,149.25	32,628.08	31,950
Bukit Dinding Estate	38,377.97	32,642.74	37,950
Sembilan Tani Estate	5,220.84	5,027.61	-
<b>Total</b>	<b>370,000</b>	<b>333,450.35</b>	<b>318,884.00</b>

<b>1.7 Uncertified Tonnage of FFB</b>			
Estate	Tonnage / year		
	Estimated (Sept 2019 - Aug 2020)	Actual (May 2019 – May 2020)	Forecast (Sept 2020 - Aug 2021)
N/A			
<b>Total</b>			

<b>1.8 Certified Tonnage</b>			
Mill Capacity: 120 MT/hr  SCC Model: SG	Estimated (Sept 2019 - Aug 2020)	Actual (May 2019 – May 2020)	Forecast (Sept 2020 - Aug 2021)
	FFB	FFB	FFB
	370,000	333,450.35	318,884
	CPO (OER: 22.00%)	CPO (OER: 21.81%)	CPO (OER: 21.79%)
	81,400	72,733.48	69,484.82
	PK (KER: 4.95%)	PK (KER: 4.72%)	PK (KER: 5%)
	18,315	15,926.75	15,944.2

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<b>1.9 Actual Sold Volume (CPO) - (May 2019 - May 2020)</b>					
Item	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
CPO (MT)	-	-	68,459.72	1,403.50	71,507.13

<b>1.10 Actual Sold Volume (PK) - (May 2019 - May 2020)</b>					
Item	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
PK (MT)	-	-	15,876.88	0	15,876.88

## Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 190 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 29/06 - 03/07/2020. The audit programme is included in 2.3 Assessment Plan. The approach to the audit was to treat the mill and estate 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 and MS 2530-4:2013 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 smallholder's 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.

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



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

<b>Assessment Program</b>					
<b>Name (Mill / Plantation / Group smallholders)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
Gomali POM	N/A	N/A	√	√	√
Gomali Estate	N/A	N/A		√	
Paya Lang Estate	N/A	N/A		√	
Tambang Estate	N/A	N/A		√	
Sagil Estate	N/A	N/A		√	
Regent Estate	N/A	N/A			√
Bahau Estate	N/A	N/A	√		
Kuala Jelei Estate	N/A	N/A	√		√
Bertam Estate	N/A	N/A	√		
Jasin Lalang Estate	N/A	N/A	√		√
Bukit Dinding Estate	N/A	N/A			√

*Note: N/A means not applicable as previous audit was performed by Intertek Certification International Sdn Bhd*

**Tentative Date of Next Visit: June 21, 2021 - June 25, 2021**

**Total No. of Mandays: 10**

**2.1 BSI Assessment Team**

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Elzy Ovktafia (EO)	Team Leader	She graduated from Universiti Putra Malaysia in Diploma of Agriculture, holding the designatory of LISP & AISP from the Incorporated Society of Planters and currently studying Master of Science (Occupational Safety & Health) in Universiti Utara Malaysia. She involves in audits and technical reviews works mainly for Sustainability Programme includes RSPO & MSPO for more than 4 years across 11 countries. She is a qualified Lead Auditor/Auditor for RSPO P&C, RSPO NEXT, RSPO SCC, ISO 9001:2015, ISO 14001:2015 and a Social Compliance Auditor. Prior to this, she was the Agronomist in R&D Department for almost 5 years in Oil Palm Plantation where her task involved in all Oil Palm Plantation Operations such as conducting experimental trials on Research & Development with technical paper publications, Crop Forecast, Leaf & Soil Sampling Collection, Fertilizer Recommendation, Pest and Diseases Training, Quality Control as well as special project namely Yield Intensification Project and Food for Palm Project for estates. During this assessment, she assessed on the aspects of legal, social and stakeholder engagement. She is able to communicate in fluent Bahasa Malaysia and English.
Mohammad Fitri (MF)	Team Member	He graduated in Degree of Agribusiness with more than 12 years working experience in various plantation company with skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). He involved in ISCC and MSPO auditing since September 2017 and qualified as Lead Auditor/Auditor for MSPO and ISO 9001. He has completed the MSPO Auditor Course in 2018 held by SGS (M) Sdn Bhd. During this assessment, he assessed on the aspects of environment, occupational safety & health, legal and good mill/agriculture practices. He is able to communicate in fluent Bahasa Malaysia and English.

**2.2 Accompanying Persons**

No.	Name	Role
-		

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### 2.3 Assessment Plan

Date	Time	Subjects	EO	MF
28/06/2020 Sunday	PM	Audit team traveling to Melaka and check in Mudzaffar Hotel, Ayer Keroh.	√	√
29/06/2020 Monday	0830-0900	Opening Meeting: <ul style="list-style-type: none"> <li>• Opening Presentation by Audit team leader.</li> <li>• Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation).</li> </ul>	√	√
	0900-1200	<b>Jasin Lalang Estate</b> 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.	√	√
	1200-1300	Lunch	√	√
	1300-1630	<b>Jasin Lalang Estate</b> Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√
	1630-1700	Interim Closing Briefing	√	√
30/06/2020 Tuesday	0830-1200	<b>Bertam Estate</b> 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.	√	√
	1000-1200	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	-
	1200-1300	Lunch	√	√
	1300-1630	<b>Bertam Estate</b> Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√
	1630-1700	Interim Closing Briefing	√	√
	1700-1900	Travel to Bahau and check in Aurora Hotel		
01/07/2020 Wednesday	0830-1200	<b>Kuala Jelei Estate</b> 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.	√	√
	1200-1300	Lunch	√	√
	1300-1630	<b>Kuala Jelei Estate</b> Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM &	√	√

Date	Time	Subjects	EO	MF
		HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).		
	1630-1700	Interim Closing Briefing	√	√
02/07/2020 Thursday	0830-1200	<b>Bahau Estate</b> 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.	√	√
	1000-1200	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	-
	1200-1300	Lunch	√	√
	1300-1630	<b>Bahau Estate</b> Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√
	1630-1700	Interim Closing Briefing	√	√
03/07/2020 Friday	0900-1200	<b>Gomali Palm Oil Mill</b> Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc. Visit to laboratory, weighbridge and palm product storage area.	√	√
	1200-1300	Lunch	√	√
	1300-1630	<b>Gomali Palm Oil Mill</b> Document Review P1 – P8: SOPs. Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√
	1630-1700	Finalization of audit findings and report preparation.	√	√
	1700-1730	Closing Meeting	√	√

### Section 3: Assessment Findings

#### 3.1 Details of audit results

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

- MSPO MS 2530-2:2013 – General Principles for Independent Smallholders
- MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSPO 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 Six (6) Major & Two (2) Opportunity for Improvement. The IOI-Gomali POM 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 Non-conformity(ies) has been verified for its effectiveness and closed accordingly.

<b>Finding Reference</b>	1928783-202006-M1	<b>Certificate Reference</b>	MSPO 727189
<b>Certificate Standard</b>	MS 2530:2013 Part-4	<b>Clause</b>	4.3.1.1
<b>Category</b>	Major		
<b>Area/Process:</b>	IOI-Gomali POM & Supply Bases		
<b>Statement of non-conformance:</b>	Compliance to the Labour Act was not effectively implemented.		
<b>Clause requirements</b>	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.		
<b>Objective Evidence</b>	<p>In Gomali POM, pay slip and thumb print records was sampled for the weighbridge clerk for March, Apr and May 2020, it was found that Sharini Maya (Employee id: GMM2128-Weighbridge Clerk) has worked overtime after 10 pm as below:</p> <p><u>MAY 2020</u></p> <ol style="list-style-type: none"> <li>1. 04/05/2020: 7.29 AM – 10.54 PM &amp; 05/05/2020: 07.24 AM – 03.32 PM</li> <li>2. 06/05/2020: 7.28 AM – 11.20 PM &amp; 07/05/2020: 07.23 AM – 02.46 PM</li> <li>3. 16/05/2020: 2.11 PM – 11.05 PM &amp; 17/05/2020: 7.42 AM – 03.36 PM</li> <li>4. 22/05/2020: 02.07 PM – 10.50 PM &amp; 23/05/2020: 09.46 AM &amp; 10.27 PM</li> <li>5. 30/05/2020: 02.16 PM – 10.47 PM &amp; 31/05/2020: 07.35 AM – 04.28 PM</li> </ol>		

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	<p><u>APRIL 2020</u></p> <ol style="list-style-type: none"> <li>1. 04/04/2020: 02.13 PM – 10.33 PM &amp; 05/04/2020: 07.49 AM – 04.17 PM</li> <li>2. 08/04/2020: 07.22 AM – 10.47 PM &amp; 09/04/2020: 07.33 AM – 03.27 PM</li> <li>3. 14/04/2020: 02.09 PM – 10.50 PM &amp; 15/04/2020: 07.29 AM – 10.52 PM</li> <li>4. 18/04/2020: 02.16 PM -10.28 PM &amp; 19/04/2020: 07.37 AM – 04.25 PM.</li> </ol> <p><u>MARCH 2020</u></p> <ol style="list-style-type: none"> <li>1. 11/03/2020: 07.21 AM – 11.44 PM &amp; 12/03/2020: 07.23 – 3.30 PM.</li> <li>2. 16/03/2020: 02.05.08 – 11.23 PM &amp; 17/03/2020: 08.28 AM – 11.44 PM.</li> <li>3. 21/03/2020: 02.07 PM – 12.05 AM &amp; 22/03/2020: 07.46 AM – 04.36 PM.</li> <li>4. 25/03/2020: 07.25 AM – 12.08 AM &amp; 26/03/2020: 07.23 AM – 03.43 PM</li> </ol> <p>Also, she has worked on her rest day on 13/03/2020, 20/03/2020, 10/04/2020, 24/04/2020, 08/05/2020 and 22/05/2020. According to JTK Permit: Pengecualian Daripada Sekatan Kerja Malam Bagi Pekerja-Pekerja Wanita Di Bawah Seksyen 34 Akta Kerja 1955, dated 02/01/2019:</p> <ol style="list-style-type: none"> <li>a) <i>The female worker must be given continuous 11 hours break before start to work again.</i></li> <li>b) <i>The female worker work at night shift must be given weekly rest day not less than 30 hours continuously.</i></li> </ol> <p>2. Interview session with person in charge, it was confirmed that the container containing lubricant used for the genset however, there is no label in the container. This is not in accordance to the USECHH Regulations 2000.</p>
<b>Cause</b>	
<p><b>a. The female worker must be given continuous 11 hours break before start to work again.</b></p> <p>As some transport (lorries/tractors) arrive late, the night shift operators have to work until the cut off time of 12.00a.m. Any work after 10.00 pm is considered as overtime.</p>	
<p><b>b. The female worker work at night shift must be given weekly rest day not less than 30 hours continuously.</b></p> <p>When one of the weighbridge operators is absent (Emergency leave, Annual Leave, MC etc), the other operator had to cover by *working on rest day.</p>	
<p><b>c. Interview session with person in charge, it was confirmed that the container containing lubricant used for the genset however, there is no label in the container.</b></p> <p>As there was no routine inspection being carried out on the management of chemical / lubricants in the pump house, the operator did not notice that there was no label on the container.</p>	
<b>Correction/containment</b>	
<p><b>a. The female worker must be given continuous 11 hours break before start to work again.</b></p> <p>Weighbridge operators’ work schedule has been revised to ensure that female weighbridge operators are given at least continuous 11 hours break before start to work again.</p> <p>Mill management have been reminded to strictly follow all the requirements in the JTK Permit: Pengecualian Daripada Sekatan Kerja Malam Bagi Pekerja-Pekerja Wanita Di Bawah Seksyen 34 Akta Kerja 1955, dated 02/01/2019 to avoid future non-compliances.</p>	

**b. The female worker work at night shift must be given weekly rest day not less than 30 hours continuously.**

Weighbridge operators' work schedule has been revised to ensure that female weighbridge operators are given weekly rest day of not less than 30 hours continuously.

Mill management have been reminded to strictly follow all the requirements in the JTK Permit: Pengecualian Daripada Sekatan Kerja Malam Bagi Pekerja-Pekerja Wanita Di Bawah Seksyen 34 Akta Kerja 1955, dated 02/01/2019 to avoid future non-compliances

**c. Interview session with person in charge, it was confirmed that the container containing lubricant used for the genset however, there is no label in the container.**

Gomali Mill has re-labelled all containers that are used to transfer lubricants and chemicals from their original containers.

**Corrective action**

**a. The female worker must be given continuous 11 hours break before start to work again.**

An office staff will cover the absent operator whenever one the weighbridge operator is absent. This staff was previously weighbridge clerk before being promoted to office clerk.

**b. The female worker work at night shift must be given weekly rest day not less than 30 hours continuously.**

An office staff will cover the absent operator whenever one the weighbridge operator is absent. This staff was previously weighbridge clerk before being promoted to office clerk.

**c. Interview session with person in charge, it was confirmed that the container containing lubricant used for the genset however, there is no label in the container.**

- Persons in Charge of stations have been reminded to ensure that workers label all containers whenever they transfer lubricants and chemicals from original containers. They are also required to use the attached checklist to check on requirements related to chemicals, lubricants and SW storage and labelling every month.
- A training will be conducted for all store keepers and Assistant in Charge regarding chemical and scheduled waste management.

**Assessment conclusion**

Evidence submitted:

1. Appendix 4.3.1.1 (1) – Duty roster weighbridge operator.
2. Appendix 4.3.1.1 (2) – Photo before and after labelled the lubricant containers.
3. Appendix 4.3.1.1 (5) – Appointments letter as weighbridge clerk.
4. Appendix 4.3.1.1 (6) – Appointments letter as office clerk.
5. Appendix 4.3.1.1 (3) – Monthly Workplace Inspection Form (Mill).
6. Appendix 4.3.1.1 (4) & 4.5.3.2 (5) – Training Record on Updates on HIRARC and Store Best Safety Practice dated 25<sup>th</sup> August 2020.
7. Appendix 4.3.1.1 (5) & 4.5.3.2 (6) – Salient Points on Scheduled Waste dated 25<sup>th</sup> August 2020.

The corrective action and evidence found to be adequate to close the NCR. The effectiveness of implementation shall be verified in the next assessment.

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<b>Finding Reference</b>	1928783-202006-M2	<b>Certificate Reference</b>	MSPO 727189
<b>Certificate Standard</b>	MS 2530:2013 Part-4	<b>Clause</b>	4.4.5.1
<b>Category</b>	Major		
<b>Area/Process:</b>	IOI-Gomali POM & Supply Bases		
<b>Statement of non-conformance:</b>	The new policy is yet to be communicated.		
<b>Clause requirements</b>	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.		
<b>Objective Evidence</b>	IOI-Gomali POM has yet to communicate the new Group Sustainable Palm Oil Policy revised May 2020 to the workers.		
<b>Cause</b>			
As there was a recent revision of SPOP by IOI Corporate Sustainability in May 2020 but only distributed to all O.C's in early June 2020.			
<b>Correction/containment</b>			
Mill has conducted training for their workers using the revised Group Sustainable Palm Oil Policy dated May 2020.			
<b>Corrective action</b>			
IOI HQ Corporate shall be informed to send all updated Company policies directly to O.C's without delay. Sustainability, Safety and Health Department has reminded O.C's to carry out all future trainings without delay. Checking will be carried out during our internal audits			
<b>Assessment conclusion</b>			
Evidence submitted: 1. Appendix 4.4.5.1-Part 4 (1) – Training records using the latest Group Sustainable Palm Oil Policy revised May 2020 (Gomali Mill). 2. Appendix 4.4.5.1-Part 4 (2)– Email to O.Cs. 3. Appendix 4.4.5.1-Part 4 (3)– Internal audit checklist.			
The corrective action and evidence found to be adequate to close the NCR. The effectiveness of implementation shall be verified in the next assessment.			

<b>Finding Reference</b>	1928783-202006-M3	<b>Certificate Reference</b>	MSPO 727189
<b>Certificate Standard</b>	MS 2530:2013 Part-3	<b>Clause</b>	4.4.5.1
<b>Category</b>	Major		
<b>Area/Process:</b>	IOI-Gomali POM & Supply Bases		
<b>Statement of non-conformance:</b>	The new policy is yet to be communicated.		



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<b>Clause requirements</b>	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.
<b>Objective Evidence</b>	Bertam Estate, Jasin Lalang Estate & Kuala Jelei Estate has yet to communicate the new Group Sustainable Palm Oil Policy revised May 2020 to the workers.
<b>Cause</b>	
As there was a recent revision of SPOP by IOI Corporate Sustainability in May 2020 but only distributed to all O.C's in early June 2020.	
<b>Correction/containment</b>	
All O.C's have conducted training for their workers using the Group Sustainable Palm Oil Policy revised dated May 2020.	
<b>Corrective action</b>	
IOI HQ Corporate shall be informed to send all updated Company policies directly to O.C's without delay. Sustainability, Safety and Health Department has remind O.C's to carry out all future trainings without delay. Checking will be carried out during our internal audits	
<b>Assessment conclusion</b>	
<p>Evidence submitted:</p> <ol style="list-style-type: none"> <li>1. Appendix 4.4.5.1-Part 3(1a) – Training records using the latest Group Sustainable Palm Oil Policy revised May 2020 (Jasin Lalang Estate).</li> <li>2. Appendix 4.4.5.1-Part 3(2b) – Training records using the latest Group Sustainable Palm Oil Policy revised May 2020 (Bertam Estate).</li> <li>3. Appendix 4.4.5.1-Part 3(3c) – Training records using the latest Group Sustainable Palm Oil Policy revised May 2020 (Kuala Jelai Estate).</li> <li>4. 4.4.5.1-Part 3 (2)– Email to O.Cs.</li> <li>5. Appendix 4.4.5.1-Part 3 (3)– Internal audit checklist.</li> </ol> <p>The corrective action and evidence found to be adequate to close the NCR. The effectiveness of implementation shall be verified in the next assessment.</p>	

<b>Finding Reference</b>	1928783-202006-M4	<b>Certificate Reference</b>	MSPO 727189
<b>Certificate Standard</b>	MS 2530:2013 Part-3	<b>Clause</b>	4.4.5.6
<b>Category</b>	Major		
<b>Area/Process:</b>	IOI-Gomali POM & Supply Bases		
<b>Statement of non-conformance:</b>	The employment contract for employees is not transparent.		
<b>Clause requirements</b>	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.		
<b>Objective Evidence</b>	In Bertam Estate & Jasin Lalang Estate, sighted the employees with the working permit under IOI [Saripudin (AT 980219), Hapis Apriandi (AT941652), Mistam (B1260553)] has		

	been deemed as contractor workers (CK Permai Enterprise). Their employment contract and pay slip are provided by CK Permai instead of IOI Plantation Berhad.
<b>Cause</b>	
The owner of CK Permai Enterprise is using IOI's quota to hire or legalize some foreign workers and manage them on a contract basis solely to provide harvesting services for 2 IOI plantations (Jasin Lalang estate and Bertam estate). This is because he is unable to obtain approval from Immigration department to hire or legalize foreign workers as he does not have his own plantations	
<b>Correction/containment</b>	
CK Permai's workers using IOI's work permit shall be absorbed by Jasin Lalang and Bertam estates and these workers shall be issued with IOI's contract of employment with the same benefits, privileges and conditions currently enjoyed by other IOI's workers once CK Permai and IOI Plantation's management sign a mutual agreement.	
<b>Corrective action</b>	
IOI Plantations has decided all permits issued by Immigration to IOI shall only be used by IOI's plantations with immediate effect. However, due to the MCO and Covid 19 pandemic, IOI Management has decided that they may still need to use contractors and of course they will use their own quota workers during peak crop periods. The contractor shall be complying with contractor's contract agreement and additional requirement for contractors.	
<b>Assessment conclusion</b>	
<p>Evidence submitted:</p> <ol style="list-style-type: none"> <li>1. Appendix 4.4.5.6 (1a) Contract agreement Saripudin.</li> <li>2. Appendix 4.4.5.6 (1b) Contract agreement Hapis Ariandi.</li> <li>3. Appendix 4.4.5.6 (1c) Contract agreement Mistam</li> <li>4. Appendix 4.4.5.6 (2a) Contract Agreement between CK Permai and Jasin Lalang Estate.</li> <li>5. Appendix 4.4.5.6 (2b) Contract Agreement between CK Permai and Bertam Estate</li> <li>6. Appendix 4.4.5.6 (3a) Additional requirement for contractors (Jasin Lalang Estate)</li> <li>7. Appendix 4.4.5.6 (3b) Additional requirement for contractors (Bertam Estate).</li> </ol> <p>The corrective action and evidence found to be adequate to close the NCR. The effectiveness of implementation shall be verified in the next assessment.</p>	

<b>Finding Reference</b>	1928783-202006-M5	<b>Certificate Reference</b>	MSPO 727189
<b>Certificate Standard</b>	MS 2530:2013 Part-4	<b>Clause</b>	4.5.3.1
<b>Category</b>	Major		
<b>Area/Process:</b>	IOI-Gomali POM & Supply Bases		
<b>Statement of non-conformance:</b>	Schedule waste not properly identified.		

<b>Clause requirements</b>	All waste products and sources of pollution shall be identified and documented.
<b>Objective Evidence</b>	During the site visit, the audit team found an empty paint container dump in a bin. Empty paint container is schedule waste and must be disposed in a manner way. Document review confirms that the mill management did not identified the empty paint container in their waste management plan.
<b>Cause</b>	
The Assistant manager who assisted in preparing the management plan failed to identify and highlight to the sustainability department regarding empty paint containers that were recently used in the biogas plant area as he was still new and have yet to attend any training on waste identification.	
<b>Correction/containment</b>	
Waste management plan for all OCs shall be reviewed carefully by management and changes made accordingly based on actual waste generated and how they are managed.	
<b>Corrective action</b>	
Regional meeting cum training on waste management was held on 10 <sup>th</sup> July 2020 by Manager Sustainability, Safety and Health (CePSWaM) to train management of OCs to identify and manage all the waste generated by their respective O.Cs. Management to continuously monitor the waste disposal via environment meeting (3 month once) and the person in charge will be Environment Liaison Officer and store clerk.	
<b>Assessment conclusion</b>	
Evidence submitted: <ol style="list-style-type: none"> <li>1. Appendix 4.5.3.1 (1) – Gomali Mill Waste Management Plan.</li> <li>2. Appendix 4.5.3.1 (2) – Regional meeting minutes &amp; waste training records.</li> <li>3. Appendix 4.5.3.1 (3) – Environment meeting minutes template.</li> </ol> <p>The corrective action and evidence found to be adequate to close the NCR. The effectiveness of implementation shall be verified in the next assessment.</p>	

<b>Finding Reference</b>	1928783-202006-M6	<b>Certificate Reference</b>	MSPO 727189
<b>Certificate Standard</b>	MS 2530:2013 Part-4	<b>Clause</b>	4.5.3.2
<b>Category</b>	Major		
<b>Area/Process:</b>	IOI-Gomali POM & Supply Bases		
<b>Statement of non-conformance:</b>	Empty paint container and empty chemical container not properly disposed.		
<b>Clause requirements</b>	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: <ol style="list-style-type: none"> <li>a) Identifying and monitoring sources of waste and pollution.</li> <li>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</li> </ol>		
<b>Objective Evidence</b>	During the site visit, audit team found 2 schedule wastes which was not properly handled such as below:		

	<ul style="list-style-type: none"> <li>a) Empty paint container dumped in bin</li> <li>b) Empty chemical container left near a store building.</li> </ul> <p>According to the regulation, both wastes must be disposed in a proper way.</p>
<b>Cause</b>	
<ul style="list-style-type: none"> <li>a) As the worker who painted the outside of the scrubber was only recently hired, he has yet to be trained on proper scheduled waste disposal.</li> <li>b) Empty chemical containers were packed and left outside the scheduled waste store as the authorized contractor promised to pick it up for disposal on the day before the audit. However, he failed to turn up and the mill's person in charge of SW disposal forgot to return the containers into the scheduled waste store.</li> </ul>	
<b>Correction/containment</b>	
Gomali Mill has immediately transferred and labelled the empty paint and chemical containers to scheduled waste store. They also updated the SW inventory.	
<b>Corrective action</b>	
<ul style="list-style-type: none"> <li>a) Persons in Charge of stations have been reminded to ensure that workers label all SW containers, whether for temporary or permanent period. They are also required to use the attached checklist to check on requirements related to chemicals, lubricants and SW storage and labelling every month.</li> <li>b) A training will be conducted for all store keepers and Assistant in Charge regarding chemical and scheduled waste management.</li> </ul>	
<b>Assessment conclusion</b>	
<p>Evidence submitted:</p> <ol style="list-style-type: none"> <li>1. Appendix 4.5.3.2 (1) - Photo before and after empty paint containers are transferred to scheduled waste store.</li> <li>2. Appendix 4.5.3.2 (2) - Photo before and after chemical containers are labelled in scheduled waste store.</li> <li>3. Appendix 4.5.3.2 (3) – SW inventory.</li> <li>4. Appendix 4.5.3.2 (4) – Monthly Workplace Inspection Form (Mill).</li> <li>5. Appendix 4.3.1.1 (4) &amp; 4.5.3.2 (5) – Training Record on Updates on HIRARC and Store Best Safety Practice dated 25<sup>th</sup> August 2020.</li> <li>6. Appendix 4.3.1.1 (5) &amp; 4.5.3.2 (6) – Salient Points on Scheduled Waste dated 25<sup>th</sup> August 2020.</li> </ol> <p>The corrective action and evidence found to be adequate to close the NCR. The effectiveness of implementation shall be verified in the next assessment.</p>	

<b>Finding Reference</b>	1928783-202006-11	<b>Certificate Reference</b>	MSPO 727189
<b>Certificate Standard</b>	MS 2530:2013 Part-3	<b>Clause</b>	4.4.5.13
<b>Category</b>	Opportunity for Improvement		
<b>Area/Process:</b>	IOI-Gomali POM & Supply Bases		
<b>Details</b>	Kuala Jelei Estate & Jasin Lalang Estate: The JCC meeting was conducted is not as per Social Implementation Plan recommended (bi-monthly).		

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<b>Finding Reference</b>	1928783-202006-I2	<b>Certificate Reference</b>	MSPO 727189
<b>Certificate Standard</b>	MS 2530:2013 Part-3	<b>Clause</b>	4.3.1.1
<b>Category</b>	Opportunity for Improvement		
<b>Area/Process:</b>	IOI-Gomali POM & Supply Bases		
<b>Details</b>	The land hectarage declared in MPOB license is more than the land title total hectarage in Bahau Estate and Kuala Jelei Estate		

<b>Noteworthy Positive Comments</b>	
1	Good relationship being maintained with surrounding communities.
2	Good document retrieval.

**3.3 Status of Nonconformities Previously Identified and OFI.**

<b>Major Nonconformities:</b>		
<b>Ref: EC-01</b>	<b>Area/Process:</b> Part 3-Plantations	<b>Clause:</b> 4.4.2.1
	<b>Issue Date:</b> 31 May 2019	<b>Due Date:</b> 30 July 2019
Requirements:	Indicator 1: A system for dealing with complaints and grievances shall be established and documented.	
Statement of Nonconformity:	No record on the action plans were reviewed and noted no record on the completion or current status of the action plans implemented as mentioned in the Social Impact Assessment, GCC, ECC & JCC meeting records	
Objective Evidence:	<p>1. Based on document review, it was noted that at estates audited, i.e. Gomali, Sagil, Paya Lang and Regent, has established their respective Social Impact Assessment for 2018 /2019. However, there was no record on the current status of the ongoing action plans that has been put in place.</p> <p>2. Based on document review, it was noted that the GCC, ECC &amp; JCC were conducted regularly and minuted. However, the completion or current status of the action plans was not stated.</p>	
Corrections:	In order to monitor the progress of all the issues raised in various meetings, a Sustainability Action Plan Progress Report has been developed to record all the issues and keep track on the updates till the issues are resolved.	
Root cause analysis:	<p>As the manager expects management personnel to work together to handle issues raised in the various meeting and fill up the date once the issues are settled. The normal practice is for the sustainability staff to update the meeting minutes once the issues are settled by the management personnel. However, in this case the meeting minutes was not updated due to miscommunication between the management personnel and sustainability staff.</p> <p>As for the progress report, whenever issues are highlighted in the various meetings, actions to be taken are recorded in the meeting minutes. As all issues are recorded and addressed as prompt as possible, operating centres felt that consolidating the comments in another action plans progress report documents will only be duplicating the action taken.</p>	

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Corrective Actions:	In order to monitor the progress of all the issues raised in various meetings, a Sustainability Action Plan Progress Report has been developed to record all the issues and keep track on the updates till the issues are resolved. Please refer to: <ul style="list-style-type: none"> <li>• Appendix 1: Sustainability Action Plan Progress Report – Sagil Estate (Stakeholder)</li> <li>• Appendix 2: Sustainability Action Plan Progress Report – Regent Estate (JCC)</li> <li>• Appendix 3: Sustainability Action Plan Progress Report – Gomali Estate (GCC)</li> </ul>
Assessment Conclusion:	Evidences submitted as above for the corrective actions done with attached evidences at the audited Estates was verified. The actions taken, and implementation needed were found to have addressed the issue. Based on documentations submitted, pending on-site verification, an Interim closure is recommended. On-site verification is proposed to be done in Q1,2020 for effectiveness of implementation for a full closure.
Verification Statement	<b>MAJOR NC:</b> Off-site Verification on documentations: 15 -30 Aug 2019. Corrective actions taken: As stated by Auditee in their RC & CA. Supportive evidences: Verified and evaluated for completeness. Appendix 1-3: Action Plans & Progress reports for implementation at the Estates, submitted via email on 12 Aug 2019 were reviewed. Verified that documentation have addressed the NC issued.

<b>Major Nonconformities:</b>		
<b>Ref: EC-02</b>	<b>Area/Process:</b> Part 3-Plantations	<b>Clause:</b> 4.4.5.1
	<b>Issue Date:</b> 31 May 2019	<b>Due Date:</b> 30 July 2019
Requirements:	Indicator 1: 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.	
Statement of Nonconformity:	No process established to proceed further than counselling with the workers for frequent absenteeism or low productivity.	
Objective Evidence:	Based on document review, it was noted that at Regent Estate has established a process to monitor List of Workers' with Wages Below RM1,200. It was indicated that some of the workers were noted to have high absenteeism rates and poor performance issues. However, there is no process established to proceed further, other than just counselling done for the said workers.	
Corrections:	The "Memo on Retraining of Unproductive Workers" dated 25 April 2016 and "Disciplinary action procedure" (Please refer to appendix 2- Disciplinary action procedure) by HR department was resent to Regent Estate (Please refer to appendix 3 – Email) on 27 June 2019. This email was also forwarded to all operating centers on 26 July 2019 (Please refer to appendix 4 – Email) to remind them on how to handle workers with high absenteeism rates and poor performance issues.	
Root cause analysis:	The company has a process to handle workers with high absenteeism rates and poor performance issues (Please refer to appendix 1- Memo on Retraining of Unproductive Workers dated 25 April 2016). The management are advised to improve the performance of their workers by first giving counseling. If the workers fail to improve, they are to be given re-counselling followed by retraining and disciplinary action if they still fail to improve their performance.	

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Corrective Actions:	The "Memo on Retraining of Unproductive Workers" dated 25 April 2016 and "Disciplinary action procedure" (Please refer to appendix 2- Disciplinary action procedure) by HR department was resent to Regent Estate (Please refer to appendix 3 – Email) on 27 June 2019. This email was also forwarded to all operating centers on 26 July 2019 (Please refer to appendix 4 – Email) to remind them on how to handle workers with high absenteeism rates and poor performance issues.
Assessment Conclusion:	Evidences submitted as above for the corrective actions done with attached evidences at the audited Estates was verified. The actions taken, and implementation needed were found to have addressed the issue. Based on documentations submitted, pending on-site verification, an Interim closure is recommended. On-site verification is proposed to be done in Q1,2020 for effectiveness of implementation for a full closure.
Verification Statement	<b>MAJOR NC:</b> Off-site Verification on documentations: 15 -30 Aug 2019 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Verified and evaluated for completeness. Appendix 1-4: SOPs (Draft only) and supporting memo for implementation at the Estates, submitted via email on 12 Aug 2019 were reviewed. Verified that documentation have addressed the NC issued.

<b>Major Nonconformities:</b>		
<b>Ref: SH-01</b>	<b>Area/Process:</b> Part 3-Plantations	<b>Clause:</b> 4.5.1.2
	<b>Issue Date:</b> 31 May 2019	<b>Due Date:</b> 30 July 2019
Requirements:	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations.	
Statement of Nonconformity:	The aspect and impact analysis has not taken into consideration the operations on road construction and maintenance.	
Objective Evidence:	Location: Gomali estate The documented environmental management plan was without the inclusion of the road construction and maintenance operation.	
Corrections:	Impact aspect assessment of road construction and maintenance has been included in Environment Impact Assessment of Gomali Estate. Please refer to Appendix 1. Appendix 1: Page 47 of Gomali Estate's Environment Impact Assessment	
Root cause analysis:	Though Gomali Estate took into consideration around twenty-two aspects and impacts which included road maintenance during replanting, they fail to have a separate aspect impact for road construction and maintenance as they felt that the replanting road maintenance was sufficient.	
Corrective Actions:	Impact aspect assessment of road construction and maintenance has been included in Environment Impact Assessment of Gomali Estate. Please refer to Appendix 1. Appendix 1: Page 47 of Gomali Estate's Environment Impact Assessment	
Assessment Conclusion:	Evidences submitted as above for the corrective actions done with attached evidences at the audited Estates was verified. The actions taken, and implementation needed were found to have addressed the issue.	

	Based on documentations submitted, pending on-site verification, an Interim closure is recommended. On-site verification is proposed to be done in Q1,2020 for effectiveness of implementation for a full closure.
Verification Statement	<p><b>MAJOR NC:</b>  Off-site Verification on documentations: 15 -30 Aug 2019  Corrective actions taken: As stated by Auditee in their RC &amp; CA  Supportive evidences: Verified and evaluated for completeness.  Appendix 1: Revised EIA for implementation at the Estates, submitted via email on 12 Aug 2019 was reviewed.  Verified that documentation have addressed the NC issued.</p>

Major Nonconformities:		
Ref: SH-02	Area/Process: Part 3-Plantations	Clause: 4.5.6.1
	Issue Date: 31 May 2019	Due Date: 30 July 2019
Requirements:	Indicator 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: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.	
Statement of Nonconformity:	The extent of the boundary for the steep slopes identified as HCV was not determined and demarcated on the ground.	
Objective Evidence:	Location: Regent estate Inspection made at the identified site with the steep slopes revealed that there was no clear demarcation markers established to indicate the extent of the boundary with the Tebong Forest reserve areas.	
Corrections:	Standard Operating Procedure (SToP) Land Preparation for New Planting have been revised to include distance of buffer zone for forest reserve adopting "Pekeliling Ketua Pengarah Perhutanan Semananjung Malaysia Bilangan 5 Tahun 2014- Penetapan Kelebaran Zon Penampunan Mengikut Fungsi Hutan Simpan Kekal (HSK)" which mentions that a buffer zone of 20 metres is required between forest reserve and plantation. The SToP has been drafted and is pending approval from top management. However, Regent Estate has already demarcated an area of 20m from the Tebong Forest Reserve. Appendix 1: Standard Operating Procedure (SToP) Land Preparation for New Planting. Appendix 2: Picture of oil palm marking adjacent to Tebong Forest Reserve	
Root cause analysis:	Currently, there is no guidance or standard operating procedure on the marking of buffer zone between reserve forest and estate boundary.	
Corrective Actions:	Standard Operating Procedure (SToP) Land Preparation for New Planting have been revised to include distance of buffer zone for forest reserve adopting "Pekeliling Ketua Pengarah Perhutanan Semananjung Malaysia Bilangan 5 Tahun 2014- Penetapan Kelebaran Zon Penampunan Mengikut Fungsi Hutan Simpan Kekal (HSK)" which mentions that a buffer zone of 20 metres is required between forest reserve and plantation. The SToP has been drafted and is pending approval from top management. However, Regent Estate has already demarcated an area of 20m from the Tebong Forest Reserve. Appendix 1: Standard Operating Procedure (SToP) Land Preparation for New Planting. Appendix 2: Picture of oil palm marking adjacent to Tebong Forest Reserve.	



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Assessment Conclusion:	Evidences submitted as above for the corrective actions done with attached evidences at the audited Estates was verified. The actions taken, and implementation needed were found to have addressed the issue. Based on documentations submitted, pending on-site verification, an Interim closure is recommended. On-site verification is proposed to be done in Q1,2020 for effectiveness of implementation for a full closure.
Verification Statement	<b>MAJOR NC:</b> Off-site Verification on documentations: 15 -30 Aug 2019 Corrective actions taken: As stated by Auditee in their RC & CA Supportive evidences: Verified and evaluated for completeness. Appendix 1-4: SOPs (Draft only) and photographic records for implementation at the Estates, submitted via email on 12 Aug 2019 were reviewed. Verified that documentation have addressed the NC issued.

Major Nonconformities:		
<b>Ref: AL-01</b>	<b>Area/Process:</b> Part 3-Plantations	<b>Clause:</b> 4.6.1.1
	<b>Issue Date:</b> 31 May 2019	<b>Due Date:</b> 30 July 2019
Requirements:	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	
Statement of Nonconformity:	Buffer needed for the protection of water courses was not consistently followed and procedure for other buffers /distances during replanting such as at field drains was not clearly defined.	
Objective Evidence:	<p>Sagil Estate: Noted that Replanting has started and is ongoing for current year onward. Buffer of 3m is not consistently marked eg PR 18A.</p> <p>Regent Estate: SOP for Replanting (2017) does not state the distance of OP planting from field drains as noted in PR18A.</p>	
Corrections:	<p>Sagil Estate:</p> <ul style="list-style-type: none"> <li>a) A buffer zone of 3 metres has been demarcated by painting red on palms or poles beside artificial/field drains. Please refer to Appendix 1.</li> <li>b) Appendix 1: Picture of remarking along the artificial/field drain</li> <li>c) The buffer zone for artificial/ field drains has been included in the Standard Operating Procedure (SToP) Land Preparation for New Planting. The SToP has been drafted and is pending approval from top management.</li> <li>d) Appendix 2: Standard Operating Procedure (SToP) Land Preparation for New Planting.</li> <li>e) Buffer zone training to increase awareness to the staff, sprayers and manurers on the activities that should be avoided near waterways.</li> </ul> <p>Regent Estate: The buffer zone for artificial/ field drains has been included in the Standard Operating Procedure (SToP) Land Preparation for New Planting. The SToP has been drafted and is pending approval from top management.</p>	
Root cause analysis:	<p>Sagil Estate: During replanting, Sagil Estate followed Group Environmental Impact Assessment and Management Plans as reference, where for natural stream less than 5m the buffer zone required is 5m. As there was no clear guidance/SOP for artificial/field</p>	

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	<p>drains, the estate had reduced the length to around 3m for smaller man made drains. This contributed to the inconsistency of the buffer zone.</p> <p>Regent Estate:          As there was no guidance/SOP for Replanting near artificial/field drains, the estate used IOI's Group Environmental Impact Assessment and Management Plans as reference, where for natural stream less than 5m the buffer zone required is 5m.</p>
Corrective Actions:	<p>Sagil Estate:</p> <ul style="list-style-type: none"> <li>a) A buffer zone of 3 metres has been demarcated by painting red on palms or poles beside artificial/field drains. Please refer to Appendix 1.</li> <li>b) Appendix 1: Picture of remarking along the artificial/field drain</li> <li>c) The buffer zone for artificial/ field drains has been included in the Standard Operating Procedure (SToP) Land Preparation for New Planting. The SToP has been drafted and is pending approval from top management.</li> <li>d) Appendix 2: Standard Operating Procedure (SToP) Land Preparation for New Planting.</li> <li>e) Buffer zone training to increase awareness to the staff, sprayers and manurers on the activities that should be avoided near waterways.</li> </ul> <p>Regent Estate:</p> <ul style="list-style-type: none"> <li>f) The buffer zone for artificial/ field drains has been included in the Standard Operating Procedure (SToP) Land Preparation for New Planting. The SToP has been drafted and is pending approval from top management.</li> </ul>
Assessment Conclusion:	<p>Evidences submitted as above for the corrective actions done with attached evidences at the audited Estates was verified. The actions taken, and implementation needed were found to have addressed the issue.</p> <p>Based on documentations submitted, pending on-site verification, an Interim closure is recommended. On-site verification is proposed to be done in Q1,2020 for effectiveness of implementation for a full closure.</p>
Verification Statement	<p><b>MAJOR NC:</b>          Off-site Verification on documentations: 15 -30 Aug 2019          Corrective actions taken: As stated by Auditee in their RC &amp; CA          Supportive evidences: Verified and evaluated for completeness.          Appendix 1-4: SOPs (Draft only) and Training records for implementation at the Estates, submitted via email on 12 Aug 2019 were reviewed.          Verified that documentation have addressed the NC issued.</p>

**3.4 Summary of the Nonconformities and Status**

CAR Ref.	CLASS	ISSUED	STATUS
EC-01	Major	31 May 2019	Closed on 30 July 2019
EC-02	Major	31 May 2019	Closed on 30 July 2019
SH-01	Major	31 May 2019	Closed on 30 July 2019
SH-02	Major	31 May 2019	Closed on 30 July 2019
AL-01	Major	31 May 2019	Closed on 30 July 2019
1928783-202006-M1	Major	03 Jul 2020	Closed on 09 Sept 2020

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1928783-202006-M2	Major	03 Jul 2020	Closed on 09 Sept 2020
1928783-202006-M3	Major	03 Jul 2020	Closed on 09 Sept 2020
1928783-202006-M4	Major	03 Jul 2020	Closed on 09 Sept 2020
1928783-202006-M5	Major	03 Jul 2020	Closed on 09 Sept 2020
1928783-202006-M6	Major	03 Jul 2020	Closed on 09 Sept 2020
1928783-202006-I1	OFI	03 Jul 2020	Open
1928783-202006-I2	OFI	03 Jul 2020	Open

### 3.5 Issues Raised by Stakeholders

No	Stakeholders comment
1	<p><b>Feedbacks: NUPW</b> Mr Chantrakumar from the Negeri Sembilan Branch was interviewed during this assessment. Noted that there was no restriction on the workers to join the union. However, Mr Chantrakumar would like to continue to have good engagement with IOI.</p> <p><b>Management Responses:</b> Noted on the information.</p> <p><b>Audit Team Findings:</b> The assessment noted that IOI keeps track on the number of union workers and the workers comprises of foreign and local workers. There was no restriction identified.</p>
2	<p><b>Feedbacks: FRIM</b> The concerned raised by the stakeholder is related to the land planning, safety operation especially the trucks carrying the FFBS using housing roads. He was also concerned about dust that is created by the trucks especially during dry season.</p> <p><b>Management Responses:</b> Noted on the information.</p> <p><b>Audit Team Findings:</b> The assessment team has verified the management plan for such comments as captured in the stakeholder meeting.</p>
3	<p><b>Feedbacks: Nearby villagers</b> The concerned raised by the stakeholder is related to safety operation especially the trucks carrying the FFBS and dust that is created by the trucks especially during dry season.</p> <p><b>Management Responses:</b> Noted on the information.</p> <p><b>Audit Team Findings:</b> The assessment team has verified the management plan for such comments as captured in the stakeholder meeting.</p>
4	<p><b>Feedbacks: Contractors for harvester and FFB transport</b> Working co-operations with IOI is good. There is no holding of form of payment.</p> <p><b>Management Responses:</b> Noted on the information.</p> <p><b>Audit Team Findings:</b></p>

	Despite the good working arrangement, the employment contract for contractor’s employees is not transparent. Hence non-compliance was raised against 4.4.5.6 Part 3 related to workers’ agreement.
<b>5</b>	<b>Feedbacks: Nearby smallholders</b> There is no issue raised by the nearby smallholders. The land use access remains unchanged and they are allowed to use it.
	<b>Management Responses:</b> Noted on the information.
	<b>Audit Team Findings:</b> No other issue.

**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment <b>IOI-Gomali POM</b> Certification Unit complies with the <b>MS 2530-3:2013 and MS 2530-4:2013</b> . It is recommended that the certification of <b>IOI-Gomali POM</b> Certification Unit is approved and/or continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> Ravi Tony	<b>Name:</b> Elzy Ovktafia Binti Chairul
<b>Company name:</b> IOI Plantation Services Sdn Bhd	<b>Company name:</b> BSI Services (Malaysia) Sdn Bhd
<b>Title:</b> Manager, Sustainability, Safety & Health Department IOI PLANTATION SERVICES SDN BHD Signature No: 1050782-T Sustainability, Safety & Health Dept	<b>Title:</b> Client Manager
 ----- <b>RAVI TONY</b> <b>MANAGER</b> <b>Date: 12/09/2020</b> <b>JKR/IS-127438/2/1596</b>	  <b>Date: 09/09/2020</b>

**Appendix A: Summary of the findings by Principles and Criteria**

**MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill.**

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	IOI Corporation Berhad has documented the Group Sustainable Palm Oil Policy (SPOP) revised May 2020 signed by Dato Lee Yeow Chor (Group Managing Director & Chief Executive Officer and Dr Surina Ismail (Group Head of Sustainability).	Yes
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. <b>- Major compliance -</b>	The policy had also clearly stated the company’s commitment which included continual improvement in the overall aspects of plantation management and community development. Example as below: 1. Environmental management. 2. Human rights and workplace. 3. Community development and social impact. 4. Traceable supply chains. 5. Transparency and wider engagement.	Yes
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	There is a documented procedure for conducting Internal audit. Audit was planned on to be held on annual basis which is conducted by the Sustainability Team.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
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><b>- Major compliance -</b></p>	<p>A procedure for internal audit was established and documented, i.e. SOP 8 Issue 1 Rev 0 (03/05/2018).</p> <p>Internal audit was conducted in Gomali POM on 14/05/2020. There were 20 non-conformity and 6 OFI raised and closed.</p> <p>Audit results were evaluated, and corrective actions taken on the non-conformances.</p>	Yes
4.1.2.3	<p>Reports shall be made available to the management for their review.</p> <p><b>- Major compliance -</b></p>	<p>The audit reports were documented and made available for Management review.</p>	Yes
<b>Criterion 4.1.3 – Management Review</b>			
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><b>- Major compliance -</b></p>	<p>Management review for Gomali POM was conducted on 20/05/2020 and minutes of meeting maintained. The status of the implementation of MSPO was noted to be discussed. Appropriate improvement actions were recommended for the management system of the Estates and POM.</p>	Yes
<b>Criterion 4.1.4 – Continual Improvement</b>			
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>Continual improvement plan for Gomali POM was verified and documented under long range budget and CAPEX. The coverage is mainly on the mill operation and safety related budget.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.  - Major compliance -	The mill management has established a training program based on the training need analysis, which will provide sufficient knowledge and skill to workers related to their job scope or work station. Any new information and techniques shall be delivered during muster call or to be insert in training program (based on the priority).	Yes
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	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.  - Major compliance -	The management has adopted an open and transparent method of communication and consultation when dealing with relevant parties e.g. its workers, government agencies, contractors, neighboring plantations by personal invitation to attend the internal and external stakeholders’ consultation meetings.  Languages used in written communications are in Bahasa Malaysia and English and verbally done for foreign workers via their workers representatives/ leaders for their respective nationalities and native dialects such as Hindi, Nepalese & Bangladeshi.	Yes
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.  - Major compliance -	Management documents such as Policies, Stakeholder consultation processes, Financial Annual Reports are available upon request and at the IOI website: <a href="http://www.ioigroup.com/Content/S/S_Policy">http://www.ioigroup.com/Content/S/S_Policy</a> .  Any commercially confidential information will need special request before being provided.	Yes

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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders.  <b>- Major compliance -</b>	The management had established procedures and mechanisms to conduct stakeholders' consultations, handle complaints and grievances through stakeholders' meetings, Women Empowerment Committee (WEC), Employee Consultative Committees (ECC), Safety & Health Committees (SHC).	Yes
<b>4.2.2.2</b>	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> .  <b>- Minor compliance -</b>	The Mill Manager is overall responsible for any issues raised by local communities and other affected or interested parties regarding mill operations. Social Liaison Officers are also nominated to coordinate activities of the stakeholders, WECS, ECCs and SHCs.  Appointments letters as issued to the respective Social Liaison Officers. Sighted the appointment letter of Mr. Fernandez Samy Francis (Assistant Manager) on 18/02/2020.	Yes
<b>4.2.2.3</b>	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.  <b>- Major compliance -</b>	Latest stakeholders list sighted at the Gomali POM was updated till 01/01/2020 which included all contractors such as FFB/EFB transporters and Schedule waste contractors. Records of consultation and communication included attendance lists, minutes of the meetings, photographs of the meetings and meeting notes.  Minutes of meetings had noted deliberation of the issues raised and recommendations of actions to be taken and the follow-up. Sighted the minutes of meeting for internal stakeholder (01/04/2020) and external stakeholder (11/03/2020) for Gomali POM.	Yes
<b>Criterion 4.2.3 – Traceability</b>			



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4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. <b>- Major compliance -</b>	The IOI Group has established, implemented and maintained a procedure for traceability of FFB from the estates to the CPO and PK produced by the POM. Documented SOP on Traceability: SOP/COC/3 Issue No. 05 dated 01/01/2018.	Yes
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	Compliance with the traceability system determined via regular inspections, checking of records and internal audits.	Yes
4.2.3.3	The management shall identify and assign suitable employees to implement and maintain traceability system. <b>- Minor compliance -</b>	The Palm Oil Mill and Estates Organization Charts and job responsibilities of employees (Mill Manager, Estate Managers, Assistant Manager, Engineers, Assistant Engineers, Technicians, Security Officer, Weighbridge Operator, Laboratory Chemist and clerks) have been suitably defined for the implementation and maintenance of the traceability procedure.  Interviews of the relevant staff confirmed their knowledge of the traceability requirements for their respective areas of operations.	Yes
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. <b>- Major compliance -</b>	All records of FFB harvested, transported and delivered to the POM were maintained and verified to be traceable via the Delivery Note, Lorry Ticket and Weighbridge Ticket which were maintained at the respective estate offices.	Yes
<b>4.3 Principle 3: Compliance to legal requirements</b>			

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Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<p><b>4.3.1.1</b></p>	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p>Licenses and permit for mill as follow:</p> <ul style="list-style-type: none"> <li>a. MPOB license, refence no: 50011720400, expired on 31.01.2021.</li> <li>b. SPAN license for extracting water, reference no: SPAN/EKS/(PT)/800-4(1)/14/09, expired on 14.02.2023.</li> <li>c. Badan Kawal Selia Air Negeri, reference no: BAKAJ/334/300/5/6/8/8, expired on 31.12.2020</li> <li>d. Permit to use on water supply – JTK reference no: JTKNJ/6(1)(a)/0017 expired on 21.112.2021.</li> <li>e. Calibration weighing machine reference no: 103256356,083750125, 132050111 expired on 08.08.2020.</li> <li>f. Fire certificate reference no: JBPM:14/7/455/2018 expired on 30.05.2021</li> <li>g. Permit to work more than 130 hours OT in a month reference no: BHGPU19/134 jld 17(3), expired on 28.06.2021.</li> <li>h. Permit for women working after 10.00 pm reference no: BHGPU/9/135 jld 17(3).</li> </ul> <p><b>Major non-conformities:</b></p> <p>Interview session with person in charge, it was confirmed that the container containing lubricant used for the genset however, there is no label in the container. This is not in accordance to the USECHH Regulations 2000.</p> <p>In Gomali POM, pay slip and thumb print records was sampled for the weighbridge clerk for March, Apr and May 2020, it was found that Sharini Maya (Employee id: GMM2128-Weighbridge Clerk) has worked overtime after 10 pm as below:</p>	<p>Major non-conformity</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p><u>May 2020</u></p> <ol style="list-style-type: none"> <li>1. 04/05/2020: 7.29 AM – 10.54 PM &amp; 05/05/2020: 07.24 AM – 03.32 PM</li> <li>2. 06/05/2020: 7.28 AM – 11.20 PM &amp; 07/05/2020: 07.23 AM – 02.46 PM</li> <li>3. 16/05/2020: 2.11 PM – 11.05 PM &amp; 17/05/2020: 7.42 AM – 03.36 PM</li> <li>4. 22/05/2020: 02.07 PM – 10.50 PM &amp; 23/05/2020: 09.46 AM &amp; 10.27 PM</li> <li>5. 30/05/2020: 02.16 PM – 10.47 PM &amp; 31/05/2020: 07.35 AM – 04.28 PM</li> </ol> <p><u>APRIL 2020</u></p> <ol style="list-style-type: none"> <li>1. 04/04/2020: 02.13 PM – 10.33 PM &amp; 05/04/2020: 07.49 AM – 04.17 PM</li> <li>2. 08/04/2020: 07.22 AM – 10.47 PM &amp; 09/04/2020: 07.33 AM – 03.27 PM</li> <li>3. 14/04/2020: 02.09 PM – 10.50 PM &amp; 15/04/2020: 07.29 AM – 10.52 PM</li> <li>4. 18/04/2020: 02.16 PM -10.28 PM &amp; 19/04/2020: 07.37 AM – 04.25 PM.</li> </ol> <p><u>MARCH 2020</u></p> <ol style="list-style-type: none"> <li>1. 11/03/2020: 07.21 AM – 11.44 PM &amp; 12/03/2020: 07.23 – 3.30 PM.</li> <li>2. 16/03/2020: 02.05.08 – 11.23 PM &amp; 17/03/2020: 08.28 AM – 11.44 PM.</li> <li>3. 21/03/2020: 02.07 PM – 12.05 AM &amp; 22/03/2020: 07.46 AM – 04.36 PM.</li> <li>4. 25/03/2020: 07.25 AM – 12.08 AM &amp; 26/03/2020: 07.23 AM – 03.43 PM</li> </ol>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>Also, she has worked on her rest day on 13/03/2020, 20/03/2020, 10/04/2020, 24/04/2020, 08/05/2020 and 22/05/2020.</p> <p>According to JTK Permit: Pengecualian Daripada Sekatan Kerja Malam Bagi Pekerja-Pekerja Wanita Di Bawah Seksyen 34 Akta Kerja 1955, dated 02/01/2019:</p> <ol style="list-style-type: none"> <li>1. The female worker must be given continuous 11 hours break before start to work again.</li> <li>2. The female worker work at night shift must be given weekly rest day not less than 30 hours continuously.</li> </ol>	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirement register.</p> <p><b>- Major compliance -</b></p>	<p>The legal requirements register was made available to the audit team, reviewed and confirmed that the register has been updated. The operating unit has listed all laws and regulations related to their operation.</p>	Yes
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><b>- Major compliance -</b></p>	<p>The legal requirements register was made available to the audit team, reviewed and confirmed that the register has been updated.</p> <p>The IOI Sustainability Team from HQ is responsible to update and distribute any new regulation or new amendment laws coming into force.</p>	Yes
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></p>	<p>The IOI Sustainability Team from HQ will update and distribute any new regulation or new amendment laws coming into force.</p> <p>As for Gomali Mill, Mr. See Itt Pang has been appointed to be responsible for legal register and compliance in the mill, effective on 8<sup>th</sup> May 2018.</p>	Yes
<b>Criterion 4.3.2 – Lands use rights</b>			

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4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	Communities surrounding the Gomali POM can move freely without any issues or problems. Verified during site inspection that no such limitations had occurred.	Yes
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. <b>- Major compliance -</b>	Gomali Palm Oil Mill is located in the estate compound and the quit rent is paid by the estate management.	Yes
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	Locations of several boundary stones and markers were visited and verified to be within the boundary perimeter of the POM.	Yes
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). <b>- Minor compliance -</b>	There were some borders of the estates immediately adjacent to local villages. However, there has been no land disputes.  As such, the process of fair compensation and FPIC is currently not required to be applied.	Yes
<b>Criterion 4.3.3 – Customary rights</b>			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights	Not applicable as the lands are titled lands which are not encumbered by customary rights.	Yes

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	are understood and are not being threatened or reduced. <b>- Major compliance -</b>		
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. <b>- Minor compliance -</b>	Appropriate landscape maps with latitude & longitudes showing the legal boundary and neighboring / surrounding areas of the estates were available and maintained.  The lands at Gomali Grouping are legally owned or leased by IOI Group and it is verified that there were no other users or affected parties in the land areas.	Yes
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. <b>- Major compliance -</b>	Not applicable as the titled lands are not encumbered by customary rights.	Yes
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impacts should be identified, and plans should be implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	Social Impact Assessment, Management Action Plans and Continuous Improvement Plan (2020-2025) for the POM and Estates was last review on 20/06/2020 for Gomali POM.  The SIA contains inputs from external and internal stakeholders' consultation. The meeting for Gomali POM was conducted as follows: 1. Internal stakeholder (01/04/2020) 2. External stakeholder (11/03/2020) Monitoring records were retained and made available as evidence that actions had been taken.	Yes

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.4.2:</b> Complaints and grievances			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	The management had established the following grievances SOP/guideline: a. SIA (8.5 Grievance Procedure). b. Guidelines for Implementation Women and Empowerment Committee (WEC) Doc Ref: IOI/G/SE/001 Rev no: 01, issue date: 17/02/2020 Appendix B: Internal Grievances Standard of Procedure. c. Grievance procedure Do ref: IOI/P/GP/001 Rev No: 1, Rev date: 20/01/2020.	Yes
<b>4.4.2.2</b>	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. <b>- Major compliance -</b>	The procedure and flowchart outlined the mechanism whereby all complaints or grievances will be received and be acted upon by the Social Liaison Officers who will investigate the matter and resolve with the affected parties. Furthermore, the process requires the complaint and grievance to be resolved within 24 hours (acknowledge), 30 working days (investigate) and 10 working days (meet up). No complaints related to sexual harassment received so far, but the procedures stated such issues will be handled with the utmost privacy and confidentiality by the GCC. Verified that there no instances of any serious disputes.	Yes
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. <b>- Minor compliance -</b>	Employees and affected stakeholders can make complaints by recording in the Complaints & Grievance Book kept at the Estate offices. Sample of last complaint reviewed: Gomali POM: 10/06/2019: Request for increase the domestic waste collection frequency during holiday season. Mill has discussed the issue with Gomali Estate and will change the collection to 3x/week.	Yes
<b>4.4.2.4</b>	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. <b>- Minor compliance -</b>	The Management informed the workers and surrounding communities at the internal and external Stakeholders consultations regarding their complaint/grievance procedure and feedback mechanism. External stakeholders' consultation with the local communities and employees. Participation of external stakeholders were verified, including participants from contractors, suppliers, government agencies, police, neighboring estate, etc.	Yes

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		<p>The presentation during the stakeholder consultation was reviewed and confirm that such briefing was provided during the stakeholder consultation meeting. The complaint and grievances can be submitted through the following channels established by the POM and estates are:</p> <ul style="list-style-type: none"> <li>• In the Complaint/Grievance book located at the respective mill or estate office;</li> <li>• Email; grievance@ioigroup.com;</li> <li>• Telephone, 603-8947 8701;</li> <li>• In writing to, IOI Corporation Bhd, Attention to Sustainability Department (Grievance Coordinator)</li> </ul>	
<b>4.4.2.5</b>	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p><b>- Major compliance -</b></p>	<p>The Complaint and Grievance Books that recorded the nature of complaints and the resolutions had been maintained and available for the past 3 years.</p>	Yes
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
<b>4.4.3.1</b>	<p>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.</p> <p><b>- Minor compliance -</b></p>	<p>Main contribution of the mill and estates to the local development was demonstrated in the provision of facilities and monetary contributions, where feasible.</p> <p>The contribution provided from Gomali POM are:</p> <ol style="list-style-type: none"> <li>1. Family day 2020 on 23/06/2020. Contribution such as foods and drinks were given to the committee.</li> <li>2. Launch of women and empowerment committee (WEC) on 07/03/2020.</li> <li>3. Annual prayers (Surau, Temple &amp; Tokong) on 01/01/2020.</li> </ol>	Yes
<b>Criterion 4.4.4: Employees safety and health</b>			



Criterion / Indicator		Assessment Findings	Compliance
4.4.4.1	<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><b>- Major compliance -</b></p>	<p>The company has established an OSH Policy, which was signed by Mr. N B Sudhakaran, Plantation Director in April 2019. The policy stated the company's commitment to implement leading sustainability standards for human rights and workplace conditions.</p> <p>Sighted the training records regarding on the safety and health issues were conducted to the employees.</p>	Yes
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risk of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <p>i. All employees involved are adequately trained on safe working practices;</p> <p>ii. All precautions attached to products should be properly observed and applied;</p> <p>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).</p>	<p>Safety &amp; Health</p> <ol style="list-style-type: none"> <li>1. Appropriate training and briefing were provided by the management to the employees. Sighted the training records regarding on the safety and health issues were conducted to the employees.</li> <li>2. HIRARC was made available to the audit team.</li> <li>3. Employees involved directly and indirectly with the chemical especially lab assistant, store keeper and water treatment workers were appropriately trained.</li> <li>4. PPE issuance records were made available to the audit team.</li> <li>5. The company has established Occupational Safety &amp; Health Management System: Prosedur Kerja Selamat Penggunaan Bahan Kimia, dated on 0.01.2020, rev no: 05, doc reference: IOI-OSH 3.2.2. State in the procedure that all spraying workers are required to do physical check up with estate clinic on monthly basis and to conduct annual surveillance by Occupational Health Doctor</li> <li>6. Mr. See Itt Pang has been appointed as Safety &amp; Health Coordinator, effective on 18<sup>th</sup> February 2020.</li> <li>7. OSH committee meeting was conducted on 4 times in 2019 and 2 times in 2020.</li> </ol>	Yes

Criterion / Indicator		Assessment Findings			Compliance
<p>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> <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 and 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>	Year	Date	Attendance		
	2020	21.04.2020 18.01.2020	37 32		
	2019	17.10.2019 22.07.2019 29.04.2019 31.01.2019	31 20 20 23		
	8. During the site visit, it was found that, the workers can demonstrate fair understanding regarding on the accident and emergency procedures.				
	9. First aid boxes were sighted at each working site and the person responsible for the first aid box was presented at the work station.				
	10. Accident records are well kept and reviewed during the OSH meeting.				

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Criterion / Indicator		Assessment Findings	Compliance
	<p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>		
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	<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><b>- Major compliance -</b></p>	<p>The management had established the "Group Sustainable Palm Oil Policy" in May 2020 signed by Group Managing Director &amp; CEO, Dato' Lee Yeow Chor which covered the necessary aspects of human rights related issues.</p> <p>This policy can be accessed at IOI Group's website link <a href="https://www.ioigroup.com/Content/S/pdf/Sustainable%20Palm%20Oil%20Policy.pdf">https://www.ioigroup.com/Content/S/pdf/Sustainable%20Palm%20Oil%20Policy.pdf</a></p> <p>The employees are informed through briefing during the induction and refresher is conducted annually on 14 &amp; 17/03/2020.</p> <p>However, Gomali POM has yet to communicate the new Group Sustainable Palm Oil Policy revised May 2020 to the workers.</p>	Major non-conformity
<b>4.4.5.2</b>	<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><b>- Major compliance -</b></p>	<p>The management had established the Equal Opportunity Employment &amp; Freedom of Association Policies where the commitments included:</p> <ol style="list-style-type: none"> <li>a. In line with ILO Core Conventions;</li> <li>b. All workers will receive equal treatment;</li> <li>c. The company respect freedom of association and collective bargaining as part of our commitment to support the fair and equitable treatment of our workers;</li> <li>d. The workers have the right to join or form trade unions of their own choosing;</li> <li>e. Trade unions have access to the company estates and will not interfere with the organizing of activities of workers;</li> </ol>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>f. The freedom of association shall be instituted according and within the Trade Union Act 1959, Industrial Relations Act 1967 and Immigration Act 1956/63;</p> <p>g. The workers can submit their grievances through the Employees Consultative Committee (ECC);</p> <p>h. The purpose of these policies is to ensure that workers of the company is recruited and provided an environment which is free from unlawful discrimination, harassment or victimization and that we are implementing the Group’s commitment to equal opportunities, freedom of association and collective bargaining at all times.</p> <p>The policy was last reviewed on October 2017 and signed by Mr. N.B Sudhakaran, Plantation Director. Employment records showed that this policy had been implemented and maintained.</p>	
<b>4.4.5.3</b>	<p>Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p>	<p>Documentation and conditions of pay for foreign workers hired in the Estates are available. Employment agreement with foreign workers, who are Indian, Bangladesh and Indonesian, stated all statutory fringe benefits and eligible incentives, e.g. working hours, overtime, leave and medical benefits, maternity leave for women, insurance coverage, deductions, resignation notice period, company rules. Company procedures require the employment contract to be explained by management to potential migrant workers before contracts are signed.</p> <p>Pay slips are available for verification showed the workers were able to earn living wage that meet the Minimum Wage Order 2019. For those workers employed before the Minimum Wage Order 2019, New/Amended Terms and Conditions of Employment Contract was signed by the workers on the new Minimum Wage Order 2019.</p> <p>Sampled of pay slip for workers as below:  Gomali POM:  1. Employee id: GMM1117  2. Employee id: GMM1000</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		3. Employee id: GMM1159 4. Employee id: GMM1123 5. Employee id: GMM0930	
<b>4.4.5.4</b>	<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><b>- Minor compliance -</b></p>	There are no contractor workers in Gomali POM.	Not applicable
<b>4.4.5.5</b>	<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><b>- Major compliance -</b></p>	<p>The management maintained a master-list of employees that recorded the employee identification number, full names, identification number or passport number, gender, date of birth, age, date joined, and job assignment.</p> <p>A brief description of the work that the foreign workers will be performing is written into the Offer of Employment as the Mill Worker.</p> <p>Full job descriptions are documented for senior positions, such as Managers, Social Liaison Officer, and Safety &amp; Health Officer with official appointment letter etc.</p>	Yes
<b>4.4.5.6</b>	<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><b>- Major compliance -</b></p>	<p>The management has provided with employment contract from:</p> <p>a) India;            b) Bangladesh;            c) Indonesia;</p> <p>and the terms of employment are clearly specified in the contracts, which included position offered, period of employment, salary, overtime rate, rest days every sixth day, rate of pay when working on rest days, days and hours of work, approved deductions, termination of employment, holiday pay, rate of pay when working on</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>holidays, leave pay, sick leave, passage expenses, expatriations of remains and burial arrangement and insurance.</p> <p>Briefing is conducted to all workers on the pay-slip and revised rate for the minimum wage order 2019 at Gomali POM was conducted on 24/04/2020 attended by 115 workers. Presentation, definition and information on calculation and deduction is provided in the workers primary language and with the present of translator.</p> <p>Foreign workers include:</p> <ul style="list-style-type: none"> <li>a) India;</li> <li>b) Bangladesh;</li> <li>c) Indonesia;</li> <li>d) Nepal</li> </ul>	
<b>4.4.5.7</b>	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p><b>- Major compliance -</b></p>	At Gomali POM, biometric recording system was used.	Yes
<b>4.4.5.8</b>	<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><b>- Major compliance -</b></p>	The working hours of the employees and overtime rates are specified in the employment contract i.e. 8 hours per day and overtime rates are in accordance with the Employment Act 1955.	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p><b>- Major compliance -</b></p>	<p>Pay slips clearly showed the basic pay or piece rate, number of days worked or total output, any allowable deductions and net amount.</p> <p>Any overtime, holiday pay, working on rest days and any other special day, when applicable, are also shown on the pay slips.</p> <p>Training on the pay slip and briefing on the deduction including the calculation is provided during induction and re-fresh training is conducted annually. Briefing is conducted using a nominated translator from the workers themselves. Training material was reviewed and noted adequate. Assessment is also conducted to ensure the workers understand the briefing.</p>	Yes
4.4.5.10	<p>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><b>- Minor compliance -</b></p>	<p>The workers are offered incentives on output, provided training, access to medical care and other benefits such as free housing, free water supply and minimal charge (RM5) for electricity supply. Under the Minimum Wages &amp; Leave Pay Policies, the management as part of the KPIs Estate Manager must take pro-active measures to increase the workers' productivity, with target earnings of at least 20% more than the minimum wage for each worker during normal working hours (daily spread over period of ten hours).</p> <p>Local workers are provided with free education facilities (government school, free childcare and medical services to their dependents).</p>	Yes
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><b>- Major compliance -</b></p>	<p>The management has provided adequate amenities to their local and foreign workers as well the grouping has provided adequate housing, water supplies, medical, educational and public amenities.</p> <p>Workers are provided free living quarters constructed of permanent materials that have living rooms, bedrooms, kitchen and toilets. All the houses are supplied with treated water and electricity. The workers are provided with medical, educational and</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>public amenities as the Workers’ Minimum Standard of Housing and Amenities Act 1990 (Act 446).</p> <p>Disposal of domestic waste is collected by the management twice a day and transport to a specific location away from the community. The waste is stored in bins provided by independent contractor and collected every 10 days to be disposed to local authority approved landfill.</p>	
<b>4.4.5.12</b>	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>The management has established Policy on Harassment at Workplace, last reviewed on June 2018 and signed by N.B Sudhakaran, Plantation Director.</p> <p>Sexual Harassment Reporting Flowchart is established which include:</p> <ol style="list-style-type: none"> <li>1. Victim of making a complaint;</li> <li>2. Complaint made to respective mill or estate;</li> <li>3. Gender Committee Chairperson interview the victim;</li> <li>4. Investigation and action taken by Gender Committee Chairperson;</li> <li>5. Satisfied – matter close;</li> <li>6. If close, details recorded in the Gender book;</li> <li>7. Book kept by Gender Committee Chairperson/Manager in locked drawer;</li> <li>8. If not close; inform to Sustainability Department Gender Executive;</li> <li>9. Investigation and Action taken by Sustainability Department Gender Executive;</li> <li>10. Satisfied – matter close;</li> <li>11. If not, escalate to HR Department by Sustainability Department Gender Executive;</li> <li>12. Investigation by HR Department;</li> <li>13. Domestic inquiry;</li> <li>14. Final decision – legal/disciplinary action.</li> </ol>	Yes
<b>4.4.5.13</b>	<p>The management shall respect the right of all employees to form and join trade union and allow workers’ own representative(s) to facilitate</p>	<p>The policy provides the definition adopted by the management based on UN definition on harassment and sexual harassment. Grievance channels are in place such as</p>	Yes



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Criterion / Indicator		Assessment Findings	Compliance
	<p>collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions 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><b>- Major compliance -</b></p>	<p>Grievance Hotline, Employee Consultative Council (ECC), Joint Consultative Council (JCC), Woman and Empowerment Committee (WEC), via email or by post.</p> <p>WEC meeting is conducted every 6 months on 20/05/2020.</p> <p>JCC meeting is conducted every 2 months on 15/05/2020, 16/03/2020 and 31/01/2020.</p>	
<b>4.4.5.14</b>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p><b>- Major compliance -</b></p>	<p>The management has established Equal Opportunity Employment &amp; Freedom of Association Policies, last reviewed on October 2017 and signed by N.B Sudhakaran, Plantation Director.</p> <p>The policy covers the management commitment on equal opportunities in employment and freedom of association for all workers in line with the ILO Core conventions.</p> <p>At the POM and Estates audited in the PMU had formed the JCC, ECC and WEC as a mechanism for consultation with workers and stakeholders.</p>	Yes
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	<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><b>- Major compliance -</b></p>	<p>The training program included the safety and health training such as firefighting and fire drill, exposure to high noise levels and control measures for protection of hearing and audiometric tests, understanding SDS and first aid training.</p> <p>The trainings were conducted in house and evaluation carried out on each of the trainings to determine its effectiveness. Appropriate PPE (safety helmets) had been provided to FFB harvesters and loaders at the place of work to cover all potentially</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		hazardous operations. Records of training for each employee, including new employees were maintained	
<b>4.4.6.2</b>	<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 skill and competency required to all employees based on their job description.</p> <p><b>- Major compliance -</b></p>	Training needs for each employee was made available to the audit team. Each employee is trained based on their job scope or work station.	Yes
<b>4.4.6.3</b>	<p>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.</p> <p><b>- Minor compliance -</b></p>	Training program has been planned for year 2020 Trainings were conducted based on categories of work stations. Sampled trainings and records include Grading Station, Loading Ramp Station, Threshing Station, Boiler Station etc.	Yes
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>IOI Group has established Sustainable Palm Oil Policy which cover the environmental aspect in oil palm plantation. The policy was signed by Dato' Lee Yeow Chot (Grop Chief Executive Officer) and Dr. Surina Ismail (Group Head of Sustainability). Revised on March 2018.</p> <p>Record of communication and training as follows:</p>	Yes

Criterion / Indicator		Assessment Findings					Compliance										
		1. Pengasingan Bahan Buangan, delivered by Mr. Kor Chern Hua on 24.04.2020 and attended by the workers. 2. Penyelenggaraan Perangkap Minyak (Oil Trap Maintenance), delivered by Mr. Kor Chern Hua on 14.04.2020. 3. Water quality index training, delivered by Mr. Kor Chern Hua, conducted on 07.04.2020.															
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations <b>- Major compliance -</b>	The aspect impact for Gomali Palm Oil Mill was made available to the audit team. Sighted some of the analysis as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Area</th> <th style="width: 15%;">Waste Generated</th> <th style="width: 15%;">Main Activity</th> <th style="width: 25%;">Type of Aspects</th> <th style="width: 30%;">Type of Impacts</th> </tr> </thead> <tbody> <tr> <td>Effluent pond</td> <td>POME</td> <td>Discharge of POME</td> <td>           a. Increase in BOD and affects aquatic lives and beneficial activities by humans in the downstream.             b. Insufficient BOD in effluent due to high sedimentation of solid in pond.             c. Possibilities of underground         </td> <td>Water pollution.</td> </tr> </tbody> </table>					Area	Waste Generated	Main Activity	Type of Aspects	Type of Impacts	Effluent pond	POME	Discharge of POME	a. Increase in BOD and affects aquatic lives and beneficial activities by humans in the downstream.  b. Insufficient BOD in effluent due to high sedimentation of solid in pond.  c. Possibilities of underground	Water pollution.	Yes
Area	Waste Generated	Main Activity	Type of Aspects	Type of Impacts													
Effluent pond	POME	Discharge of POME	a. Increase in BOD and affects aquatic lives and beneficial activities by humans in the downstream.  b. Insufficient BOD in effluent due to high sedimentation of solid in pond.  c. Possibilities of underground	Water pollution.													

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Criterion / Indicator		Assessment Findings					Compliance
					contamination via leaching thru subsoils.		
		FFB process	1.EFB 2.Fiber 3.Shell 4.Boiler ash	Process of FFB	a.EFB liquor run off is expected during decomposition when heaped and not evacuated from the mill  b.Inadequate pressing of EFB will lead to breeding ground for houseflies and may cause health issues.  c. Dumping of boiler ash at localized area due to delay in collection or no collection.	Water Pollution  Land Pollution	
		Scrapped iron area	N/A	Storage and disposal of	Disposal of welding stick/scrap iron on ground	Land contamination	

Criterion / Indicator		Assessment Findings					Compliance
				scrapped iron			
		Chemical store	Empty chemical containers	Storage of chemicals	Chemical spillage	Water & land pollution	
<b>4.5.1.3</b>	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.  - <b>Major compliance</b> -	The management has established the management control / mitigation plan. Sighted some of the plans as follows:					Yes
		Main activity	Type of impact	Mitigation plan	Documents to review	Management comments	
		Discharge of POME	Water pollution	1.To release POME according to DOE specifications. 2.Schedule of desludging solids from effluent ponds to be budgeted and monitoring by visual observation. 3.Monitoring of water course on a yearly basis.	Pome effluent analysis results  Simplified StOP for green tube system.  Desludging plan.	Ongoing weekly.  Record daily	

Criterion / Indicator		Assessment Findings					Compliance
		Noise from machineries	Noise pollution	1. Surveillance and maintenance of gearbox to be performed regularly. 2. Train and monitor maintenance operator to apply the right amount of grease to be bearing. 3. Weekly cleaning to remove solid waste	Mill process documents	Records daily	
		Smoke emission from lorries and tractors	Air pollution	To advice and train the contractor to switch off the engines when not in used.	Training for contractors	ongoing	
<b>4.5.1.4</b>	A programme to promote the positive impacts should be included in the continual improvement plan.  - <b>Minor compliance</b> -	Continual Improvement Plan has been developed and implemented for the promotion of positive impacts such as using Geotubes to help filter effluents solids and the maintenance of the fencing for the water ponds supplying water to the mill					Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.5	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.  - Major compliance -	Verified that the documented training programme had been established. Briefing on the awareness and understanding of the objectives on Environmental management were adequately conducted and conveyed to all levels of staff.	Yes
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.  - Major compliance -	The mill management has conducted their first meeting 30 <sup>th</sup> March 2020. It was chaired by Mr. Chai Tian Siang (mill manager) and attended by 26 people (various work station). Among the agenda discuss during the meeting were: <ol style="list-style-type: none"> <li>1. Updated information from the management.</li> <li>2. Schedule waste arrangement. Disposal will be made in April 2020 for SW109, SW110, SW305, SW306, SW322, SW409 and SW410.</li> <li>3. Effluent and emission management updates.</li> <li>4. Optimizing &amp; monitoring of diesel FFB or CPO &amp; TNB usage</li> </ol>	Yes
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
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 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	Usage of non-renewable energy is monitored on monthly basis. Record on the usage of diesel and electricity is available for review. Monthly records on energy consumption were maintained at the palm oil mill. Records were made available to the audit team and verified.	Yes

Criterion / Indicator		Assessment Findings	Compliance								
	- Major compliance -										
4.5.2.2	<p>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.</p> <p>- Major compliance -</p>	<p>The mill management has estimated the direct usage of non-renewable energy for their operation. This is confirmed in their annual budgets which indicated the cost (RM) of non-renewable energy such as diesel and petrol. For monitoring purpose, the mill has recorded the following data and tabulated the ration against the FFB processed and CPO produced to determine the efficiency of their operations.</p> <p>a. Diesel used for the milling process</p> <p>b. Fiber or shell used.</p>	Yes								
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>The mill management has installed the biogas plant in order to reduce dependency to the TNB power supply. However, the plant has yet to commission and waiting approval from the authorities.</p>	Yes								
<b>Criterion 4.5.3: Waste management and disposal</b>											
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>Waste Management Plan was made available to the audit team and sighted. The Sustainability Team has identified the waste produced from the activities in the daily mill operation. As follows:</p> <table border="1" data-bbox="878 1134 1653 1343"> <thead> <tr> <th>Work Station</th> <th>Waste generated</th> <th>Action plan</th> <th>Documents to be reviewed</th> </tr> </thead> <tbody> <tr> <td>Effluent pond</td> <td>POME</td> <td>To discharged POME to land according to</td> <td>Effluent flow meter BOD records</td> </tr> </tbody> </table>	Work Station	Waste generated	Action plan	Documents to be reviewed	Effluent pond	POME	To discharged POME to land according to	Effluent flow meter BOD records	Major non-conformity
Work Station	Waste generated	Action plan	Documents to be reviewed								
Effluent pond	POME	To discharged POME to land according to	Effluent flow meter BOD records								



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Criterion / Indicator		Assessment Findings				Compliance
				the DOE requirement		
		Mill Upkeep	Spillage of oil during CPO dispatch Lubricant oil leakage	To check the pipe line before dispatch To check manhole and rubber packing conditions.	Oil trap checklist	
		Mill process	EFB Fiber Shell	Excess EFB to be used as alternative boiler fuel.	Mill daily EFB transport records.	
		<p>During the site visit, audit found paint container in a dust bin, which supposed to be treated as schedule waste and be disposed in an appropriate way. Waste Management Plan has been reviewed, however the empty paint container was not identified in the waste management plan.</p>				
<b>4.5.3.2</b>	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:	Waste management plan was developed and made available to the audit team. The plan covers the identification & monitoring source of waste and pollution and improving the efficiency & recycling potential of mill by products by converting them into value added products.				Major non-conformity

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Criterion / Indicator		Assessment Findings	Compliance
	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. <b>- Major compliance -</b>	<p>The mill management reused POME to captured methane gas for mill operation and compound consumption in order reduce dependency to electric supply by Tenaga Nasional Berhad.</p> <p>During the site visit, audit team found 2 schedule wastes which was not properly handled.</p> <ul style="list-style-type: none"> <li>a. Empty paint container dumped in bin</li> <li>b. Empty chemical container left near a store building</li> </ul> <p>According to the regulation, both wastes must be disposed through a licensed schedule waste contractor.</p>	
<b>4.5.3.3</b>	<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> <b>- Major compliance -</b>	<p>The company has established standard operating procedure for handling chemical that are classified under Environmental Quality Regulations (Schedule Waste) 2005, Environmental Quality Act. The disposal of used chemical and empty chemical container were conducted in a proper way.</p>	Yes
<b>4.5.3.4</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <b>- Minor compliance -</b>	<p>Domestic waste disposed in the landfill located in Gomali Estate. The domestic waste managed by the estate management.</p>	Yes

Criterion / Indicator		Assessment Findings					Compliance
<b>Criterion 4.5.4:</b> Reduction of pollution and emission							
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	The polluting activities are identified and documented in the Environmental Aspect & Impact identification. The impact will be evaluated and be included in the management plan. Greenhouse gas emission were monitored on yearly basis using GHG calculation which is accepted by RSPO and ISCC. GHG reports were made available to the audit team and reviewed.					Yes
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	Action plan to reduce identified significant pollutants and emissions as follow:					Yes
		Main activity	Type of impact	Mitigation plan	Documents to review	Management comments	
		Discharge of POME	Water pollution	4.To release POME according to DOE specifications. 5.Schedule of desludging solids from effluent ponds to be budgeted and monitoring by visual observation.	Pome effluent analysis results  Simplified StOP for green tube system.  Desludging plan.	Ongoing weekly.  Record daily	

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				6. Monitoring of water course on a yearly basis.			
		Noise from machineries	Noise pollution	4. Surveillance and maintenance of gearbox to be performed regularly.  5. Train and monitor maintenance operator to apply the right amount of grease to be bearing.  6. Weekly cleaning to remove solid waste	Mill process documents	Records daily	
		Smoke emission from lorries and tractors	Air pollution	To advice and train the contractor to switch off the engines when not in used.	Training for contractors	ongoing	
<b>4.5.4.3</b>	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in	The treated mill effluent discharge is regularly monitored as prescribed in the Compliance Schedule issued to the mill. Regular monitoring is made on monthly basis					Yes

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	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>and quarterly. In addition, daily site checking on the effluent ponds are made by the person in charge. Report for the effluent parameters were made available during the audit program and reviewed.</p>	
<b>Criterion 4.5.5: Natural water resources</b>			
<b>4.5.5.1</b>	<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> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill’s current activities.</li> <li>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.).</li> </ul> <p><b>- Major compliance -</b></p>	<p>Water management plan for year 2020 has been made available and reviewed. The source of water extracted from Sungai Muar. Water quality analysis is conducted twice a year and the water samples were sent to IOI Research Center. Water sampling result shows that for domestic use, it has met the all the required parameters. The mill reuses the water generated from the boiler steam in order to reduce the consumption of water.</p>	Yes

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4.5.5.2	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.  - Major compliance -	The mill management release the POME to the land irrigation as per guided in the Schedule of Compliance.	Yes
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Mill Management</b>			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.  - Major compliance -	The company has established Standard Operating Procedures and Safe Working Procedure. These documents provide guidelines and standard in the mill operations. The standard operating procedure described details from the reception, sterilization, threshing, pressing, clarification, depericarping (nut polishing) station, effluent, laboratory, workshop and etc.	Yes
4.6.1.2	All palm oil mills shall implement best practices.  - Major compliance -	The mill has implemented best practices in their daily operating activities. The implementation has been monitored by the top management of the palm oil mill which include water management, emission monitoring, effluent discharge, safety & health monitoring and waste disposal.	Yes
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
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.	5 years business management plan for the palm oil mill has been made available and reviewed. The document is well kept in Business Management Files. The items included in the plan were:  a. Capital expenditure	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<ul style="list-style-type: none"> <li>b. Crop projection and mill extraction rate</li> <li>c. Cost of production</li> <li>d. Budget for social, environmental, safety &amp; health, training and promotions.</li> </ul> Performances are discussed during the monthly meeting held at the meeting room in the palm oil mill.	
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	All fresh fruit bunches (FFB) supplied to the mill are from IOI's own estates. The pricing for FFB is an internal matter.	Yes
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Based on contracts agreed between contractors/service providers and the estates, it is evident that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.  Interview with parties concerned confirmed that business practices with local businesses were conducted in a fair and transparent manner. It is further verified that payments to contractors and other service providers are paid within the period specified in the contract agreement.	Yes
<b>Criterion 4.6.4: Contractor</b>			
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	External contractors are normally for FFB/EFB and harvesting. The contractor's workers were interviewed and do basically understand the MSPO requirements. Information such as policies and procedures are provided.	Yes

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	documentation and information. <b>- Major compliance -</b>	Sighted the agreement for Pengangkutan Wawasan Kota Sdn Bhd with Dynamic Plantations Berhad dated 30/09/2019 valid until 31/08/2021.  In the special conditions mentioned: the contractor also requested to oblige to all the requirements of RSPO, MSPO and ISCC.	
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	Contract agreements are signed between the respective Estate Managers and the Contractor. The terms and conditions of the contract are explained to the contractor.  A copy of the contract is given to the contractor.  In the special conditions mentioned: the contractor also requested to oblige to all the requirements of RSPO, MSPO and ISCC.	Yes
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. <b>- Minor compliance -</b>	Acceptance is confirmed by the Management prior to the audit via acceptance of Audit contract and Audit Plan and the 5-year MSPO certification programme.  Management has the IOI Group-Additional requirements for contractors and service providers and Transport Policy which stated that the company and its certification bodies have the right to audit the contractor/service provider regarding the above.	Yes



**MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders**

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. - <b>Major compliance</b> -	IOI Corporation Berhad has documented the Group Sustainable Palm Oil Policy (SPOP) revised May 2020 signed by Dato Lee Yeow Chor (Group Managing Director & Chief Executive Officer and Dr Surina Ismail (Group Head of Sustainability).	Yes
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. - <b>Major compliance</b> -	The policy had also clearly stated the company's commitment which included continual improvement in the overall aspects of plantation management and community development. Example as below: <ol style="list-style-type: none"> <li>1. Environmental management.</li> <li>2. Human rights and workplace.</li> <li>3. Community development and social impact.</li> <li>4. Traceable supply chains.</li> <li>5. Transparency and wider engagement.</li> </ol>	Yes
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - <b>Major compliance</b> -	There is a documented procedure for conducting Internal audit. Audit was planned on to be held on annual basis which is conducted by the Sustainability Team.	Yes
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of	A procedure for internal audit was established and documented, i.e. SOP 8 Issue 1 Rev 0 (03/05/2018).	Yes

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	<p>strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p><b>- Major compliance -</b></p>	<p>Internal audits at the estates audited namely:</p> <ol style="list-style-type: none"> <li>1. 22 non-conformity raised in Bertam Estate on 16/03/2020 and closed.</li> <li>2. 38 non-conformity raised in Jasin Lalang Estate on 10/06/2020 and closed.</li> <li>3. 4 non-conformity raised in Bahau Estate on 15/06/2020 and closed.</li> <li>4. 40 non-conformity raised in Kuala Jelei Estate on 17/06/2020 and closed.</li> </ol> <p>Audit results were evaluated, and corrective actions taken on the non-conformances.</p>	
<b>4.1.2.3</b>	<p>Report shall be made available to the management for their review.</p> <p><b>- Major compliance -</b></p>	<p>The audit reports were documented and made available for Management review.</p>	Yes
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	<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><b>- Major compliance -</b></p>	<p>Management review for the estates were conducted on 23/06/2020 (Bertam Estate), 22/06/2020 (Jasin Lalang Estate), 25/06/2020 (Bahau Estate) and 25/06/2020 (Kuala Jelei Estate) and minutes of meeting maintained. The status of the implementation of MSPO was noted to be discussed. Appropriate improvement actions were recommended for the management system of the Estates and POM.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. <b>- Major compliance -</b>	Continuous improvement plan for the estates were verified and documented under long range budget and CAPEX. The coverage is mainly on the estate operation and safety related budget. Among the plan schedule for year 2020 are, to repair main road, repaint worker’s quarters and to implement tractor mounted grabber.	Yes
<b>4.1.4.2</b>	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. <b>- Major compliance -</b>	The estate management has developed training programs which cover the safety & health and sustainability aspect for year 2020. This program is based on the training needs analysis that was established in the early years.	Yes
<b>4.1.4.3</b>	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. <b>- Major compliance -</b>	Training program is part of the action plan to provide the necessary training to implement new techniques or new standard where applicable. Example, Bahau Estate has planned to use bin system and tractor mounted grabber for FFB evacuation process. Scheduled on October 2020.	Yes
<b>4.2 Principle 2: Transparency</b>			
<b>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</b>			
<b>4.2.1.1</b>	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or	The management has adopted an open and transparent method of communication and consultation when dealing with relevant parties e.g. its workers, government agencies, contractors, neighboring	Yes

Criterion / Indicator		Assessment Findings	Compliance
	disclosure that could result in negative environmental or social outcomes. <b>- Major compliance -</b>	plantations by personal invitation to attend the internal and external stakeholders' consultation meetings.  Languages used in written communications are in Bahasa Malaysia and English and verbally done for foreign workers via their workers representatives/ leaders for their respective nationalities and native dialects such as Hindi, Nepalese & Bangladeshi.	
<b>4.2.1.2</b>	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. <b>- Major compliance -</b>	Management documents such as Policies, Stakeholder consultation processes, Financial Annual Reports are available upon request and at the IOI website: <a href="http://www.ioigroup.com/Content/S/S_Policy">http://www.ioigroup.com/Content/S/S_Policy</a> .  Any commercially confidential information will need special request before being provided.	Yes
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	The management had established procedures and mechanisms to conduct stakeholders' consultations, handle complaints and grievances through stakeholders' meetings, Women Empowerment Committee (WEC), Employee Consultative Committees (ECC), Safety & Health Committees (SHC).	Yes
<b>4.2.2.2</b>	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. <b>- Minor compliance -</b>	The respective Estates Manager is overall responsible for any issues raised by local communities and other affected or interested parties regarding Estate operations. Social Liaison Officers are also nominated to coordinate activities of the stakeholders, WECs, ECCs and SHCs.  Appointments letters as issued to the respective Social Liaison Officers. Sighted the letters as below:	Yes

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		<ol style="list-style-type: none"> <li>1. Bertam Estate: Mr. Mohd Faizul Nizam (Field Supervisor) on 02/01/2020.</li> <li>2. Jasin Lalang Estate: Mr. Ahmad Safwan (Cadet Assistant) on 26/08/2019.</li> <li>3. Bahau Estate: Mr. Jailani Abd Rahman (Cadet Assistant) on 17/07/2018.</li> <li>4. Kuala Jelei Estate: Mr. Lee Yu Xiang (Asst Manager in charge) on 23/06/2017.</li> </ol>	
<b>4.2.2.3</b>	<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><b>- Major compliance -</b></p>	<p>Latest stakeholders list sighted at the Gomali group estates was updated till 01/01/2020 (Bertam Estate, Bahau Estate &amp; Kuala Jelei Estate) and 15/01/2020 (Jasin Lalang Estate) which included all contractors such as FFB/EFB transporters and Schedule waste contractors.</p> <p>Records of consultation and communication included attendance lists, minutes of the meetings, photographs of the meetings and meeting notes.</p> <p>Minutes of meetings had noted deliberation of the issues raised and recommendations of actions to be taken and the follow-up. Sighted samples as below:</p> <ol style="list-style-type: none"> <li>1. Bertam Estate: Internal stakeholder meeting (15/06/2020) and external stakeholder meeting (24/05/2020).</li> <li>2. Jasin Lalang Estate: Internal stakeholder meeting (22/06/2020) and external stakeholder meeting (19/06/2020).</li> <li>3. Bahau Estate: Internal stakeholder meeting (24/05/2019) and external stakeholder meeting (24/04/2019).</li> </ol>	Yes

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		4. Kuala Jelei Estate: Internal stakeholder meeting (22/04/2019) and external stakeholder meeting (24/04/2019).	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). <b>- Major compliance -</b>	The IOI Group has established, implemented and maintained a procedure for traceability of FFB from the estates to the CPO and PK produced by the POM. Documented SOP on Traceability: SOP/COC/3 Issue No. 05 dated 01/01/2018.	Yes
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	Compliance with the traceability system determined via regular inspections, checking of records and internal audits.	Yes
<b>4.2.3.3</b>	The management should identify and assign suitable employees to implement and maintain the traceability system. <b>- Minor compliance -</b>	The Palm Oil Mill and Estates Organization Charts and job responsibilities of employees (Mill Manager, Estate Managers, Assistant Manager, Engineers, Assistant Engineers, Technicians, Security Officer, Weighbridge Operator, Laboratory Chemist and clerks) have been suitably defined for the implementation and maintenance of the traceability procedure.  Interviews of the relevant staff confirmed their knowledge of the traceability requirements for their respective areas of operations.	Yes
<b>4.2.3.4</b>	Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b>	All records of FFB harvested, transported and delivered to the POM were maintained and verified to be traceable via the Delivery Note, Lorry Ticket and Weighbridge Ticket which were maintained at the respective estate offices.	Yes

Criterion / Indicator	Assessment Findings	Compliance	
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p>Bertam Estate</p> <p>Sighted lists of permits/licenses which has been monitored and updated periodically includes;</p> <ol style="list-style-type: none"> <li>1. MPOB license 509491002000 expiry 31.12.2020</li> <li>2. Calibration of weighing machine expiry on 23.07.2020</li> <li>3. "Permit Barang Kawalan Berjadual – PDN(M)SK2/022/2008(D) renewal for 2020 pending for approval from Kementerian Perdagangan Dalam Negeri &amp; Hal Ehwal Pengguna" due to Movement Constraint Order.</li> </ol> <p>Jasin Lalang Estate</p> <ol style="list-style-type: none"> <li>1. Permit to store diesel and petrol expired on 31.12.2021, reference no: MDJ/4/035/3</li> <li>2. MPOB license expired on 31.05.2021, reference no 611934002000.</li> <li>3. Certificate of fitness for air compressor expired on 10.10.2020, reference no: PMT-MK/1916445.</li> <li>4. Calibration of weighing machine expired on, reference no B1553505.</li> </ol>	<p>OFI</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Bahau Estate</p> <ol style="list-style-type: none"> <li>1. Deduction permit:               <ol style="list-style-type: none"> <li>a. Water: PMT10502/2019/005, expired on 22.10.2022</li> <li>b. Electricity: PMT10502/2019/0014, expired on 22.10.2022.</li> </ol> </li> <li>2. Permit to store diesel, N000081, expired on 03.10.2020</li> <li>3. OFI: MPOB license, 5863701000, expired on 30.06.2020. However, hectarage stated in the licensed is not tally with the estate’s area statement and land title, in the license it shows 3028.76 ha, but the area statement shows 2844.17 ha. Hence, OFI is raised.</li> <li>4. Certificate of fitness for air compressor expired on 28.11.2022, PMT-NS/180856</li> </ol> <p>Kuala Jelei Estate</p> <ol style="list-style-type: none"> <li>1. MPOB license reference no:586620002000, expired 30.06.2021, licensed for 678.9 ha. Hectarage in land title shows a little difference compare to MPOB license by exceeding the 0.3583 ha. AOC o OFI</li> <li>2. Water deduction permit expired in 29.09.2022, reference no: PMT10502/2019/0013</li> <li>3. Electricity deduction permit expired in 15.12.2022, reference no: PMT10502/2018/0020</li> </ol>	



Criterion / Indicator		Assessment Findings	Compliance
		4. Diesel storing permit expired in 26.12.2020, reference no: N000402	
<b>4.3.1.2</b>	<p>The management shall list all laws applicable to their operations in a legal requirement register.</p> <p><b>- Major compliance -</b></p>	<p>The Company has established and updated list of applicable laws and regulations that are applicable for the estate. The legal register is prepared by Sustainability Unit (SU) Department.</p> <p>It includes the following:</p> <ol style="list-style-type: none"> <li>1. Occupational Safety and Health Act 1994</li> <li>2. Pesticides Act 1974 (Act 149)</li> <li>3. Fire Service Act, 1984</li> <li>4. Environmental Quality Act 1974</li> <li>5. Workers' Minimum Standards of Housing and Amenities Act 1990</li> <li>6. Akta Kerja 1955</li> <li>7. Employee Provident Fund Act 1991</li> <li>8. Employees Sosial Security Act 1969</li> <li>9. National Wage Consultative Council Act 2011, Minimum Wages Order 2012</li> </ol>	Yes
<b>4.3.1.3</b>	<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><b>- Major compliance -</b></p>	Sustainability Unit Team will update the legal register if any new regulation or if there is amendment in the legal and will distribute it to each operating unit.	Yes
<b>4.3.1.4</b>	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p>	<u>Bertam Estate</u>	Yes

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	- <b>Minor compliance</b> -	<p>The company has appointed Mrs. Logeswary Anantam (Sustainability Staff) as Legal Liaison Officer for Bertam Estate. The appointment was made in 2<sup>nd</sup> January 2020.</p> <p><u>Jasin Lalang Estate</u></p> <p>The company has appointed Mr. Muhammad Amin Bin Abd Rahni (assistant manager) as Legal Liaison Officer for Jasin Lalang Estate. The appointment was made in 14<sup>th</sup> May 2020.</p> <p><u>Bahau Estate</u></p> <p>The company has appointed Mr. Muhammad Zulfikry (cadet assistant manager) as Legal Liaison Officer for Bahau Estate. The appointment was made in 02<sup>nd</sup> September 2019</p> <p><u>Kuala Jelei Estate</u></p> <p>The company has appointed Mr. Lee Yu Xiang (assistant manager in charge) as Legal Liaison Officer for Kuala Jelei Estate. The appointment was made in 01<sup>st</sup> January 2018.</p>	
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- <b>Major compliance</b> -</p>	<p>Communities surrounding the estates can move freely without any issues or problems. Verified during site inspection that no such limitations had occurred.</p>	Yes
<b>4.3.2.2</b>	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p>	<p><u>Bertam Estate</u></p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	Quit rent was made available to the audit team. Latest quit rent was paid on 15 <sup>th</sup> June 2020. <u>Jasin Lalang Estate</u> Quit rent receipt was sighted and paid in 9 <sup>th</sup> June 2020. <u>Bahau Estate</u> Quit rent was paid on 29.05.2020.	
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.  - <b>Major compliance</b> -	Boundary markers are clearly demarcated and visibly maintained.	Yes
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).  - <b>Minor compliance</b> -	There were some borders of the estates immediately adjacent to local villages. However, there has been no land disputes.  As such, the process of fair compensation and FPIC is currently not required to be applied.	Yes
<b>Criterion 4.3.3 – Customary rights</b>			
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.  - <b>Major compliance</b> -	Not applicable as the lands are titled lands which are not encumbered by customary rights.	N/A

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. <b>- Minor compliance -</b>	Appropriate landscape maps with latitude & longitudes showing the legal boundary and neighboring / surrounding areas of the estates were available and maintained.  The lands at Gomali Grouping are legally owned or leased by IOI Group and it is verified that there were no other users or affected parties in the land areas.	Yes
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. <b>- Major compliance -</b>	Not applicable as the titled lands are not encumbered by customary rights.	N/A
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	Social Impact Assessment, Management Action Plans and Continuous Improvement Plan (2020-2025) for the POM and Estates was last review on 18/06/2020 (Bertam Estate & Jasin Lalang Estate) and 19/06/2020 (Bahau Estate & Kuala Jelei Estate)  The SIA contains inputs from external and internal stakeholders' consultation. The meeting was conducted as follows:  <u>Bertam Estate:</u> External stakeholder on 24 June 2020 with 10 participants representing the mill and estates; Internal stakeholder on 23 June 2020 with 14 participants from the mill and estates.	Yes

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		<p><u>Jasin Lalang Estate:</u>            External stakeholder on 19 June 2020 with 7 participants representing the mill and estates;            Internal stakeholder on 22 June 2020 with 10 participants from the mill and estates.</p> <p><u>Bahau Estate &amp; Kuala Jelei Estate:</u>            External stakeholder on 24 April 2019 with 55 participants and representing the mill and estates;            Internal stakeholder on 24 May 2019 with 15 participants (Bahau Estate) and 22 April 2019 with 19 participants (Kuala Jelei Estate) from the mill and estates.</p> <p>Monitoring records were retained and made available as evidence that actions had been taken.</p>	
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented.  - <b>Major compliance</b> -	The management had established the following grievances SOP/guideline: a) SIA (8.5 Grievance Procedure). b) Guidelines for Implementation Women and Empowerment Committee (WEC) Doc Ref: IOI/G/SE/001 Rev no: 01, issue date: 17/02/2020 Appendix B: Internal Grievances Standard of Procedure. c) Grievance procedure Do ref: IOI/P/GP/001 Rev No: 1, Rev date: 20/01/2020.	Yes
<b>4.4.2.2</b>	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	The procedure and flowchart outlined the mechanism whereby all complaints or grievances will be received and be acted upon by the Social Liaison Officers who will investigate the matter and resolve with	Yes

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	- <b>Major compliance</b> -	the affected parties. Furthermore, the process requires the compliant and grievance to be resolved within 24 hours (acknowledge), 30 working days (investigate) and 10 working days (meet up). No complaints related to sexual harassment received so far, but the procedures stated such issues will be handled with the utmost privacy and confidentiality by the GCC. Verified that there no instances of any serious disputes.	
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.  - <b>Minor compliance</b> -	Employees and affected stakeholders can make complaints by recording in the Complaints & Grievance Book kept at the Estate offices.  Sample of last complaint reviewed: <ol style="list-style-type: none"> <li>1. Bertam Estate: 19/05/2020: Request to repair the broken water pipe in shower room. The issue was resolved 30 May 2020 and agreeable by both party concern.</li> <li>2. Jasin Lalang Estate: 11/06/2020: Broken light and water tank at house no: A3. The issue was resolved 21 June 2020 and agreeable by both party concern.</li> <li>3. Bahau Estate: 22/06/2020: Broken light at bedroom house no L6. The issue was resolved 27 June 2020 and agreeable by both party concern.</li> <li>4. Kuala Jelei Estate: Broken window. The issue was resolved 06 May 2020 and agreeable by both party concern.</li> </ol>	Yes
<b>4.4.2.4</b>	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.  - <b>Minor compliance</b> -	The Management informed the workers and surrounding communities at the internal and external Stakeholders consultations regarding their complaint/grievance procedure and feedback mechanism. External stakeholders' consultation with the local communities and employees. Participation of external stakeholders were verified,	Yes

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		<p>including participants from contractors, suppliers, government agencies, police, neighboring estate, etc.</p> <p>The presentation during the stakeholder consultation was reviewed and confirm that such briefing was provided during the stakeholder consultation meeting. The complaint and grievances can be submitted through the following channels established by the POM and estates are:</p> <ul style="list-style-type: none"> <li>• In the Complaint/Grievance book located at the respective mill or estate office;</li> <li>• Email; grievance@ioigroup.com;</li> <li>• Telephone, 603-8947 8701;</li> <li>• In writing to, IOI Corporation Bhd, Attention to Sustainability Department (Grievance Coordinator)</li> </ul>	
<b>4.4.2.5</b>	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p><b>- Major compliance -</b></p>	<p>The Complaint and Grievance Books that recorded the nature of complaints and the resolutions had been maintained and available for the past 3 years.</p>	Yes
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
<b>4.4.3.1</b>	<p>Growers should contribute to local development in consultation with the local communities.</p> <p><b>- Minor compliance -</b></p>	<p>Main contribution of the mill and estates to the local development was demonstrated in the provision of facilities and monetary contributions, where feasible.</p> <p>The contribution provided are:                      Bertam Estate:                      a) Majlis Makan Malam &amp; Doa Selamat Untuk Pekerja in Bertam Estate (13/12/2019)</p>	Yes

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	<ul style="list-style-type: none"> <li>b) Hindu temple donation for wall paint (RM 100.00)</li> <li>c) Gotong-royong Pekerja Ladang Bertam (28/11/2019)</li> </ul> <p>Jasin Lalang Estate:</p> <ul style="list-style-type: none"> <li>a) Free chicken meat for each family for Labour Day as sighted in petty cash voucher (10045).</li> <li>b) Permission to have mass gathering for annual praying at Hindhu Temple on 14-15/12/2019.</li> </ul> <p>Bahau Estate:</p> <ul style="list-style-type: none"> <li>a) Request to use the football field in Bahau Estate for sports day by SJK(T) Ladang Bahau on 10/01/2020.</li> <li>b) Contribution of 20 Chicken Meat to Balai Polis Bahau for Majlis Malam Jasamu Dikenang on 27/12/2019.</li> </ul> <p>Kuala Jelei Estate:</p> <ul style="list-style-type: none"> <li>a) Donation for Tokong Kuala Jelei on 12/01/2020 (RM100 approval).</li> </ul> <p>Regular consultation is evident. The consultation meeting minutes reviewed are:</p> <ul style="list-style-type: none"> <li>a) Bertam Estate: Internal stakeholder meeting (15/06/2020) and external stakeholder meeting (24/05/2020).</li> <li>b) Jasin Lalang Estate: Internal stakeholder meeting (22/06/2020) and external stakeholder meeting (19/06/2020).</li> <li>c) Bahau Estate: Internal stakeholder meeting (24/05/2019) and external stakeholder meeting (24/04/2019).</li> </ul>	



Criterion / Indicator		Assessment Findings	Compliance
		d) Kuala Jelei Estate: Internal stakeholder meeting (22/04/2019) and external stakeholder meeting (24/04/2019).	
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>The company has established an OSH Policy, which was signed by Mr. N B Sudhakaran, Plantation Director in April 2019. The policy stated the company's commitment to implement leading sustainability standards for human rights and workplace conditions.</p> <p>Jasin Lalang Estate.</p> <p>Safety &amp; Health Management Plan for 2020 – 2025 was sighted. It was prepared by the Safety &amp; Health Manager and approved by Senior Assistant in Charge.</p> <p>The estate management has arranged and conducted safety training to the workers based on their job scope.</p> <ul style="list-style-type: none"> <li>a. Prosedur Kerja Selamat: Pengurusan Bekas Bahan Kimia Kosong, 13.03.2020, attended by 5 people.</li> <li>b. Prosedur Kerja Selamat: Membancuh Bahan Kimia, 13.03.2020, attended by 6 people.</li> <li>c. Prosedur Kerja Selamat: Penggunaan Bahan Kimia, 03.03.2020, attended by 6 people.</li> <li>d. Menabur Baja Dengan Manual, 02.03.2020, attended by 6 people.</li> <li>e. Prosedur Kerja Selama: Pemetong Buah Sawit &amp; Pelepah, 18.01.2020, attended by 12 people.</li> </ul>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.4.4.2</b> The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risks of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:               <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> </li> <li>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).</li> <li>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.</li> <li>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.</li> </ul>	<p>Bertam Estate</p> <ul style="list-style-type: none"> <li>a. Records of safety training and briefing was sighted. Latest training conducted by the estate management was on 10.04.2020 regarding on the chemical usage in palm oil operation. The estate management also have Estate Safe &amp; Health Program for the Year 2020.</li> <li>b. HIRARC file was made available to the audit team</li> <li>c. Sighted the training regarding on the safe working procedures has been conducted to the spraying gang.</li> <li>d. PPE is provided by the estate management to the workers without any charges. Sighted the PPE issuance records.</li> <li>e. The company has established Occupational Safety &amp; Health Management System: Prosedur Kerja Selamat Penggunaan Bahan Kimia, dated on 0.01.2020, rev no: 05, doc reference: IOI-OSH 3.2.2.</li> <li>f. Mr. Mphd Faizul Nizam Hafiz was appointed as the Safety &amp; Heath Coordinator for Bertam Estate. The appointment was made on 02.01.2020.</li> <li>g. OSH meeting was conducted in accordance with the OSH Act. Meeting for 2020 was conducted on 12.03.2020 (first meeting) and 22.06.2020 (second meeting).</li> <li>h. Workers can demonstrate a fair understanding regarding on the accident and emergency procedure.</li> </ul>	<p>Yes</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>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.</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 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><b>- Major compliance -</b></p>	<p>i. Mandora is in charge for to take care of the first aid kit and he is always at the work station. Sighted during interview with spraying gang.</p> <p>j. The estate management has submitted the JKPP 8 form to the Department of Safety &amp; Health on 09.01.2020, reference no: JKKP8/44269/2019.</p> <p>jasin Lalang Estate</p> <p>a. Records of safety training and briefing was sighted. Latest training conducted by the estate management was on 10.04.2020 regarding on the chemical usage in palm oil operation. The estate management also have Estate Safe &amp; Health Program for the Year 2020.</p> <p>b. HIRARC file was made available to the audit team</p> <p>c. Sighted the training regarding on the safe working procedures has been conducted to the spraying gang.</p> <p>d. PPE is provided by the estate management to the workers without any charges. Sighted the PPE issuance recordsPPE issuance record for Jasin Lalang Estate to their workers was made available to the audit team. Sighted the issuance of nitrile glove to the spray gang on 21<sup>st</sup> January 2020.</p> <p>e. The company has established Occupational Safety &amp; Health Management System: Prosedur Kerja Selamat Penggunaan Bahan Kimia, dated on 0.01.2020, rev no: 05, doc reference: IOI-OSH 3.2.2.</p>	

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	<ul style="list-style-type: none"> <li>f. Mr. Muhammad Amin Bin Abd Rahni was appointed as the Safety &amp; Health Coordinator for Jasin Lalang Estate. The appointment was made on 14.05.2020.</li> <li>g. OSH committee meeting was conducted on 17.01.2020 attended by 16 people.</li> <li>h. Interview with the workers shows that they can demonstrate fair understanding regarding on accident and emergency procedures.</li> <li>i. During the site visit, the mandore is available at the work place equipped with the first aid.</li> <li>j. The estate management has submitted the JKPP 8 form to the Department of Safety &amp; Health on 31.01.2020, reference no: JKPP8/20202/2019.</li> </ul> <p>Bahau Estate</p> <ul style="list-style-type: none"> <li>a. Records of safety training and briefing was sighted. Latest training conducted by the estate management was on 10.04.2020 regarding on the chemical usage in palm oil operation. The estate management also have Estate Safe &amp; Health Program for the Year 2020.</li> <li>b. HIRARC file was made available to the audit team.</li> <li>c. Sighted the training regarding on the safe working procedures has been conducted to the spraying gang.</li> </ul>	

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	<ul style="list-style-type: none"> <li>d. PPE issuance record for manuring and spraying workers were made available to the audit team. Latest PPE was issued on 23.06.2020.</li> <li>e. The company has established Occupational Safety &amp; Health Management System: Prosedur Kerja Selamat Penggunaan Bahan Kimia, dated on 0.01.2020, rev no: 05, doc reference: IOI-OSH 3.2.2. State in the procedure that all spraying workers are required to do physical check up with estate clinic on monthly basis and to conduct annual surveillance by Occupational Health Doctor. Sighted the record on the physical checkup for May 2020 and medical surveillance report on 6<sup>th</sup> May 2020.</li> <li>f. Mr. Mohamad Hamdan Bin Hashim has been appointed as Safety &amp; Health Coordinator. The appointment was made on 10<sup>th</sup> July 2017.</li> <li>g. Meeting minutes were available to the audit team. Latest was conducted on 29.05.2020, attended by 18 people.</li> <li>h. During interview, the workers can demonstrate fair understanding regarding on the accident and emergency procedures.</li> <li>i. First aid kit with approved contents is available during the site visit. The mandora who is responsible with the kit also present during the visit.</li> <li>j. The estate submitted JKKP8 form on 09.01.2020, reference no: JKKP8/20838/2019.</li> </ul>	

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	<p>Kuala Jelei Estate</p> <ul style="list-style-type: none"> <li>a. Records of safety training and briefing was sighted. Latest training conducted by the estate management was on 10.04.2020 regarding on the chemical usage in palm oil operation. The estate management also have Estate Safet &amp; Health Program for the Year 2020.</li> <li>b. HIRARC file was made available to the audit team</li> <li>c. Sighted the training regarding on the safe working procedures has been conducted to the spraying gang</li> <li>d. PPE issuance record was made available to the audit team. Latest issuance was made to Mr. Juandi, on 21<sup>st</sup> May 2020.</li> <li>e. The company has established Occupational Safety &amp; Health Management System: Prosedur Kerja Selamat Penggunaan Bahan Kimia, dated on 0.01.2020, rev no: 05, doc reference: IOI-OSH 3.2.2. State in the procedure that all spraying workers are required to do physical check up with estate clinic on monthly basis and to conduct annual surveillane by Occupational Health Doctor.</li> <li>f. Mr. Lee Yu Xiang has been appointed as Safety &amp; Health Coordinator. The appointment was made on 23<sup>rd</sup> June 2017</li> <li>g. Meeting for OSH committee was conducted on 3<sup>rd</sup> March 2020. As for 2019, 4 meetings were conducted.</li> <li>h. During interview, the workers can demonstrate fair understanding regarding on the accident and emergency procedures</li> </ul>	

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>i. First aid kit with approved contents is available during the site visit. The mandora who is responsible with the kit also present during the visit</li> <li>j. The estate submitted JKKP8 form on 09.01.2020, reference no: JKKP8/43094/2019</li> </ul>	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	<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><b>- Major compliance -</b></p>	<p>The management had established the "Group Sustainable Palm Oil Policy" in May 2020 signed by Group Managing Director &amp; CEO, Dato' Lee Yeow Chor which covered the necessary aspects of human rights related issues.</p> <p>This policy can be accessed at IOI Group's website link <a href="https://www.ioigroup.com/Content/S/S_Enquiries">https://www.ioigroup.com/Content/S/S_Enquiries</a></p> <p>The employees are informed through briefing during the induction and refresher is conducted annually as below:</p> <ol style="list-style-type: none"> <li>1. Bertam Estate (07/03/2020) attended by 22 workers.</li> <li>2. Jasin Lalang Estate (13/03/2020) attended by 72 workers.</li> <li>3. Bahau Estate (04/06/2020) attended by 219 workers.</li> <li>4. Kuala Jelei Estate (21/05/2018) attended by 19 workers.</li> </ol> <p>However, Bertam Estate, Jasin Lalang Estate &amp; Kuala Jelei Estate has yet to communicate the new Group Sustainable Palm Oil Policy revised May 2020 to the workers.</p>	Major non-conformity

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<p><b>4.4.5.2</b> 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><b>- Major compliance -</b></p>	<p>The management had established the Equal Opportunity Employment &amp; Freedom of Association Policies where the commitments included:</p> <ul style="list-style-type: none"> <li>a) In line with ILO Core Conventions;</li> <li>b) All workers will receive equal treatment;</li> <li>c) The company respect freedom of association and collective bargaining as part of our commitment to support the fair and equitable treatment of our workers;</li> <li>d) The workers have the right to join or form trade unions of their own choosing;</li> <li>e) Trade unions have access to the company estates and will not interfere with the organizing of activities of workers;</li> <li>f) The freedom of association shall be instituted according and within the Trade Union Act 1959, Industrial Relations Act 1967 and Immigration Act 1956/63;</li> <li>g) The workers can submit their grievances through the Employees Consultative Committee (ECC);</li> <li>h) The purpose of these policies is to ensure that workers of the company is recruited and provided an environment which is free from unlawful discrimination, harassment or victimization and that we are implementing the Group's commitment to equal opportunities, freedom of association and collective bargaining at all times.</li> </ul> <p>The policy was last reviewed on October 2017 and signed by Mr. N.B Sudhakaran, Plantation Director. Employment records showed that this policy had been implemented and maintained.</p>	<p>Yes</p>
<p><b>4.4.5.3</b> 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>Documentation and conditions of pay for foreign workers hired in the Estates are available. Employment agreement with foreign workers, who are Indian, Bangladesh and Indonesian, stated all statutory fringe</p>	<p>Yes</p>



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<p>meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p>	<p>benefits and eligible incentives, e.g. working hours, overtime, leave and medical benefits, maternity leave for women, insurance coverage, deductions, resignation notice period, company rules. Company procedures require the employment contract to be explained by management to potential migrant workers before contracts are signed.</p> <p>Pay slips are available for verification showed the workers were able to earn living wage that meet the Minimum Wage Order 2019. For those workers employed before the Minimum Wage Order 2019, New/Amended Terms and Conditions of Employment Contract was signed by the workers on the new Minimum Wage Order 2019. Sampled of pay slip for workers as below:</p> <p>Bertam Estate:</p> <ol style="list-style-type: none"> <li>1. Employee id: BTE0080</li> <li>2. Employee id: BTE1097</li> <li>3. Employee id: BTE1158</li> </ol> <p>Jasin Lalang Estate:</p> <ol style="list-style-type: none"> <li>1. Employee id: JLE 1889</li> <li>2. Employee id: JLE 2678</li> <li>3. Employee id: JLE 2780</li> <li>4. Employee id: JLE 2790</li> </ol> <p>Bahau Estate:</p> <ol style="list-style-type: none"> <li>1. Employee id: BHE2672</li> <li>2. Employee id: BHE2286</li> <li>3. Employee id: BHE2749</li> <li>4. Employee id: BHE2231</li> </ol>	

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		<p>Kuala Jelei Estate:</p> <ol style="list-style-type: none"> <li>1. Employee id: KJE2046</li> <li>2. Employee id: KJE2495</li> <li>3. Employee id: KJE2547</li> <li>4. Employee id: KJE2528</li> <li>5. Employee id: KJE2398</li> </ol>	
<b>4.4.5.4</b>	<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><b>- Minor compliance -</b></p>	<p>The management ensured that employees of contractors are paid based on Minimum Wage Order 2019 by monitoring salary payment and interviewing the contractor's employees.</p> <p>The wage slips were review for the month of March, April and May 2020. The wages paid were calculated based on the official pay slip received by the workers and noted in compliance with the current practices.</p> <p>Sampled of pay slip for contractor's worker as below:</p> <p>Bertam Estate:</p> <ol style="list-style-type: none"> <li>1. CK Permai Enterprise: Saripudin (AT 980219)</li> <li>2. CK Permai Enterprise: Hapis Apriandi (AT941652)</li> </ol> <p>Bertam Estate:</p> <ol style="list-style-type: none"> <li>1. CK Permai Enterprise: Mistam (B1260553)</li> <li>2. CK Permai Enterprise: Mohamad Hasbi (B6829861)</li> </ol> <p>There are no contractor workers in both Bahau Estate and Kuala Jelei Estate.</p>	Yes
<b>4.4.5.5</b>	<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</p>	<p>The management maintained a master-list of employees that recorded the employee identification number, full names, identification number or passport number, gender, date of birth, age, date joined, and job assignment.</p>	Yes

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	<p>should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p>	<p>A brief description of the work that the foreign workers will be performing is written into the Offer of Employment as Plantation Worker.</p> <p>Full job descriptions are documented for senior positions, such as Managers, Social Liaison Officer, and Safety &amp; Health Officer with official appointment letter etc.</p>	
<b>4.4.5.6</b>	<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><b>- Major compliance -</b></p>	<p>The management has provided with employment contract from:</p> <ul style="list-style-type: none"> <li>a) India;</li> <li>b) Bangladesh;</li> <li>c) Indonesia;</li> </ul> <p>and the terms of employment are clearly specified in the contracts, which included position offered, period of employment, salary, overtime rate, rest days every sixth day, rate of pay when working on rest days, days and hours of work, approved deductions, termination of employment, holiday pay, rate of pay when working on holidays, leave pay, sick leave, passage expenses, expatriations of remains and burial arrangement and insurance.</p> <p>Briefing is conducted to all workers on the pay-slip and revised rate for the minimum wage order 2019 (Bertam Estate on 05/03/2020, Bahau Estate on 12/06/2020). Presentation, definition and information on calculation and deduction is provided in the workers primary language and with the present of translator.</p> <p>Foreign workers include:</p> <ul style="list-style-type: none"> <li>a) India;</li> <li>b) Bangladesh;</li> <li>c) Indonesia;</li> <li>d) Nepal</li> </ul>	Major non-conformity

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		However, sighted the employees with the working permit under IOI [Saripudin (AT 980219), Hapis Apriandi (AT941652), Mistam (B1260553)] has been deemed as contractor workers (CK Permai Enterprise). Their employment contract and pay slip are provided by CK Permai.	
<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.  <b>- Major compliance -</b>	At the estates audited, no biometric recording system was installed. Attendance is recorded for General Worker using Check roll logbook; and Portable Data record for harvester.	Yes
<b>4.4.5.8</b>	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.  <b>- Major compliance -</b>	The working hours of the employees and overtime rates are specified in the employment contract i.e. 8 hours per day and overtime rates are in accordance with the Employment Act 1955.	Yes
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.  <b>- Major compliance -</b>	Pay slips clearly showed the basic pay or piece rate, number of days worked or total output, any allowable deductions and net amount.  Any overtime, holiday pay, working on rest days and any other special day, when applicable, are also shown on the pay slips.  Training on the pay slip and briefing on the deduction including the calculation is provided during induction and re-fresh training is conducted annually. Briefing is conducted using a nominated translator from the workers themselves. Training material was reviewed and	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>noted adequate. Assessment is also conducted to ensure the workers understand the briefing.</p> <p>However, in Kuala Jelei Estate, it was found that Employee ID: Vasantha Dewi has the NUPW deduction of RM 11/month for Mar, Apr and May 2020. This is not in accordance with Memorandum of Collective Agreement Between IOI Group of Companies and NUPW for 2020 dated 17/06/2020: NUPW/AIA Insuran: i) Nota Persetujuan No 1 dalam Perjanjian Bersama IOI/NUPW 2020 subsidi RM3.00 (AIA) setiap Bulan bagi ahli Kesatuan Tempatan dan juga pekerja luar negara yang telah menyertai dalam Kesatuan NUPW.</p>	
<b>4.4.5.10</b>	<p>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.</p> <p><b>- Minor compliance -</b></p>	<p>The workers are offered incentives on output, provided training, access to medical care and other benefits such as free housing, free water supply and minimal charge (RM5) for electricity supply. Under the Minimum Wages &amp; Leave Pay Policies, the management as part of the KPIs Estate Manager must take pro-active measures to increase the workers' productivity, with target earnings of at least 20% more than the minimum wage for each worker during normal working hours (daily spread over period of ten hours).</p> <p>Local workers are provided with free education facilities (government school, free childcare and medical services to their dependents).</p>	Yes
<b>4.4.5.11</b>	<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><b>- Major compliance -</b></p>	<p>The management has provided adequate amenities to their local and foreign workers as well the grouping has provided adequate housing, water supplies, medical, educational and public amenities.</p> <p>Workers are provided free living quarters constructed of permanent materials that have living rooms, bedrooms, kitchen and toilets. All the houses are supplied with treated water and electricity. The workers</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>are provided with medical, educational and public amenities as the Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446).</p> <p>Disposal of domestic waste is collected by the management twice a day and transport to a specific location away from the community. The waste is stored in bins provided by independent contractor and collected every 10 days to be disposed to local authority approved landfill.</p>	
<b>4.4.5.12</b>	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>The management has established Policy on Harassment at Workplace, last reviewed on June 2018 and signed by N.B Sudhakaran, Plantation Director.</p> <p>Sexual Harassment Reporting Flowchart is established which include:</p> <ol style="list-style-type: none"> <li>1. Victim of making a complaint;</li> <li>2. Complaint made to respective mill or estate;</li> <li>3. Gender Committee Chairperson interview the victim;</li> <li>4. Investigation and action taken by Gender Committee Chairperson;</li> <li>5. Satisfied – matter close;</li> <li>6. If close, details recorded in the Gender book;</li> <li>7. Book kept by Gender Committee Chairperson/Manager in locked drawer;</li> <li>8. If not close; inform to Sustainability Department Gender Executive;</li> <li>9. Investigation and Action taken by Sustainability Department Gender Executive;</li> <li>10. Satisfied – matter close;</li> <li>11. If not, escalate to HR Department by Sustainability Department Gender Executive;</li> </ol>	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		12. Investigation by HR Department; 13. Domestic inquiry; 14. Final decision – legal/disciplinary action.	
<b>4.4.5.13</b>	<p>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><b>- Major compliance -</b></p>	<p>The policy provides the definition adopted by the management based on UN definition on harassment and sexual harassment. Grievance channels are in place such as Grievance Hotline, Employee Consultative Council (ECC), Joint Consultative Council (JCC), Woman and Empowerment Committee (WEC), via email or by post.</p> <p>WEC meeting is conducted every 6 months as below:</p> <ol style="list-style-type: none"> <li>1. Bertam Estate: 23/06/2020.</li> <li>2. Jasin Lalang Estate: 17/02/2020.</li> <li>3. Bahau Estate: 13/06/2020.</li> <li>4. Kuala Jelei Estate: 10/06/2020.</li> </ol> <p>JCC meeting is conducted every 2 months as below:</p> <ol style="list-style-type: none"> <li>5. Bertam Estate: 28/05/2020, 26/03/2020, 30/01/2020.</li> <li>6. Jasin Lalang Estate: 10/02/2020, 04/12/2020.</li> <li>7. Bahau Estate: 23/06/2020, 30/04/2020, 28/02/2020.</li> <li>8. Kuala Jelei Estate: 12/05/2020, 02/03/2020.</li> <li>9. OFI: Kuala Jelei Estate &amp; Jasin Lalang Estate: The JCC meeting was conducted is not as per Social Implementation Plan recommended (bi-monthly).</li> </ol>	OFI
<b>4.4.5.14</b>	<p>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</p>	<p>The management has established Equal Opportunity Employment &amp; Freedom of Association Policies, last reviewed on October 2017 and signed by N.B Sudhakaran, Plantation Director.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>programmes. Children shall not expose to hazardous working conditions.</p> <p><b>- Major compliance -</b></p>	<p>The policy covers the management commitment on equal opportunities in employment and freedom of association for all workers in line with the ILO Core conventions.</p> <p>At the POM and Estates audited in the PMU had formed the JCC, ECC and WEC as a mechanism for consultation with workers and stakeholders.</p>	
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	<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><b>- Major compliance -</b></p>	<p>Training program planned for year 2019 includes training for all categories of workers. Appropriate trainings on working practices are planned for:</p> <ol style="list-style-type: none"> <li>1. Environmental</li> <li>2. Good agricultural practice</li> <li>3. Standard operating procedure training</li> <li>4. Social training</li> <li>5. Traceability training</li> <li>6. Environmental program</li> <li>7. Good agricultural practices program</li> <li>8. Building and structure inspection</li> <li>9. Social program</li> <li>10. Sustainability program</li> <li>11. Legal program.</li> </ol>	Yes
<b>4.4.6.2</b>	<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 skill and competency required to all employees based on their job</p>	<p>The company has developed training needs for every level of the workers. Sighted the document indicated the training programmed for workers which cover safety &amp; health and sustainability</p>	Yes



Criterion / Indicator		Assessment Findings	Compliance
	description. - <b>Major compliance</b> -	<ol style="list-style-type: none"> <li>1. First aid training for all workers.</li> <li>2. Schedule waste store inspection</li> <li>3. Safe operating procedures chemical store handling</li> <li>4. Integrated pest management – barn owl management</li> <li>5. Harvesting training.</li> </ol>	
<b>4.4.6.3</b>	<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>- <b>Minor compliance</b> -</p>	Sighted the training program prepared for the estate workers. The training has been planned based on the training need analysis of each individual. During the time of audit, the estate management has committed to execute the necessary training to the employees. Training records were made available to the audit team.	Yes
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	<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>- <b>Major compliance</b> -</p>	The company has established IOI Group Sustainable Palm Oil Policy in 2018. The policy was prepared by Sustainable Team (Dr. Surina Ismail) and approved by Dato’ Lee Yeow Chor Group Chief Executive Officer, revised in March 2018.	Yes
<b>4.5.1.2</b>	<p>The environmental management plan shall cover the following:</p> <ol style="list-style-type: none"> <li>a) An environmental policy and objectives;</li> <li>b) The aspects and impacts analysis of all operations.</li> </ol> <p>- <b>Major compliance</b> -</p>	<p>The estate management has established Aspect &amp; Impact Assessment and Mitigation Measures which covers the following work stations or activities:</p> <ol style="list-style-type: none"> <li>a. Mature maintenance</li> <li>b. Harvesting</li> <li>c. FFB collection</li> </ol>	Yes

Criterion / Indicator		Assessment Findings	Compliance				
		<ul style="list-style-type: none"> <li>d. Scrap iron area</li> <li>e. Tractor washing bay</li> <li>f. Schedule waste store</li> <li>g. Maintenance and repair at workshop</li> <li>h. Chemical store</li> <li>i. Empty chemical store</li> <li>j. Fertilizer store</li> <li>k. Empty fertilizer bags store</li> <li>l. Lubricant store</li> <li>m. Diesel tank</li> <li>n. Premix station</li> <li>o. Waste collection area</li> <li>p. Grass cutting</li> <li>q. Line site.</li> <li>r. Road construction &amp; maintenance</li> <li>s. Transportation of fertilizer and spraying chemical</li> <li>t. Clinic</li> <li>u. Buffalo holding area</li> </ul>					
<b>4.5.1.3</b>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>Environmental plan has been developed based on the aspect impact assessment analysis. Sighted the plan to mitigate the negative and promote positive action for diesel tank activities:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Type of waste</td> <td>Used spill kit</td> </tr> <tr> <td>Main activity</td> <td>Diesel handling during intake and issue</td> </tr> </table>	Type of waste	Used spill kit	Main activity	Diesel handling during intake and issue	Yes
Type of waste	Used spill kit						
Main activity	Diesel handling during intake and issue						

Criterion / Indicator		Assessment Findings			Compliance
		Type of aspect	Diesel spillage		
		Type of impact	Water & land pollution		
		Mitigation plan	To provide spill kit during the intake and issuing the diesel.		
<b>4.5.1.4</b>	A programme to promote the positive impacts should be included in the continual improvement plan.  - <b>Minor compliance</b> -	Among the programs to promote positive impacts to the surrounding environments are:  <ol style="list-style-type: none"> <li>To established barn owl ration 1:20 (to reduce pesticide usage).</li> <li>To reduce bagworm infestation by increasing the beneficial plant ratio.</li> <li>Providing all workers with water container in order to reduce the purchase of water (plastic) and indirectly reduce the plastic waste.</li> </ol>			Yes
<b>4.5.1.5</b>	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.  - <b>Major compliance</b> -	Continual trainings were conducted by the estate management in order to equip all workers with relevant knowledges. Sighted the training as below:  <ol style="list-style-type: none"> <li>Latihan hidupan liar, conducted on 11.03.2020, delivered by Mohd Hanih, attended by 15 people.</li> <li>Buffer zone training for sprayer gang conducted on 17.02.2020, delivered by Abdul Razak attended by 5 people.</li> </ol>			Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>3. Buffer zone training for manuring gang conducted on 02.03.2020, delivered by K. Subramaniam attended by 6 people.</li> <li>4. Oil trap training, conducted on 30.01.2020, delivered by Muhammad Amin Abd Rahni, attended by 3 people.</li> <li>5. Waste segregation training, conducted on 10.03.2020, delivered by Muhammad Amin Abd Rahni, attended by 4 people.</li> </ul>	
<b>4.5.1.6</b>	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p><b>- Major compliance -</b></p>	<p><u>Bertam Estate</u></p> <p>Minute meeting was sighted and provided to the audit team:</p> <ul style="list-style-type: none"> <li>1. 18.06.2020 – second meeting in 2020</li> <li>2. 27.03.2020 – first meeting in 2020</li> <li>3. 20.12.2020 – fourth meeting in 2019</li> </ul> <p><u>Bahau Estate</u></p> <p>Minute meeting was sighted and made available to the audit team:</p> <ul style="list-style-type: none"> <li>1. 29.05.2020 – second meeting in 2020</li> <li>2. 28.01.2020 – first meeting in 2020</li> <li>3. 23.10.2019 – second meeting in 2019</li> </ul>	Yes
<p><b>Criterion 4.5.2:</b> Efficiency of energy use and use of renewable energy</p>			

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Criterion / Indicator		Assessment Findings	Compliance
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. <b>- Major compliance -</b>	The estate management has recorded the water and electricity consumption. As at May 2020, 30544 m3 of water has been used.	Yes
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. <b>- Major compliance -</b>	Direct usage of non-renewable energy for their operations has been indicated in their annual budget. Sighted the estimates of fossil fuel and electricity used in daily estate operations. Diesel consumption estimated at RM79900, electricity at RM 173993 and water at RM95702.	Yes
4.5.2.3	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	The estate management has used solar system to supply electrical to the post guard.	Yes
<b>Criterion 4.5.3: Waste management and disposal</b>			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	The company has developed Environmental Management Plan where the waste products and source of pollution has been identified and documented.	Yes

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Criterion / Indicator		Assessment Findings						Compliance
		Identific ation of waste	Waste Generati on	Action Plan & Monitori ng	Docume nts to be reviewed	Manage ment review	PIC	
		Pruned palm oil' fronds	Pruning of dry fronds from oil palm field	Stacking on ground, contour or terrace lips	Progressi ve pruning book	Pruning payment	Mohd Faizul	
		Domesti c waste	Househo ld waste	Systema tic collectio n	Weekly line site inspectio n form by HA	Line site updated weekly	Akbar	
		Spillage of diesel	Spillage of diesel when estate tractors or vehicles refill their	To place spill kits at diesel storage area to collect spilled diesel	Diesel usage	Diesel usage FFB mt records available	Faizul	

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Criterion / Indicator		Assessment Findings						Compliance
			diesel for transporting purpose					
<b>4.5.3.2</b>	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p><b>- Major compliance -</b></p>	<p>Bertam Estate:</p> <p>The estate has identified the waste produced from the estate daily operation and monitor the sources of waste and pollution.</p> <p>Jasin Lalang Estate:</p> <p>The estate management has identified waste produced from the estate daily activities and mitigation measures has been taken to reduce the pollution. Sighted fronds were stacked in the palm row to conserve moisture and supply nutrient.</p>						Yes
<b>4.5.3.3</b>	<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><b>- Major compliance -</b></p>	<p>Standard operating procedure for handling used chemical has been developed and implemented accordingly. Sighted a consignment note from Kualiti Alam Sdn Bhd dated on 9<sup>th</sup> March 2020. Among the schedule waste disposed were SW409, SW410 and SW306.</p>						Yes
<b>4.5.3.4</b>	<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</p>	<p>Bertam Estate:</p> <p>Empty pesticide containers were triple rinsed, dried and punctured before disposing to the licensed contractor, Kualiti Alam Sdn Bhd. Site visit to the schedule waste store confirmed that the empty containers</p>						Yes

Criterion / Indicator		Assessment Findings	Compliance
	national programme on recycling of used HDPE pesticide containers. <b>- Major compliance -</b>	were punctured and disposed to the third party. Latest disposal was made on 29.04.2020 by Kualiti Alam Sdn Bhd  Jasin Lalang Estate:  Schedule waste disposed thru licensed contractor, 5E Resources Sdn Bhd. Latest disposal was done in 17 <sup>th</sup> June 2020.  It was confirmed during the site visit that the container has been disposed accordingly.	
<b>4.5.3.5</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. <b>- Minor compliance -</b>	Domestic waste disposed via a licensed contractor MS MIDO Enterprise.	Yes
<b>Criterion 4.5.4:</b> Reduction of pollution and emission			
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	All polluting activities were assessed through the aspect and impact method and are documented. The activities are inclusive of green gas emissions, chemicals, fertilizer, scheduled waste, solid waste and household waste. Data relating to such activities were collected and analysed.	Yes
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	Action plan such as regular tractor maintenance has been established and implemented. The maintenance record was made available to the audit team.	Yes
<b>Criterion 4.5.5:</b> Natural water resources			



Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.5.5.1</b> The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a. Assessment of water usage and sources of supply.</li> <li>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</li> <li>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.).</li> <li>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.</li> <li>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</li> <li>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</li> </ul> <p><b>- Major compliance -</b></p>	<p>Water management plan for estates under Gomali Complex has been made available and reviewed. The plan has indicated the water sources for each estate. All four estates visited confirmed that they are using water supply from Syarikat Air Melaka Berhad (Bertam and Jasin Lalang Estate) and Syarikat Air Negeri Sembilan Berhad (Bahau and Kuala Jelei Estate).</p> <p>Water sampling activities were conducted at respective estate and the samples were sent to IO Research Center for further analysis. Result for water samplings were made available to the audit team and reviewed. Site visit to buffer zone area was conducted and confirmed that there is no erosion was sighted and the vegetation alongside the river bank were properly maintained.</p> <p>Bore well is not applicable in all estates visited.</p>	<p>Yes</p>
<p><b>4.5.5.2</b> No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p>	<p>Visits to sites confirm that there was no construction of any structure across waterways that could obstruct or affect the water flows.</p>	<p>Yes</p>

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
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 -	Road side drain for water harvesting practices were sighted during the site visit.	Yes
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>			
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:  a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.  b) Conservation status (e.g. 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.  - Major compliance -	HCV assessment was conducted by the IOI Group HQ and documented in a report dated Oct 2010. Latest review was done in April 2020. The exercise has taken into consideration all aspects of environmentally sensitive areas such as ponds, streams, wildlife boundaries and was documented. HCV and other environmentally sensitive areas were documented and inspected on site.  Boundaries bordering the estates were well demarcated. Trenches were also constructed along the borders to clearly demarcate their boundary. At some places, estate roads estate roads also served as perimeter boundary.	Yes
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:	Regular patrols within the operating unit estates were carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. Mechanism for reporting the sightings of various types of wildlife, were found to have been in place.	Yes

Criterion / Indicator		Assessment Findings				Compliance								
	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. <b>- Major compliance -</b>	Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented. Signage that prohibit hunting, fishing and water polluting activities were verified on-site at the estates visited												
<b>4.5.6.3</b>	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. <b>- Major compliance -</b>	A management plan was developed, established and effectively implemented. Document relating to the above was available. Sighted the monitoring plan as below: <table border="1" data-bbox="1048 820 1870 1388"> <thead> <tr> <th>Action Plan</th> <th>Documents to be reviewed</th> <th>Management review, comments &amp; time bond</th> <th>Person in Charge</th> </tr> </thead> <tbody> <tr> <td>To educate the workforce regarding animals, aquatic fauna and birds that are protected and listed as RTE under IUCN RED list and penalties without license.</td> <td>Wildlife training, RTE species monitoring checklist</td> <td>Wildlife training has been conducted to all workers in Kuala Jelei Estate in order to educate the workforce regarding animals, aquatic fauna and birds that are protected and listed as RTE under IUCN RED list. The penalties from PERHILITAN is also presented to the workers in</td> <td>Mr. Lee</td> </tr> </tbody> </table>				Action Plan	Documents to be reviewed	Management review, comments & time bond	Person in Charge	To educate the workforce regarding animals, aquatic fauna and birds that are protected and listed as RTE under IUCN RED list and penalties without license.	Wildlife training, RTE species monitoring checklist	Wildlife training has been conducted to all workers in Kuala Jelei Estate in order to educate the workforce regarding animals, aquatic fauna and birds that are protected and listed as RTE under IUCN RED list. The penalties from PERHILITAN is also presented to the workers in	Mr. Lee	Yes
Action Plan	Documents to be reviewed	Management review, comments & time bond	Person in Charge											
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Criterion / Indicator		Assessment Findings			Compliance
				order to create awareness to them.	
		The estate management has revised their Statement of Commitment, revised on April 2020, signed by the estate manager Mr. Lee Yu Xiang. Wildlife training was conducted on 27 <sup>th</sup> June 2020, delivered by Mr. Kee Yu Xiang and attended by 17 people.			
<b>Criterion 4.5.7: Zero burning practices</b>					
<b>4.5.7.1</b>	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 had developed the policy of 'Zero open burning' for replanting, if any, at the estates.			Yes
<b>4.5.7.2</b>	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 -	Confirmed that there were no instances of such issue at present			Yes
<b>4.5.7.3</b>	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.  - Major compliance -	Not applicable as the estates adopting Zero Burning Policy.			Yes

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Criterion / Indicator		Assessment Findings	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><b>- Minor compliance -</b></p>	<p>During the site visit, it was confirmed that previous crops were felled, chipped and shredded and stack alongside the palm row.</p>	Yes
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>The company has established a Group Standard Operating Procedures (StOPs) for Estate Operations. The StOPs was signed by Dato' Foong Lai Choong, Group Plantation Director.</p> <p>As per guided in the StOPss, the census for Pest &amp; Disease (rat) was conducted on May 2020. 1<sup>st</sup> campaign was conducted on December 2019. Second campaign is yet to be conducted due to recommendation by their Research Center. Census form was made available to the audit team and verified.</p> <p>As for harvesting activities, bunch checker will check and count the bunches on daily basis and record it in system (provided by the company). This data is tally with the records kept by the harvester. Sighted the daily harvesting record and verified with the harvester during the site visit.</p>	Yes
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</p>	<p>The company has established a Standard Operation Procedure 7.0: Leguminous Cover Plant. The objective of this standard is to cover the ground and t minimize soil erosion and to improve the leaves litter and organic matter production.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance																														
	either soil, nutrients or chemicals. <b>- Major compliance -</b>																																
<b>4.6.1.3</b>	A visual identification or reference system shall be established for each field. <b>- Major compliance -</b>	Each block has identification system which indicate their hectarage, block no and planting year.	Yes																														
<b>Criterion 4.6.2: Economic and financial viability plan</b>																																	
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. <b>- Major compliance -</b>	The company has established the business management plan which to demonstrate attention to economic and financial viability through long term management planning. Sighted the yield projection up to 5 years plan.	Yes																														
<b>4.6.2.2</b>	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. <b>- Major compliance -</b>	<p>Bertam/Jasin Lalang Estate Not applicable since no replanting program was scheduled.</p> <p>Bahau Estate Sighted the 10 years replanting program for Bahau Estate.</p> <table border="1"> <thead> <tr> <th>Field</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> <th>2027</th> </tr> </thead> <tbody> <tr> <td>PM93 0</td> <td></td> <td></td> <td>101</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PM94 B</td> <td></td> <td></td> <td></td> <td>30</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Field	2019	2020	2021	2022	2023	2024	2025	2026	2027	PM93 0			101							PM94 B				30						Yes
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PM94 B				30																													

Criterion / Indicator		Assessment Findings										Compliance	
		PM94 C			106								
		PM95 A				58							
		PM95 B				58							
		PM01 A										12	
		Kuala Jelei Estate											
		Field	2019	2020	2021	2022	2023	2024	2025	2026	2027		
		PM97 A					38						
		PM97 B					24						
		PM98 A						29					
		PM98 B						36					
<b>4.6.2.3</b>	The business or management plan may contain: a) Attention to quality of planting materials and FFB	5 years business plan for Jasin Lalang Estate was made available to the audit team. The plan consists of the FFB monthly seasonal										Yes	

Criterion / Indicator		Assessment Findings					Compliance																																																
	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 <b>- Major compliance -</b>	breakdown from year 2018 – 2023, work force labor ration and crop statement by year of planting. Bahau Estate <table border="1"> <thead> <tr> <th>Description</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Planted area</td> <td>2629</td> <td>2629</td> <td>2629</td> <td>2629</td> <td>2629</td> </tr> <tr> <td>Crop</td> <td>53553</td> <td>42268</td> <td>40047</td> <td>44344</td> <td>52624</td> </tr> <tr> <td>Oil</td> <td>11719</td> <td>10292</td> <td>10807</td> <td>11347</td> <td>11914</td> </tr> <tr> <td>Kernel</td> <td>2579</td> <td>2236</td> <td>2348</td> <td>2465</td> <td>2588</td> </tr> <tr> <td>MT/Ha</td> <td>26</td> <td>22</td> <td>21</td> <td>23</td> <td>26</td> </tr> <tr> <td>OER (%)</td> <td>21.88</td> <td>24.35</td> <td>21.50</td> <td>21.50</td> <td>21.50</td> </tr> <tr> <td>PK (%)</td> <td>4.82</td> <td>5.29</td> <td>5.00</td> <td>5.00</td> <td>5.00</td> </tr> </tbody> </table>					Description	2019	2020	2021	2022	2023	Planted area	2629	2629	2629	2629	2629	Crop	53553	42268	40047	44344	52624	Oil	11719	10292	10807	11347	11914	Kernel	2579	2236	2348	2465	2588	MT/Ha	26	22	21	23	26	OER (%)	21.88	24.35	21.50	21.50	21.50	PK (%)	4.82	5.29	5.00	5.00	5.00	
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<b>4.6.2.4</b>	The management plan shall be effectively implemented, and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. <b>- Major compliance -</b>	Agronomist from IOI Research Center will visit and monitored the implementation of fertilizer. Besides that, the estate management will oversee the daily operation process.  Bunche checker will count and check the bunches harvested by the harvester. All data will be key in in the smartphone provided by the estate management. At end of the day, all data will be compiled by the					Yes																																																



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		estate staff, checked by the assistant manager and verified by the estate manager. Sighted the daily harvesting record.	
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. <b>- Major compliance -</b>	All fresh fruit bunches (FFB) supplied to the mill are from IOI's own estates. The pricing for FFB is an internal matter.	Yes
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	Based on contracts agreed between contractors/service providers and the estates, it is evident that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.  Interview with parties concerned confirmed that business practices with local businesses were conducted in a fair and transparent manner. It is further verified that payments to contractors and other service providers are paid within the period specified in the contract agreement.	Yes
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	External contractors are normally for FFB/EFB and harvesting. The contractor's workers were interviewed and do basically understand the MSPO requirements. Information such as policies and procedures are provided.  Sighted the agreement as below:	Yes

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Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> <li>1. Bertam Estate: Flora Horizon Sdn Bhd (Bertam Estate) and CK Permai Enterprise dated 01/07/2019.</li> <li>2. Jasin Lalang Estate: GLM Emerald Industrial Park (Jasin) Sdn Bhd (Jasin Lalang Estate) and Lee Transport Sdn Bhd dated 01/09/2019.</li> <li>3. Bahau Estate: IOI Plantation Sdn Bhd (Bahau Estate) and Farm Chap Lee for Backhoe Services dated 01/07/2019 – 30/06/2020 (Contract No: BHE/W020-19/20).</li> <li>4. Kuala Jelei Estate: MIDO Enterprise (Contract No: KJE/020-19/20) for waste collection dated 01/04/2020 – 30/06/2020.</li> </ol> <p>In the special conditions mentioned: the contractor also requested to oblige to all the requirements of RSPO, MSPO and ISCC.</p>	
<b>4.6.4.2</b>	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p><b>- Major compliance -</b></p>	<p>Contract agreements are signed between the respective Estate Managers and the Contractor. The terms and conditions of the contract are explained to the contractor.</p> <p>A copy of the contract is given to the contractor.</p> <p>Sighted the agreement as below:</p> <ol style="list-style-type: none"> <li>1. Bertam Estate: Flora Horizon Sdn Bhd (Bertam Estate) and CK Permai Enterprise dated 01/07/2019.</li> <li>2. Jasin Lalang Estate: GLM Emerald Industrial Park (Jasin) Sdn Bhd (Jasin Lalang Estate) and Lee Transport Sdn Bhd dated 01/09/2019.</li> </ol>	Yes

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		<p>3. Bahau Estate: IOI Plantation Sdn Bhd (Bahau Estate) and Farm Chap Lee for Backhoe Services dated 01/07/2019 – 30/06/2020 (Contract No: BHE/W020-19/20).</p> <p>4. Kuala Jelei Estate: MIDO Enterprise (Contract No: KJE/020-19/20) for waste collection dated 01/04/2020 – 30/06/2020.</p> <p>In the special conditions mentioned: the contractor also requested to oblige to all the requirements of RSPO, MSPO and ISCC.</p>	
<b>4.6.4.3</b>	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p> <p><b>- Minor compliance -</b></p>	<p>Acceptance is confirmed by the Management prior to the audit via acceptance of Audit contract and Audit Plan and the 5-year MSPO certification programme.</p> <p>Management has the IOI Group-Additional requirements for contractors and service providers which stated that the company and its certification bodies have the right to audit the contractor/service provider regarding the above.</p>	Yes
<b>4.6.4.4</b>	<p>The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.</p> <p><b>- Major compliance -</b></p>	<p>Estates has monitored the productivity of the contractors' workers through the monthly actual crop distribution and work progress book before invoice the actual payment.</p>	Yes
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1: High biodiversity value</b>			

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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 is no development of new planting in Gomali POM supply estates.	N/A
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.  - Major compliance -	There is no development of new planting in Gomali POM supply estates.	N/A
<b>Criterion 4.7.2: Peat Land</b>			
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 is no development of new planting in Gomali POM supply estates.	N/A
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.	There is no development of new planting in Gomali POM supply estates.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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 is no development of new planting in Gomali POM supply estates.	N/A
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 is no development of new planting in Gomali POM supply estates.	N/A
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 is no development of new planting in Gomali POM supply estates.	N/A
<b>Criterion 4.7.4: Soil and topographic information</b>			
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 is no development of new planting in Gomali POM supply estates.	N/A

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.  - Major compliance -	There is no development of new planting in Gomali POM supply estates.	N/A
<b>Criterion 4.7.5:</b> Planting on steep terrain, marginal and fragile soils			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.  - Major compliance -	There is no development of new planting in Gomali POM supply estates.	N/A
<b>4.7.5.2</b>	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 is no development of new planting in Gomali POM supply estates.	N/A
<b>4.7.5.3</b>	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.  - Major compliance -	There is no development of new planting in Gomali POM supply estates.	N/A
<b>Criterion 4.7.6:</b> Customary land			
<b>4.7.6.1</b>	No new plantings are established on recognised customary land without the owners' free, prior and informed consent,	There is no development of new planting in Gomali POM supply estates.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	<p>dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p> <p><b>- Major compliance -</b></p>		
4.7.6.2	<p>Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.</p> <p><b>- Minor compliance -</b></p>	There is no development of new planting in Gomali POM supply estates.	N/A
4.7.6.3	<p>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.</p> <p><b>- Major compliance -</b></p>	There is no development of new planting in Gomali POM supply estates.	N/A
4.7.6.4	<p>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.</p> <p><b>- Major compliance -</b></p>	There is no development of new planting in Gomali POM supply estates.	N/A
4.7.6.5	<p>Identification and assessment of legal and recognised customary rights shall be documented.</p> <p><b>- Major compliance -</b></p>	There is no development of new planting in Gomali POM supply estates.	N/A

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4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. <b>- Major compliance -</b>	There is no development of new planting in Gomali POM supply estates.	N/A
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. <b>- Major compliance -</b>	There is no development of new planting in Gomali POM supply estates.	N/A
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. <b>- Minor compliance -</b>	There is no development of new planting in Gomali POM supply estates.	N/A



**Appendix B: List of Stakeholders Contacted**

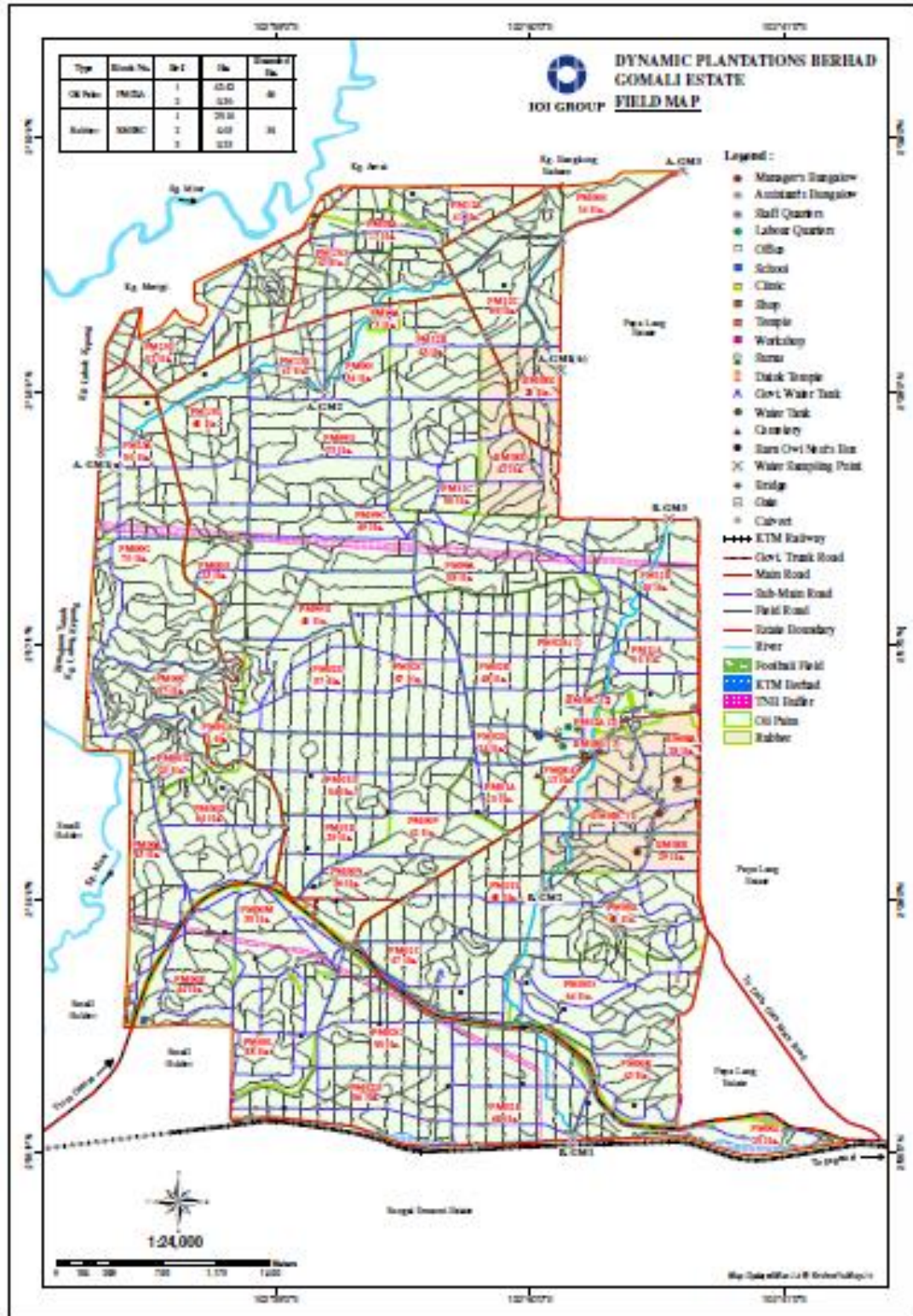
<p><b>Government Officer:</b> FRIM</p>	<p><b>Community/neighbouring village:</b> Nearby Villagers Nearby smallholders</p>
<p><b>Suppliers/Contractors/Vendors:</b> Sharifah Café Harvester Contractor FFB Transporter</p>	<p><b>Worker’s Representative/Gender Committee:</b> Gender Committee Representatives Local and foreign workers Creche worker</p>

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**Appendix C: Smallholder Member Details**

No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
-	-	-	-	-	-	-

**Appendix D: Location and Field Map**

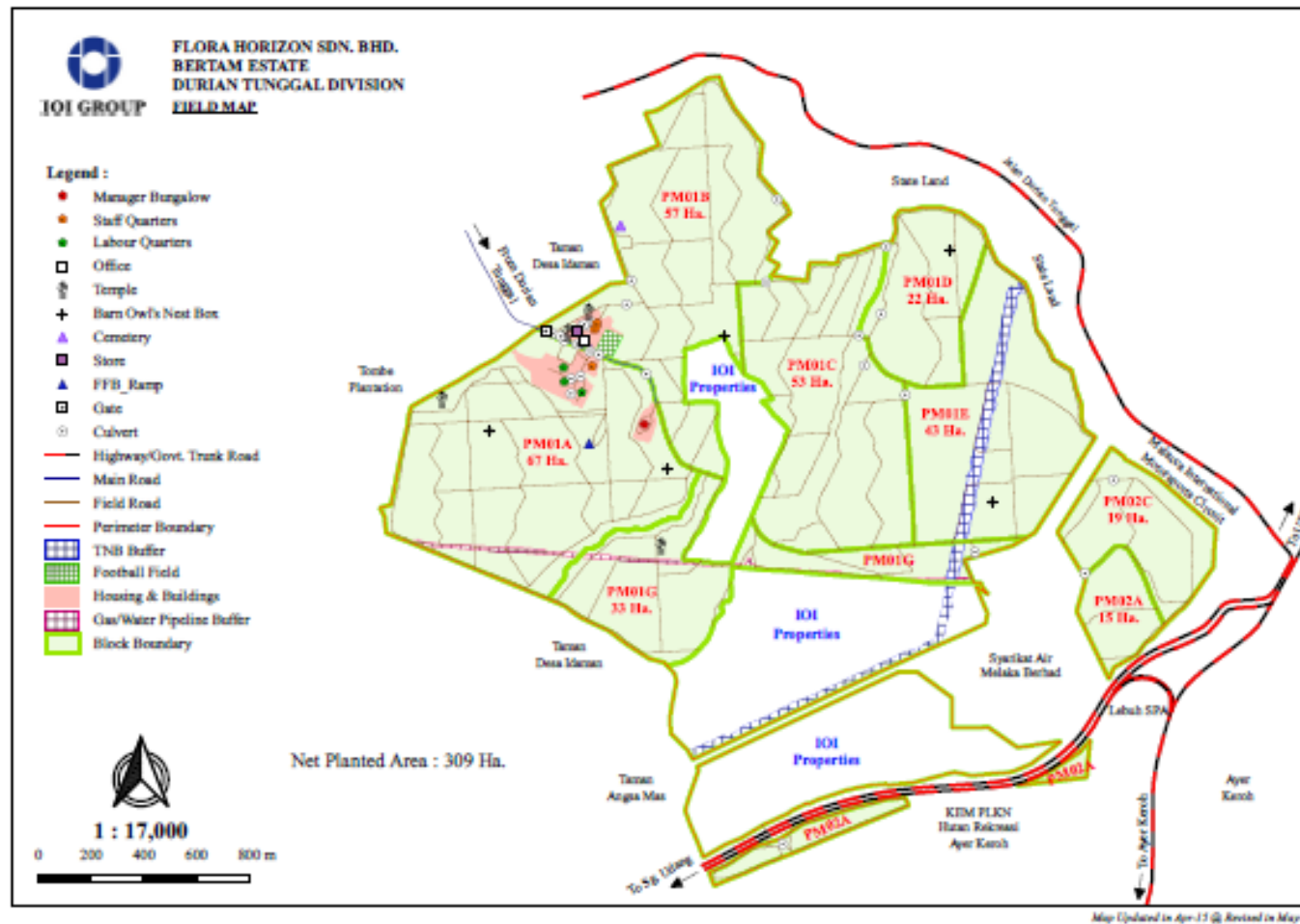


**Gomali Estate**



**Bahau Estate**

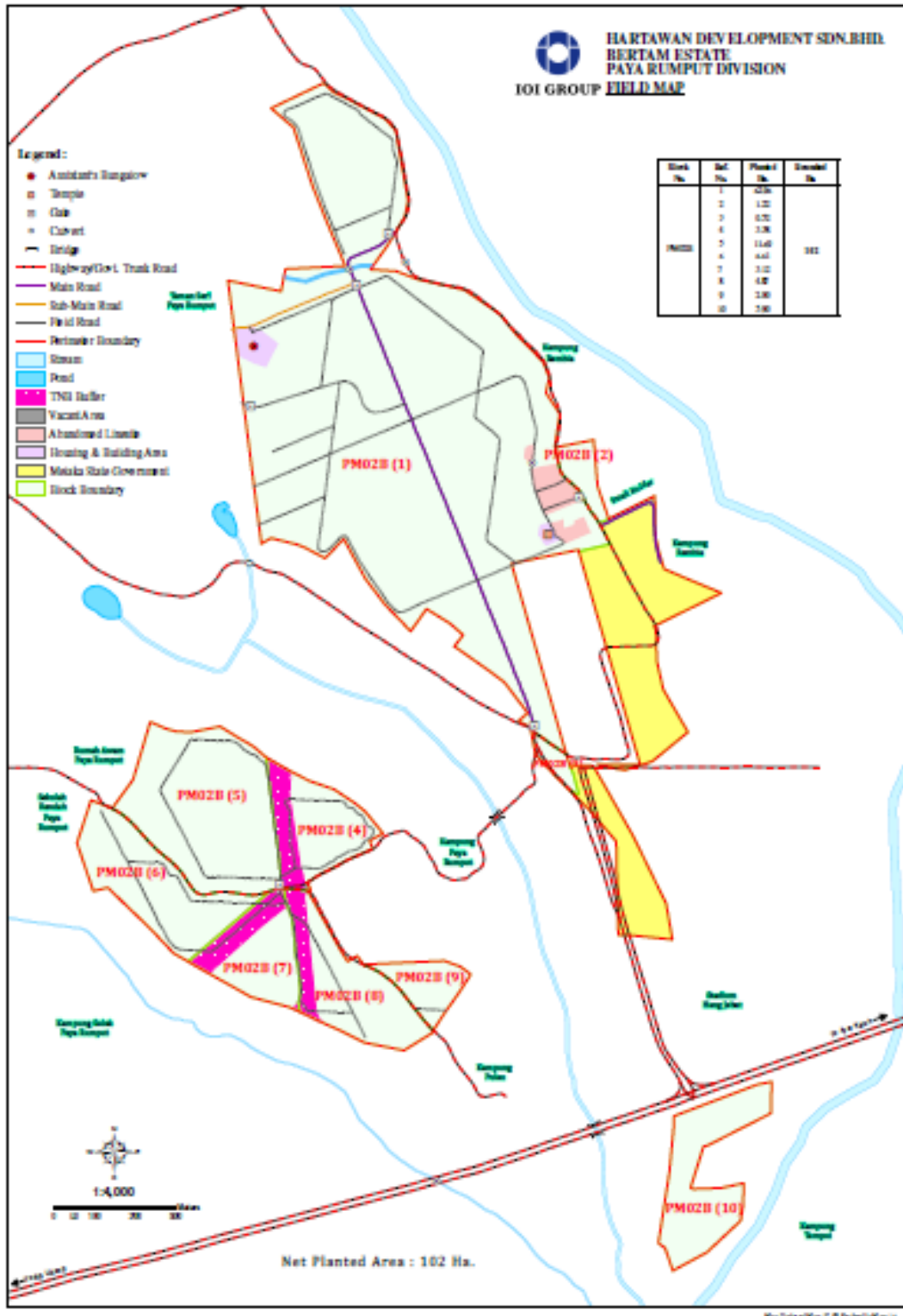
...making excellence a habit.™



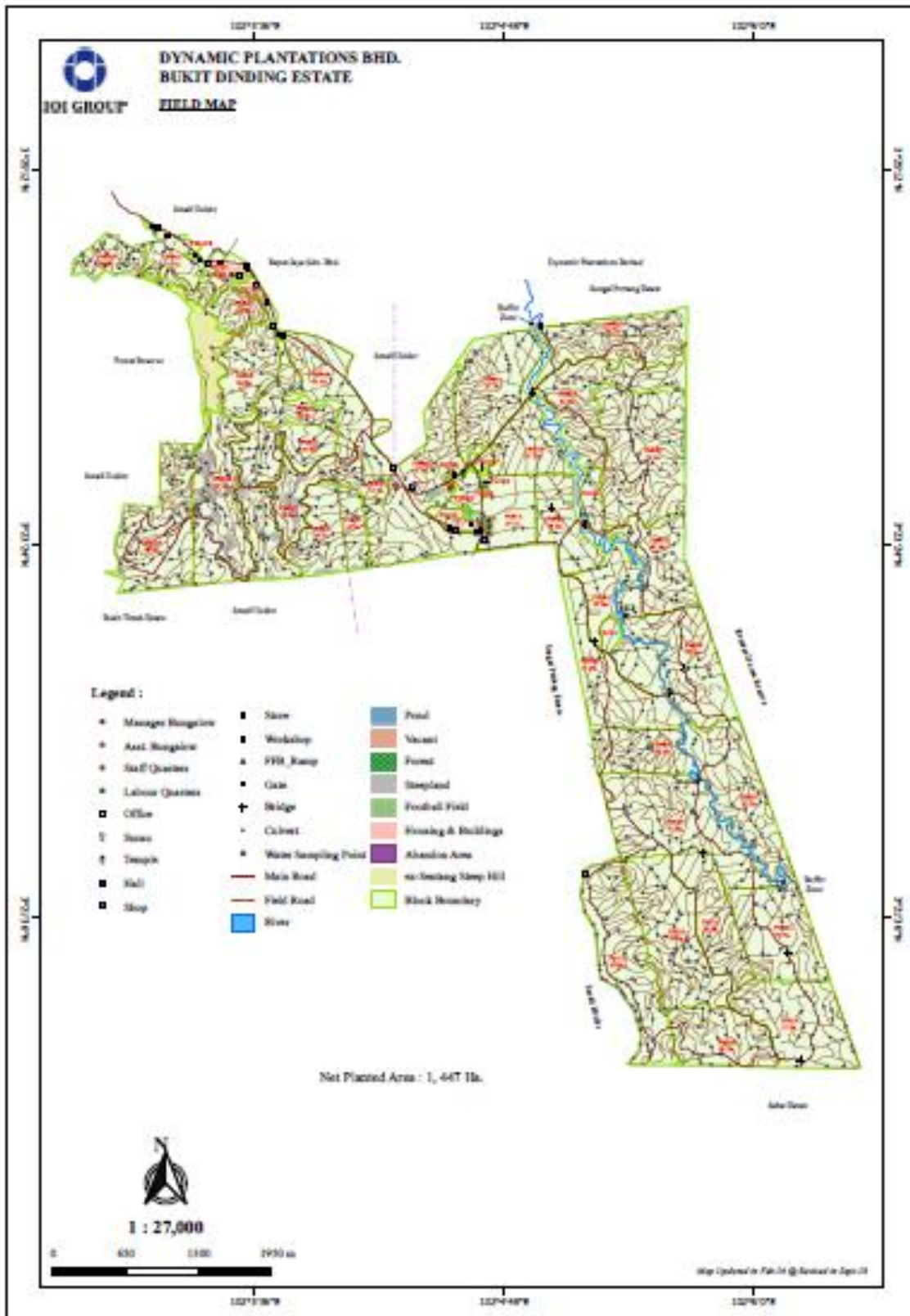
**Bertam Estate – Durian Tunggal**

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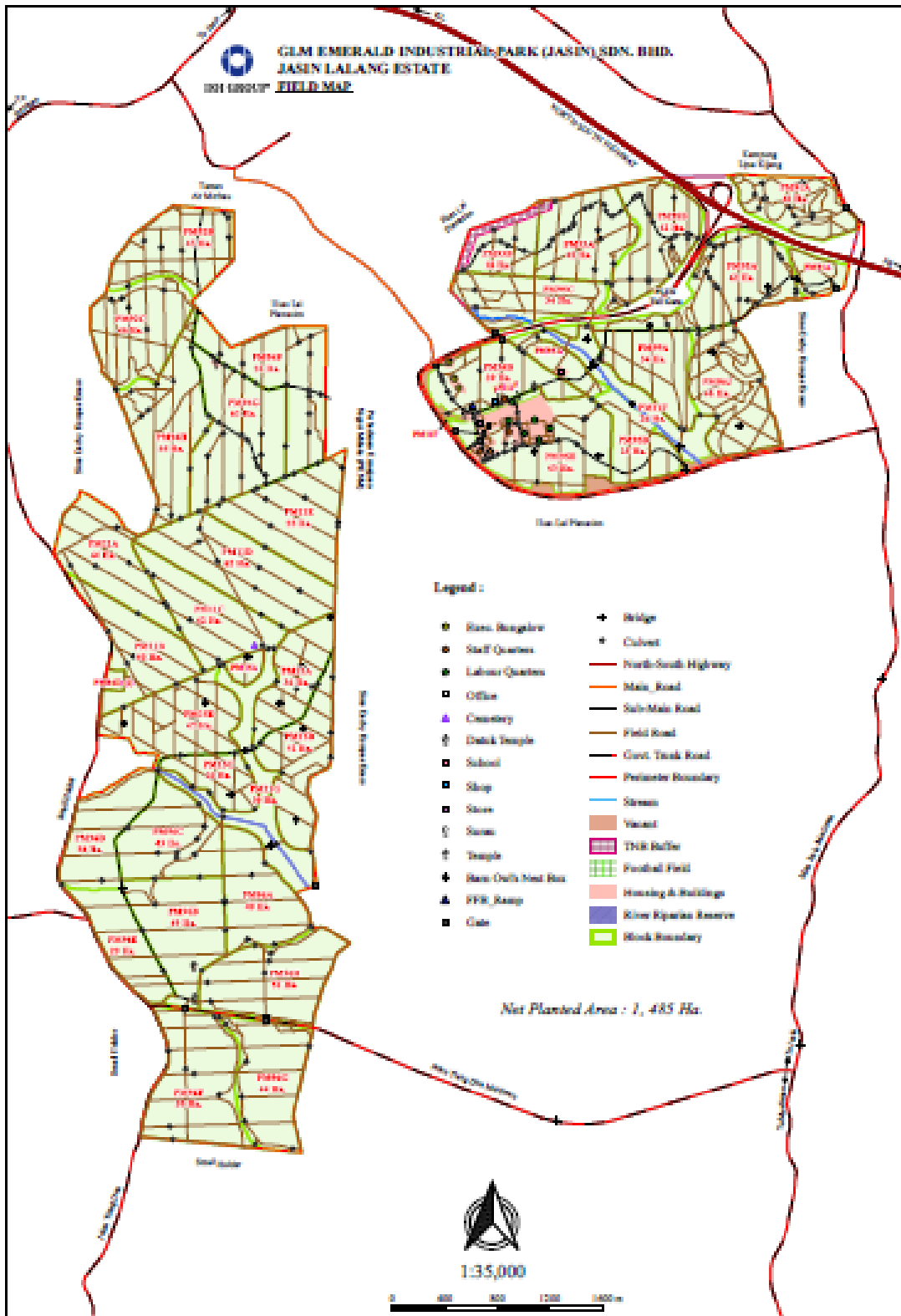
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**Bertam Estate – Paya Rumput**



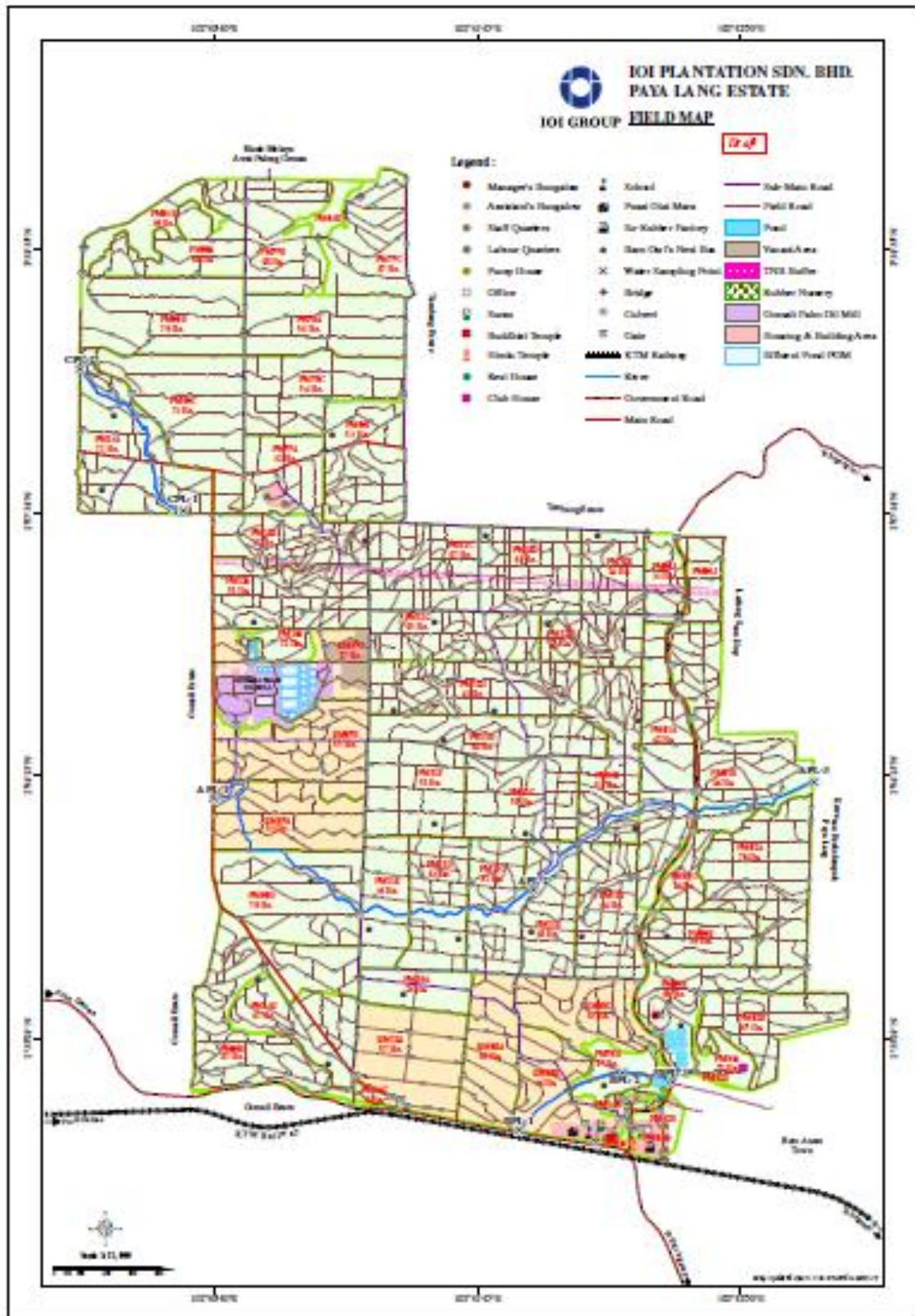
**Bukit Dinding Estate**



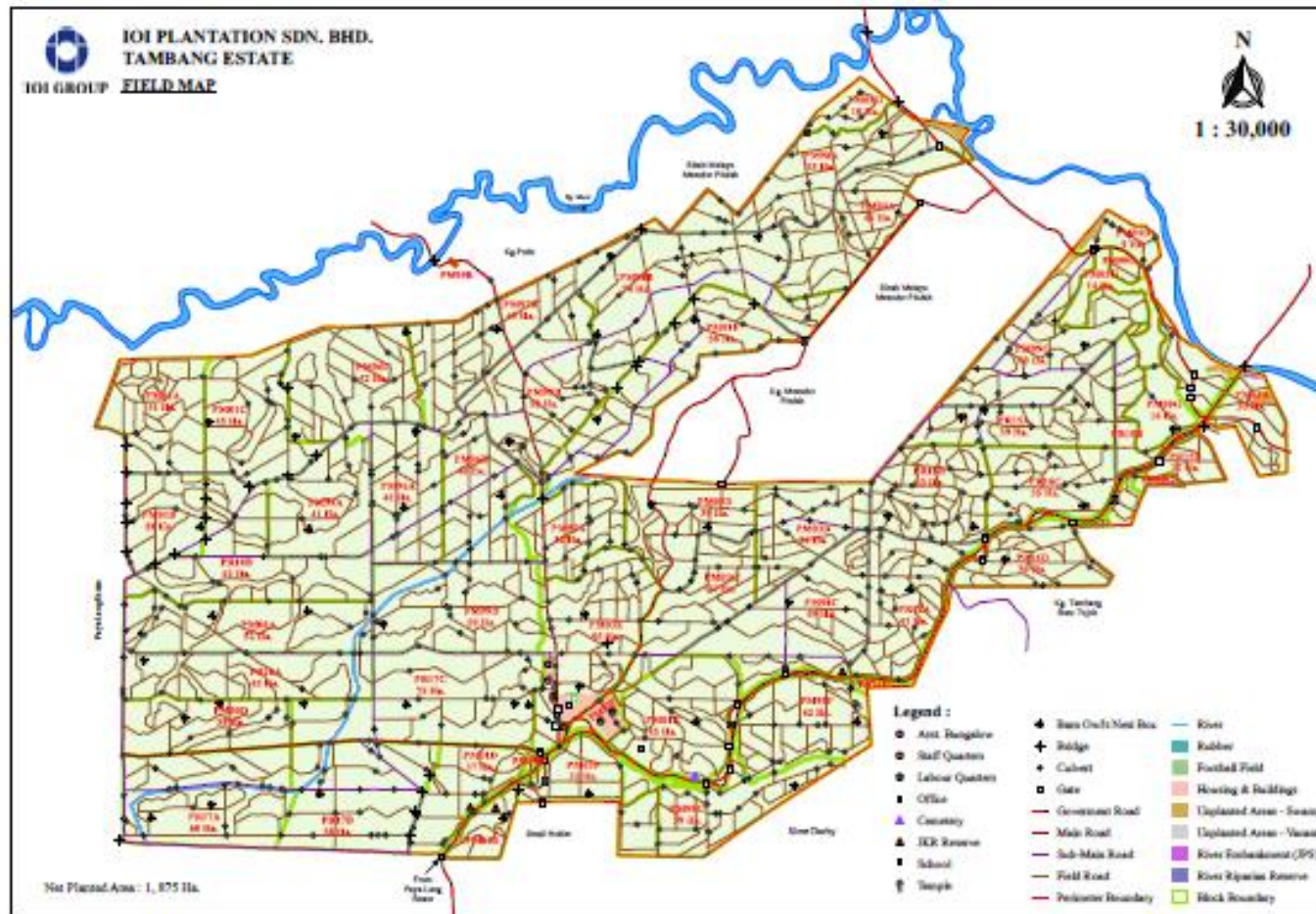
**Jasin Lalang Estate**



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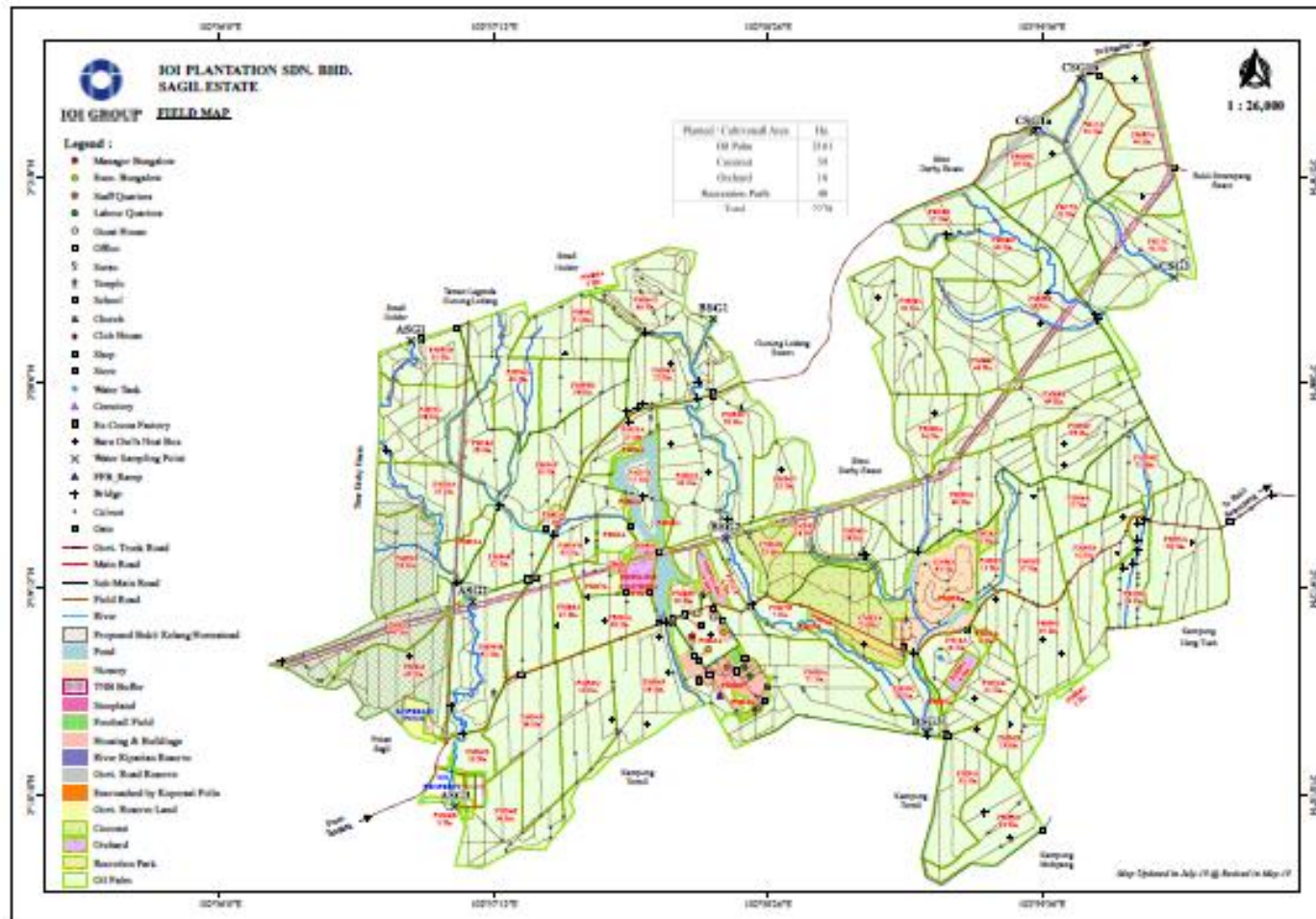


**Paya Lang Estate**



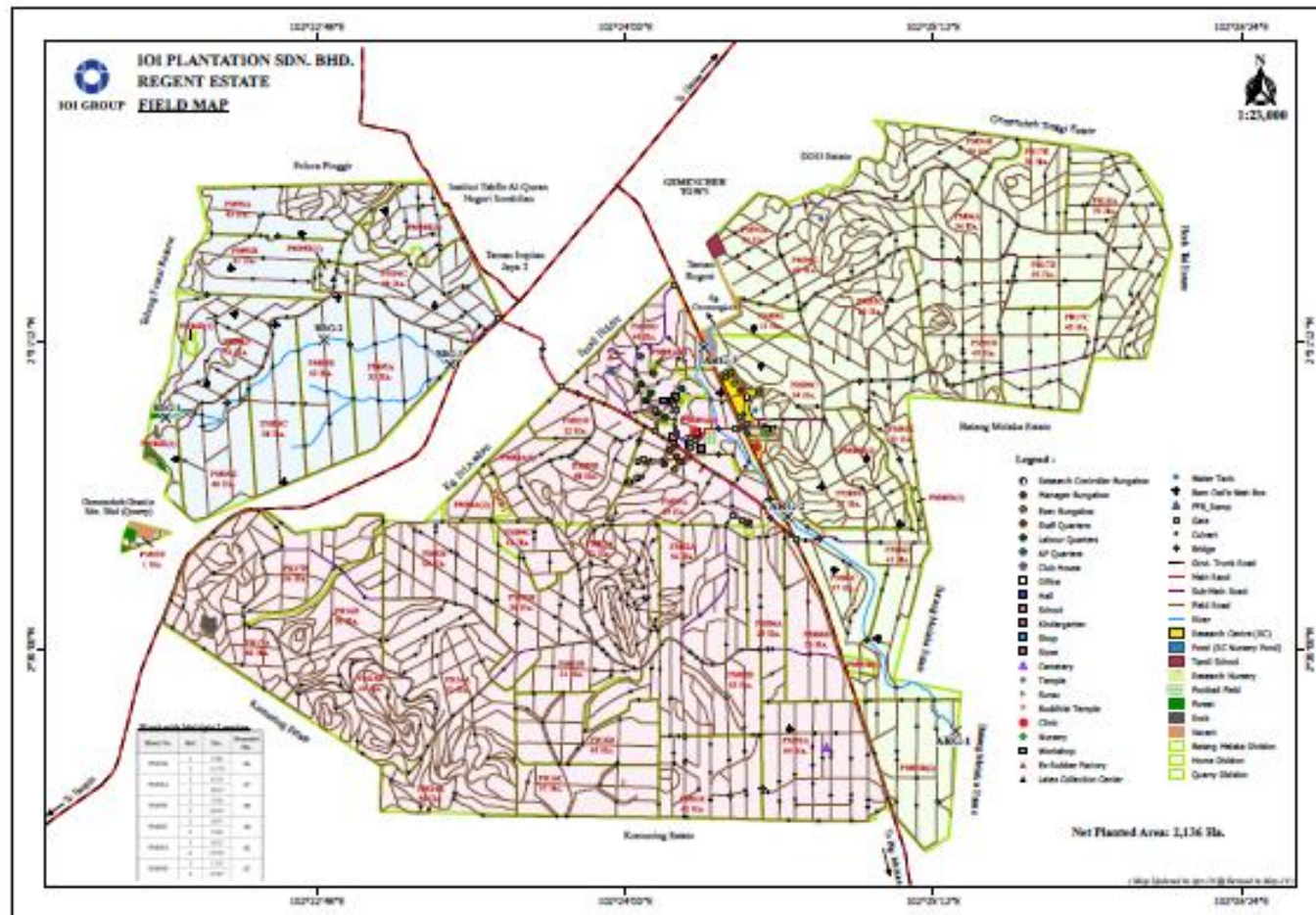
**Tambang Estate**

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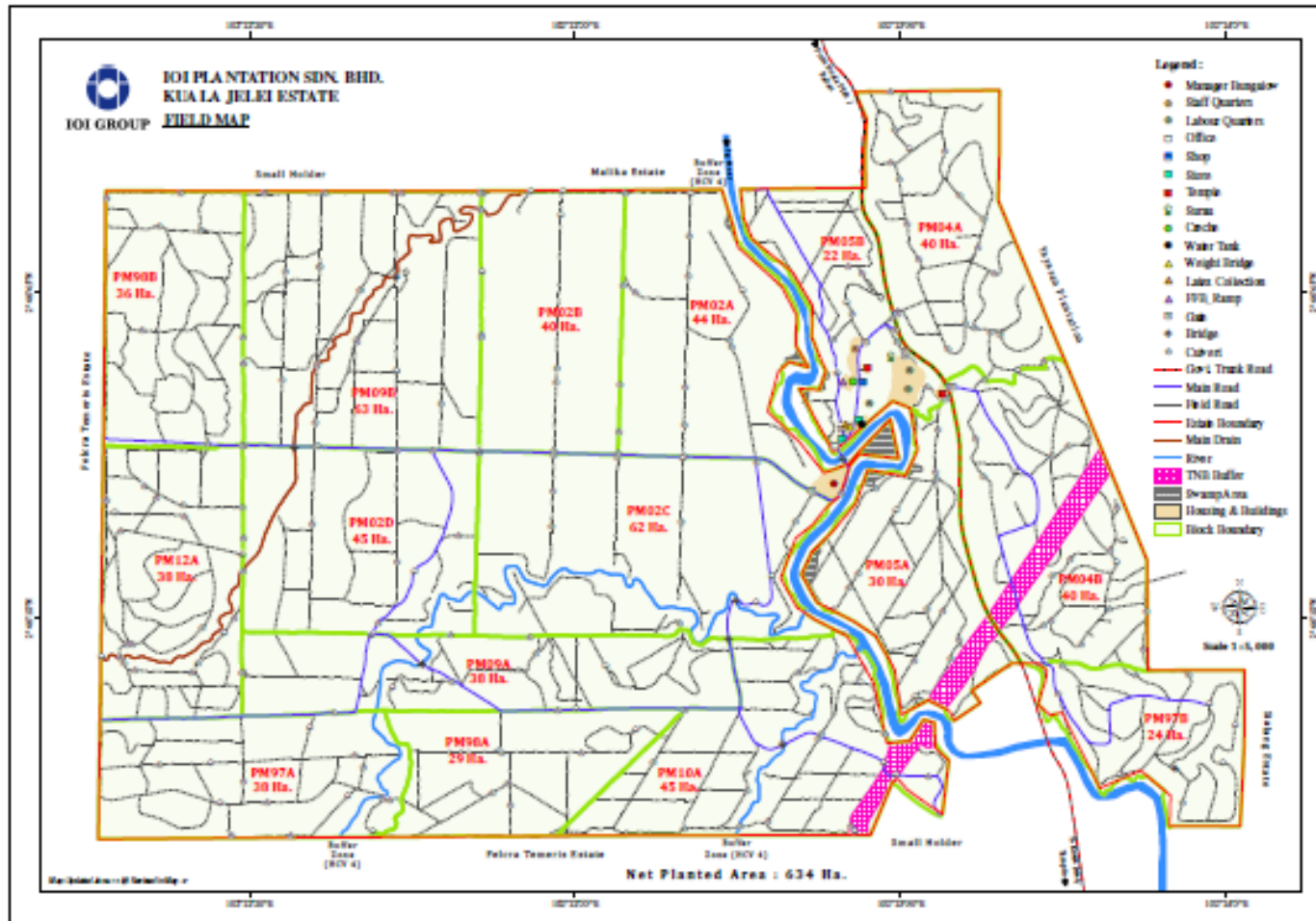
**Sagil Estate**

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**Regent Estate**

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**Kuala Jelei Estate**

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**Gomali POM**

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**Appendix E: 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