

**MALAYSIAN SUSTAINABLE PALM OIL
3rd ANNUAL SURVEILLANCE ASSESSMENT
Public Summary Report**

IOI Corporation Berhad
Client company Address: IOI City Tower 2, Lebuhr IRC IOI Resort City 62502 Putrajaya, Malaysia
Certification Unit: Sakilan Palm Oil Mill and Supply Base (Sakilan Estate, Linbar 1 Estate, and Linbar 2 Estate) Location of Certification Unit: Sakilan Palm Oil Mill and Supply Base Halusah Ladang Sdn Bhd Mile 22, Sandakan/ Telupid Road, W.D.T 164 90009 Sandakan, Sabah, Malaysia

Report prepared by:
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Report Number: SMO 3326667

Assessment Conducted by:
BSI Services Malaysia,
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	IOI Corporation Berhad		
Mill/Estate	Certification Unit	MPOB License No.	Expiry Date
	Sakilan Palm Oil Mill	500293-404000	30/11/2020
	Sakilan Estate	503335-002000	31/07/2021
	Linbar 1 Estate	502435-102000	31/08/2021
	Linbar 2 Estate	502435-102000	31/08/2021
Address	<u>Regional Office:</u> Sandakan Regional Office, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah.		
	<u>Operating Unit:</u> Halusah Ladang Sdn Bhd (Sakilan Palm Oil Mill), Mile 22, Sandakan, W.D.T 164, 90009 Sandakan, Sabah, Malaysia		
Certification Unit	Sakilan Palm Oil Mill and Supply Base		
Contact Person Name	Mr. William Siow (Sustainability Manager, Plantation Division, IOI HQ)		
Website	www.ioigroup.com	E-mail	william.siow@ioigroup.com
Telephone	+603-89478888 (Head Office)	Facsimile	+603-89432266 (Head Office)

1.2 Certification Information			
Certificate Number	Mill: MSPO 720885		
	Estate: MSPO 720886		
Issue Date	26/01/2018	Expiry date	25/01/2023
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estates: Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 and MS 2530-4:2013		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	06-10/11/2017		
Continuous Assessment Visit Date (CAV) 1	11-14/12/2018		
Continuous Assessment Visit Date (CAV) 2	18-20/11/2019		
Continuous Assessment Visit Date (CAV) 3	18-20/11/2020		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			

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Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 543161	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019; RSPO Supply Chain Certification June 2017 for CPO Mills (Module D: Identity Preserved) for the following scope: Palm Oil and Palm Kernel Production	BSI Services Malaysia Sdn Bhd	07/03/2025
MSPO 720888	MSPO Supply Chain Certification Standard	BSI Services Malaysia Sdn Bhd	02/02/2025

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	
		Latitude	Longitude
Sakilan POM	Mile 22, Sandakan/ Telupid Road, W.D.T 164, 90009, Sandakan, Sabah, Malaysia	5° 50' 9.74" N	117° 50' 37.77" E
Sakilan Estate	Mile 22, Sandakan/ Telupid Road, W.D.T 164, 90009, Sandakan, Sabah, Malaysia	5° 50' 49.17" N	117° 53' 15.62" E
Linbar 1 Estate	Mile 45, Sandakan/ Telupid Road, W.D.T 164, 90009, Sandakan, Sabah, Malaysia	5° 32' 58.63" N	117° 40' 53.42" E
Linbar 2 Estate	Mile 45, Sandakan/ Telupid Road, W.D.T 164, 90009, Sandakan, Sabah, Malaysia	5° 30' 8.31" N	117° 38' 42.87" E

1.4 Certified Area

Estates	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Sakilan	2,094.00	-	202.37	2,296.37	91.19
Linbar 1	2,315.00	¹ 7.24	305.93	2,628.17	88.08
Linbar 2	1,933.00	-	278.83	2,211.83	87.39
Total (ha)	6,342.00	7.24	787.13	7,136.37	88.87

Note:

¹The estate reclassified the area as HCV.

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1.5 Plantings & Cycle							
Estates	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Sakilan	326.00	-	-	1,768.00	-	1,768.00	326.00
Linbar 1	223.00	2,092.00	-	-	-	2,092.00	223.00
Linbar 2	833.00	827.00	-	82.00	191.00	1,100.00	833.00
Total (ha)	1,382.00	2,919.00	-	1,850.00	191.00	4,960.00	1,382.00

1.6 Certified Tonnage of FFB			
Estates	Tonnage / year		
	Estimated (Jan 2020 - Dec 2020)	Actual (Jan 2020 - Oct 2020)	Forecast (Dec 2020 - Nov 2021)
Sakilan	49,436.00	40,827.88	35,848.00
Linbar 1	54,780.00	38,856.44	59,185.00
Linbar 2	24,000.00	17,178.67	18,146.00
Total (Mt)	128,216.00	96,862.99	113,179.00
Note: Nil			

1.7 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Jan 2020 - Dec 2020)	Actual (Jan 2020 - Oct 2020)	Forecast (Dec 2020 - Nov 2021)
NA			
Total	NA	NA	NA
Note: Nil			

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1.8 Certified Tonnage			
	Estimated (Jan 2020 - Dec 2020)	Actual (Jan 2020 - Oct 2020)	Forecast (Dec 2020 - Nov 2021)
Mill Capacity: 40 MT/hr	FFB	FFB	FFB
	128,216.00	96,862.99	113,179.00
SCC Model: SG	CPO (OER: 20.48%)	CPO (OER: 21.88%)	CPO (OER: 22.50%)
	26,258.00	21,192.05	25,465.00
	PK (KER: 4.34%)	PK (KER: 4.42%)	PK (KER: 5.00%)
	5,564.00	4,277.69	5,659.00

1.9 Actual Sold Volume (CPO) (Aug 2019 - Jul 2020)					
CPO	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
21,192.05	0	0	16,194.02	0	16,194.02

1.10 Actual Sold Volume (PK) (Aug 2019 - Jul 2020)					
PK	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
4,277.69	0	0	4,277.68	0	4,277.68

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 assessment was remotely conducted from 18-20/11/2020 using MS Teams as the main Information and Communications Technology (ICT). The audit programme is included as Section 2.3. The approach to the audit was to treat the Sakilan Palm Oil Mill and its three FFB supply bases (Sakilan Estate, Linbar 1 Estate, and Linbar 2 Estate) as an 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 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 smallholders' sample were determined following the MSPO Certification Requirement. The sampling of smallholders was based on the formula $(r\sqrt{n})$; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members. The sampled smallholder listed in Appendix C.

Interview with stakeholders was unable to be carried out because of their limited movement to the certification unit due to restriction by the authority.

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

Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Sakilan POM	✓	✓	✓	✓	✓
Sakilan Estate	✓	✓	✓		✓
Linbar 1 Estate	✓	✓	✓	✓	
Linbar 2 Estate	✓	✓		✓	✓

Tentative Date of Next Visit: November 15, 2021 - November 17, 2021

Total No. of Mandays: 6

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2.1 BSI Assessment Team

Team Member Names	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Valence Shem (VSH)	Team Leader	He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS, MSPO and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012, MSPO Awareness Training in 2014 and ISO 45000 Lead Auditor Course in 2019. During this assessment, he covers the aspects on legal, mill best practices, good agriculture practice, occupational safety and health. Able to communicate in Bahasa Malaysia and English.
Muhamad Naquiuddin Mazeli (MNM)	Team Member	He holds Bachelor of Science Horticulture at University Putra Malaysia. He has 11 years working experience in oil palm plantation industry as sustainability team. Joining the sustainability team, he managed, implement and monitors the RSPO, ISCC, MSPO and ISO9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also supports in providing training related to RSPO, MSPO and other certifications where applicable to the operations during previous company. He is a trained as Safety and Health Officer, Food Safety System (FSSC and ISO 22000) for Mill and refineries, ISO 9001, ISO 45001 and already attend HCV training with Proforest. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation.

2.2 Accompanying Persons

No.	Name	Role
	NA	

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2.3 Assessment Plan

The Assessment plan was sent to the client prior to the assessment.

Date	Time	Subjects	VSH	MNM	ICT Planned
Wednesday, 18/11/2020 Sakilan POM	0900-0915	Opening meeting <ul style="list-style-type: none"> Opening presentation by audit team leader Confirmation of assessment scope and finalize audit plan 	✓	✓	Microsoft Team and email
	0915-1030	Assessment and documentation review on mill best practice, legal requirements, OHS, environment and continual improvement		✓	"
	1030-1040	10-minute break			
	1040-1230	Assessment and documentation review on mill best practice, legal requirements, OHS, environment and continual improvement		✓	"
	1230-1330	Lunch break			
	1330-1450	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	✓		"
	1450-1500	10-minute break			
	1500-1630	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	✓		"
	1630-1700	Interim closing briefing	✓	✓	"
Thursday, 19/11/2020 Linbar 2 Estate	0900-1030	Assessment and documentation review on good agricultural practices, legal requirements, OHS, environment, biodiversity and continual improvement		✓	"
	1030-1040	10-minute break			
	1040-1230	Assessment and documentation review on good agricultural practices, legal requirements, OHS, environment, biodiversity and continual improvement		✓	"
	1230-1330	Lunch break			
	1330-1450	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	✓		"
	1450-1500	10-minute break			
	1500-1630	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	✓		"
	1630-1700	Interim closing briefing	✓	✓	"

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Date	Time	Subjects	VSH	MNM	ICT Planned
Friday, 20/11/2020 Linbar 1 Estate	0900-1030	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	✓		"
	1030-1040	10-minute break			
	1040-1200	Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	✓		"
	1200-1400	Lunch break & Friday prayer			
	1400-1500	Assessment and documentation review on good agricultural practices, legal requirements, OHS, environment, biodiversity and continual improvement		✓	"
	1500-1510	10-minute break			
	1510-1600	Assessment and documentation review on good agricultural practices, legal requirements, OHS, environment, biodiversity and continual improvement		✓	"
	1600-1630	Assessment team discussion and preparation of closing meeting	✓	✓	"
	1630-1700	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 zero (0) Major, zero (0) Minor nonconformities and one (1) OFI raised.

Opportunity for Improvement		
Ref: 1988148-202011-I1	Area/Process: Mill	Clause: MS 2530:2013 Part-4, 4.1.3.1
Objective Evidence:	The agenda of the management review conducted by Sakilan POM can be further improved by covering the overall management system performance apart from focusing only on the internal audit's outcome.	

Noteworthy Positive Comments	
1	Good cooperation by management team/staff/sustainability team
2	Good documentation upkeep and retrieval

3.3 Status of Nonconformities Previously Identified and OFI

Minor Nonconformities:		
Ref: 1848666-201911-N1	Area/Process: Plantation	Clause: MS 2530:2013 Part-3, 4.4.2.2
	Issue Date: 20/11/2019	Due Date: 20/11/2020
Requirements:	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.	
Statement of Nonconformity:	No evidence complaints and grievances being resolved in an effective, timely and appropriate manner that is accepted by all parties.	
Objective Evidence:	Sakilan Estate No evidence on date of action taken and completion sighted in the Green Book, Complaint and Grievances, Sample taken on complaints at Sakilan Estate dated 6/8/19 by Mrs. Samsiah Soga, AU 116500 on House No 6, Block K, Division 2 - kitchen door out of order.	
Corrections:	1. Date of action taken and completion evidence will be attached on the said samples.	

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	<p>2. To appoint a dedicated person to regularly monitor the status of action taken on each of the issue reported in the Complaint / Grievances Book.</p> <p>Timeline: The attachment of the said samples sighted during audit were presented to auditors on 21st November 2019. The similar document will be submitted together with the appointment letter of the dedicated person by end December 2019.</p>
Root cause analysis:	There is no dedicated person to follow up the status of action taken by the management.
Corrective Actions:	<p>1. Management will confirm with workers' representatives if there is any unresolved complaints during Joint Consultative Committee meeting.</p> <p>2. Grievance procedure training will be conducted to Sakilan Estate management by the regional office.</p> <p>Timeline: 1. Meeting to be conducted every 2 months. 2. Grievance Procedure training to be conducted in 2nd half of FY19/20.</p>
Assessment Conclusion:	The effectiveness of the implementation will be verified during next assessment
ASA3 Verification	The evidence of implementation of correction and corrective action was found to be effective. Thus, the NCR is satisfactorily closed-out.

Minor Nonconformities:		
Ref: 1848666-201911-N2	Area/Process: Plantation	Clause: MS 2530:2013 Part-3, 4.6.3.2
	Issue Date: 20/11/2019	Due Date: 20/11/2020
Requirements:	All contract shall be fair, legal and transparent and agreed payments shall be made in timely manner.	
Statement of Nonconformity:	The duration of payment for the Contractors has not been stated in the term and conditions of the Contract Agreement.	
Objective Evidence:	Linbar 1 Estate No clause of duration/ timeframe of payment provided in a terms and conditions of the contract agreement. Sample taken on Contract Agreement of M/S Zana Enterprise, contract period 1/7/2019 – 30/6/2020 on FFB & Gravel Stone Transport.	
Corrections:	The clause duration/timeframe of payment will be mentioned on an additional document to the current contract agreement with the said contractor. Timeline: The additional document shall complete in early 2nd half of FY19/20.	
Root cause analysis:	The clause on duration/timeframe of payment was mentioned in another document which was not attached with the contract agreement for the said contractor.	
Corrective Actions:	The management had decided to revise the contract agreement content. The revised content will include the clause of duration/timeframe of payment. Timeline:	

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	The document revision shall be completed prior to next renewal of contract agreement on end FY19/20.
Assessment Conclusion:	The effectiveness of the implementation will be verified during next assessment
ASA3 Verification	The evidence of implementation of correction and corrective action was found to be effective. Thus, the NCR is satisfactorily closed-out.

Opportunity for Improvement		
Ref: 1848666-201911-I1	Area/Process: Mill and estates	Clause: MS 2530:2013 Part-4 and Part-4, 4.4.5.6
Objective Evidence:	Seen in the Contract Agreement of workers under clause no 19; <i>"Kontrak ini tidak boleh dipindahkan kepada majikan lain tanpa persetujuan daripada pekerja dan kebenaran bertulis daripada Pengarah Tenaga Kerja Sabah."</i> However, the Management need to re-look into the clause as any transfer of foreign workers might involve Immigration Department as the visa & permit are approved by their respective department.	
ASA3 Verification	The Clause has been moved to Clause 18 of the employment contract. As explained by the management, the approval by the Sabah Labour Department would also taking the input from the Immigration Department. Thus, the statement remains status quo.	


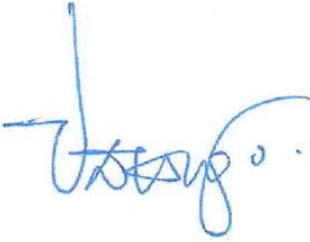
3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1848666-201911-N1	Minor	20/11/2019	Closed on 20/11/2020
1848666-201911-N2	Minor	20/11/2019	Closed on 20/11/2020

3.5 Issues Raised by Stakeholders

IS #	Description
1	Feedback: NA
	Management Responses:
	Audit Team Findings:

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment, Sakilan Palm Oil Mill and supply base Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Sakilan Palm Oil Mill and supply base Certification Unit Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: A PRAKASH SR. PLANTATION CONTROLLER SANDAKAN REGION	Name: Valence Shem
Company name: 101 PLANTATION SERVICES SDN BHD	Company name: BSI Services Malaysia Sdn Bhd
Title: SENIOR PLANTATION CONTROLLER	Title: Lead Auditor
Signature: 	Signature: 
Date: 17.05.2021	Date: 10/04/2021

Appendix A: Summary of the findings by Principles and Criteria

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

Criterion / Indicator	Assessment Findings	Compliance	
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	IOI group has established IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato’ Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Group Head of Sustainability. The policy was last revised in October 2020. The policy emphasizes on the following commitments: <ul style="list-style-type: none"> • Compliance with all applicable legislation and codes of practice • Implementation of sustainability standards laid out in the policy of environmental, human rights, community development and social impacts • Contribution to the United Nations Sustainable Development Goals (“UN SDGs”) • Building traceable supply chain such that all suppliers are also in compliance with IOI’s Sustainability Policy • To strive the highest levels of transparency and stakeholder engagement The policy is also publicly available at https://www.ioigroup.com/Content/S/pdf/Sustainable%20Palm%20Oil%20Policy.pdf	Complied

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Criterion / Indicator		Assessment Findings	Compliance												
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The commitment towards sustainable production of palm oil and its continuous improvement as outlined in the MSPO guidelines and RSPO Principle and Criteria is stated in the IOI Group Sustainable Palm Oil Policy.	Complied												
Criterion 4.1.2 – Internal Audit															
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	The plan of the internal audit was established at the beginning of the year. The actual internal audits were conducted by an independent unit i.e. "Sustainable Oil Palm Department".	Complied												
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	<p>The internal audits were conducted guided by the company's Standard Operation Procedure for MSPO Internal Audit Procedure (Ref. No.: MSPO/SOP/IA/2, revision no: 02, dated 1st Nov 2018). The recent internal audits for the sampled estates were conducted as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>No</th> <th>Estate</th> <th>Date of audit</th> <th>Findings</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Linbar 1</td> <td>8/9/2020</td> <td>4 major & 3 minor NCR</td> </tr> <tr> <td>2</td> <td>Linbar 2</td> <td>7/9/2020</td> <td>10 major & 1 minor NCR</td> </tr> </tbody> </table> <p>The root-causes of the NCR have been identified and recorded in the corrective action plan. All of the NCRs were satisfactorily closed within the timeframe.</p>	No	Estate	Date of audit	Findings	1	Linbar 1	8/9/2020	4 major & 3 minor NCR	2	Linbar 2	7/9/2020	10 major & 1 minor NCR	Complied
No	Estate	Date of audit	Findings												
1	Linbar 1	8/9/2020	4 major & 3 minor NCR												
2	Linbar 2	7/9/2020	10 major & 1 minor NCR												
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	The internal audit reports were available to the management of each operating unit. The report has the information about standards' requirements and findings. The results of the internal audits were also part of the agenda recorded in the management review meeting.	Complied												

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>The Management Review meetings were last conducted on 25/9/2020 (Linbar 1) and 11/9/2020 (Linbar 2). The meetings were chaired by the respective estate managers and attended by the key personnel. Among the agenda recorded in the minutes of meeting were as follows:</p> <ul style="list-style-type: none"> • Results of the internal audit • Adequacy and effectiveness of MSPO standard implementation • Other matters 	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>The continual improvement plan for financial year 2020/2021 was available for all the sampled estates. It was established based on the social and environmental impact. To name a few of the action plans established are:</p> <ul style="list-style-type: none"> • To conduct meeting with stakeholders • To continue giving training on mechanism of handling grievance and pollution prevention • Reduction of pesticides and fossil fuel usage 	Complied
4.1.4.2	<p>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.</p>	<p>Any new technology and/or innovation equipment is subject to approval by HQ. No new technology adopted by the estates for field operation so far.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	Should there be any new technology adopted, training shall be provided to the related personnel.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	Sakilan Palm Oil Mill and its supply bases are transparent and open to communicate its information on environmental, social and legal issues related to sustainability practice to its stakeholders. The awareness among the stakeholders about the request of information was made mainly during stakeholder’s consultation meetings.	Complied
4.2.1.2	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 -	Among the information can be made available is: <ul style="list-style-type: none"> • Company’s policies • Occupational Safety and environmental management plans • Company’s annual report • MSPO/RSPO external audit reports • Continuous improvement plan 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> Complaint and grievance procedure Land use rights 	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>IOI Group has established Guideline Procedure on Stakeholder Consultation under SPO/SDK/S/001-2018, Revision 01/01 dated 20/07/2018. There are three stages of handling grievance i.e.:</p> <ol style="list-style-type: none"> Grievance Submission - Submitted through Green Book, hotline or ECC immediately or within 24 hours Preliminary Investigation - Investigate within 30 working days from grievance submission date Further Investigation/Meeting with complainant - Meet up with complainant within 10 working days after preliminary investigation outcome 	Complied
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>The sampled estates have appointed the following personnel to be the responsible person in handling the issues related to Indicator 1, i.e.:</p> <ol style="list-style-type: none"> Linbar 1 – Mr Berthold Kibin [ref.: letter dated 26/10/2020 from the Estate Manager] Linbar 2 – Mr Zulfikar Bin Jamaluddin [ref.: letter dated 6/8/2020 from the Estate Manager] 	Complied
4.2.2.3	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p>	<p>List of stakeholders for all the operating units were last updated n 22/09/2020. The list consists of various group of stakeholders such as government authorities, contractors/suppliers, NGOs, local communities and also internal stakeholders such as workers and representatives.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Records of consultation generally recorded in the stakeholders' consultation minute of meeting. The last meeting was conducted on 18/9/2020.	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>IOI have established three Traceability Procedure for Estate namely:</p> <p>Bunch Count / Grading refer to ITPLT/ SO/ MCMS/ 1718/ 0006/ 02.</p> <ul style="list-style-type: none"> - Harvesters' attendance and number of bunches harvested being recorded in Portable Data Reader (PDR). - Upon completion of grading at platform, print a copy of bunch chit and attached to one of the bunches at the platform with clear vision. - The data from Portable Data Reader (PDR) being transfer into Pinfopalm application at Office. <p>FFB Evacuation Direct to Mill refer to ITPLT/ SO/ MCMS/ 1718/ 0008/01</p> <ul style="list-style-type: none"> - Collect the bunch chits and load the bunches into the trailer. - Bunch chits being pass to mill weighbridge clerk. - Return with mill weighbridge tickets and bunch chit to office. - Scan the bunch chits and mill weighbridge ticket into Pinfopalm application by end of the day. <p>FFB Evacuation to Estate Weighbridge refer to ITPLT/SO/MCMS/1718/0007/01</p> <ul style="list-style-type: none"> - Collect the bunch chits and load the bunches into the trailer. - Bunch chits being pass to weighbridge clerk. - Unload the FFB at ramp 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Weigh the empty tractor, generate weighbridge ticket and attached the bunch chits - Scan the bunch chits and weighbridge ticket into Pinfopalm application by end of the day. - Transporter dispatch the FFB to mill, weight the empty lorry. - Load the FFB at Ramp. - Weight the FFB at weighbridge before dispatch to mill. - Mill weighbridge ticket input place in Pinfopalm. 	
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>The Management team on harvesting holds the responsibility on regular inspection of traceability system. Periodical inspections also being conducted through General Manager, Plantation Director, Sustainable Palm Oil Department and Agronomist visit.</p> <p>The effectiveness of the monitoring will evidence in the internal audit and visit report findings.</p>	Complied
4.2.3.3	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>In Linbar 1 Estate, the responsible person for transparency is Mr Berthold Kibin, the Assistant Manager as the person responsible vide letter dated 1/10/2017 and approved by Mr Ahmad bin Mohammad, Manager.</p> <p>For Linbar 2 estate already appoint Mr Zulfikar Bin Jamaluddin dated 6/8/2020 as responsible for traceability system.</p>	Complied
4.2.3.4	<p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p>- Major compliance -</p>	<p>FFB being sell to Sakilan POM and being monitored by Regional Office, Ladang Sabah. Sighted records of sales, delivery, or transportation of FFB being maintained at the Estate. The record sale of FFB was available, sampling on Delivery Order 00915.</p>	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			

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Criterion / Indicator		Assessment Findings	Compliance
4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>Linbar 2 and Linbar 1 estate continued to comply with legal Requirements as per indicator. Compliance to each applicable law and regulation is monitored by the operating units and sustainability team.</p> <p>The licenses and permits governed by the Local, State and Federal authorities among others as shown below;</p> <p>Linbar 2 estate</p> <p>Permit for KPDNKK for diesel and petrol available (S014337) dated valid 16/5/2020 until 15/5/2021</p> <p>License for hired Indonesia workers (JTK H.KBN.600-4/1/1/01261/0282 valid until 26/7/2021</p> <p>MPOB license 5024510200 valid until 31/8/2021</p> <p>PMT license SB PMT 1624 valid until 12/10/2021.</p> <p>Linbar 1 estate</p> <p>Noise Risk Assessment was done on 25 Sept 2020 by DAB OH Sdn Bhd (ref: DABOH/1020/056)</p> <p>Weighbridge calibration refer B1494455 by Metrology Sdn Bhd</p> <p>MPOB license 525933011000 valid until 31/12/2020</p> <p>Permit for KPDNKK for diesel and petrol available (S002451) dated valid 29/6/2020 until 28/6/2021</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	List of applicable legal and other requirements was made available during the assessment and compiled in the Mechanism on Legal Requirement Register (IOI/SR/SPO/MTLC/20-02 dated 2 July 2020). As to date, All estate had complied with all the applicable local, state, national and ratified international laws and regulations.	Complied
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	The mechanism of tracking changes and update are guided by Sustainable Palm Oil Department. The LORR was reviewed by Sustainable Palm Oil Department. The new revision in 2019 at both Estates are as follows: - 1. Occupational Safety and Health (Noise Monitoring) Regulation 2019 2. Environmental Quality (Clean air) Regulation 2014 3. Employee Social Security Amendment 2016	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	Evidence, Sakilan Estate have appointed the responsible person for transparency. The management have appointed the Assistant Manager as the person responsible vide letter dated Jan 2020 and approved Manager. In Linbar 1 Estate, the responsible person for transparency is Mr Berthold Kibin, the Assistant Manager as the person responsible vide letter dated 1/10/2017 and approved by Mr Ahmad bin Mohammad, Manager.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	The oil palm cultivation activities for the sampled estates do not diminish the land use rights of other users. The conditions stipulated in the land title was adhered to.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.	Linbar 1 and Linbar 2 estates are sharing one land title [ref.: #CL095311667, owner: Linbar Estate Sdn Bhd, 4,840.0 Ha, lease period: 1/1/1983 to 31/12/2081] to show legal ownership.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The land belongs to IOI Corporation Berhad and land ownership documents verified. Interviewed with smallholders and local communities confirmed that no encroachment of land by the company as boundary pegs and trenches were constructed to demarcate the boundaries.	Complied
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There was no land dispute at all the sampled estates. The company has the legal ownership documents as demonstrated by possessing a land title.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land or negotiated agreements at all the sampled estates.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	There is no customary land or negotiated agreements at all the sampled estates.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no customary land or negotiated agreements at all the sampled estates.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>The sampled estates have last reviewed their SIA on 11/11/2020 (Linbar 1) and 19/10/2020 (Linbar 2) by the appointed Social Liaison Officers. The method of identifying the social impacts was by conducting both internal and external stakeholder meeting. Among the group of stakeholders outreached by the governmental organization, gender representatives, NGO, neighbouring estates, religious representatives, employees, contractors, suppliers and village representatives. Generally, among the impacts identified were those related to compliance with legal requirements, workers welfare, handling of complaints & grievances and socio-economic impact on surrounding communities.</p>	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>IOI Corporation Berhad has a Grievance Procedure [doc. No. IOI/P/GP/001, rev. 1, dated 20/1/2020] which outlined the system for dealing with complaints and grievance.</p>	Complied
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>The estates are having a format to record complaints or requests from the stakeholders. Based on the records, most of the complaints were about defects of housing facility. Verification of the records of complaints lodged, the actions taken by the management were found to be appropriate and timely manner.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	The complaint forms were available at the operating unit's office, where the stakeholders can easily access should it be needed. Among the information available in the form is name of requestor/complainant, date of request, details of complaint/grievance, details of action taken including dates and acknowledgement signature of the requestor.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Employees and the surrounding communities were made aware that complaints or suggestions can be made any time through various meetings such as morning muster, training/briefing and stakeholder consultation.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	The complaints and resolutions for the past 24 months (i.e. from November 2018) were well maintained by the sampled estates and available upon request.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	Since the last assessment, there have been less activities by the local communities due to MCO. Nonetheless, there has been an approved request from a nearby school with regards to donation of raw materials for painting building, dated 29/9/2020.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	IOI Group has established the Occupational Safety, Health and Hygiene Policy signed by Plantation Director in April 2019. In the policy stated the commitment of the company to implement leading sustainability standards	Complied

Criterion / Indicator		Assessment Findings	Compliance
		for human rights and workplace conditions. The company believe that's is crucial to provide a safe, healthy and harmonious working environment for all employee across their operations as well as others who may be affected by our work.	
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. 	<p>Briefings to employees on safety policy are made through training and briefing forums. In addition there were also briefings at muster ground being as refresher program for the employees. Safety procedures adherence are emphasised to the employees as part of the work culture. Content includes among others to prioritise safety, execute work safely, and adhere all safety rules and regulations and to target zero accident. Safety policy and targets were available on display board printed in both English & Bahasa Malaysia.</p> <ul style="list-style-type: none"> a) Linbar 1 estate has established Safety and Health Policy (IOIPD-PL-OSH-003) signed on April 2019 by Plantation Director. The policy was communicated through tool box meeting, morning muster briefing and displayed at several designated notice board in the estate. b) HIRARC assessment already cover all operation activity in estate, this including spraying, harvesting and others. The management already reviewed dated 1/7/2020 by HSE Executive and assistant. CHRA was conducted by Dr Mohd Azizan from DAB OH Sdn Bhd dated 12 Nov 2020 (Ref: HQ/11/ASS/00/298-2020/217). Medical Surveillance was done on 2/11/2020 at DAB OH Sdn Bhd. By Dr Donny Cristanto (HQ/19/DOC/00/00399) c) The estate has established training program for employees exposed to pesticides used in the estate to ensure the continuous awareness to the employee. The training was conducted by the Estate Manager, Asst. Manager, and other competent person on the training subject to 	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must 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 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>- Major compliance -</p>	<p>the supervisors and operators. The training can refer in indicator 4.4.6.2</p> <p>d) The management provide appropriate PPE to the employee's base on the job type. The PPE given as per HIRARC and Standard Operating Procedure. PPE issuance was recorded in PPE Issue Form by individual basis.</p> <p>e) IOI Plantations has established Standard Operating Procedure for handlings of chemicals and documented in Occupational Safety and Health Management System as follows: Safety Work Procedure Storage and Management Chemical Store. Refer document no. IOI-OSH 3.2.2 rev. no. 1, Appendix 6(8-A) dated 1/8/2012 and Safety Work Procedure Pesticides Spraying. Refer document no. IOI-OSH 3.2.2 rev. no. 1, Appendix 6(9) dated 1/8/2012.</p> <p>f) Appointment letter for OSH responsible person(s) for workers' safety and health, dated 13/11/2019 to Mr Fadly Muslik</p> <p>g) OSH meeting was done periodically 3 month once, latest conducted on 20/10/2020 and previous meeting was held on 8/7/2020.</p> <p>h) IOI Plantations has established flow chart Emergency Response Plan documented in Safety and health Plan under Emergency Response Plan. The ERP covers as follows, Accident for plantations tractor and lorry driver, Physical Injury, Fire outbreak, Flood, Chemical spillage at storage/premix area and Chemical spillage in the field CPO, Diesel and lubricant spillage.</p> <p>i) The management conducted the First aid training to First aider in estate, the record 29/1/2020 and from record the first aid all available at all filed operation as per First aid checklist.</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		j) Accident record was kept accordingly, JKPP 8 dated 10/1/2020 was available for reviewed. From the record LTA was 48.01. The previous year only have 1 record of JKPP 6 with total 24 MC.	
Criterion 4.4.5: Employment conditions			
4.4.5.1	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. - Major compliance -	Policy on good social practices regarding human rights is addressed in the IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato' Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Group Head of Sustainability. The policy was last revised in October 2020. Communication to the employees was done in various methods such as briefing during morning muster, display on notice boards and training.	Complied
4.4.5.2	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. - Major compliance -	The company is committed to ensure all the employees are treated equally regardless of race, nationality religion, gender, age and other political opinions. There was no evidence of any form of discriminatory practice.	Complied
4.4.5.3	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 meet basic needs and provide some discretionary income based on minimum wage. - Major compliance -	Employment contracts for workers were available for verification. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the workers. Based on sampled pay slips, it was found that the wages were paid in line with the Minimum Wage Order 2020. Sampled workers ID number whose payslips for the months of February, May and October 2020 were verified is as follows: Linbar 1: LB12580, LB11257, LB10141, LB10154, LB10743, LB12289	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Linbar 2: LB22678, LB21907, LB20684, LB24444, LB24341, LB24362, LB24108	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	In order to ensure employees of contractors are paid based on legal or industry minimum standards, the management requests payslips from the contractors. Payslips of employees from JS Enterprise and Jen Siong Transport were available for verification. All the pay was found to be meeting the minimum standard requirements.	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	Employee data base is kept and maintained in a computer system (SAP). All the required information such as names, gender, date of birth, date of entry, job description, and ID number was available in the data base.	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	Every employee had been provided with employment contract which is signed by both parties. The terms and conditions stipulated in the employment contract and written in Bahasa Malaysia, were found to be in-line with the legal requirements.	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	The company is using Electronic Plantation Mobile System (EPMS) as its method to record working hours and overtime. The data will then be transferred to the SAP system for wages calculation. Employees can be transparently provided with the information in the EPMS.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	The working hour and break time have been clearly stated in the Employment Contract. Verification of payslips showed that the overtime was paid consistent with the time recording and legal requirements.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Verification of payslips showed that the wages and overtime were paid consistent with the employment contract and legal requirements. The following workers' ID payslips were sampled for the months of February, May and October 2020: Linbar 1: LB12580, LB11257, LB10141, LB10154, LB10743, LB12289 Linbar 2: LB22678, LB21907, LB20684, LB24444, LB24341, LB24362, LB24108	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	Among the other forms of social benefits provided by the company are: <ul style="list-style-type: none"> • Annual production bonus • Turn-out incentive • EPF & SOCSO • Inhouse dispensary 	Complied
4.4.5.11	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. - Major compliance -	The estates workers are provided with free housing facilities which includes potable water and electricity. Housing inspection by the medical assistants was also carried out on weekly basis which criteria is mainly focussing on cleanliness and safety. Records of inspection were well maintained for verification.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.12	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Apart from the SPOP, this is also addressed under IOI Group’s Policy on Harassment at Workplace, which was signed by the Plantation Director dated June 2018.</p>	Complied
4.4.5.13	<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>- Major compliance -</p>	<p>Apart from the SPOP, this is addressed under IOI Group’s Equal Opportunity Employment & Freedom of Association Policies, which was signed by the Plantation Director dated October 2017. By this policy, employees are not restricted to join any trade union.</p>	Complied
4.4.5.14	<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 programmes. Children shall not expose to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Based on verification of the employees’ data base extracted from the SAP system, there was no evidence that children and young persons have been recruited. This is also in-line with the company’s SPOP.</p>	Complied
Criterion 4.4.6: Training and competency			

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Criterion / Indicator		Assessment Findings	Compliance																															
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Linbar 2 Estate has established an annual training program with latest training program for year 2020 that covers all aspects of the RSPO Principles and Criteria. The training need and program was made available for verification at all visited sites. Awareness and training program had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE.</p>	Complied																															
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>The training program specified the target group of employees to be trained for the identified subjects. In addition to the Good Mill /Agricultural Practice training, that is, Process stations / field SOP related to trade/job skills, the following topics, among others, were included in the 2020 annual training program:</p> <table border="1"> <thead> <tr> <th>Operating Unit</th> <th>Date</th> <th>Training</th> </tr> </thead> <tbody> <tr> <td rowspan="7">Linbar 2</td> <td>18/8/2020</td> <td>First aid training</td> </tr> <tr> <td>7/5/2020</td> <td>Spraying safety training</td> </tr> <tr> <td>25/8/2020</td> <td>Store safety work training</td> </tr> <tr> <td>13/4/2020</td> <td>Creach SOP training</td> </tr> <tr> <td>28/1/2020</td> <td>Bufferzone and HCV training</td> </tr> <tr> <td>5/2/2020</td> <td>Policy training</td> </tr> <tr> <td>28/4/2020</td> <td>Scheduled waste training</td> </tr> <tr> <td rowspan="6">Linbar 1</td> <td>29/1/2020</td> <td>First aid and CPR training</td> </tr> <tr> <td>23/1/2020</td> <td>Water treatment training</td> </tr> <tr> <td>22/1/2020</td> <td>Manuring Training</td> </tr> <tr> <td>11/3/2020</td> <td>Bufferzone and HCV training</td> </tr> <tr> <td>29/9/2020</td> <td>Sexual Harassment awareness training</td> </tr> <tr> <td>15/9/2020</td> <td>SDS Training</td> </tr> </tbody> </table>	Operating Unit	Date	Training	Linbar 2	18/8/2020	First aid training	7/5/2020	Spraying safety training	25/8/2020	Store safety work training	13/4/2020	Creach SOP training	28/1/2020	Bufferzone and HCV training	5/2/2020	Policy training	28/4/2020	Scheduled waste training	Linbar 1	29/1/2020	First aid and CPR training	23/1/2020	Water treatment training	22/1/2020	Manuring Training	11/3/2020	Bufferzone and HCV training	29/9/2020	Sexual Harassment awareness training	15/9/2020	SDS Training	Complied
Operating Unit	Date	Training																																
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	28/1/2020	Bufferzone and HCV training																																
	5/2/2020	Policy training																																
	28/4/2020	Scheduled waste training																																
Linbar 1	29/1/2020	First aid and CPR training																																
	23/1/2020	Water treatment training																																
	22/1/2020	Manuring Training																																
	11/3/2020	Bufferzone and HCV training																																
	29/9/2020	Sexual Harassment awareness training																																
	15/9/2020	SDS Training																																

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Criterion / Indicator		Assessment Findings		Compliance				
			<table border="1"> <tr> <td>21/10/2020</td> <td>Fire drill training</td> </tr> <tr> <td>11/6/2020</td> <td>SOP for contractor workers Training</td> </tr> </table>	21/10/2020	Fire drill training	11/6/2020	SOP for contractor workers Training	
21/10/2020	Fire drill training							
11/6/2020	SOP for contractor workers Training							
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>The estate continuously provided the training to the workers as per plan. The training plan was reviewed on annually basis base on the training need analysis conducted.</p>		Complied				
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services								
Criterion 4.5.1: Environmental Management Plan								
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>The IOI Plantations "Sustainability Policy" was established with included environment. The policy was signed by Dato' Lee Yeow Chor, Group Managing Director & CEO on Oct 2020.</p> <p>The Linbar 2 and 1 estate environmental improvement and management plan has been established to monitor the identified significant activities that give impacts on environment. The Assistant Manager has been appointed to do the monitoring to ensure the plan is effectively implemented.</p>		Complied				
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>An environmental improvement plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts. Last</p>		Complied				

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Criterion / Indicator		Assessment Findings	Compliance
		reviewed was done on 1/11/2020 for aspect and impact for environmental management plan.	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	Environmental aspect and impact was available dated 1/11/2020. The management establish the plan to ensure the SW 404 was disposed to Sedafiat. Record of Linbar 2 estate disposed SW 404 available dated 10/11/2020 to Luangmanis Clinic (centralised) still under IOI management. From the verification Luangmanis Clinic will disposed all SW 404 to Sedafiat Sdn Bhd, latest consignment note record was on 21/5/2020 (Serial no; LMNC012) with total 34.5kg. The IOI already get approval to centralise the SW store before disposal from DOE refer letter ASSH(B)91/110/619/001 Jld 22(85) dated 23 Jan 2018	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Programs conducted including 3R campaign and provision of 3R bins within office and housing area, waste segregation, monitoring of river water sample analysis and etc. same as per previous year and on progress.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	The Linbar 2 and 1 Estate Annual Training Programme & Safety Meeting includes environmental awareness and compliance related trainings to the executives, staffs and workers. Continuous Awareness training program eq. Riparian Training has been carried out on 28/1/2020 by the company to its workers and other stakeholders.	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Environmental related matters were discussed during Internal stakeholder meeting conducted once a year. The meeting conducted on 18/9/2020 in Linbar 1 estate.	Complied

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Criterion / Indicator		Assessment Findings	Compliance															
		The estate has appointed Environmental Liaison Officer. Any issue regarding environmental can be reported through the officer appointed.																
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																		
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. - Major compliance -	<p>Linbar 2 & Linbar 1 estate maintains records of energy usage, which is reported monthly to head office. The use of the fossil fuel against the FFB production is being monitored as per below detail: -</p> <table border="1"> <thead> <tr> <th rowspan="2">Operating unit</th> <th colspan="3">Diesel/Liter</th> </tr> <tr> <th>FY17/18</th> <th>FY 18/19</th> <th>FY 19/20</th> </tr> </thead> <tbody> <tr> <td>Linbar 2</td> <td>305,797</td> <td>330,935</td> <td>306,474</td> </tr> <tr> <td>Linbar 1</td> <td>240,309</td> <td>253,433</td> <td>363,507</td> </tr> </tbody> </table>	Operating unit	Diesel/Liter			FY17/18	FY 18/19	FY 19/20	Linbar 2	305,797	330,935	306,474	Linbar 1	240,309	253,433	363,507	Complied
Operating unit	Diesel/Liter																	
	FY17/18	FY 18/19	FY 19/20															
Linbar 2	305,797	330,935	306,474															
Linbar 1	240,309	253,433	363,507															
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	Linbar 2 and Linbar 1 estate have estimation on total energy required. This estimation was compared to the actual usage by monthly and reported to the head office for monitoring. The estimation was available under budget 2020 and 2021.	Complied															
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No renewable energy used in the estate	Complied															
Criterion 4.5.3: Waste management and disposal																		

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Criterion / Indicator		Assessment Findings	Compliance
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>Linbar 2 Estate facilities showed that all waste products and sources of pollution were identified and documented.</p> <p>The documentation and identification of all the waste products such as scheduled waste, domestic waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB were maintained and monitored. Landfill procedure in Field 18 B as per map was far from water source.</p>	Complied
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <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>- Major compliance -</p>	<p>Documented Waste Management Plan dated Nov 2020 was established where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes</p>	Complied
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Estates been assess have a proper Scheduled Waste System for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. As per record storekeeper shows all the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005. Inventory for all scheduled waste generated were recorded in stock card and reported to DOE through E-SWISS. Sampling on SW 404 was disposed to Sedafiat. Record of Linbar 2 estate disposed SW 404 available dated 10/11/2020 to Luangmanis Clinic (centralised) still under IOI management.</p> <p>From the verification Luangmanis Clinic will disposed all SW 404 to Sedafiat Sdn Bhd, latest consignment note record was on 21/5/2020 (Serial no;</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		LMNC012) with total 34.5kg. The IOI already get approval to centralise the SW store before disposal from DOE refer letter ASSH(B)91/110/619/001 Jld 22(85) dated 23 Jan 2018	
4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer’s labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. - Major compliance -	IOI Plantations has established Standard Operating Procedure for empty pesticides container handling documented in Safety Work Procedure Empty Chemical Container Management document no. IOI-OSH 3.2.2 rev. no. 1, Appendix 6(31) dated 1/8/2012 From the record verification, empty pesticide containers were sent to be recycled. The latest disposal was done on 10/9/2020 to Newgates Industries. Total containers disposed 730 containers.	Complied
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	The management used to segregate the waste, i.e. general wastes and scheduled wastes was verified to be satisfactory. Other domestic waste was disposed in the landfill at field 18B in Linbar 2 estate.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	The estate has conducted assessment of all polluting activities during aspects and impacts analysis for all the operations and documented in in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans under section Identification of Potential Source of GHG Emission and GHG Reduction Plan	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The estate has established management plan for all polluting activities and documented in the Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans.	Complied

Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.5.5: Natural water resources		
<p>4.5.5.1 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"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <p>- Major compliance -</p>	<p>The water management plan available for reviewed dated 8/7/2020 to maintain the quality and availability of natural water resources (surface and ground water). The water management plan include:</p> <ul style="list-style-type: none"> a) Two water source been declared from water treatment plant and River (Sg Rawong). The analysis of water for domestic used as per report W200630/04A from DYNAKEY Laboratories dated 25/7/2020. b) The monitoring of outgoing water been twice a year, latest record was on June 2020. From the monitoring Linbar 2 estate have 2 inlet and one outlet. The result showed inclined with INWQS(National Water Quality Standards. Previous record was on Sept 2019. c) To optimize the water and nutrient usage to reduce wastage, management to monitoring the pipe leakage in residential area, ensure no leakage of spraying pumps and educate the workers regarding to promotes water conservation. Sample implementation of water leakage as per linesite inspection (latest record Oct 2020) done by once in 2 weeks. d) For protection of water courses, management already plan to monitor the Buffer zone e) Limited to Remote audit. This verification will be verify on next surveillance onsite audit. f) No bore well is being use for water supply in Linbar estate 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	No site verification visit during remote audit due to COVID-19 issue and MCO requirement.	Complied
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	No site verification visit during remote audit due to COVID-19 issue and MCO requirement.	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: 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 -	In Sakilan estate, re-assessment of HCV area was documented in High Conservation value and Conservation Area Management Action Plan and Continuous Improvement Plan dated July 2020. Latest review was conducted on July 2020. No HCV area identified in the estate. The estate has identified conservation area in the estate, listed in Table 1 Summary of Internal and External HCV/Conservation Area for Sakilan Estate. The list of conservation area identified as follows: i. Sg. Bulu riparian zone ii. Estate water pond, iii. Unplanted steep area and iv. Volcano mud pond	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.6.2	<p>If rare, threatened or endangered species or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>No RTE species identified in the estates as per monitoring record.</p> <p>L2E The estate has established management plan for conservation area identified documented such as Sg Lokan and Sg Rawong in the re-assessment report established. The monitoring done monthly record available for reviewed.</p> <p>LIE The estate has identified conservation area in the estate, listed in Table 1 Summary of Internal and External HCV/Conservation Area for Linbar I Estate.</p>	Complied
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>The estate has established environmental management plan documented in High Conservation value and Conservation Area Management Action Plan and Continuous Improvement Plan dated 1/11/2019. Latest review was conducted on 1/11/2020. The implementation was not onsite verification due remote audit due to COVID-19 issue and MCO requirement.</p>	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	<p>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.</p> <p>- Major compliance -</p>	<p>IOI group has established Zero Burning Policy as per 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, EQA 1974 specifically on section 29A (prohibition on Open Burning) and 29AA (Exclusion from 'Open Burning') signed by the Plantation Director on May 2018. The policy was communicated to all the employee through training, briefing and signage at several notice board in the estate.</p> <p>IOI group has established Group Standard Operating Procedure (StOP) for Land Clearing, index 4.1 and Group Standard Operating Procedure (StOP)</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		for Land Preparation for New Planting and Replanting, index 4.2 prepared on September 2007. No site visit during remote audit due to COVID-19 issue and MCO requirement	
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	No use of fire for land preparation during replanting.	Complied
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	No use of fire for land preparation during replanting.	Complied
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	No use of fire for land preparation during replanting.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.	IOI has established 3 SOP as guidance to conduct the estate daily operation. IOI has established Group Standard Operating Procedures as guidance document to operate the estate issued on September 2007. Latest review was done in December 2016 with additional on StOP for	Complied

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Criterion / Indicator		Assessment Findings	Compliance												
	- Major compliance -	Planting Beneficial Plant and Stop for management and Monitoring of Existing Cultivation of Oil Palm on Peat. The SOP covers all 17 activities such as Seed Production, Planting Techniques, Manuring, Weeding, Pest and Disease, Harvesting and Planting of Beneficial Plants. The record of efb implementation was available, EFB application in linbar 2 estate on August 2020 with total 47.58 mt.													
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance -	<p>IOI Plantation has established Standard Operating Procedures for oil palm planting at permitted levels on sloping land documented in Group Standard Operating Procedures (StOPs) for Estate Operations under 2.0: Standard Procedure for Land Preparation for the New Planting and Replanting. Good agriculture practices from the StOP established were followed to manage soil fertility to ensure optimal and sustained yield through annual fertilizer application program.</p> <p>Landscapes of Linbar 1 estate are mostly undulating, flat, rolling and hilly. No Planting within areas more than 25 degrees in estate. The topo map detail as per below:-</p> <table border="1"> <thead> <tr> <th>Slope classes</th> <th>Area/Percentage</th> </tr> </thead> <tbody> <tr> <td>0°- 2°</td> <td>70.97%</td> </tr> <tr> <td>2 – 6</td> <td>25.51%</td> </tr> <tr> <td>6 – 12</td> <td>3.25%</td> </tr> <tr> <td>12 – 15</td> <td>0.19%</td> </tr> <tr> <td>15-25</td> <td>0.08%</td> </tr> </tbody> </table>	Slope classes	Area/Percentage	0°- 2°	70.97%	2 – 6	25.51%	6 – 12	3.25%	12 – 15	0.19%	15-25	0.08%	Complied
Slope classes	Area/Percentage														
0°- 2°	70.97%														
2 – 6	25.51%														
6 – 12	3.25%														
12 – 15	0.19%														
15-25	0.08%														
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	No site visit during remote audit due to COVID-19 issue and MCO requirement.	Complied												

Criterion / Indicator		Assessment Findings	Compliance								
Criterion 4.6.2: Economic and financial viability plan											
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>The replanting programme was available in Linbar 2 estate Business plan 19/20. The replanting programme cover for 10 years. Total will be replant was from year 2020 until 2025 as per detail below:-</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>year</th> <th>hectarage</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Linbar 2 estate</td> <td>2020/21</td> <td>346</td> </tr> <tr> <td>2021/22</td> <td>157</td> </tr> </tbody> </table>	Estate	year	hectarage	Linbar 2 estate	2020/21	346	2021/22	157	Complied
Estate	year	hectarage									
Linbar 2 estate	2020/21	346									
	2021/22	157									
4.6.2.2	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p>- Major compliance -</p>	<p>The replanting programme was available in Linbar 2 estate Business plan 19/20. The replanting programme cover for 10 years. Total will be replant was from year 2020 until 2025 as per detail below: -</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>year</th> <th>hectarage</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Linbar 2 estate</td> <td>2020/21</td> <td>346</td> </tr> <tr> <td>2021/22</td> <td>157</td> </tr> </tbody> </table>	Estate	year	hectarage	Linbar 2 estate	2020/21	346	2021/22	157	Complied
Estate	year	hectarage									
Linbar 2 estate	2020/21	346									
	2021/22	157									
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<p>The business plan for Linbar 2 and 1 estate have made progress towards achieving their performance production targets for the current financial year. The business plan includes age profile, yield projection, cost per tonne of FFB production etc.</p>	Complied								

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Criterion / Indicator		Assessment Findings	Compliance
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The estate management monitors the estate performance against the targets. It also recommends changes to the plans if necessary.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Contract award is handled by the Regional Office or IOI HQ, Putra Jaya guided by a procurement procedure, which is normally through tendering process.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	The contract agreements between the management and the contractors [e.g. Zana Enterprise and JS Enterprise] were verified. The rate of payment was clearly stated in the agreement. Based on verification of sampled payment vouchers, the payment was made on timely manner by the Head Quarter after received invoice from the contractor.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	The engaged contractors were made to understand about the MSPO requirements through stakeholder meeting or face to face briefing. The records of meeting were well maintained by the operating units for verification.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	Sampled contract agreements as mentioned in Indicator 4.6.3.2, between the estates and the contractors were available for verification. The agreements were signed by both parties. At the point of this assessment, all the agreements were still valid.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	The certification unit has no objection to allow BSI auditors to verify assessment through physical inspection if required.	Complied
4.6.4.4	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. - Major compliance -	Delivery of task is verified by the estates before proceeding for payment. Evaluation of task was normally done by the estate’s personnel or regional office depending on type of work. Reports of task evaluation (e.g. Checklist Workdone) were well maintained for verification.	Complied
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more	NA as no new planting at the sampled estates.	NA

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Criterion / Indicator		Assessment Findings	Compliance
	requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -		
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	NA as no new planting at the sampled estates.	NA
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	NA as no new planting at the sampled estates.	NA

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Criterion / Indicator		Assessment Findings	Compliance
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 -	NA as no new planting at the sampled estates.	NA
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 -	NA as no new planting at the sampled estates.	NA
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	NA as no new planting at the sampled estates.	NA
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils	NA as no new planting at the sampled estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
	shall be avoided unless permitted by local, state and national laws. - Major compliance -		
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	NA as no new planting at the sampled estates.	NA
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	NA as no new planting at the sampled estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	NA as no new planting at the sampled estates.	NA
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	NA as no new planting at the sampled estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	NA as no new planting at the sampled estates.	NA
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	NA as no new planting at the sampled estates.	NA

MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	IOI group has established IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato’ Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Group Head of Sustainability. The policy was last revised in October 2020. The policy emphasizes on the following commitments: <ul style="list-style-type: none"> • Compliance with all applicable legislation and codes of practice • Implementation of sustainability standards laid out in the policy of environmental, human rights, community development and social impacts • Contribution to the United Nations Sustainable Development Goals (“UN SDGs”) • Building traceable supply chain such that all suppliers are also in compliance with IOI’s Sustainability Policy • To strive the highest levels of transparency and stakeholder engagement The policy is also publicly available at https://www.ioigroup.com/Content/S/pdf/Sustainable%20Palm%20Oil%20Policy.pdf	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation.	The commitment towards sustainable production of palm oil and its continuous improvement as outlined in the MSPO guidelines and RSPO	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Principle and Criteria is stated in the IOI Group Sustainable Palm Oil Policy.	
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	The plan of the internal audit was established at the beginning of the year. The actual internal audits were conducted by an independent unit i.e. "Sustainable Oil Palm Department".	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	The internal audits were conducted guided by the company's Standard Operation Procedure for MSPO Internal Audit Procedure (Ref. No.: MSPO/SOP/IA/2, revision no: 02, dated 1st Nov 2018). The recent internal audit for the mill was conducted on 10/9/2020. There were 2 major non-conformities raised as a result of the audit. The root-causes of the NCR have been identified and recorded in the corrective action plan. All of the NCRs were satisfactorily closed within the timeframe.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The internal audit report were available to the management of the operating unit. The report has the information about standards' requirements and findings. The results of the internal audits were also part of the agenda recorded in the management review meeting.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes,	The Management Review meeting was last conducted on 28/9/2020. The meetings were chaired by the mill manager and attended by the	OFI

Criterion / Indicator		Assessment Findings	Compliance
	improvement and modification. - Major compliance -	<p>key personnel. Among the agenda recorded in the minutes of meeting were as follows:</p> <ul style="list-style-type: none"> • Results of the internal audit • Adequacy and effectiveness of MSPO standard implementation • Other matters <p>The agenda of the management review conducted by Sakilan POM can be further improved by covering the overall management system performance apart from focusing only on the internal audit's outcome (OFI).</p>	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>The continual improvement plan for financial year 2020/2021 was available for all the sampled estates. It was established based on the social and environmental impact. To name a few of the action plans established are:</p> <ul style="list-style-type: none"> • Construction of new mini lab • Renovation of new chemical store • Installation of chloride analyser machine • Replacement of roofing at engine and boiler station • Installation of safety tower at grading station • Installation of enhanced security weighing system • Construction of new labour quarters 	Complied

Criterion / Indicator		Assessment Findings	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 -	Any new technology and/or innovation equipment is subject to approval by HQ. The has planned to adopt mill operation monitoring system (MMMP) to ensure operation meets desired products quality. It is expected to be adopted in Jan 2021.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	Sakilan Palm Oil Mill and its supply bases are transparent and open to communicate its information on environmental, social and legal issues related to sustainability practice to its stakeholders. The awareness among the stakeholders about the request of information was made mainly during stakeholders consultation meetings.	Complied
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 -	Among the information can be made available is: <ul style="list-style-type: none"> • Company's policies • Occupational Safety and environmental management plans • Company's annual report • MSPO/RSPO external audit reports • Continuous improvement plan • Complaint and grievance procedure • Land use rights 	Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	IOI Group has established Guideline Procedure on Stakeholder Consultation under SPO/SDK/S/001-2018, Revision 01/01 dated 20/07/2018. There are three stages of handling grievance i.e.: 1. Grievance Submission - Submitted through Green Book, hotline or ECC immediately or within 24 hours 2. Preliminary Investigation - Investigate within 30 working days from grievance submission date 3. Further Investigation/Meeting with complainant - Meet up with complainant within 10 working days after preliminary investigation outcome	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	The mill has appointed Mr Thong Yee Han [ref.: letter dated 9/7/2018 from the Mill Manager] to be the responsible person in handling the issues related to Indicator 1.	Complied
4.2.2.3	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. - Major compliance -	List of stakeholders for all the operating units were last updated n 22/09/2020. The list consists of various group of stakeholders such as government authorities, contractors/suppliers, NGOs, local communities and also internal stakeholders such as workers and representatives. Records of consultation generally recorded in the stakeholders' consultation minute of meeting. The last meeting was conducted on 18/9/2020.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.2.3 – Traceability			
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. - Major compliance -	Sakilan Palm Oil Mill and Estate implemented the supply chain program based on Management System & Traceability Control Procedure (Doc no; MSPO/SOP/MST/01 Rev;00 Dated 31/10/2020) The procedure was prepared by to cover the implementation of all supply chain requirements for both POM and estate.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Regular inspections on compliance with the established traceability system were conducted through periodical internal audit. Furthermore, a Standard Operating Procedure was sighted where it was described the routine responsibilities of mill management and staff to conduct related inspections on compliance of all operations including traceability system. Verification on document confirmed the inspections were regularly implemented accordingly as per below record: a) Internal audit by Sustainable Palm Oil Department conducted on 9/9/2020 b) Mill Controller Visit dated 23/5/2020	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The procedure also specified that the assistant manager and staff appointed shall have the overall responsibility for the implementation of the procedure with assignment of relevant personnel from various departments to assist in the implementation. Sighted the appointment letter appoint Thong Yee Han (Assistant Manager) dated 9/7/2018.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Records of sales, delivery/transportation maintained as per following samples:	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Input: Sampled the weighbridge ticket as below: Weighbridge ticket: FB20005249 Supplier: Sakilan estate Transporter: SS2654M Product: Fresh Fruit Bunch Contract: - Nett weight: 4,160 kg Date: 1/7/2020</p> <p>Weighbridge ticket: FB20000854 Supplier: Linbar 2 estate Transporter: SD3977H Product: Fresh Fruit Bunch Contract: - Nett weight: 11,450 kg Date: 25/3/2020</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Weighbridge ticket: FB20006508 Supplier: Linbar 1 estate Transporter: SS1622H Product: Fresh Fruit Bunch Contract: - Nett weight: 10,030 kg Date: 29/07/2020</p> <p>Output: Weighbridge Ticket: CP20000459 Product: CPO Customer: XXXX Vehicle No: ST5674F Sale contract order no: R46831/2010 Nett weight: 33,920 kg Date: 30/09/2020</p>	
<p>4.3 Principle 3: Compliance to legal requirements</p>		
<p>Criterion 4.3.1 – Regulatory requirements</p>		

Criterion / Indicator		Assessment Findings	Compliance
4.3.1.1	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>The applicable Legal requirements had been identified by IOI Sakilan POM and its supply base. It incorporated the latest amendment, that is, OSH (Noise Exposure) Regulations 2019. At the assessed site, the following were noted complied: -</p> <ul style="list-style-type: none"> - SB PMT 80633 (Air compressor) valid until 1/6/2021 - PMD 10485 (Dandang Stim Tiub Air) valid until 1/6/2021 - License for wages deduction dated 25/8/2020 valid until 12/4/2022 referred Siri no: 600-1/2/8/320(11/SDK/2020-0272) - MPOB license 50029340400 valid until 30/11/2020, this license for buying FFB, sell of FFB, PK, CPO and others. - NRA report ref DABOH/0920/051, conducted on 5/9/2020 by Dr Mohd Azizan (HQ/18/PEB/00/00024). - Contradiction license for Environmental Quality Regulation (Clean Air) 2014 no. 005158. Validity till 29/8/2021 	Complied
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>The Certification Unit assessed continued to use their established Legal Requirement Register. Legal compliance is ensured primarily via the following process:</p> <p>It is periodically reviewed by each Operating Unit with guidance from the Group Sustainability and Safety Department to ensure changes in law are updated, compliance met and non-compliance are mitigated.</p> <p>The respective mill and estate Manager has assigned one executive as PIC responsible for compliance assurance and tracking changes in regulatory requirement.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>Annually, an RSPO Internal Audit is conducted by HQ (lead by Group Sustainability and Safety Executive and assisted by Manager of Mill / Estate independent of Operating Unit being audited) to determine compliance of operations with legal requirements. Audit records were sighted maintained.</p> <p>A system established to track changes in laws/regulations are through the following means:</p> <ul style="list-style-type: none"> a) Subscribed to Lexis-Nexis Malaysia b) News release through daily newspaper. c) Law change tracked by book publisher (MDC Book Publications). d) Circulars from relevant association (eg. MPOA, MPOB, MAPA) e) Internet (e-federal gazette, www.e-warta.com.my) <p>The Head office IOI Legal Department alert all operating units on legal updates. Process flow for the Legal updating is shown in SOP reviewed dated 1/7/2020.</p>	Complied
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>- Minor compliance -</p>	<p>Management assigned either Mill Engineers or Chief Clerks as person responsible to monitor compliance and tracking/updating changes in legal requirements. Sighted sample letter of appointment as following:</p> <p>In Sakilan Mill management already appoint Thong Yee Han (Assistant Manager) dated 9/7/2018.</p>	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>The oil palm milling activities does not diminish the land use rights of other users. The conditions stipulated in the land title was adhered to.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	The mill located in Sakilan Estate Land in lot 10955 with land title no. CL 075471242. The mill occupied approximately 5.11 ha of the area excluding effluent ponds.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Mill boundary were demarcated with fences around mill compound.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There was no land dispute at the certification unit. The company has the legal ownership documents as demonstrated by possessing land titles.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	No land is encumbered by customary rights.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	No land is encumbered by customary rights.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	No land is encumbered by customary rights.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	The mill has last reviewed their SIA on October 2020 by the appointed Social Liaison Officers. The method of identifying the social impacts was by conducting both internal and external stakeholder meeting. Among the group of stakeholders outreached by the governmental organization, gender representatives, NGO, neighbouring estates, religious representatives, employees, contractors, suppliers and village representatives. Generally, among the impacts identified were those related to compliance with legal requirements, workers welfare, handling of complaints & grievances and socio-economic impact on surrounding communities.	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	IOI Corporation Berhad has a Grievance Procedure [doc. No. IOI/P/GP/001, rev. 1, dated 20/1/2020] which outlined the system for dealing with complaints and grievance.	Complied
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.	The mill is having a format to record complaints or requests from the stakeholders. Based on the records, most of the complaints were about defects of housing facility. Verification of the records of complaints	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	lodged, the actions taken by the management were found to be appropriate and timely manner.	
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The complaint forms were available at the operating unit's office, where the stakeholders can easily access should it be needed. Among the information available in the form is name of requestor/complainant, date of request, details of complaint/grievance, details of action taken including dates and acknowledgement signature of the requestor.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Employees and the surrounding communities were made aware that complaints or suggestions can be made any time through various meetings such as morning muster, training/briefing and stakeholder consultation.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	The complaints and resolutions for the past 24 months (i.e. from November 2018) were well maintained by the sampled estates and available upon request.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.	Since the last assessment, there have been less activities by the local communities due to MCO. Nonetheless, there has been an approved request from a nearby school with regards to repair of water and electricity supply, dated 3/1/2020.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
- Minor compliance -			
Criterion 4.4.4: Employees safety and health			
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>- Major compliance -</p>	<p>An Occupational Safety, Health and Hygiene Policy has been established and signed by the Plantation Director. It is available in Bahasa Malaysia and English language. The policy has been communicated to all employees through briefings and hardcopy of policies were seen displayed at the estates notice boards.</p> <p>OSH plan was available dated January 2020 prepared by HSE manager. The plan was include the training needs, OSH meeting, Workplace inspection, medical surveillance and others.</p> <p>In Mill, chemical register been updated on 30 Oct 2019. This updated cover chemical water, maintenance, Boiler, lab, store, workshop and others.</p> <p>CHRA was establish on 27 March 2020 ref no. HQ/11/ASS/00/298-2020/182 by DAB OH Sdn Bhd. The management already send workers to medical surveillance dated 2/9/2020 at DAB OH Sdn Bhd by Dr Donny Cristanto (HQ/19/DOC/00/00399)</p> <p>For Noise risk assessment, report ref DABOH/0920/051, conducted on 5/9/2020 by Dr Mohd Azizan (HQ/18/PEB/00/00024). The area cover Audiometric test conducted on 24/8/2020 by DAB OH Sdn Bhd, 36 workers involve in this test. From the result al fit and no with abnormal result and STS result.</p>	Complied
4.4.4.2	The occupational safety and health plan should cover the following:	Briefings to employees on safety policy are made through training and briefing forums. In addition there were also briefings at muster ground being as refresher program for the employees. Safety procedures adherence are emphasised to the employees as part of the work	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. 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. g) The management shall conduct regular two-way communication with their employees where issues that affect 	<p>culture. Content includes among others to prioritise safety, execute work safely, and adhere all safety rules and regulations and to target zero accident. Safety policy and targets were available on display board printed in both English & Bahasa Malaysia.</p> <ul style="list-style-type: none"> a) Sakilan Oil Mill has established Safety and Health Policy (IOIPD-PL-OSH-003) signed on April 2019 by Plantation Dorector. The policy was communicated through tool box meeting, morning muster briefing and displayed at several designated notice board in the mill. b) The chemical hazard risk assessment (CHRA) available for review. CHRA was establish on 27 March 2020 ref no. HQ/11/ASS/00/298-2020/182 by DAB OH Sdn Bhd. The management already send workers to medical surveillane dated 2/9/2020 at DAB OH Sdn Bhd by Dr Donny Cristanto (HQ/19/DOC/00/00399). HIRARC review was done periodically or when accident happen. Latest record was dated 28/9/2020 on accident happen in press station area on sept 2020. c) The management establish IOI Group Sustainability Palm oil policy dated Oct 2020 to ensure full commitment towards the wellbeing, safety and health for their company. The commitment cover the scope of storage, handling, transportation, usage and disposal of agrochemical. The training need and plan was establish dated December 2020 to ensure the training cover as per policy. Sampling on Training on fire drill conducted on 19/9/2020 by Mr Romeo d) Sakilan POM has provided all PPE to all the workers base on job type and designation following the HIRARC and the Occupational 	

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Criterion / Indicator	Assessment Findings	Compliance
<p>their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>Safety and Health Manual for Plantation Workers and CHRA recommendation.</p> <p>e) IOI Plantations has established Standard Operating Procedure for handlings of chemicals and documented in Occupational Safety and Health Management System as follows: Safety Work Procedure Storage and Management Chemical Store. Refer document no. IOI-OSH 3.2.2 rev. no. 1, Appendix 6(8-A) dated 1/8/2012.</p> <p>f) Sakilan POM has appointed Mohd Ezman as Employer representative of OSH committee as per Memorandum date 9/7/2020</p> <p>g) The management conducted regular OSH meeting quarterly, OSH meeting conducted quarterly by management dated 28/9/2020, and previous record was on 3/6/2020 and 26/3/2020.The appointment letter for responsible for H&S was identified by management, En Sudirman been appoint as workers representative as per Appointment letter dated 9/7/2020. For management representative En Mohd Ezman dated 9/7/2020</p> <p>h) Accident and emergency procedure was available at site for review this include under Standard Operating Procedure for handlings of chemicals and documented in Occupational Safety and Health Management System.</p> <p>i) The first aid training been done by management for each area operation including office. The record was on Oct 2020. First aid was been check by First aider monthly to ensure the item was updated and in good condition.</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		j) Accident record on 8/9/2020 at press station area. The JKPP was available for review and updated.	
Criterion 4.4.5: Employment conditions			
4.4.5.1	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. - Major compliance -	Policy on good social practices regarding human rights is addressed in the IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato' Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Group Head of Sustainability. The policy was last revised in October 2020. Communication to the employees was done in various methods such as briefing during morning muster, display on notice boards and training.	Complied
4.4.5.2	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. - Major compliance -	The company is committed to ensure all the employees are treated equally regardless of race, nationality religion, gender, age and other political opinions. There was no evidence of any form of discriminatory practice.	Complied
4.4.5.3	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. - Major compliance -	Employment contracts for workers were available for verification. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the workers. Based on sampled pay slips, it was found that the wages were paid in line with the Minimum Wage Order 2020. Sampled workers ID number whose payslips for the months of February, May and October 2020 were verified is as follows: SKM0539, SKM0690, SKM0795, SKM0796, SKM0768, SKM0589	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>In order to ensure employees of contractors are paid based on legal or industry minimum standards, the management requests payslips from the contractors. Payslips of employees from Syarikat Pengangkutan Budie Bersaudara and Rico Enterprise were available for verification. All the pay was found to be meeting the minimum standard requirements.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Employee data base is kept and maintained in a computer system (SAP). All the required information such as names, gender, date of birth, date of entry, job description, and ID number was available in the data base.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Every employee had been provided with employment contract which is signed by both parties. The terms and conditions stipulated in the employment contract and written in Bahasa Malaysia, were found to be in-line with the legal requirements.</p>	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>The company is using punch card for executive and thumbprint scanner for others as its methods to record working hours and overtime. The data will then be transferred to the SAP system for wages calculation. Employees can be transparently provided with the information in the attendance records.</p>	Complied
4.4.5.8	<p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and</p>	<p>The working hour and break time have been clearly stated in the Employment Contract. Verification of payslips showed that the</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	<p>collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p>- Major compliance -</p>	<p>overtime was paid consistent with the time recording and legal requirements.</p>	
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>- Major compliance -</p>	<p>Verification of payslips showed that the wages and overtime were paid consistent with the employment contract and legal requirements. The following workers' ID payslips were sampled for the months of February, May and October 2020:</p> <p>SKM0539, SKM0690, SKM0795, SKM0796, SKM0768, SKM0589</p>	Complied
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>- Minor compliance -</p>	<p>Among the other forms of social benefits provided by the company are:</p> <ul style="list-style-type: none"> • Annual production bonus • Turn-out incentive • EPF & SOCSO • Inhouse dispensary 	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>The mill workers are provided with free housing facilities which includes potable water and electricity. Housing inspection by the medical assistants was also carried out on weekly basis which criteria is mainly focussing on cleanliness and safety. Records of inspection were well maintained for verification.</p>	Complied
4.4.5.12	<p>The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Apart from the SPOP, this is also addressed under IOI Group's Policy on Harassment at Workplace, which was signed by the Plantation Director dated June 2018.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance												
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Apart from the SPOP, this is addressed under IOI Group's Equal Opportunity Employment & Freedom of Association Policies, which was signed by the Plantation Director dated October 2017. By this policy, employees are not restricted to join any trade union.</p>	Complied												
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>Based on verification of the employees' data base extracted from the SAP system, there was no evidence that children and young persons have been recruited. This is also in-line with the company's SPOP.</p>	Complied												
Criterion 4.4.6: Training and competency															
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>The mill has established training program for all employee and contractors based on training need analysis conducted. Sighted the training records as follows:</p> <table border="1"> <thead> <tr> <th>Operating Unit</th> <th>Date</th> <th>Training</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Sakilan POM</td> <td>10/11/2020</td> <td>Working at High Training</td> </tr> <tr> <td>10/11/2020</td> <td>Confined space training</td> </tr> <tr> <td>11/11/2020</td> <td>Laboratory training</td> </tr> <tr> <td>11/11/2020</td> <td>Boiler training</td> </tr> </tbody> </table>	Operating Unit	Date	Training	Sakilan POM	10/11/2020	Working at High Training	10/11/2020	Confined space training	11/11/2020	Laboratory training	11/11/2020	Boiler training	Complied
Operating Unit	Date	Training													
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Criterion / Indicator		Assessment Findings		Compliance						
			<table border="1"> <tr> <td>01/11/2020</td> <td>Engine room SOP training</td> </tr> <tr> <td>30/10/2020</td> <td>Chemical SDS and handling material</td> </tr> <tr> <td>27/2/2020</td> <td>Safety on handling chemical in Laboratory and Store</td> </tr> </table>	01/11/2020	Engine room SOP training	30/10/2020	Chemical SDS and handling material	27/2/2020	Safety on handling chemical in Laboratory and Store	
01/11/2020	Engine room SOP training									
30/10/2020	Chemical SDS and handling material									
27/2/2020	Safety on handling chemical in Laboratory and Store									
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>The Mill management conducted evaluation of training/training need analysis for all training conducted to identify the training requirement for all employee. Base on the training evaluation, the estate established the training program.</p>		Complied						
4.4.6.3	<p>A continuous training programme 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>- Minor compliance -</p>	<p>The mill continuously provided the training to the workers as per plan. The training plan was reviewed on annually basis base on the training need analysis conducted.</p>		Complied						
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services										
Criterion 4.5.1: Environmental Management Plan										
4.5.1.1	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>IOI Group has established Environmental Policy and documented in Sustainable Palm Oil Policy signed by the group CEO and group Head of Sustainability in Feb 2017.</p> <p>The policy was communicated to the employee through training, muster briefing and displayed at several notice board in the Mill.</p>		Complied						

Criterion / Indicator		Assessment Findings	Compliance
		The aspect and impact of environmental was review Nov 2020, this assessment was include all activity in estate such as store, chemical activity, POME, rubbish and etc. The action plan was available for each issue been raise.	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>The Sustainability team has conducted the Environmental Impacts Assessment and documented in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans – prepared in November 2020. The aspect impact assessment conducted covers element as follows:</p> <ul style="list-style-type: none"> i. Identification and Management Plan of Waste Products, Potential Pollutant Source and Potential Source of GHG Emission ii. Identification of side products/waste iii. Identification of Potential Source of GHG Emission and GHG Reduction Plan iv. Road construction and culverts maintenance v. Water management 	Complied
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>The Sustainability team has conducted the Environmental Impacts Assessment and documented in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans – Sakilan Palm Oil Mill prepared in November 2020.</p> <p>Sighted the implementation of the management plan as follows:</p> <ul style="list-style-type: none"> i. The mill monitor the electricity generated by the mill on monthly basis and reported to Energy Commission through form 'Penyata 	Complied

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Criterion / Indicator	Assessment Findings	Compliance																			
	<p>Statistic Penjanaan Bulan'. Sighted the sample monitoring records FY 2020 as follows:</p> <table border="1" data-bbox="1050 528 1789 647"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Fuel Type</th> </tr> <tr> <th>Diesel (kwj)</th> <th>Others (kwj)</th> </tr> </thead> <tbody> <tr> <td>Sept</td> <td>172560</td> <td>244500</td> </tr> </tbody> </table> <p>iii. The mill monitor the water quality for upstream and downstream of nearest river from the mill, Sg. Bulu on monthly basis. Sighted the sample water analysis report as follows:</p> <table border="1" data-bbox="1050 810 1789 930"> <thead> <tr> <th>Months</th> <th></th> <th>Report no.</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Oct</td> <td>Upstream</td> <td>E201022/01A</td> <td>NWQS Class III</td> </tr> <tr> <td>Downstream</td> <td>E201022/01B</td> <td>NWQS Class III</td> </tr> </tbody> </table> <p>iv. The mill monitored the stack emission twice a year by Hypergreen Instruments Sdn Bhd. Sighted the sampled report as follows:</p> <p>1st half of 2020</p> <p>Report no.: Boiler- Chimney No.1 (S1)-1ST HALF</p> <p>Results: Verified the average Dust Emission Load (average Particulate, PM) for Boiler No.3 (S1) @ 348.49 mg/Nm³ was within permissible limit of 400.0mg/Nm³ corrected at 12% CO₂.</p> <p>Report no.: Generator Chimney No.1</p> <p>Date conducted: Sept 2020</p>		Fuel Type		Diesel (kwj)	Others (kwj)	Sept	172560	244500	Months		Report no.	Results	Oct	Upstream	E201022/01A	NWQS Class III	Downstream	E201022/01B	NWQS Class III	
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Criterion / Indicator		Assessment Findings	Compliance						
		Results: Verified the total particulate matter value was 34.41 mg/m ³ was within permissible limit of 50 mg/m ³ . Comply with Second scheduled reg 13, EQA (Clean Air Reg. 2014).							
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	The program to promote positive impacts activities to the environment has been included in the Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans prepared in July 2020.	Complied						
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 -	The mill has established training program for all the employee and documented in annual training program. The training plan, Policies, Environmental Aspects and Impacts, Environmental control procedure and etc. The latest training on environment policy conducted on October 2020.	Complied						
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 EPMC (Environmental Performance Monitoring Committee) done quarterly by management, latest conducted on 22/9/2020. This meeting discuss on concerns about the environmental, attended by management and workers representative.	Complied						
Criterion 4.5.2: Efficiency of energy use and use of renewable energy									
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period	<p>The estate maintain records for diesel usage for the last 5 years. Sighted the records as follows:</p> <table border="1"> <thead> <tr> <th>Financial Year</th> <th>Consumption (liter)</th> <th>Liter/FFB</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Financial Year	Consumption (liter)	Liter/FFB				Complied
Financial Year	Consumption (liter)	Liter/FFB							

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Criterion / Indicator		Assessment Findings			Compliance
	- Major compliance -	2015/16	444,993	4.51	
		2016/17	498,305	4.35	
		2017/18	590,476	5.04	
		2018/19	581,768	4.66	
		2019/20	571,987	4.68	
		The estate has established management plan to improve efficiency of diesel usage documented in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans – Sakilan Palm Oil Mill prepared in November 2020.			
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The management already estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets for year 2020.			Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Fibre and shell are used in the boiler for fuel recycled in the process system and monitored on monthly basis, the record was available for reviewed in site.			Complied
Criterion 4.5.3: Waste management and disposal					

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>The mill had identified all waste products and its source of pollution and documented in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans – Sakilan Palm Oil Mill under Identification and Management Plan of Waste Products prepared in November 2020 and no changes as per previous year.</p> <p>Waste identified as follows:</p> <ul style="list-style-type: none"> i. Washing of floor, lubricant, CPO from Marshaling yards, ramps – SW305, SW 306, SW 410, SW 409 ii. Clinic – SW 404 iii. Linesite, stores, workshop, office – Domestic waste, sewage, garden residue iv. Workshop - SW305, SW 306, SW 410, SW 104, scrap iron v. Mill – POME, EFB, Fiber, Shell, Boiler Ash, Decanter cake 	Complied
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. <p>- Major compliance -</p>	<p>The mill has established the waste management plan base on the waste identification conducted and reviewed on annually basis. The plan stated the source of pollution, management plan, monitoring and action plan, data required and person in charge. Sighted the record implementation of the waste management plan as follows:</p> <ul style="list-style-type: none"> i. The mill monitored the recycle waste inventory in Recycle Waste records form. Sighted the monitoring records for the month of September 2020. Sighted the disposal records as per consignment note 2020111618IZEQ8 dated 16/11/2020 for SW 409 with total disposal 0.19 MT. 	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.3	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 - Major compliance -	All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005. Inventory for all scheduled waste generated were recorded in Scheduled waste record form and reported to DOE through E-SWISS. The Scheduled waste management system (IOI/SRO/HSE/SW/01) dated 1/1/2017. Latest disposal was on 16/11/2020, consignment note 2020111618ZA5RS0 for SW 410 at Lagenda Bumimas Sdn Bhd The inventory of Scheduled waste ASSH/SDK(B)31/152/000/031 dated 31/10/2020. The inventory recorded all SW in Mill, there are 10 type SW such as SW 102,104,109,110,305,306,409,410,417 and 429.	Complied
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	Domestic waste collection was conducted 3 times a week by Sakilan Estate. Sighted the collection records for FY 2020. The domestic waste was disposed in designated landfill located in field.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	The mill has conducted assessment of all polluting activities during aspects and impacts analysis for all the operations and documented in Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans under section Identification of Potential Source of GHG Emission and GHG Reduction Plan	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The mill has established management plan for all polluting activities and documented in the Environmental Impacts Assessment, Management Action Plans and Continuous Improvement Plans.	Complied
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant	Effluent generated were disposed through compost processed and were not permitted to discharge into any water course as prescribed	Complied

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Criterion / Indicator		Assessment Findings	Compliance																		
	<p>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>- Major compliance -</p>	<p>under "Jadual Pematuhan". As per record quarterly as per Online Environmental report, the POME was followed as per Jadual Pematuhan. Record available for reviewed.</p>																			
Criterion 4.5.5: Natural water resources																					
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>The mill visited has established Water Management Plan dated July 2020. The management plan covers all aspects related to water management plans</p> <p>Sighted the implementation of the management plan as follows:</p> <ul style="list-style-type: none"> i. The mill monitor the water consumption on monthly basis. Sighted the water sampling for outgoing water which direct or indirectly give negative impact to Sg Buluh. Refer report from DYNAKEY Laboratories Sdn Bhd lab ref; E201022/01C dated 2 Nov 2020. Result as per below:- <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Paremeter</th> <th>Method</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>pH Value</td> <td>APHA 4500</td> <td>8.7</td> </tr> <tr> <td>COD</td> <td>DL-LAB-TM02</td> <td>35</td> </tr> <tr> <td>BOD</td> <td>DOE Alternative Method</td> <td>19.2</td> </tr> <tr> <td>Oil & Greese</td> <td>DOE ref Method</td> <td>ND</td> </tr> <tr> <td>AN</td> <td>DOE ref Method</td> <td>ND</td> </tr> </tbody> </table>	Paremeter	Method	Result	pH Value	APHA 4500	8.7	COD	DL-LAB-TM02	35	BOD	DOE Alternative Method	19.2	Oil & Greese	DOE ref Method	ND	AN	DOE ref Method	ND	Complied
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Criterion / Indicator		Assessment Findings	Compliance
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 -	Effluent generated were disposed through compost processed and were not permitted to discharge into any water course as prescribed under "Jadual Pematuhan". Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	The Mill has implemented Good Milling Practice (GMP) as seen from mill visit, documents and interviewing the Mill personnel. The Standard Operating Procedures being adhered by the Mill as below: - 1. Group Standard Operating Procedures for Palm Oil Mill dated 1st July 2017 2. Good Manufacturing Practices dated 1st august 2010. 3. Osh Manual and OSHMS Documents dated 1st August 2012.	Complied
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	The mill is certified under RSPO and MSPO. However, mill has implemented Good Milling Practice (GMP) as per their own SOP's. The mill is operating in accordance to Jadual Pematuhan – Syarat-Syarat Lesen Premis Minyak Kelapa Sawit Mentah, Jabatan Alam Sekitar Negeri Sabah and all the Standard Operating Procedures.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER and KER, costs of production, etc.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Contract award is handled by the Regional Office or IOI HQ, Putra Jaya guided by a procurement procedure, which is normally through tendering process.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	The contract agreements between the management and the contractors [e.g. Syarikat Pengangkutan Budie Bersaudara and Rico Enterprise] were verified. The rate of payment was clearly stated in the agreement. Based on verification of sampled payment vouchers, the payment was made on timely manner by the Head Quarter after received invoice from the contractor.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	The engaged contractors were made to understand about the MSPO requirements through stakeholder meeting or face to face briefing. The records of meeting were well maintained by the operating units for verification.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Sampled contract agreements as mentioned in Indicator 4.6.3.2, between the estates and the contractors were available for verification. The agreements were signed by both parties. At the point of this assessment, all the agreements were still valid.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	The certification unit has no objection to allow BSI auditors to verify assessment through physical inspection if required.	Complied

Appendix B: List of Stakeholders Contacted

Government Officer: Nil	Community/neighbouring village: Nil
Suppliers/Contractors/Vendors: Nil	Worker's Representative/Gender Committee: Nil

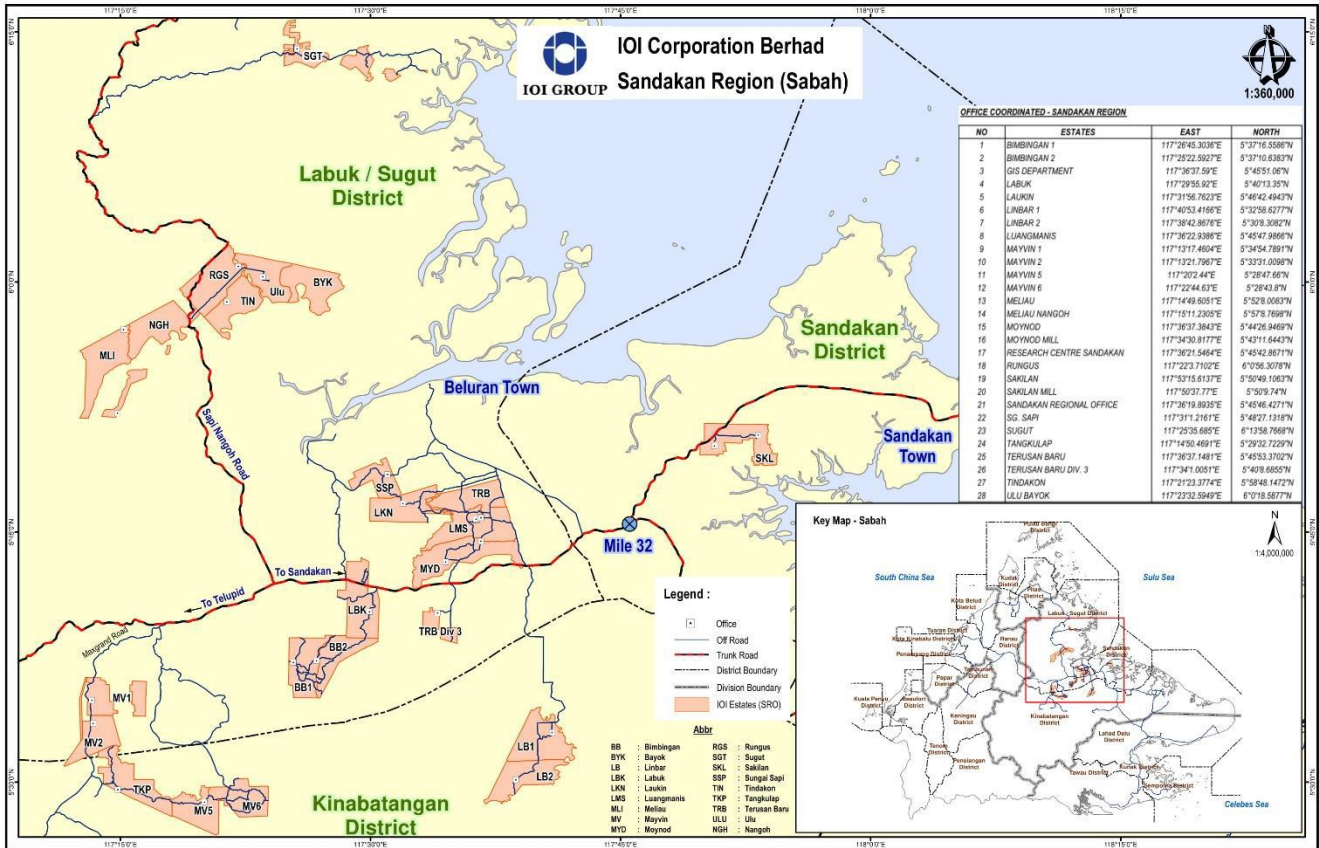
Appendix C: Smallholder Member Details

Not applicable

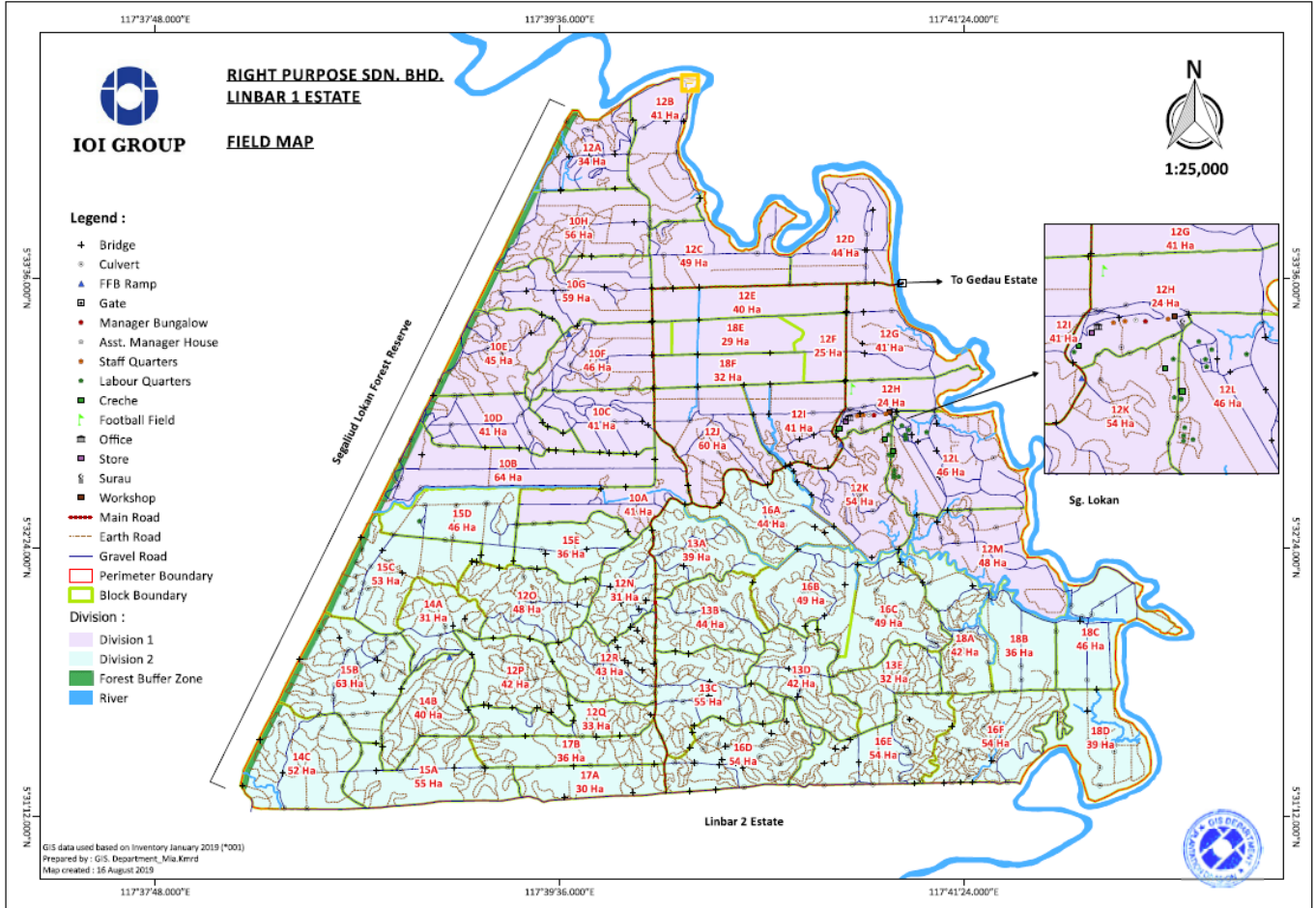
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	N/A					

Appendix D: Location and Field Maps

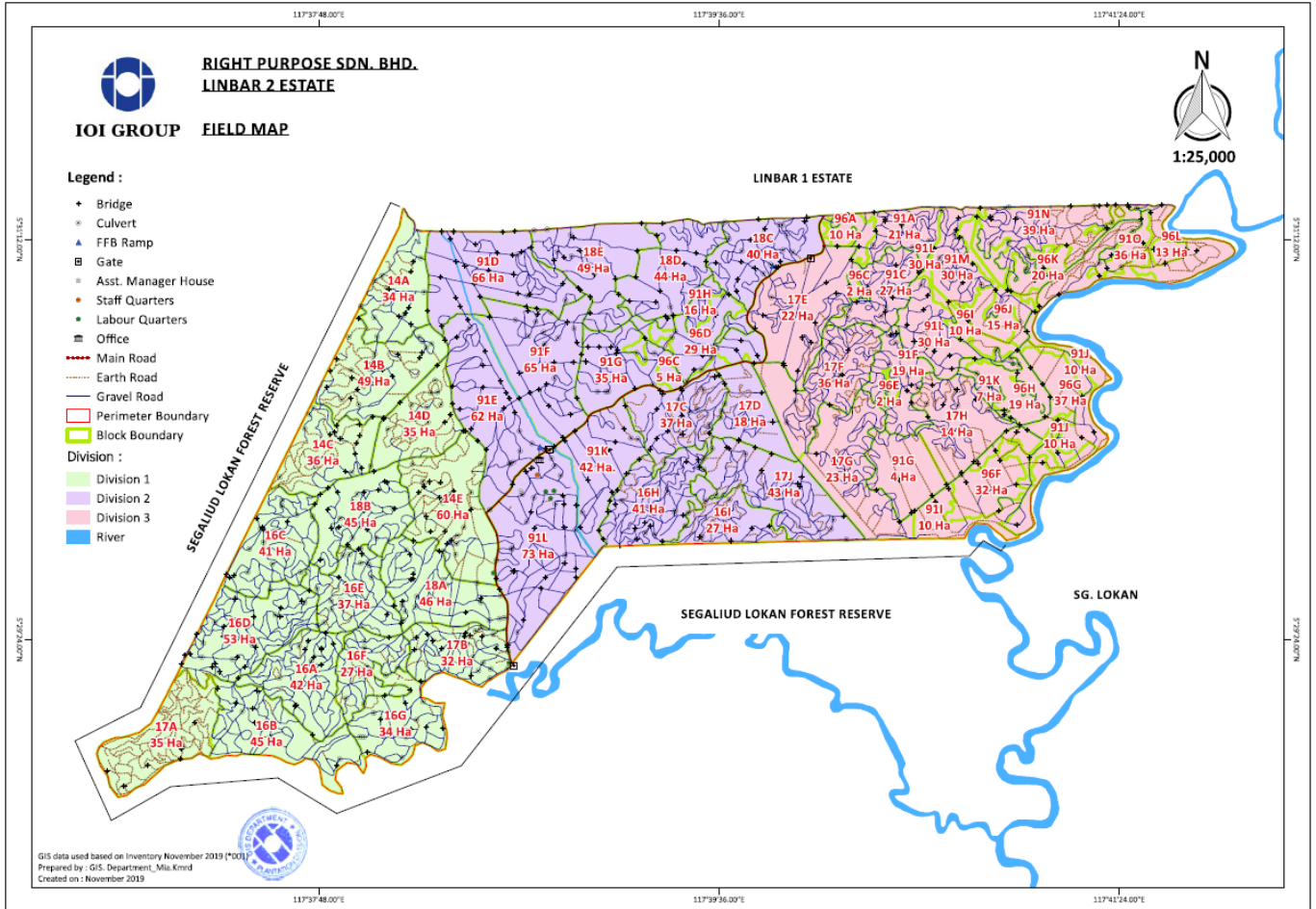
Sakilan Palm Oil Mill



Linbar 1 Estate



Linbar 2 Estate



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
ICT	Information and Communications Technology
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