

**MALAYSIAN SUSTAINABLE PALM OIL  
MSPO OPMC Public Summary Report**

- Initial Assessment
- Annual Surveillance Assessment (4)
- Recertification Assessment (Choose an item.)
- Extension of Scope

<b>IOI CORPORATION BERHAD</b>
Client Company (HQ) Address: IOI Plantation Services Sdn Bhd Level 8, Two IOI Square, IOI Resort, 62502 Putrajaya, Malaysia
Certification Unit: Ladang Sabah Sdn Bhd Ladang Sabah Palm Oil Mill & Group Estates (Bimbingan 1 Estate, Bimbingan 2 Estate, Labuk Estate, Sg. Sapi Estate, Moynod Estate, Luangmanis Estate, Terusan Baru Estate & Laukin Estate)
Date of Final Report: 31/10/2022

**Report prepared by:**  
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**Report Number: 3511559**

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

1.1 Organizational Information and Contact Person			
<b>Company Name</b>	IOI Corporation Berhad – IOI Plantation Services Sdn Bhd		
<b>Mill/Estate</b>	<b>Certification Unit</b>	<b>MPOB License No.</b>	<b>Expiry Date</b>
	Ladang Sabah Palm Oil Mill	500264104000	30/06/2022
	Bimbingan 1 Estate	503278702000	31/12/2022
	Bimbingan 2 Estate		
	Labuk Estate	501728102000	30/04/2022
	Sg. Sapi Estate		
	Moynod Estate		
	Luangmanis Estate		
	Terusan Baru Estate	502592602000	30/11/2022
Laukin Estate	502981602000	31/12/2022	
<b>Address</b>	Mile 45, Sandakan/Telupid Road, WDT 164, 90009, Sandakan, Sabah, Malaysia		
<b>Management Representative</b>	Mr. William Siow Kar Dat – Sr. Sustainability Manager, Plantation Division, IOI HQ		
<b>Website</b>	www.ioigroup.com	<b>E-mail</b>	william.siow@ioigroup.com
<b>Telephone</b>	03-8947 6755	<b>Facsimile</b>	-

1.2 Certification Information			
<b>Certificate Number</b>	Mill: MSPO 723823 Estate: MSPO 723824	<b>Certificate Start Date</b>	20/06/2018
<b>Date of First Certification</b>	20/06/2018	<b>Certificate Expiry Date</b>	19/06/2023
<b>Scope of Certification</b>	<input checked="" type="checkbox"/> Mill: Production of Sustainable Palm Oil and Palm Oil Products <input checked="" type="checkbox"/> Estate: Production of Sustainable Oil Palm Fruits		
<b>Visit Objectives</b>	<p>The objective of the assessment was to conduct an annual surveillance assessment 4 and look for positive evidence to ensure that elements of the scope of certification and the requirements of the management standard are effectively addressed by the organisation's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organisation's specified objectives, as applicable with regard to the scope of the management standard, and to confirm the on-going achievement and applicability of the forward strategic plan and where applicable to identify potential areas for improvement of the management system.</p>		
<b>Standard</b>	<input type="checkbox"/> MSPO MS 2530-2:2013 – General Principles for Independent Smallholders <input checked="" type="checkbox"/> MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders		

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	<input checked="" type="checkbox"/> MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills
<b>Stage 1 Date</b>	N/A (The certification unit is RSPO certified)
<b>Stage 2 / Initial Assessment Visit Date (IAV)</b>	09/11/2017 - 10/11/2017
<b>Continuous Assessment Visit Date (CAV) 1</b>	26/02/2019 - 28/02/2019
<b>Continuous Assessment Visit Date (CAV) 2</b>	13/01/2020 - 16/01/2020
<b>Continuous Assessment Visit Date (CAV) 3</b>	16/02/2021 - 19/02/2021
<b>Continuous Assessment Visit Date (CAV) 4</b>	24/01/2022 - 27/01/2022

### 1.3 Other Certifications

Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert_ID218-20210134	International Sustainability and Carbon Certification (EU)	PT Intertek Utama Services	10/08/2022
MSPO 712340	MSPO Supply Chain Certification Standard (MSPO SCCS) 1 October 2018	BSI Services Malaysia Sdn. Bhd.	29/05/2024
RSPO 687135	RSPO Principles & Criteria of Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019	BSI Services Malaysia Sdn. Bhd.	02/04/2023

### 1.4 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
Ladang Sabah Palm Oil Mill	Mile 45, Sandakan/Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia	5° 43' 11.64" N	117° 34' 30.81" E
Bimbingan 1 Estate	Mile 45, Sandakan/Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia	05° 37' 16.55" N	117° 26' 45.30" E
Bimbingan 2 Estate	Mile 45, Sandakan/Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia	05° 37' 10.63" N	117° 25' 22.59" E
Labuk Estate	Mile 45, Sandakan/Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia	05° 40' 13.35" N	117° 29' 55.92" E
Sg. Sapi Estate	Mile 45, Sandakan/Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia	05° 48' 27.13" N	117° 31' 1.21" E

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Moynod Estate	Mile 45, Sandakan/Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia	05° 44' 26.94" N	117° 33' 37.38" E
Luangmanis Estate	Mile 45, Sandakan/Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia	05° 45' 47.98" N	117° 36' 22.93" E
Terusan Baru Estate	Mile 45, Sandakan/Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia	05° 45' 53.37" N	117° 36' 37.14" E
Laukin Estate	Mile 45, Sandakan/Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia	05° 46' 42.49" N	117° 31' 56.76" E

### 1.5 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Bimbingan 1 Estate	1,716.00	0	221.39	1,937.39	88.31
Bimbingan 2 Estate	1,727.00	0	228.61	1,955.61	88.31
Labuk Estate	2,320.00	70.71	277.79	2,668.50	86.94
Sg. Sapi Estate	1,204.00	33.72	61.58	1,299.30	92.67
Moynod Estate	2,677.00	0	366.71	3,043.71	87.95
Luangmanis Estate	2,439.00	0	274.29	2,713.29	89.89
Terusan Baru Estate	2,179.00	60.95	263.58	2,503.53	87.04
Laukin Estate	1,893.00	0	235.00	2,128.00	88.96
<b>Total (ha)</b>	<b>16,155.00</b>	<b>165.38</b>	<b>1,928.95</b>	<b>18,249.33</b>	<b>88.50</b>

### 1.6 Plantings & Cycle

Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Bimbingan 1 Estate	976.00	479.00	-	261.00	-	740.00	976.00
Bimbingan 2 Estate	1,400.00	54.00	-	273.00	-	327.00	1,400.00
Labuk Estate	258.00	149.00	1,913.00	-	-	2,062.00	258.00
Sungai Sapi Estate	354.00	-	-	735.00	115.00	850.00	354.00
Moynod Estate	687.00	365.00	-	1,625.00	-	1,990.00	687.00
Luangmanis Estate	516.00	370.00	-	-	1,553.00	1,923.00	516.00
Terusan Baru Estate	346.00	1,074.00	156.00	-	603.00	1,833.00	346.00
Laukin Estate	549.00	-	-	1,344.00	-	1344.00	549.00

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<b>Total (ha)</b>	<b>5,086.00</b>	<b>2,437.00</b>	<b>2,069.00</b>	<b>4,238.00</b>	<b>2,271.00</b>	<b>11,064.00</b>	<b>5,086.00</b>
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### 1.7 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Jan 2021 - Dec 2021)	Actual (Feb 2021 - Dec 2021)	Forecast (Jun 2022 - May 2023)
Bimbingan 1 Estate	12,677.00	11,318.48	11,999.00
Bimbingan 2 Estate	17,490.00	7,810.39	3,659.00
Labuk Estate	54,992.00	49,287.38	57,853.00
Sungai Sapi Estate	19,019.00	17,967.71	17,711.00
Moynod Estate	46,693.00	37,831.46	48,237.00
Luangmanis Estate	37,855.00	34,049.03	37,081.00
Terusan Baru Estate	37,080.00	40,062.01	44,341.00
Laukin Estate	28,321.00	26,461.90	24,805.00
Linbar 1 Estate	-	3,140.70	-
Linbar 2 Estate	-	1,810.59	-
Sakilan Estate	-	712.85	-
<b>Total (mt)</b>	<b>254,127.00</b>	<b>230,452.50</b>	<b>245,686.00</b>

### 1.8 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Jan 2021 - Dec 2021)	Actual (Feb 2021 - Dec 2021)	Forecast (Jun 2022 - May 2023)
Nil	N/A	N/A	N/A
<b>Total (mt)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

### 1.9 Certified Tonnage

	Estimated (Jan 2021 - Dec 2021)	Actual (Feb 2021 - Dec 2021)	Forecast (Jun 2022 - May 2023)
	<b>Mill Capacity: 90 MT/hr</b>	<b>FFB</b>	<b>FFB</b>
	254,127.00	230,452.50	245,686.00
<b>SCC Model: SG</b>	<b>CPO (OER: 21.00%)</b>	<b>CPO (OER: 20.43%)</b>	<b>CPO (OER: 21.00%)</b>
	53,385.00	47,085.15	51,589.00
	<b>PK (KER: 5.62%)</b>	<b>PK (KER: 5.10%)</b>	<b>PK (KER: 5.45%)</b>
	14,282.00	11,756.75	13,383.00

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<b>1.10 Actual Sold Volume (CPO)</b>					
CPO (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
47,085.15	-	-	41,509.67	373.31	41,882.98

<b>1.11 Actual Sold Volume (PK)</b>					
PK (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
11,756.75	-	-	10,933.11	-	10,933.11

## Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 92,000 certified locations and clients in over 193 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

### Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 24-27/01/2022. The audit programme is included as Section 2.4. The approach to the audit was to treat the Ladang Sabah POM, Bimbingan 1 Estate, Bimbingan 2 Estate, Labuk Estate, Sungai Sapi Estate, Moynod Estate, Luangmanis Estate, Terusan Baru Estate and Laukin Estate as MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

The Certification Unit not using MSPO certification marks for any type of on- and off-product communication. The Certification Unit are compliance with the use of the MSPO Logo and related claims.

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 were 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 B.

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

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.6.

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.

All the previous nonconformities are remains closed. The assessment findings from the initial assessment are detailed in Section 4.2. Major NC closure was conducted offsite based on evidence submitted.

This report was externally reviewed by MSPO approved Peer Reviewer prior to certification and recertification decision by BSI. For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.



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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)
Ladang Sabah POM	√	√	√	√	√
Bimbingan 1 Estate		√		√	
Bimbingan 2 Estate				√	
Labuk Estate		√			√
Sungai Sapi Estate			√		
Moynod Estate	√			√	
Luangmanis Estate	√		√		√
Terusan Baru Estate	√		√		
Laukin Estate		√			√

**Tentative Date of Next Visit: January 24, 2023 - January 27, 2023**

**Total No. of Mandays: 15**

### 2.1 BSI Assessment Team

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Mohd Nazib Bin Hj. Marwan (MNZ)	Team Leader	<p><b>Education:</b> Diploma in Mechanical Engineering. Graduated from Sultan Salahuddin Abdul Aziz Shah in 2007.</p> <p><b>Work Experience:</b> He is former DOSH Officer (Department of Occupational Safety and Health) from 2003-2008. He has conducted audit and inspection related to OSH at various Estates, Palm Oil Mill and Palm Oil Refinery in Selangor. He also has hands on experience in managing his family oil palm plantation (small holders) in Batu Pahat, Johor. He is a qualified Lead Auditor for MS 2530:2013, ISO 45001:2018, ISO 14001:2015 and ISO 9001:2015 since 2009 in various industries covering Malaysia and Indonesia.</p> <p><b>Training attended:</b> He has completed training as follow:            ISO 9001:2015 Transition Training in December 2015            ISO 14001:2015 Training in January 2016            RSPO P&amp;C 2013 Lead Auditor Course in May 2017</p>

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		<p>ISO 45001:2018 in May 2018 Social Auditing in RSPO in January 2019 RSPO P&amp;C 2018 in January 2019 MSPO 2530:2013 Lead Auditor Course and MSPO SCCS in March 2019 SMETA Requirement Training in May 2021</p> <p><b>Aspect covered in this audit:</b> During this assessment, he assessed on the aspect of management commitment and responsibility, transparency, health and safety, environment and best practices.</p> <p><b>Language proficiency:</b> Fluent in Bahasa Malaysia and English Language.</p>
Valence Shem (VS)	Team Member	<p><b>Education:</b> Bachelor's Degree in Industrial Technology, graduated from University of Science Malaysia in 1998.</p> <p><b>Work Experience:</b> He 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 14001, RSPO P&amp;C, RSPO SCCS, MSPO and SMETA.</p> <p><b>Training attended:</b> He has completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&amp;C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012, MSPO Awareness Training in 2014 and ISO 45001 Lead Auditor Course in 2019.</p> <p><b>Aspect covered in this audit:</b> During this assessment, he assessed on the aspect of management commitment and responsibility, transparency, social responsibility and employment condition.</p> <p><b>Language proficiency:</b> Fluent in Bahasa Malaysia and English Language.</p>

## 2.2 Impartiality and conflict of interest

During this assessment there was no circumstances or pressure that had influenced the independence or confidentiality of the assessment team.

## 2.3 Accompanying Persons

No.	Name	Role
	N/A	

## 2.4 Assessment Plan

The assessment plan was sent to the client prior to the assessment (attached assessment plan).

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Date	Time	Subjects	MNZ	VS
Monday 24/01/2022 (Laukin Estate)	0830 - 0900	Opening Meeting MSPO: <ul style="list-style-type: none"> <li>Opening Presentation by Audit team leader.</li> <li>Confirmation of assessment scope and finalize Audit plan.</li> </ul>	√	√
	0900 - 1230 1330 - 1630	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	
	1230 - 1330	Lunch	√	√
	0900 - 1230 1330 - 1630	Document Review (MS 2530 Part 4), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection, clinic, etc.		√
	1630 - 1700	Interim Closing briefing	√	√
Tuesday 25/01/2022 (Ladang Sabah POM)	0830 - 1230 1330 - 1630	Mill Field Assessment: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area,	√	
	1000 - 1200	Stakeholder consultation		√
	1230 - 1330	Lunch	√	√
	0830 - 1230 1330 - 1630	Document review (MS 2530 Part 3), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection,		√
	1600 - 1700	Interim Closing briefing	√	√
Wednesday 26/01/2022 (Labuk Estate)	0830 - 1230 1330 - 1630	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	
	1230 - 1330	Lunch	√	√
	0830 - 1230 1330 - 1630	Document review (MS 2530 Part 3), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection,		√

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Date	Time	Subjects	MNZ	VS
	1600 - 1700	Interim Closing briefing	√	√
Thursday 27/01/2022 (Luangmanis Estate)	0830 - 1230 1330 - 1600	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	
	1230 - 1330	Lunch	√	√
	0830 - 1230 1330 - 1600	Document review (MS 2530 Part 3), Management commitment and responsibility, Transparency, Compliance to legal requirement, social responsibility, health safety and employment condition, staff, workers and contractor interview, housing and facility inspection,		√
	1600 - 1700	Interim Closing briefing	√	√
	1600 - 1700	Finalization of audit findings & preparation of closing meeting	√	√
	1700 - 1730	Closing meeting	√	√

### Section 3: Assessment Findings

#### 3.1 Details of audit results

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

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

#### 3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below. The findings summary of the assessment by criteria are listed in Appendix A.

During the assessment there were one (1) Major & two (2) Minor nonconformities and five (5) numbers of OFIs raised. The Ladang Sabah POM & supply base Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Non-conformity(ies) has been verified for its effectiveness and closed accordingly. The below is the summary of the non-conformity raised during this assessment.

Non-Conformity Report			
<b>NCR Ref #:</b>	2158163-202201-M1	<b>Issue Date:</b>	27/02/2022
<b>Due Date:</b>	26/05/2022	<b>Date of Closure:</b>	28/04/2022
<b>Area/Process:</b>	Luangmanis Estate and Laukin Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.4.2 Major
<b>Requirements:</b>	The occupational safety and health plan shall cover the following h) Accident and emergency procedures shall exist, and instructions shall be clearly understood by all employees. 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. j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.		
<b>Statement of Nonconformity:</b>	Monitoring of OSH plan was not effectively implemented.		
<b>Objective Evidence:</b>	a) At Luangmanis Estate, there was two (2) accidents recorded on 03/04/2021 with four (4) days medical leave given by the workers was not seeking immediate medical/ treatment at the clinic.  There was total of five (5) calendar days since the incidents/ accidents happened that causing the workers unable to do their routine works. However, there is no evidence that the accident has been reported to DOSH within 7 calendar days as per OSH (NADOPOD) Regs 2004 requirements.		

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	<p>At Laukin Estate, the First Aid Kit checked during field visit was not properly monitored. Based on the usage record for manuring group, there was one (1) unit of eye drops were used and opened for more than 30 days. Furthermore, monthly first kit inspection was not effectively implemented.</p>
<p><b>Corrections:</b></p>	<p>Issue (a):          Communication (training/briefing) to all level of employee on the accident reporting procedure.</p> <p>Issue (b):</p> <ol style="list-style-type: none"> <li>1. To inspect all the first aid box and ensure no expired first aid box item.</li> <li>2. Reminder letter to be given to EHA, Staff and mandore on their negligence of duty to ensure the inspection of first aid kit in done on timely manner.</li> </ol> <p>HSE Department to conduct meeting with estate management including EHA and mandore on the mandatory requirement of first aid kit inspection.</p>
<p><b>Root cause analysis:</b></p>	<p>Issue (a):</p> <ol style="list-style-type: none"> <li>1. Worker did not seek treatment at the clinic after the incident as he was not immediately affected and still felt alright after the incident. As such, he continued working.</li> <li>2. The worker only seek treatment on the 5<sup>th</sup> April i.e on the third day after the incident. As such, estate management was only aware that the worker had an accident on 3<sup>rd</sup> April. One day medical leave was given on 5<sup>th</sup> April. Medical leave cannot be backdated to 4<sup>th</sup> April (Sunday) as treatment was sought on 5<sup>th</sup> April. On the 6<sup>th</sup> April, the worker was given another three days medical leave by a private clinic. Total medical leave given was four days only. As such, no JKPP 6 was submitted to DOSH.</li> </ol> <p>Issue (b):</p> <p>The expired eyedrop was not monitored kept inside first aid box due to the negligence of mandore who did not send the first aid box to the estate clinic for due inspection. Besides, inadequate enforcement and monitoring by the field staff to ensure the mandore following management instruction on the submission construed to the negligence.</p>
<p><b>Corrective Actions:</b></p>	<p>Issue (a):</p> <ol style="list-style-type: none"> <li>1. HSE Department, Estate HOD and Assistant to continuously brief the Asst/ Staff, EHA and Mandore on the immediate action to be taken after due incident/ accident occurrence.</li> <li>2. EHA to immediately report to management when accident victim seek treatment at estate's clinic.</li> </ol> <p>Issue (b):</p> <ol style="list-style-type: none"> <li>1. Estate management to establish a delivery schedule on the first of box submission in stages for due inspection at clinic which to be observed by mandore respectively.</li> </ol> <p>Spot inspection to be conducted by HSE Department to verify on implementation/ practise.</p>

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<b>Assessment Conclusion:</b>	<p>CAP has been accepted and evidence of CAP implementation was verified based on the documented evidence submitted as follows:</p> <ol style="list-style-type: none"> <li>a. Estates has conducted accident reporting training on 12/03/2022, 14/03/2022, 18/03/2022 and 31/03/2022.</li> <li>b. HSE Inspection Report dated 08/04/2022 and First Aid Kit Inspection checklist has included the expiry date for each item. Thus, major NC was closed.</li> </ol>
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Non-Conformity Report			
<b>NCR Ref #:</b>	2158163-202201-N1	<b>Issue Date:</b>	27/02/2022
<b>Due Date:</b>	26/05/2022	<b>Date of Closure:</b>	Open
<b>Area/Process:</b>	Laukin Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.5.4 Minor
<b>Requirements:</b>	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.		
<b>Statement of Nonconformity:</b>	The mechanism to ensure employees of contractors are paid based on legal or industry minimum standards was not satisfactorily evident.		
<b>Objective Evidence:</b>	<p>Laukin Estate:</p> <p>Based on Dec 2021, a Contractor's worker (I/C No.: 920303-XX-XXXX), was found to have RM7.25 of his wage deducted as payment for employee's SOCSO contribution. However, based on the SOCSO's payment form submitted by his employer, only RM5.75 was paid to SOCSO.</p>		
<b>Corrections:</b>	The arrear payment to SOCSO by the contractor to be paid accordingly.		
<b>Root cause analysis:</b>	Inadequate verification by the estate management on the compliance of contractor towards statutory requirement.		
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>1. To strengthen data compliance monitoring by adding in management verification acknowledgement of all the record given by the contractor.</li> <li>2. To conduct supplementary internal audit on the contractor compliance monitoring.</li> </ol>		
<b>Assessment Conclusion:</b>	The CAP has been reviewed and accepted. The effectiveness of the implementation will be verified during next assessment.		

Non-Conformity Report			
<b>NCR Ref #:</b>	2158163-202201-N2	<b>Issue Date:</b>	27/02/2022
<b>Due Date:</b>	26/05/2022	<b>Date of Closure:</b>	Open
<b>Area/Process:</b>	Laukin Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.5.10 Minor
<b>Requirements:</b>	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.		
<b>Statement of Nonconformity:</b>	The offer of social benefits was not adequately demonstrated.		

<b>Objective Evidence:</b>	Out of 8 sampled pay slips (Feb, May, & Dec 2021) at Laukin Estate, it was found that 1 female worker (passport no.: CXXX4833) has no SOCSO contribution from the employer.
<b>Corrections:</b>	All arrear payment to SOCSO for the female worker (CXXX4833) to be paid accordingly.
<b>Root cause analysis:</b>	SOCOSO registration is delayed due to irregularity of the personnel information data in the worker's management data which was not adequately verified by the operating unit management.
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>1. The estate management to validate all workers related information on SOCSO registration against workers data management.</li> <li>2. Refresher training to be conducted to all estate personnel involved on the SOCSO registration process.</li> <li>3. Supplementary internal audit to be conducted to verify on the due implementation/ practise.</li> </ol>
<b>Assessment Conclusion:</b>	The CAP has been reviewed and accepted. The effectiveness of the implementation will be verified during next assessment.

Opportunity For Improvement			
<b>Ref:</b>	2158163-202201-I1	<b>Clause:</b>	MSPO 2530 Part 4, 4.4.4.2
<b>Area/Process:</b>	Ladang Sabah POM		
<b>Objective Evidence:</b>	Some of the Safety Data Sheet (SDS) for chemicals stored and used such as CAT HYDO Advanced 30, BIO SOLV etc is available in English language. However, SDS in national language (Bahasa Malaysia) could be made available at the storage are for ease of understanding by workers.		

Opportunity For Improvement			
<b>Ref:</b>	2158163-202201-I2	<b>Clause:</b>	MSPO 2530 Part 3, 4.4.4.2
<b>Area/Process:</b>	All Estates		
<b>Objective Evidence:</b>	Some of the Safety Data Sheet (SDS) for chemicals stored and used such as HyGard etc is available in English language. However, SDS in national language (Bahasa Malaysia) could be made available at the storage are for ease of understanding by workers as stated in OSH (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013 (CLASS Regulations).		

Opportunity For Improvement			
<b>Ref:</b>	2158163-202201-I3	<b>Clause:</b>	MSPO 2530 Part 3, 4.4.5.11
<b>Area/Process:</b>	All Estates		
<b>Objective Evidence:</b>	The follow up action by the estate's managements on the issues reported by the hospital assistants during labour quarters inspection or any other monitoring methods can be further enhanced. Examples of the issues are unauthorized wiring, chicken coops, disposal of engine oil containers, used PPE, etc.		



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Opportunity For Improvement			
<b>Ref:</b>	2158163-202201-I4	<b>Clause:</b>	MSPO 2530 Part 3, 4.4.5.6
<b>Area/Process:</b>	All Estates		
<b>Objective Evidence:</b>	The updating of information about the 15 days public holidays in the employment contract can be further improved to ensure consistency for all workers.		

Opportunity For Improvement			
<b>Ref:</b>	2158163-202201-I5	<b>Clause:</b>	MSPO 2530 Part 3, 4.4.5.9
<b>Area/Process:</b>	Labuk Estate		
<b>Objective Evidence:</b>	The monitoring of working hours of the generator set operators at Labuk Estate can be further improved to ensure overtime is awarded accordingly.		

Noteworthy Positive Comments	
1.	Good cooperation and involvement from the auditee during audit
2.	Positive comment and good relationship with the stakeholders

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

Non-Conformity Report			
<b>NCR Ref #:</b>	Nil	<b>Issue Date:</b>	N/A
<b>Due Date:</b>	N/A	<b>Date of Closure:</b>	N/A
<b>Area/Process:</b>	N/A	<b>Clause &amp; Category: (Major / Minor)</b>	N/A
<b>Requirements:</b>	N/A		
<b>Statement of Nonconformity:</b>	N/A		
<b>Objective Evidence:</b>	N/A		
<b>Corrections:</b>	N/A		
<b>Root cause analysis:</b>	N/A		
<b>Corrective Actions:</b>	N/A		
<b>Assessment Conclusion:</b>	N/A		
<b>Verification Statement:</b>	N/A		

Opportunity For Improvement			
<b>Ref:</b>	Nil	<b>Clause:</b>	N/A
<b>Area/Process:</b>	N/A		
<b>Objective Evidence:</b>	N/A		

<b>Verification Statement:</b>	N/A
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### 3.4 Summary of the Nonconformities and Status

CAR Ref.	Clause & Category (Major / Minor)	Issued Date	Status & Date (Closure)
Previous CB	4.4.4.2 Part 3 Major	14/12/2018	Closed on 22/12/2018
1873477-202001-N1	4.4.1.1 Part 3 Minor	16/01/2020	Closed on 19/2/2021
2158163-202201-M1	4.4.4.2 Part 3 Major	27/01/2022	Closed on 28/04/2022
2158163-202201-N1	4.4.5.4 Part 3 Minor	27/01/2022	Open
2158163-202201-N2	4.4.5.10 Part 3 Minor	27/01/2022	Open

### 3.5 Issues Raised by Stakeholders

IS #	Description
<b>1</b>	<p><b>Feedbacks:</b> <u>Mill and estates workers</u></p> <p>They have a good understanding about MSPO. Most of them have been working for the company for a long time and feel that the company has treated them better over time in line with the terms and conditions stipulated in the employment contract. They also know about the complaint procedure and so far, the response to their complaints were prompt. There is no restriction for them to join trade union or other association.</p>
	<p><b>Audit Team verification and response:</b> No further action.</p>
<b>2</b>	<p><b>Feedbacks:</b> <u>Service providers</u></p> <p>Green Energy Resource (M) Sdn Bhd (Stack dust monitoring) and Dynakey Laboratories (Water &amp; POME analysis) were interviewed through phone calls. No negative feedback from them and they are satisfied with the pricing mechanism implemented by the company. They have a good awareness about MSPO. They have also been made aware of the company's complaint procedures. Nonetheless, no complaint lodged by any of them. They hope that they can continue to have good business relationship with the company.</p>
	<p><b>Audit Team verification and response:</b> No further action.</p>
<b>3</b>	<p><b>Feedbacks:</b> <u>Canteen and groceries stores</u></p> <p>They have a good understanding and awareness about MSPO certification requirements. They are satisfied with the mechanism of awarding tender organised by the company. They are aware of the complaint procedures and always open for discussion with the company in order to provide better service which eventually build a stronger business relationship.</p>
	<p><b>Audit Team verification and response:</b></p>

	No further action.
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**3.6 List of Stakeholders Contacted**

<p><b>Government Officer:</b> Nil</p>	<p><b>Community/ neighbouring village:</b> Canteen workers Groceries stores</p>
<p><b>Suppliers/Contractors/Vendors:</b> Green Energy Resources Dynakey Laboratories</p>	<p><b>Worker’s Representative/Gender Committee:</b> Harvesters Chemical Sprayers</p>

**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment, Ladang Sabah POM and Estates Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Ladang Sabah POM and Estates Certification Unit is approved and/or continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> R. KUMARESH SR. PLANTATION CONTROLLER SANDAKAN REGION	<b>Name:</b> Mohd Nazib Bin Hj. Marwan
<b>Company name:</b> 101 PLANTATION SERVICES SDN BHD	<b>Company name:</b> BSI Services (M) Sdn. Bhd.
<b>Title:</b> SENIOR PLANTATION CONTROLLER	<b>Title:</b> Client Manager
<b>Signature:</b> 	<b>Signature:</b> 
<b>Date:</b> 14/10/2022	<b>Date:</b> 24/08/2022

**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
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	IOI Corporation Berhad has 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"> <li>• Compliance with all applicable legislation and codes of practice</li> <li>• Implementation of sustainability standards laid out in the policy of environmental, human rights, community development and social impacts</li> <li>• Contribution to the United Nations Sustainable Development Goals (“UN SDGs”)</li> <li>• Building traceable supply chain such that all suppliers are also in compliance with IOI’s Sustainability Policy</li> <li>• To strive the highest levels of transparency and stakeholder engagement</li> </ul>	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	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

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Criterion / Indicator		Assessment Findings	Compliance												
<b>Criterion 4.1.2 – Internal Audit</b>															
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	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												
<b>4.1.2.2</b>	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. <b>- Major compliance -</b>	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 01/11/2018) by the Sustainability Palm Oil Department. The recent internal audits for the sampled estates were conducted as follows: <table border="1" style="margin: 10px auto;"> <thead> <tr> <th>Estate</th> <th>Date of audit</th> <th>Findings</th> </tr> </thead> <tbody> <tr> <td>Laukin</td> <td>04/01/2022</td> <td>6 major &amp; 1 minor NCR</td> </tr> <tr> <td>Labuk</td> <td>10/12/2021</td> <td>6 major</td> </tr> <tr> <td>Luangmanis</td> <td>06/12/2021</td> <td>5 major</td> </tr> </tbody> </table> The root-causes of the NCR have been identified and recorded in the corrective action plan. The estates are in the process of closing the NCR.	Estate	Date of audit	Findings	Laukin	04/01/2022	6 major & 1 minor NCR	Labuk	10/12/2021	6 major	Luangmanis	06/12/2021	5 major	Complied
Estate	Date of audit	Findings													
Laukin	04/01/2022	6 major & 1 minor NCR													
Labuk	10/12/2021	6 major													
Luangmanis	06/12/2021	5 major													
<b>4.1.2.3</b>	Report shall be made available to the management for their review. <b>- Major compliance -</b>	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												
<b>Criterion 4.1.3 – Management Review</b>															
<b>4.1.3.1</b>	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 meetings were conducted at all the sampled estates i.e. last on 18/01/2022 (Laukin Estate), 18/01/2022 (Labuk Estate), and 10/01/2022 (Luangmanis Estate). The meetings were	Complied												

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Criterion / Indicator		Assessment Findings	Compliance
	improvement and modification. <b>- Major compliance -</b>	<p>chaired by the respective estate managers and attended by the key personnel. Among the agenda discussed and recorded in the minutes of meetings are as follows:</p> <ul style="list-style-type: none"> <li>• Follow-up actions from previous management reviews (internal &amp; external audit)</li> <li>• Results of the internal audit (RSPO/MSPO P&amp;C &amp; SCCS Standard)</li> <li>• Stakeholder feedback, complaints &amp; grievances</li> <li>• Status of preventive and corrective actions</li> <li>• Changes that could affect the management system</li> <li>• Recommendation for improvement</li> <li>• Improvement of the effectiveness of the management system and its process</li> <li>• Resources needed</li> </ul>	
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	<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><b>- Major compliance -</b></p>	<p>The continual improvement plan for financial year 2021/2022 was available for all the sampled estates. It was established based on the social and environmental impact. In general, to name a few of the action plans established are:</p> <ul style="list-style-type: none"> <li>• To improve the workers housing facilities</li> <li>• To continue giving training on wastes management, conservation of HCV &amp; riparian zone, and IPM</li> <li>• To continue provide training on safety awareness and PPE usage</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. <b>- Major compliance -</b>	Any new technology and/or innovation equipment is subject to approval by HQ. No new technology adopted by the sampled estates for field operation since the last assessment.	Complied
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. <b>- Major compliance -</b>	Should there be any new technology adopted, training shall be provided to the related personnel.	Complied
<b>4.2 Principle 2: Transparency</b>			
<b>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</b>			
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. <b>- Major compliance -</b>	The sampled estates 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. <b>- Major compliance -</b>	Among the information can be made available is: <ul style="list-style-type: none"> <li>• Company’s policies</li> <li>• Occupational Safety and environmental management plans</li> <li>• Company’s annual report</li> <li>• MSPO/RSPO external audit reports</li> <li>• Continuous improvement plan</li> </ul>	Complied



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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>Complaint and grievance procedure</li> <li>Land use rights</li> </ul>	
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	IOI Group has established Grievance Procedure indicated in the Group Social Impact Assessment & Management Action Plans Guidance Document (For Period 2019-2024), revised on Oct 2021. There are three stages of handling grievance i.e.: <ol style="list-style-type: none"> <li>Grievance Submission - Submitted through Green Book, hotline or ECC immediately or within 24 hours</li> <li>Preliminary Investigation - Investigate within 30 working days from grievance submission date</li> <li>Further Investigation/Meeting with complainant - Meet up with complainant within 10 working days after preliminary investigation outcome</li> </ol>	Complied
<b>4.2.2.2</b>	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. <b>- Minor compliance -</b>	The sampled estates have appointed the following personnel to be the responsible person in handling the issues related to Indicator 1, i.e.: <ol style="list-style-type: none"> <li>Laukin – Mr Aldrin Omsilim [ref.: letter dated 01/03/2021 from the Estate Manager]</li> <li>Labuk – Mr Raimon Jamli [ref.: letter dated 25/03/2021 from the Estate Manager]</li> <li>Luangmanis – Mr Hendrayanto Nyanggau [ref.: letter dated 02/03/2020 from the Estate Manager]</li> </ol>	Complied
<b>4.2.2.3</b>	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.	List of stakeholders for all the operating units were last updated on 10/01/2022 (Laukin), 20/01/2022 (Labuk), and 10/01/2022 (Luangmanis). The list consists of various group of stakeholders such	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	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 consultation was virtually conducted on 05/01/2022 using email, telephone, Whatsapp application or meeting in person, covering the stakeholders of the certification unit.	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). <b>- Major compliance -</b>	The IOI Corporation Berhad has established, implemented, and maintained Management System and Traceability Control Procedures, (Ref: MSPO/SOP/MST/01, Revision 00, dated 31/10/2020) for traceability of FFB from the estates to the CPO and PK produced by the POM.	Complied
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	Inspection for traceability system was conducted on daily basis. The staffs would prepare all the documents and the assistant manager will check and verified the content. FFB delivery record from estate to mill was sighted and verified.	Complied
<b>4.2.3.3</b>	The management should identify and assign suitable employees to implement and maintain the traceability system. <b>- Minor compliance -</b>	The MSPO officer appointed by the respective estate manager will implement and maintain the traceability system for estates sampled as follows:- a) Laukin Estate – Mr Aldrin Omsilim as per appointment letter dated 01/03/2021 b) Labuk Estate – Mr. Amran Abd Rahim as per appointment letter dated 15/10/2020	Complied

Criterion / Indicator		Assessment Findings	Compliance
		c) Luangmanis Estate – Mr. Hendrayanto Nyanggau as per appointment letter dated 02/03/2020	
<b>4.2.3.4</b>	Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b>	Record of sales, deliver or transportation of FFB were well kept by the estate management. Samples are as follows: Laukin Estate – FFB Delivery Note No: 07627, Despatch Date: 20/01/2022, Seal No: 785488M, 785489M, 785490M, Lorry No: SMC2544B14, Docket No: S0011843, Transporter: Halizah Enterprise, Nett Weight: 16970 Labuk Estate – Sales Docket No: S038685, dated: 19/01/2022 Transporter: Labuk Estate, Lorry No: ST 3323R, Remarks: PM 06L G TB 397.154, Seal No: LBK634631S, 32S & 33S, Nett Weight 11590kg	Complied
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. <b>- Major compliance -</b>	Compliance to applicable local, state, national and ratified international laws and regulations was monitored and updated in “List of Permit and License”. Laukin Estate: <ul style="list-style-type: none"> <li>• MPOB License – 502981602000 valid until 31/12/2022</li> <li>• JTK Sabah License (Lesen Untuk Menggaji Pekerja Bukan Pemastautin) – Safima Plantations for 90 Indonesian workers valid until 27/01/2022. Permit Pendahuluan Gaji (Ordinan Buruh Sabah) valid until 22/04/2023</li> </ul>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>• Diesel Storage License – Ref No: PPDNKK.SDK.43/1997(SK) License No: S005357 for Diesel Euro2M, Capacity: 25,000 liter valid until 24/10/2024</li> <li>• MPOB License for Nursery valid until 31/12/2021 (Ref No: 502981602000</li> <li>• Suruhanjaya Tenaga for Personal Installation (License No: 2021/00128 for 248kW</li> <li>• Air Compressor Certificate of Fitness (SB PMT 10638) valid until 25/05/2022</li> </ul> <p>Labuk Estate:</p> <ul style="list-style-type: none"> <li>• MPOB License No: 501728102000 valid until 30/04/2022 &amp; License No: 616376011000 valid until 31/03/2022</li> <li>• Lesen Untuk Menggaji Pekerja Bukan Pemastautin from JTK (License No: JTK.H.SDK.600-4/1/1/01261/003867) valid until 08/11/2022</li> <li>• Permit Pendahuluan Gaji from JTK Sabah (S/N: JTKSBH/PMT/102/2021/0017) valid until 06/09/2022</li> <li>• Permit Potongan Daripada Gaji Pekerja (S/N: 600-1/2/8/320(11/SDK/2020-0272) valid until 12/04/2022</li> <li>• Air Compressor Certificate of Fitness (SB PMT 554) valid until 29/03/2022</li> <li>• Energy Commission License for Individual Installation (S/N: 49412) for not more than 120kW valid until 24/05/2022</li> <li>• Diesel Storage Permit from KPDNHEP (Diesel Euro 2M for capacity not more than 39,000 liter) valid until 24/11/2024.</li> </ul>	

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		<p>Luangmanis Estate:</p> <ul style="list-style-type: none"> <li>• Energy Commission license for Individual Installation (License No:2020/02841) with capacity not more than 980kW.</li> <li>• Diesel Storage License from KPDNHEP (S/N: P(QS 000021)SDK, Ref No: PPDNKK.SDK.15/2002(SK) for Diesel Euro 2M, Capacity: 44000 liter valid until 06/01/2025.</li> <li>• MPOB License (License No: 501728102000 valid until 30/04/2022) &amp; (License No: 616376011000 valid until 31/03/2022)</li> </ul>	
<b>4.3.1.2</b>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	<p>IOI Ladang Sabah Group has identified applicable legal requirements the List of Laws, Covenants &amp; Standards Applicable to Sabah Estate &amp; Mill Operations, reviewed on 03/01/2022. the list was prepared by SPO Department Sandakan Regional Office. Among the list are:</p> <ul style="list-style-type: none"> <li>• Medical Act 1971 Act 50.</li> <li>• Private Employment Agency Act 246 1987</li> <li>• Minimum Retirement Age Act 2012 (Act 753)</li> <li>• Labour Ordinance (Sabah Cap 67).</li> <li>• Labour (Limitation of Overtime Work) Sabah Rules.</li> <li>• Drainage &amp; Irrigation Ordinance 1956 (Sabah No. 15 of 1956).</li> <li>• Sabah Wildlife Conservation Enactment 199.</li> <li>• Sabah Water Resources Enactment 1998.</li> <li>• Environmental Quality Act 1974</li> <li>• Employees Providence Act 1991</li> <li>• Factories and Machinery Act 1967</li> <li>• Workmen’s Compensation Act 1952</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>Employee Minimum Standard of Housing, Accommodations and Amenities Regulations 2020</li> <li>Pesticides Act 1974</li> <li>Occupational Safety and Health Act 1994</li> </ul>	
<b>4.3.1.3</b>	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. <b>- Major compliance -</b>	Sustainable Palm Oil department will keep the certification unit updated with the new laws or regulations or new amendments coming into force. Mechanism of Tracking Law Changes procedures was made available to the audit team. The legal register prepared by Sustainable Palm Oil Department, ref no: IOI/SR/SPO/MTLC/21-01, dated on 03/01/2022.	Complied
<b>4.3.1.4</b>	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. <b>- Minor compliance -</b>	Respective estate has appointed their MSPO officer taking care of the traceability systems. Their appointment letter was made available and reviewed. Laukin Estate – Mr Aldrin Omsilim as per appointment letter dated 01/03/2021 Labuk Estate – Mr. Amran Abd Rahim as per appointment letter dated 15/10/2020 Luangmanis Estate – Mr. Hendrayanto Nyanggau as per appointment letter dated 02/03/2020	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	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
<b>4.3.2.2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of	The sampled estates were able to show their legal ownership by having the following documents:	Complied

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	the land. - <b>Major compliance</b> -	<ol style="list-style-type: none"> <li>1) Laukin Estate - land title [ref.: #CL085317924, leased to: Safima Plantations Sdn Bhd (subsidiary of IOI), 2,128 Ha, lease period: 01/07/1920 to 30/06/2040]</li> <li>2) Labuk Estate - land title [ref.: #CL085322612, leased to: Ladang Sabah Sdn Bhd (subsidiary of IOI), 2,668.50 Ha, lease period: 01/01/1989 to 31/02/2087]</li> <li>3) Luangmanis Estate - land title [ref.: #CL085317497, leased to: Ladang Sabah Sdn Bhd (subsidiary of IOI), 6,766 Ha, lease period: 01/01/1984 to 31/12/2082]. The land title is shared with Moynod Estate.</li> </ol>	
<b>4.3.2.3</b>	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - <b>Major compliance</b> -	Legal perimeter boundary marker is available. Boundary markers were installed at various points at the boundary areas.	Complied
<b>4.3.2.4</b>	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - <b>Minor compliance</b> -	There was no land dispute at all the sampled estates. The company has the legal ownership documents as demonstrated by possessing land titles.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - <b>Major compliance</b> -	There is no customary land or negotiated agreements at all the sampled estates.	NA

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4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - <b>Minor compliance</b> -	There is no customary land or negotiated agreements at all the sampled estates.	NA
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - <b>Major compliance</b> -	There is no customary land or negotiated agreements at all the sampled estates.	NA
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - <b>Minor compliance</b> -	The sampled estates have last reviewed their SIA on 02/01/2022 (Laukin), January 2022 (Labuk and Luangmanis) 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
<b>Criterion 4.4.2: Complaints and grievances</b>			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - <b>Major compliance</b> -	IOI Corporation Berhad has a Grievance Procedure [doc. No. IOI/P/GP/001, rev. 1, dated 20/01/2020] which outlined the system for dealing with complaints and grievance.	Complied



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4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. <b>- Major compliance -</b>	The estates are having a format to record complaints or requests from the stakeholders. Based on the records, all the complaints were lodged by internal stakeholders and generally about defects of housing facility, and request of facility (e.g. transport to town, extension of electricity supply)  There was no complaint or grievance lodged by external stakeholder since the last assessment. Verification of the records of complaints lodged, the actions taken by the management were found to be appropriate and timely manner.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. <b>- Minor compliance -</b>	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. <b>- Minor compliance -</b>	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. Based on interview with the stakeholders, it was noted that they were aware of the complaint's procedure.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. <b>- Major compliance -</b>	The complaints and resolutions for the past 24 months (i.e. from January 2020) were well maintained by the sampled estates and available upon request.	Complied
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			

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<b>4.4.3.1</b>	Growers should contribute to local development in consultation with the local communities. <b>- Minor compliance -</b>	Since the last assessment, there have been less activities by the local communities due to MCO. Nonetheless, the estates continued to provide support the HUMANA initiative especially in term of maintaining school building and facilities.	Complied
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. <b>- Major compliance -</b>	IOI Corporation Berhad has established and maintained the Occupational Safety, health & Hygiene Policy approved by the Plantation Director in April 2019. The policy was communicated via briefing, training and displayed at estates notice board and implemented throughout the estates operations.	Complied
<b>4.4.4.2</b>	The occupational safety and health plan shall cover the following: 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: 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).	Safety Management Plans are available at each estate has cover the OSH Program, compliance with safety regulations, legal requirement, risk assessment, training, PPE, Chemical Safety, ERP and etc (e.g. Laukin Estate – dated 08/01/2022) a) Safety & health policy has been communicated and implemented to the estate operation. b) Risk of all operations has been identified in the HIRARC Form (e.g. Labuk Estate for Chemical Spraying Ref No: IOI-OHS-HIRARC-LBK-3.3.4-010 dated 05/01/2022 & Harvesting Ref No: IOI-OHS-HIRARC-LBK-3.3.4-001 dated 05/01/2022).  Noise Risk Assessment was conducted at Laukin Estate on 09/11/2020 (Report Ref No: DABOH/1120/065) and CHRA for Laukin Estate was conducted on 06/01/2022 (Ref No: HQ/11/ASS/00/298-2022/263) and acknowledged by Estate Manager dated 22/01/2022. Action Plan for CHRA was review on 16/12/2021. Medical surveillance was conducted 11/01/2021 (3	Major Non-Conformity & OFI

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<p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust 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><b>- Major compliance -</b></p>	<p>sprayers) and 11/03/2021 (22 workers). Audiometric test for Laukin Estate was conducted on 11/01/2021.</p> <p>CHRA for Labuk Estate was conducted on 05/01/2022 (Report Ref No: HQ/11/ASS/00/298-2022/262). Medical surveillance was conducted on 27/03/2021 for 38 workers with no abnormal result reported. CHRA Action Plan prepared based on the CHRA conducted on 06/01/2020 was found satisfactory.</p> <p>CHRA for Luangmanis Estate was conducted on 06/01/2022 and report acknowledged by Estate Manager (Mr. Jumar Asjadi). (Report Ref No: HQ/11/SS/00/298-2022/265). Medical Surveillance was conducted on 11/01/2021 (38 workers), 11/03/2021 (1 worker) with no abnormal result detected.</p> <p>NRA for Luangmanis Estate was conducted on 05/11/2020 involved Tractor operation, workshop, genset, grader, compactor and chainsaw. Audiometric test was conducted to 36 workers. Two workers identified with abnormal result (conductive hearing loss and mixed hearing loss).</p> <p>NRA for Labuk Estate was conducted on 03/11/2020 (Ref No: DABOH/1120/065) for Generator Set, Grass Cutter Operator and Grader Operator). Audiometric Test has been conducted for 6 workers (Driver, Mechanic and Grader with one (1) abnormality (hearing impairment) detected.</p> <p>c) Awareness and training programme have included employees exposed to pesticides (e.g. for Labuk Estate was conducted on 19/04/2021, 18/04/2021, 05/04/2021 and 24/05/2021).</p> <p>d) PPE was provided by the estate management to all employees according to their scope of job. The estate management did not charge the employees for the PPE. PPE issuance recorded in</p>	

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	<p>"Borang Pemberian Alat Pelindung Diri" (e.g. Employee: Takdir (Manurer), PPE issued: Employee: Takdir (Manurer), PPE issued: Dust Mask, Safety Spectacles, Nitrile Gloves, PVC Boots, Apron, date of issues – 15/11/2021).</p> <p>e) The IOI Group has established the Standard Operating Procedure for handling the used chemical to ensure proper &amp; safe handling, storage and disposal according to OSH (CLASS Regulations 2013 and OSH (USECHH) Regulations 2000. Prosedur Kerja Selamat Penyimpanan dan Pengurusan Stor bahan Kimia (IOI-OSH 3.2.2 dated 01/08/2021) and procedure such as Chemical Handling Flowchart from supplier (Appendix E 1), Chemical Issue From Store (Appendix E2) was established.</p> <p>Chemical register updated on 03/01/2022 is available and SDS such as is also available at the chemical store. Some of the Safety Data Sheet (SDS) for chemicals stored and used such as HyGard etc is available in English language. However, SDS in national language (Bahasa Malaysia) could be made available at the storage are for ease of understanding by workers as stated in OSH (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013 (CLASS Regulations). Thus, OFI has been raised.</p> <p>f) Estate manager was appointed as chairman for the OSH Committee and assisted by representatives from employer and employees.</p> <p>g) Safety and Health Committee meeting has been planned to be conducted quarterly as regular two-way communication with employees to discuss employee's health, safety and welfare such as:</p> <p>Laukin Estate – 29/03/2021, 29/07/2021, 27/09/2021 &amp; 30/12/2021</p>	

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	<p>Labuk Estate – 09/04/2021, 30/06/2021, 30/09/2021 &amp; 09/12/2021</p> <p>Luangmanis Estate – 20/01/2021, 25/05/2021, 08/09/2021</p> <p>h) The estates have established emergency response team which is headed by estate managers. Accident reporting flowchart and Pelan Tindakan Kecemasan for accident/injury, flood and fire with emergency contact number was displayed at the notice board.</p> <p>At Laukin Estate, the First Aid Kit checked during field visit was not properly monitored. Based on the usage record for manuring group, there was one (1) unit of eye drops were used and opened for more than 30 days. Furthermore, monthly first aid kit inspection was not effectively implemented. Thus, a major nonconformance was raised.</p> <p>Emergency Drill for Laukin Estate was conducted on 13/08/2021, Labuk Estate – 28/05/2021.</p> <p>i) Estates has provided First Aid training to its personnel such as for Laukin Estate was conducted on 03/08/2021 by HA attended by 12 personnel (e.g. Creche, sprayer, mandore, workshop, genset and etc).</p> <p>j) Annual accident records was submitted to DOSH via MyKKP portal (JKKP 8) on 20/01/2022 (Ref No: JKKP 8/103210/2021) with total of 10 accidents (21 days lost mandays) recorded in Laukin Estate. Total of 280256 man-hours with average of 115 personnel recorded for 2021. Accident investigation recorded in Accident/Incident Investigation Report.</p> <p>JKKP 8 for Labuk Estate – Ref No: JKKP 8/105704/2021 submitted on 21/01/2022 with 2 days LTI and 1 occupational health issue</p>	

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		<p>recorded (hearing impairment). Total of 306,543 man-hours with average of 129 personnel for 2021.</p> <p>JKKP 8 for Luangmanis Estate – Ref No JKKP 8/103336/2021 has been submitted on 26/01/2022 with total of 62 days LTI and 1 Occupational Disease recorded. Total of 696,128 man-hours recorded with average of 292 personnel worked for 2021.</p> <p>At Luangmanis Estate, there was two (2) accidents recorded on 03/04/2021 with four (4) days medical leave given by doctor from 05/04/2021 until 08/04/2021. The incident/accident was not reported immediately to supervisors and the workers was not seeking immediate medical/treatment at the clinic. There was total of five (5) calendar days since the incident/accidents happened that causing the workers unable to do their routine works. However, there is no evidence that the accident has been reported to DOSH within 7 calendar days as per OSH (NADOPOD) Regs 2004 requirements. Thus, a major nonconformance were raised.</p>	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p><b>- Major compliance -</b></p>	<p>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.</p>	Complied
<b>4.4.5.2</b>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment</p>	<p>The company is committed to ensure all the employees are treated equally regardless of race, nationality religion, gender, age, and other</p>	Complied

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	regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. <b>- Major compliance -</b>	political opinions in line with its SPOP. There was no evidence of any form of discriminatory practice.	
<b>4.4.5.3</b>	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. <b>- Major compliance -</b>	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, April, May, August and December 2021 were verified are as follows: Laukin: ATxxx710, Cxxxx296, AUxxx521, Cxxxx241, Cxxxx833, AUxxx077, ATxxx594, Cxxxx989 Labuk: 1SLS/IOI/0411/4718, 1SLS/IOI/1215/4748, 1SLS/IOI/0908/27193, 1SLS/IOI/1115/4858, 1SLS/IOI/0719/28198, 1SLS/IOI/0517/4953, 1SLS/IOI/1219/4660, 1SLS/IOI/0518/4828 Luangmanis: 621030-12-xxxx, 951230-12-xxxx, 970826-12xxxx, Cxxxx916, Cxxxx934, Cxxxx148, AUxxx153, ECxxxx449	Complied
<b>4.4.5.4</b>	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. <b>- Minor compliance -</b>	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 several contractors of the sampled estates were available for verification. Generally, the pays were found to be meeting the minimum standard requirements. Nonetheless, at Laukin Estate, based on Dec 2021 pay slip, a Contractor's worker (I/C No.: 920303-XX-XXXX), was found to have RM7.25 of his wage deducted as payment for employee's SOCSO contribution. However, based on the SOCSO's payment form submitted	Minor non-conformity

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		by his employer, only RM5.75 was paid to SOCSO. Thus, a minor non-conformity report was assigned due to this lapse.	
<b>4.4.5.5</b>	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. <b>- Major compliance -</b>	Employee data base is kept and maintained in a computer software (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
<b>4.4.5.6</b>	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. <b>- Major compliance -</b>	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. The updating of information about the 15 days public holidays in the employment contract can be further improved to ensure consistency for all workers (OFI).	OFI
<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. <b>- Major compliance -</b>	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
<b>4.4.5.8</b>	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. <b>- Major compliance -</b>	The working 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
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective	Verification of payslips showed that the wages and overtime were paid consistent with the employment contract and legal requirements. The	OFI



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<p>agreements. - <b>Major compliance</b> -</p>	<p>following workers' ID payslips were sampled for the months of February, April, May, August and December 2021 were verified are as follows: Laukin: ATxxx710, Cxxxx296, AUxxx521, Cxxxx241, Cxxxx833, AUxxx077, ATxxx594, Cxxxx989 Labuk: 1SLS/IOI/0411/4718, 1SLS/IOI/1215/4748, 1SLS/IOI/0908/27193, 1SLS/IOI/1115/4858, 1SLS/IOI/0719/28198, 1SLS/IOI/0517/4953, 1SLS/IOI/1219/4660, 1SLS/IOI/0518/4828 Luangmanis: 621030-12-xxxx, 951230-12-xxxx, 970826-12xxxx, Cxxxx916, Cxxxx934, Cxxxx148, AUxxx153, ECxxxx449 Nonetheless, the monitoring of working hours of the generator set operators at Labuk Estate can be further improved to ensure overtime is awarded accordingly (OFI).</p>	
<p><b>4.4.5.10</b> 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. - <b>Minor compliance</b> -</p>	<p>Among the other forms of social benefits provided by the company are:</p> <ul style="list-style-type: none"> <li>• Annual production bonus</li> <li>• Turn-out incentive</li> <li>• EPF &amp; SOCSO</li> <li>• Inhouse dispensary</li> </ul> <p>However, at Laukin Estate, out of 8 sampled pay slips (Feb, May, &amp; Dec 2021), it was found that 1 female worker (passport no.: CXXX4833) has no SOCSO contribution from the employer. Thus, a minor non-conformity report was assigned due to this lapse.</p>	<p>Minor Non-conformity</p>
<p><b>4.4.5.11</b> In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities</p>	<p>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</p>	<p>OFI</p>

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	<p>in compliance with the Workers’ Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p><b>- Major compliance -</b></p>	<p>is mainly focussing on cleanliness and safety. Records of inspection were well maintained for verification. The follow up action by the estate’s managements on the issues reported by the hospital assistants during labour quarters inspection or any other monitoring methods can be further enhanced. Examples of the issues are unauthorized wiring, chicken coops, disposal of engine oil containers, used PPE, etc. (OFI).</p>	
<b>4.4.5.12</b>	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>Apart from the SPOP, this is also addressed under IOI Group’s guidelines for Handling Harassment at Workplace, Doc. Ref: IOI/G/SE/004, rev.02, issue date: 26th November 2020. Employees were given awareness on how to prevent sexual harassment through training and/or briefing at the muster ground.</p>	Complied
<b>4.4.5.13</b>	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p><b>- Major compliance -</b></p>	<p>Apart from the SPOP, this is also addressed under IOI Group’s Equal Opportunity Employment &amp; 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, and this was also confirmed by the interviewed workers.</p>	Complied
<b>4.4.5.14</b>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.</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 / Indicator		Assessment Findings	Compliance																																				
- Major compliance -																																							
<b>Criterion 4.4.6: Training and competency</b>																																							
<b>4.4.6.1</b>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Training conducted as follow:</p> <p>Laukin Estate</p> <table border="1"> <thead> <tr> <th>Training Topic</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Recycle Awareness Training</td> <td>12/02/2021</td> </tr> <tr> <td>HCV Training</td> <td>21/06/2021</td> </tr> <tr> <td>Replanting Procedure</td> <td>11/06/2021</td> </tr> <tr> <td>Chemical Store Management</td> <td>17/09/2021</td> </tr> <tr> <td>PPE &amp; Loose Fruit</td> <td>15/12/2021</td> </tr> </tbody> </table> <p>Labuk Estate</p> <table border="1"> <tbody> <tr> <td>First Aid Training</td> <td>29/04/2021 &amp; 24/01/2022</td> </tr> <tr> <td>Scheduled Waste Training</td> <td>05/05/2021</td> </tr> <tr> <td>Buffer Zone Training</td> <td>24/05/2021</td> </tr> <tr> <td>PPE Training</td> <td>14/10/2021</td> </tr> <tr> <td>RTE &amp; HCV</td> <td>18/12/2021</td> </tr> </tbody> </table> <p>Luangmanis Estate</p> <table border="1"> <tbody> <tr> <td>Chemical Spraying &amp; SDS</td> <td>29/01/2021, 26/02/2021</td> </tr> <tr> <td>Manuring &amp; SDS</td> <td>18/03/2021</td> </tr> <tr> <td>Rat Baiting &amp; SDS</td> <td>18/03/2021</td> </tr> <tr> <td>Chemical Store, Confined Space &amp; SDS</td> <td>02/04/2021</td> </tr> <tr> <td>Emergency Drill</td> <td>30/04/2021</td> </tr> <tr> <td>Scheduled Waste</td> <td>04/06/2021</td> </tr> <tr> <td>First Aid</td> <td>15/07/2021 &amp; 07/12/2021</td> </tr> </tbody> </table>	Training Topic	Date	Recycle Awareness Training	12/02/2021	HCV Training	21/06/2021	Replanting Procedure	11/06/2021	Chemical Store Management	17/09/2021	PPE & Loose Fruit	15/12/2021	First Aid Training	29/04/2021 & 24/01/2022	Scheduled Waste Training	05/05/2021	Buffer Zone Training	24/05/2021	PPE Training	14/10/2021	RTE & HCV	18/12/2021	Chemical Spraying & SDS	29/01/2021, 26/02/2021	Manuring & SDS	18/03/2021	Rat Baiting & SDS	18/03/2021	Chemical Store, Confined Space & SDS	02/04/2021	Emergency Drill	30/04/2021	Scheduled Waste	04/06/2021	First Aid	15/07/2021 & 07/12/2021	Complied
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Criterion / Indicator		Assessment Findings	Compliance
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p><b>- Major compliance -</b></p>	<p>Training needs for individual employees was identified and documented (e.g. Analisis Keperluan Penombak – Irwanto dated 10/12/2021. Analisis Keperluan Manuring – Chi Chi dated 27/09/2021)</p>	Complied
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p><b>- Minor compliance -</b></p>	<p>Annual Training Programme for 2022 is available with training topic to be conducted for each month was identified.</p>	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
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><b>- Major compliance -</b></p>	<p>Sustainable Palm Oil (SPO) Department has prepared an Environment Impact Assessment: Management Action Plans &amp; Continuous Improvement Plan for each estate. This assessment contained their environment management plan in order to keep the balance between the environment and the estate daily operation. It was reviewed by respective estates audited (e.g. Laukin Estate – reviewed on 18/01/2022). Among the items included in the report were:</p> <ul style="list-style-type: none"> <li>a. Identification &amp; management plan of waste products.</li> <li>b. Identification &amp; management plan of potential pollutant source.</li> <li>c. Identification of fertilizer alternative</li> <li>d. Identification of side products</li> </ul>	Complied

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		e. Identification of potential source of GHG emission and GHG reduction plan.	
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <b>- Major compliance -</b>	Environment Impact Assessment – Management Action Plans & Continuous Improvement Plan dated 21/01/2022 has include as follows: 1. Identification & Management Plan of Waste Products 2. Identification and Management Plan of Potential Pollutant Source 3. Identification of Fertilizer Alternative 4. Identification of Side Products 5. Identification of Potential Source of GHG Emission and GHG Reduction Plan 6. Identification of Integrated Pest Management 7. Impact from Replanting and its Management Plan 8. Water Management 9. Environmental Hazard and its Management Plan	Complied
<b>4.5.1.3</b>	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. <b>- Major compliance -</b>	All the estates documented a similar environmental improvement plan being having similar operations and work method throughout the region. The continual improvements plans are aimed to: a) Prevent and reduce pollutant. b) Prevent and reduce waste products release. c) Reduce chemicals comprising pesticides or fertilizer. The monitoring is made through the daily supervision and visits by the higher management.	Complied
<b>4.5.1.4</b>	A programme to promote the positive impacts should be included	The programme has included the positive impact to ensure the continual improvement such as reduce water usage, reduce diesel	Complied

Criterion / Indicator		Assessment Findings	Compliance
	in the continual improvement plan. <b>- Minor compliance -</b>	usage and reduce herbicide & pesticide usage. The action plan still remains unchanged as per previous audit.	
<b>4.5.1.5</b>	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. <b>- Major compliance -</b>	The awareness and training programme were established and implemented to ensure that all employees understand the policy and objective of the environmental, safety and health. Training and awareness program have been scheduled in the training program. Sighted the training program for year 2021 and 2022. The training program is crucial to ensure the employees understand the company's policy and objective. Sighted the training conducted for the estates as below: a. Scheduled Waste Management dated 27/04/2021 b. Latihan Pencegahan Pencemaran Alam Sekitar dated 05/05/2021 & 25/10/2021 c. Latihan Pengurusan Buangan Berjadual dated 05/05/2021 & 25/10/2021 d. Latihan Zon Penampian Sungai dated 26/05/2021	Complied
<b>4.5.1.6</b>	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. <b>- Major compliance -</b>	The meeting to discuss on the environmental issues were conducted together with the OSH meeting. Sighted the meeting minute and reviewed such as for Labuk Estate - Environmental quality issues were briefed to employees and any concerns about environmental quality were discussed during internal stakeholders meeting conducted at least once a year (e.g., dated 17/12/2021).	Complied
<b>Criterion 4.5.2:</b> Efficiency of energy use and use of renewable energy			
<b>4.5.2.1</b>	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	The estates consistently monitor the following and tabulate the data monthly. Direct usage of diesel for the estate's operations are recorded. The quantity in mt is divided over the mt FFB produced	Complied

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	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>(ratio) during the month. The performance is measured by this ratio to indicate the level of performance. The data is compiled for comparison and control for future improvement with aim of gradual reduction of diesel. Diesel usage record as per below: - July 2020 - June 2021</p> <table border="1"> <thead> <tr> <th>Items</th> <th>Laukin Estate</th> <th>Labuk Estate</th> <th>Luangmanis Estate</th> </tr> </thead> <tbody> <tr> <td>Tonne FFB</td> <td>29,100.560</td> <td>52,197.170</td> <td>45,057.310</td> </tr> <tr> <td>Tonne CPO</td> <td>5,948.621</td> <td>10,534,055</td> <td>6,875.445</td> </tr> <tr> <td>Diesel/MT FFB</td> <td>15.4772</td> <td>8.52</td> <td>13.0138</td> </tr> <tr> <td>Diesel/MT CPO</td> <td>75.7142</td> <td>42.240</td> <td>61.8527</td> </tr> </tbody> </table>	Items	Laukin Estate	Labuk Estate	Luangmanis Estate	Tonne FFB	29,100.560	52,197.170	45,057.310	Tonne CPO	5,948.621	10,534,055	6,875.445	Diesel/MT FFB	15.4772	8.52	13.0138	Diesel/MT CPO	75.7142	42.240	61.8527	
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<b>4.5.2.2</b>	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p><b>- Major compliance -</b></p>	<p>The monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Consumption of electricity is also recorded mainly reading from the meters. Diesel utilisation is recorded at ratio vs the mt FFB. Graph is tabulated to see the trend of performance. The annual diesel and electricity estimates is provided in the annual budget.</p>	Complied																				
<b>4.5.2.3</b>	<p>The use of renewable energy should be applied where possible.</p> <p><b>- Minor compliance -</b></p>	<p>There is no opportunity for the estates to capitalize the utilization of fibre/shell as part of their energy production in replacement of fossil fuel with the current technology limitation.</p>	Complied																				
<b>Criterion 4.5.3: Waste management and disposal</b>																							
<b>4.5.3.1</b>	<p>All waste products and sources of pollution shall be identified and documented.</p>	<p>All waste products and source of pollution was identified and documented in the Waste Management Plan 2021/2022. It was</p>	Complied																				

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	- Major compliance -	included scheduled waste, recycle waste, domestic waste, industrial waste, sewage, and etc. This was identified based on the operation activity with environmental aspect and impact verification. Sighted the waste products and sources of pollution sited in the EIA report.													
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>The waste management plan remain unchanged as below:</p> <table border="1"> <thead> <tr> <th>Sources</th> <th>Impact</th> <th>Management Plan</th> </tr> </thead> <tbody> <tr> <td>Schedule waste: Used battery Used oil Empty chemical container Rags &amp; oil filters Electrical parts</td> <td>Land pollution Water pollution</td> <td>To properly stored, label, monitored and disposed according to the EQA 1974.</td> </tr> <tr> <td>Used chemical</td> <td></td> <td>Empty chemical container to be triple rinsed. To train contractor on the schedule waste management.</td> </tr> <tr> <td>Domestic waste: Used paper bag Plastic Drinking can Electrical devices Paper box</td> <td>Land pollution Air pollution</td> <td>Systematic collection of garbage. Separation of plastics, glasses and papers. To dispose degradable waste at landfill</td> </tr> </tbody> </table>	Sources	Impact	Management Plan	Schedule waste: Used battery Used oil Empty chemical container Rags & oil filters Electrical parts	Land pollution Water pollution	To properly stored, label, monitored and disposed according to the EQA 1974.	Used chemical		Empty chemical container to be triple rinsed. To train contractor on the schedule waste management.	Domestic waste: Used paper bag Plastic Drinking can Electrical devices Paper box	Land pollution Air pollution	Systematic collection of garbage. Separation of plastics, glasses and papers. To dispose degradable waste at landfill	Complied
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4.5.3.3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005,	The estate management has established the Standard Operating Procedure for handling of used chemicals (Scheduled Waste Management – Scheduled Waste Guidelines (IOI/SRO/HSE/SW/01)	Complied												



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	Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. <b>- Major compliance -</b>	dated 01/12/2017). The estate management has conducted regular training and briefing to the employees to ensure proper and safe handlings, storage and disposal C/N No: 2021121516DGOBWW (SW409), Qty: 0.34MT, C/N No: 2021121517ANXSEO (SW429), Qty: 0.410MT Collected by Lagenda Bumimas Clinical Waste from Labuk Estate (SW404) was sent to Luang Manis Estate Clinic was verified as per consignment note no: C/N No: LMNC012, Qty: 44.5kg, dated 07/01/2022. The scheduled waste inventory was updated in Borang Inventori Bulanan Buangan Berjadual (e.g. January 2022)	
<b>4.5.3.4</b>	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. <b>- Major compliance -</b>	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. During the briefing regarding on the environment, the estate management has highlighted the point to conduct triple rinsed, punctured the empty chemical container and disposed the container to the licensed contractor.	Complied
<b>4.5.3.5</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. <b>- Minor compliance -</b>	Domestic waste disposed to the landfill located in respective estates such as at Luangmanis Estate, landfill located at Block 95A.	Complied
<b>Criterion 4.5.4: Reduction of pollution and emission</b>			
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid	Potential source of GHG emission and GHG reduction plan has been identified in the Environmental Impact Aspect Assessment. The estate	Complied

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	wastes and effluent. <b>- Major compliance -</b>	management has identified fertilizer, diesel, electricity, chemical and generator set as the potential source of GHG. Among the action plan taken to reduce and monitor the GHG pollution are: a. To follow recommended rate of fertilizer by the agronomist. b. To integrate with EFB application. c. Avoid purchasing second grade diesel from unauthorized dealer. d. Conversion of current lights to energy saving lights. e. Promotes more on biological control on pest by planting more beneficial plants. f. Regular check-up and maintenance for generator set fuel efficacy.	
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	Action plan taken to reduce identified significant pollutants is briefly explained under indicator 4.5.4.1 above	Complied
<b>Criterion 4.5.5: Natural water resources</b>			
<b>4.5.5.1</b>	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: 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,	Water management plan has been developed for each estate by their respective person in charge. Sighted one of the management plans for Laukin Estate, Labuk Estate. This plan has been reviewed on Jan 2022 and next reviewed is schedule on Jan 2023. the plan was prepared by SPO Department and approved by the estate manager on 20/12/2021. a) Water supply or sources for Laukin Estate, Labuk Estate and Luangmanis Estate comes from water abstraction from river (man-made pond) and rainwater.	Complied

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<p>maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>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.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p><b>- Major compliance -</b></p>	<p>b) monitoring of outgoing water was carried out as follows:</p> <p>Laukin Estate - COA for river water sampling (e.g. Report No: EL/W/0421/149 dated 13/04/2021, Remarks: Replanting of 16,688 hectares, location: Luangmanis (1), Laukin (4), Labuk (9), sample taken on 07/04/2021</p> <p>Labuk Estate - Treated Water COA Ref No: W210910/02 dated 09/09/2021 &amp; Pond (Raw Water) COA Ref No: W210910/01 dated 10/09/2021</p> <p>Luangmanis Estate - Water Pond – COA Ref No: W210915/02 dated 15/09/2021 &amp; Treated Water – COA No: W210915/03 dated 15/09/2021</p> <p>Water samples were sent to DYNAKEY Laboratories for further analysis. Samples were sent to the lab on 24/08/2021 (Pipeline Water 'B'), Cert No: W210824/02. According to the result, the water is considered to be safe to consume with the no detection of heavy metal elements and harmful bacteria such as E coli.</p> <p>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 done on weekly basis.</p> <p>Laukin Estate – Water Extraction from the river water at block 97A, Action Plan – to maintain monitor the riparian reserves and the demarcation along the river, to give awareness regarding to riparian reserves training to the workers especially for the Sprayer and Manurer, Installation of Water Flow meter to monitor water distribution of treated water.</p>	

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		<p>Others – Drinking Water Quality Analysis, Stream Water Quality Analysis was also sighted</p> <p>d) No trace of natural vegetation in riparian areas has been removed. For protection of water courses, site visit sighted no chemical activity trace in buffer zone area</p> <p>e) Estate management are required to maintain the riparian zone. Monitoring conducted from time to time to ensure the riparian are in a good condition and corrective action will be conducted if necessary. As part of the moisture conservation program, the estate management has implemented some techniques such as frond stacking, empty fruit bunch mulching, using fibre from mill and using shell as the mulch.</p> <p>f) The estate did not use well as one of their water supplies.</p>	
<b>4.5.5.2</b>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p><b>- Minor compliance -</b></p>	As per previous and interview with the management there is no construction of bunds, weirs and dams across main rivers or waterways passing through sampling estate.	Complied
<b>4.5.5.3</b>	<p>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).</p> <p><b>- Minor compliance -</b></p>	Roadside pits were also available in field, to divert in event of water overflowing and to benefit the nearest palm at the pit end to obtain additional moisture.	Complied
<b>Criterion 4.5.6:</b> Status of rare, threatened, or endangered species and high biodiversity value			
<b>4.5.6.1</b>	<p>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:</p>	High Conservation Value & Conservation Area report is available and for Laukin Estate was reviewed on 19/01/2022, Labuk Estate was reviewed on 10/01/2022. Summary of the report are as follows:	Complied

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<p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (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.</p> <p><b>- Major compliance -</b></p>	<p>Laukin Estate - Water Pond - 1.29Ha, Riparian Reserve – 23.55Ha and River – 6.39Ha</p> <p>Labuk Estate – Water Pond – 4.97Ha, Riparian Reserve – 114.22 Ha, River – 14.40Ha &amp; Steep Hill (HCV4) – 85.97Ha</p> <p>Luangmanis Estate – Water Pond – 19.08Ha, Steep Hill – 2.79Ha, FR Buffer Zone – 9.61Ha, Riparian Reserve – 25.97Ha, River – 10.98Ha, Ext HCV Area (Luangmanis Forest Reserve) – 6735Ha.</p>	
<p><b>4.5.6.2</b> 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><b>- Major compliance -</b></p>	<p>Illegal hunting briefing was conducted on the need basis. Sighted a record of the briefing conducted during internal stakeholder consultation on 28/12/2021 at Luangmanis Estate. Besides that, they also conducting a patrolling to monitor the and track if any wildlife encroached the estate compound. The signage discouraging any illegal or inappropriate hunting, fishing, or collecting activities available verified during site visit. The management also conducted programme to educate the workers regarding RTE and HCV in estate.</p> <p>Statement of Commitment - List of Protected Animals, List of Protected Birds, List of Protected Plants and Footprint Identification Guideline (Appendix 2).</p>	<p>Complied</p>
<p><b>4.5.6.3</b> A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p><b>- Major compliance -</b></p>	<p>The Management Action Plan and Continuous Improvement Plan dated 19/01/2022 on the protection of HCV areas is available. The monitoring also available for reviewed latest record is available.</p>	<p>Complied</p>
<p><b>Criterion 4.5.7: Zero burning practices</b></p>		

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4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - <b>Major compliance</b> -	IOI Group has established the Sustainable Palm Oil Policy, approved by Dato' Lee Yeow Chor (Managing Director & Chief Executive Officer), revised in October 2020. This policy has shown their commitment by not to implement open burning in their estate practices.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - <b>Major compliance</b> -	Not applicable because no evidence of any open burning activities on site.	NA
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. - <b>Major compliance</b> -	Not applicable because no evidence of any open burning implementation on site.	NA
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - <b>Minor compliance</b> -	This is included in the specification of work orders in event of land preparation during a replanting. It is a standard practice in IOI Plantation.	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - <b>Major compliance</b> -	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 SOP for Planting Beneficial Plant and Stop for management and Monitoring of Existing Cultivation of Oil Palm on Peat. The SOP covers	Complied

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		all 17 activities such as Seed Production, Planting Techniques, Manuring, Weeding, Pest and Disease, Harvesting and Planting of Beneficial Plants Sighted the FFB delivery to the mill documents which indicate information of the delivery system. Each of the documents were verified and checked by the person in charge.	
<b>4.6.1.2</b>	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. <b>- Major compliance -</b>	Oil palms are grown on permitted level where they have considered the preventing action to avoid contaminating the surface and groundwater thru runoff either soil, nutrients or chemicals.	Complied
<b>4.6.1.3</b>	A visual identification or reference system shall be established for each field. <b>- Major compliance -</b>	Visual identification of each blocks was established. Each of them contains the information such as year planting, block no and hectarage area.	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. <b>- Major compliance -</b>	The estate management has established a 5 years' business management plan financial year 2019/2020 to 2023/2024. The business plan covers the following: a. Area Statement b. Crop (FFB) by year planting c. Crop (FFB) monthly breakdown d. 10 years replanting program e. Summary program by field f. Detail replanting program by field	Complied

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		g. Executive/staff and worker’s requirement h. Mature oil palm costing statement i. General charges statement j. Capital expenditure statement																									
<b>4.6.2.2</b>	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.  <b>- Major compliance -</b>	Each estate in Ladang Sabah Group has established their respective annual replanting program for a period of 10 years. Sighted the replanting program for Laukin Estate, Labuk Estate and Luangmanis Estate as below: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Estate</th> <th>2021/ 2022</th> <th>2022/ 2023</th> <th>2023/ 2024</th> <th>2024/ 2025</th> <th>2025/ 2026</th> </tr> </thead> <tbody> <tr> <td>Laukin Estate</td> <td>389 Ha</td> <td>393 Ha</td> <td>372 Ha</td> <td>166 Ha</td> <td>-</td> </tr> <tr> <td>Labuk Estate</td> <td>204 Ha</td> <td>218 Ha</td> <td>198 Ha</td> <td>104 Ha</td> <td>-</td> </tr> <tr> <td>Luangmanis Estate</td> <td>341 Ha</td> <td>304 Ha</td> <td>297 Ha</td> <td>326 Ha</td> <td>285 Ha</td> </tr> </tbody> </table>	Estate	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	Laukin Estate	389 Ha	393 Ha	372 Ha	166 Ha	-	Labuk Estate	204 Ha	218 Ha	198 Ha	104 Ha	-	Luangmanis Estate	341 Ha	304 Ha	297 Ha	326 Ha	285 Ha	Complied
Estate	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026																						
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<b>4.6.2.3</b>	The business or management plan may contain: 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 <b>- Major compliance -</b>	The estate management has established a 5 years’ business management plan financial year 2019/2020 to 2024/2025. The business plan covers the following: a. Area Statement b. Crop (FFB) by year planting c. Crop (FFB) monthly breakdown d. 10 years replanting program e. Summary program by field f. Detail replanting program by field g. Executive/staff and worker’s requirement h. Mature oil palm costing statement i. General charges statement	Complied																								



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		j. Capital expenditure statement	
<b>4.6.2.4</b>	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. <b>- Major compliance -</b>	Estate daily activities were monitored on daily basis. The staffs will prepare all those related documents and delivered to assistant manager who will verified and approved by the estate manager. Apart of it, estates management also receive regular visit from the Senior Plantation Controller (SPC) to inspect the implementation of the estate practices.  Labuk Estate dated 26/10/2021 covered fertilizer record, cash book and expenses ledger summary for mature palm and general charges SPC visit dated 02/10/2021 and 07/01/2022 covered Fertilizer Record Book and Replanting Projects.	Complied
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. <b>- Major compliance -</b>	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
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	The contract agreements between the management and the following contractors were verified:  Laukin Estate: 1) Syarikat E.M.S. Bersaudara, Contract No. LKN/002/2021-2022, validity: 01/07/2021 – 30/06/2022 2) Halizah Enterprise, validity: 01/07/2021 – 30/06/2022  Labuk Estate: 1) Auto Gears Sdn Bhd, validity: 01/07/2021 – 30/06/2022	Complied

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		<p>Luangmanis Estate:</p> <p>1) Lai Hon Peng, validity: 01/07/2021 – 30/06/2022</p> <p>2) Roziawati Raymond, validity: 01/07/2021 – 30/06/2022</p> <p>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.</p>	
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	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
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	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
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. <b>- Minor compliance -</b>	The certification unit has no objection to allow BSI auditors to verify assessment through physical inspection if required.	Complied
<b>4.6.4.4</b>	The management shall be responsible for the observance of the control points applicable to the tasks performed by the	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	Complied

Criterion / Indicator		Assessment Findings	Compliance
	contractor, by checking and signing the assessment of the contractor for each task and season contracted. <b>- Major compliance -</b>	evaluation (e.g. Checklist Workdone) were well maintained for verification.	
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1: High biodiversity value</b>			
<b>4.7.1.1</b>	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. <b>- Major compliance -</b>	NA as no new planting at the sampled estates.	NA
<b>4.7.1.2</b>	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. <b>- Major compliance -</b>	NA as no new planting at the sampled estates.	NA
<b>Criterion 4.7.2: Peat Land</b>			
<b>4.7.2.1</b>	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. <b>- Major compliance -</b>	NA as no new planting at the sampled estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
<b>4.7.3.1</b>	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. <b>- Major compliance -</b>	NA as no new planting at the sampled estates.	NA
<b>4.7.3.2</b>	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. <b>- Major compliance -</b>	NA as no new planting at the sampled estates.	NA
<b>4.7.3.3</b>	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. <b>- Major compliance -</b>	NA as no new planting at the sampled estates.	NA
<b>4.7.3.4</b>	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. <b>- Minor compliance -</b>	NA as no new planting at the sampled estates.	NA
<b>Criterion 4.7.4: Soil and topographic information</b>			
<b>4.7.4.1</b>	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.	NA as no new planting at the sampled estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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
<b>Criterion 4.7.5:</b> Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	NA as no new planting at the sampled estates.	NA
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
<b>Criterion 4.7.6:</b> 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	NA as no new planting at the sampled estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
	express their views through their own representative institutions. <b>- Major compliance -</b>		
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. <b>- Minor compliance -</b>	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. <b>- Major compliance -</b>	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. <b>- Major compliance -</b>	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. <b>- Major compliance -</b>	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. <b>- Major compliance -</b>	NA as no new planting at the sampled estates.	NA
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available.	NA as no new planting at the sampled estates.	NA

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
<b>4.7.6.8</b>	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
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	IOI Corporation Berhad has 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"> <li>• Compliance with all applicable legislation and codes of practice</li> <li>• Implementation of sustainability standards laid out in the policy of environmental, human rights, community development and social impacts</li> <li>• Contribution to the United Nations Sustainable Development Goals (“UN SDGs”)</li> <li>• Building traceable supply chain such that all suppliers are also in compliance with IOI’s Sustainability Policy</li> <li>• To strive the highest levels of transparency and stakeholder engagement</li> </ul>	Complied
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. <b>- Major compliance -</b>	The 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
<b>Criterion 4.1.2 – Internal Audit</b>			



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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. <b>- Major compliance -</b>	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 Palm Oil 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. <b>- Major compliance -</b>	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 01/11/2018) by the Sustainability Palm Oil Department. The recent internal audit was last conducted on 13/12/2021.  The root-causes of the NCR have been identified and recorded in the corrective action plan. The mill is in the process of closing the NCR.	Complied
4.1.2.3	Reports shall be made available to the management for their review. <b>- Major compliance -</b>	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
<b>Criterion 4.1.3 – Management Review</b>			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. <b>- Major compliance -</b>	The management review meeting was last conducted on 14/01/2022. The meetings were chaired by the mill manager and attended by the key personnel. Among the agenda discussed and recorded in the minutes of meetings are as follows: <ul style="list-style-type: none"> <li>• Review meeting on management review 2020</li> <li>• Customer feedback</li> <li>• Changes that could affect the management system</li> <li>• Improvement of the effectiveness of the management system and its processes</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>Resource needs</li> </ul> Discussion of the result of internal audits by SPO & HSE Department including root cause, correction, corrective action plan, timeline, and status	
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - <b>Major compliance -</b>	The continual improvement plan for financial year 2021/2022 was available. It was established based on the social and environmental impact. Basically, the improvement plan was focussing more on renovation of the mill’s facilities to achieve better environment, safety and quality outcome and also improvement in labour quarters facility.	Complied
<b>4.1.4.2</b>	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - <b>Major compliance -</b>	Any new technology and/or innovation equipment is subject to approval by HQ. No new technology adopted by the mill since the last assessment.	Complied
<b>4.2 Principle 2: Transparency</b>			
<b>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</b>			
<b>4.2.1.1</b>	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - <b>Major compliance -</b>	Ladang Sabah Palm Oil Mill is 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
<b>4.2.1.2</b>	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where	Among the information can be made available is: <ul style="list-style-type: none"> <li>Company’s policies</li> </ul>	Complied

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	disclosure of information would result in negative environmental or social outcomes. <b>- Major compliance -</b>	<ul style="list-style-type: none"> <li>Occupational Safety and environmental management plans</li> <li>Company's annual report</li> <li>MSPO/RSPO external audit reports</li> <li>Continuous improvement plan</li> <li>Complaint and grievance procedure</li> <li>Land use rights</li> </ul>	
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	IOI Corporation Berhad has established Grievance Procedure indicated in the Group Social Impact Assessment & Management Action Plans Guidance Document (For Period 2019-2024), revised on Oct 2021. There are three stages of handling grievance i.e.: <ol style="list-style-type: none"> <li>Grievance Submission - Submitted through Green Book, hotline or ECC immediately or within 24 hours</li> <li>Preliminary Investigation - Investigate within 30 working days from grievance submission date</li> <li>Further Investigation/Meeting with complainant - Meet up with complainant within 10 working days after preliminary investigation outcome</li> </ol>	Complied
<b>4.2.2.2</b>	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . <b>- Minor compliance -</b>	The mill has appointed Mr Jackarry Suati [ref.: letter dated 26/10/2020 from the Mill Manager] to be the responsible person in handling the issues related to Indicator 1.	Complied
<b>4.2.2.3</b>	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.	List of stakeholders for all the operating units were last updated on 22/01/2022. The list consists of various group of stakeholders such as government authorities, contractors/suppliers, NGOs, local	Complied

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	- Major compliance -	<p>communities and also internal stakeholders such as workers and representatives.</p> <p>Records of consultation generally recorded in the stakeholders' consultation minute of meeting. The last consultation was virtually conducted on 05/01/2022 using email, telephone, Whatsapp application or meeting in person, covering the stakeholders of the certification unit. Feedback forms were distributed to obtained information about the positive/negative impacts, and level of understanding/awareness about IOI's sustainability management system.</p>	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>The IOI Corporation Berhad has established, implemented, and maintained Management System and Traceability Control Procedures, Ref: MSPO/SOP/MST/01 Revision 00 dated 31/10/2020 for traceability of FFB from the estates to the CPO and PK produced by the POM.</p> <p>IOI Corporation Berhad has developed traceability policy, Management System &amp; Traceability Control Procedures, doc no: MSPO/SOP/MST/01, rev no: 00, dated on 31.10.2020. the objective of the procedures is to establish a documented sustainable procedure for identifying and recording the products from its respective sources or stations as required in the sustainable requirements.</p>	Complied
<b>4.2.3.2</b>	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>Inspection for traceability system was conducted on daily basis. The staffs would prepare all the documents and the assistant manager will check and verified the content. FFB delivery record from estate to mill was sighted and verified.</p>	Complied

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4.2.3.3	The management shall identify and assign suitable employees to implement and maintain the traceability system. <b>- Minor compliance -</b>	Ladang Sabah POM has appointed MSPO Officer which is responsible for traceability system (Mr. Zulkiflee Yappi as per appointment letter dated 13/01/2022 approved by Mill Manager).	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. <b>- Major compliance -</b>	Record of storage, sales, delivery of crude palm oil and palm kernel are well maintained by the mill management.  FFB - Supplier: Sg. Sapi Estate, WB Ticket No: FB21019319 dated 01/12/2021, Vehicle No: SWB1681, Nett Weight: 14,940kgs, Grading Chit No: 436785, Estate Docket No: S001597, Transporter: P&R Warisan Sabah, D/O No: 04035, Gate Pass S/N: 183109, Seal No: SSP331355M / 331356M & 331357M  PK - Contract No: L21976, dated 06/12/2021, Ticket No: 000145461, Transporter: Juita Baru, Supplier DO No: 21000352, Vehicle No: SS9103W, Nett Weight: 30,880kgs. Despatch Chit No: 14697  CPO - Contract No: R49901, dated 13/12/2021, Ticket No:000145949, Transporter: Juita Baru, Supplier D/O No: 21001119, Remark: ISCC EU+RSPO+MSPO, Nett Weight: 41,800 Vehicle No: SS3505T/SS6089T	Complied
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. <b>- Major compliance -</b>	Ladang Sabah POM has monitored the compliance with applicable local, state, national and ratified international laws and regulations as follows:-  1. MPOB License No: 500264104000 valid until 30/06/2022 2. DOE License No: 003445 valid until 30/06/2022	Complied

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	<p>3. DOE Approval (Lesen Pelanggaran (Udara Bersih) 2014 valid until 30/08/2022</p> <p>4. JTK License</p> <ul style="list-style-type: none"> <li>• Permit Pemotongan Gaji Ref No: 600-1/2/8/320(11/SDK/2020-0272) valid until 12/04/2022</li> <li>• Permit Pendahuluan Gaji Ref No: TJKSBH/PMT/102/2021/0018 valid until 06/09/2021</li> <li>• Permit Sekatan Kerja Lebih Masa Ref No: 600-1/2/8/320(08/SDK/2020-0178 valid until 23/06/2022</li> <li>• Lesen untuk Menggaji Pekerja Bukan Pemastautin Ref No: JTK.H.SDK.600-4/1/01261/003867 valid until 08/11/2022</li> </ul> <p>5. KPDNHEP License for Diesel Storage (Euro 2M) with storage capacity: 40,000 liter (Ref No: KPDNHEP.SDK.16/2002SK, Permit No: S003374) valid until 09/12/2023</p> <p>6. Suruhanjaya Tenaga License No: LP/12/1/9/1818 valid until 06/06/2026</p> <p>7. Fire Certificate from Jabatan Bomba Malaysia Ref No: SB/7/40/2021 valid until 04/03/2022</p> <p>8. Weighbridge Calibration Certificate from Metrology Corporation S/N: B1625626 valid until 06/05/2022 and S/N: D082034 valid until 05/07/2022</p> <p>9. Environmental Compliance Audit on Requirement of Condition of Approval (DOE Tracking No: 003345/005200(1)/2021) dated 01/12/2021</p> <p>10. Certificate of Fitness for Machinery (e.g. Boiler &amp; Pressure Vessel) from DOSH valid until 03/04/2022</p>	

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		11.Competency of Personnel (e.g. Steam Engineer Grade 1 & 2, Boilerman Grade 1 (2 personnel), Boilerman Grade 2 (4 personnel), Engine Driver Grade 2 (e.g. Ilham B Abdul Aziz – Cert No: SB/20/EIS/01/00211 (Boilerman Grade 1) & SB/16/EIP/02/30 (Engine Driver Grade 2) & Bakri Bin Kulah (BO) Cert No: PJ-T-6-H-0075-2018	
<b>4.3.1.2</b>	The management shall list all relevant laws related to their operations in a legal requirements register. <b>- Major compliance -</b>	The list of relevant legal laws was available and known as “List of Laws, Covenants & Standards Applicable to Sabah Estate & Mill Operations” which consist of federal laws, state laws and codes a of conducts. Applicable laws identified such as: <ul style="list-style-type: none"> <li>• Environmental Quality Act 1974</li> <li>• Employees Providence Act 1991</li> <li>• Factories and Machinery Act 1967</li> <li>• Workmen’s Compensation Act 1952</li> <li>• Employee Minimum Standard of Housing, Accommodations and Amenities Regulations 2020</li> <li>• Pesticides Act 1974</li> <li>• Occupational Safety and Health Act 1994</li> </ul>	Complied
<b>4.3.1.3</b>	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. <b>- Major compliance -</b>	List of Laws, Covenants & Standards Applicable to Sabah Estate & Mill Operation was updated by SPO department with latest update was done on 03/01/2022. SPO Department, Sandakan Regional Office will also update if the is any new regulations coming into force. Tracking of new amendment or any new regulations were determined in the procedures “Mechanism of Tracking Law Changes (ref no: IOI/SR/SPO/MTLC/22-01, dated on 03/01/2022)	Complied

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4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. <b>- Minor compliance -</b>	Ladang Sabah POM has appointed MSPO Officer which is responsible to monitor compliance and track update the changes in regulatory requirements (Mr. Zulkiflee Yappi as per appointment letter dated 13/01/2022 approved by Mill Manager). Monitoring on compliance was conducted regularly to ensure the validity of license and permit. Changes in regulatory requirements were identified from relevant authority during visit, inspection, and website.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	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.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. <b>- Major compliance -</b>	The mill located in Moynod Estate Land in lot 1 with land title no. CL 085317497, 5,766 Ha, leased to: Ladang Sabah Sdn Bhd, period: 01/01/1984 to 31/12/2082. The mill occupied approximately 32.25 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. <b>- Major compliance -</b>	Mill boundaries 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). <b>- Minor compliance -</b>	There was no land dispute at the certification unit. The company has the legal ownership documents as demonstrated by possessing land titles.	Complied



Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	No land is encumbered by customary rights.	NA
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. <b>- Minor compliance -</b>	No land is encumbered by customary rights.	NA
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. <b>- Major compliance -</b>	No land is encumbered by customary rights.	NA
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	The mill has last reviewed their SIA on 07/01/2022 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 outreach 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

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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. - <b>Major compliance</b> -	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
<b>4.4.2.2</b>	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - <b>Major compliance</b> -	The 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 lodged the actions taken by the management were found to be appropriate and timely manner.	Complied
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - <b>Minor compliance</b> -	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
<b>4.4.2.4</b>	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - <b>Minor compliance</b> -	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
<b>4.4.2.5</b>	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - <b>Major compliance</b> -	The complaints and resolutions for the past 24 months (i.e. from January 2020) were well maintained by the mill and available upon request.	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			

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<b>4.4.3.1</b>	<p>Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p><b>- Minor compliance -</b></p>	<p>Since the last assessment, there have been less activities by the local communities due to MCO. There was no request for contribution received by the mill since the last assessment.</p>	Complied
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>An Occupational Safety, Health and Hygiene Policy was established and approved by the Plantation Director (Mr. N.B. Sudhakaran) in April 2019. It is available in Bahasa Malaysia and English language and communicated to all employees through briefings and displayed at the estates notice boards.</p> <p>OSH program for Y2022 was established and include OSH Committee meeting, Medical Surveillance Programme, Health Surveillance Program, Audiometric test, CHRA, OSH Training, PPE Training, Emergency Response Plan (e.g. First Aider, CPR technique, First Aid Box Inspection and etc), Building and Structure Inspection, Vehicle Safety and etc</p>	Complied
<b>4.4.4.2</b>	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</li> </ul>	<p>OSH Plan established has covered as follows:</p> <ul style="list-style-type: none"> <li>a) The Occupational, Health Safety and Hygiene Policy approved by Plantation Director (Mr. N B Sudhakaran) in April 2019 was communicated through regular briefing, displayed at notice boards within POM and training.</li> </ul> <p>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</p>	OFI

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<ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> <li>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</li> <li>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</li> </ul>	<p>culture. Content includes among others to prioritise safety, execute work safely, and adhere all safety rules and regulations and to target zero accident.</p> <p>b) Risk of all operations were assessed and documented in HIRARC Form (e.g. Process: Workshop, IOI-OSH-HIRARC-LSPOM 3.3.4-019 reviewed on 29/10/2021 and Process: Lubricating Store, IOI-OSH-HIRARC-LSPOM 3.3.4-026 dated 20/01/2022). Other assessment conducted by 3<sup>rd</sup> parties are available such as CHRA, NRA and LEV Testing (Report No: IHT(II)/2021/0301/LSPOM dated 23/03/2021) &amp; monthly LEV inspection was recorded in "Senarai Semak Bagi Pemeriksaan Local Exhaust Ventilation System".</p> <p>CHRA for POM was conducted on 12/06/2021 (Ref No: HQ/11/ASS/00/298-2021/239) and additional CHRA was conducted on 10/01/2022 (Ref No: HQ/11/ASS/00/298). CHRA Action Plan 2022 was prepared and reviewed on 20/01/2022 by Mill Manager.</p> <p>Noise Risk Assessment (NRA) was conducted on 30/10/2020 (Report Ref No: DABOH/1120/062). NRA Action Pan 2022 was prepared and reviewed on 22/01/2022 by Mill Manager.</p> <p>Training on HIRARC was conducted on 20/04/2021 and attended by 17 personnel and Confined Space training was conducted on 06/02/2021 attended by 3 personnel</p> <p>c) Awareness and training programme especially for employees exposed to chemicals used for POM operations was conducted on 27/12/2021 and attended by 12 personnel</p> <p>d) Mill management has provided PPE to workers based on the risk assessment conducted for free of charge. PPE issuance records is available for verification as per "Rekod Pemberian Alat</p>	

Criterion / Indicator	Assessment Findings	Compliance
<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><b>- Major compliance -</b></p>	<p>Perlindungan Diri" (e.g. Rizki dated 25/10/2021 for safety shoes, visible vest dated 25/01/2021, Irwin (Laboratory) dated 29/09/2021 &amp; 03/01/2022 for respirator and Ear Muff dated 11/10/2021)</p> <p>e) Mill management has established procedures for storage, and handling of hazardous chemical as per OSH (CLASS) Regulations 2013 and OSH (USECHH) Regulations 2000. Register of Chemical Hazardous to Health updated on 01/01/2022 such as Sulphuric Acid, Sodium Hydroxide, Chlorine, Soda Ash, NALCO 214/NALCO3273</p> <p>Repacked chemical (e.g. Nalco 3273) at chemical store was relabelled as per OSH(CLASS) Regulations 2013</p> <p>SDS Such as CAT HYDO Advanced 30, BIO SOLV, Potassium Hydrogen displayed and available at chemical store. Nonetheless, SDS in national language (Bahasa Malaysia) could be made available at the storage are for ease of understanding by workers. Thus, OFI has been raised.</p> <p>f) The mill manager which is the chairman of the OSH Committee assisted by secretary and committee members which is employer and employee's representative is responsible for worker's safety and health. Mr. Ikhwan Fadly B. Salasiah appointment letter as Secretary of OSH Committee dated 15/02/2020 is available for verification.</p> <p>g) Mill management has conducted quarterly OSH Committee meeting to discuss safety, health and welfare issues. Any issues raised and its action plan was recorded in the meeting minutes. Meeting for Y2021 was conducted on 09/04/2021, 02/07/2021, 15/11/2021 and 11/12/2021</p>	

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		<p>h) Emergency response procedure was established with emergency situations identified such as fire and damage, theft and robbery, riots and strike, road accident, workplace accident and etc. Emergency flowchart with contact numbers were displayed at notice board. Fire Drill at POM was conducted on 14/01/2022 and participated by 94 personnel</p> <p>i) Eight (8) trained first aiders are available at POM (e.g. Zulkiflee B Yappi – MAA/2021/7268B &amp; Reno Bin Ruslan – MAA/2021/9559B). 16 units of First Aid Box is available at each worksite (e.g. store, Laboratory, FFB Grading, Water Treatment Plant and etc) and checked on monthly basis. First aid box equipped with basic items such as Eye drops, eye pad, gauze, roller bandage and etc.</p> <p>j) Annual accident records were submitted to DOSH via MyKKP portal (JKKP 8) on 23/01/2022 (Ref No: JKKP 8/106072/2021) with total of 9 accidents recorded (2 major accidents) and total of 82 lost mandays for Ladang Sabah POM. Total of 448800 man-hours recorded for 2021. Accident investigation was conducted for all accident reported and documented in Accident/Incident Investigation Report. Accident was reviewed in the ad-hoc meeting conducted on 30/03/2021 (Mr. Sylvester) and 18/10/2021 (Mr. Saparudin). HIRARC was reviewed and communicated to workers during morning briefing &amp; training.</p>	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.	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	Complied

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	- <b>Major compliance</b> -	2020. Communication to the employees was done in various methods such as briefing during morning muster, display on notice boards and training.	
<b>4.4.5.2</b>	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.  - <b>Major compliance</b> -	The company is committed to ensure all the employees are treated equally regardless of race, nationality religion, gender, age, and other political opinions in line with its SPOP. There was no evidence of any form of discriminatory practice.	Complied
<b>4.4.5.3</b>	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.  - <b>Major compliance</b> -	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 December 2021 were verified is as follows:  1SLS/IOI/0621/28982, 1SLS/IOI/1115/9136, 1SLS/IOI/0220/11554, 1SLS/IOI/0317/8997, 1SLS/IOI/0112/9056, 1SLS/IOI/0602/9066, 1SLS/IOI/1010/9106, 1SLS/IOI/0607/9149, 1SLS/IOI/0911/9022	Complied
<b>4.4.5.4</b>	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.  - <b>Minor compliance</b> -	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 several contractors were available for verification. Generally, the pays were found to be meeting the minimum standard requirements.	Complied
<b>4.4.5.5</b>	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	Employee data base is kept and maintained in a computer system (SAP). All the required information such as names, gender, date of	Complied

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	contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. <b>- Major compliance -</b>	birth, date of entry, job description, and ID number was available in the data base.	
4.4.5.6	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. <b>- Major compliance -</b>	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	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. <b>- Major compliance -</b>	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.	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. <b>- Major compliance -</b>	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. <b>- Major compliance -</b>	Verification of payslips showed that the wages and overtime were paid consistent with the employment contract and legal requirements. Sampled workers ID number whose payslips for the months of February, May and December 2021 were verified is as follows: 1SLS/IOI/0621/28982, 1SLS/IOI/1115/9136, 1SLS/IOI/0220/11554, 1SLS/IOI/0317/8997, 1SLS/IOI/0112/9056, 1SLS/IOI/0602/9066, 1SLS/IOI/1010/9106, 1SLS/IOI/0607/9149, 1SLS/IOI/0911/9022	Complied



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<p><b>4.4.5.10</b> Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p><b>- Minor compliance -</b></p>	<p>Among the other forms of social benefits provided by the company are:</p> <ul style="list-style-type: none"> <li>• Annual production bonus</li> <li>• Turn-out incentive</li> <li>• EPF &amp; SOCSO</li> <li>• Inhouse dispensary</li> </ul>	<p>Complied</p>
<p><b>4.4.5.11</b> In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p><b>- Major compliance -</b></p>	<p>The 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>	<p>Complied</p>
<p><b>4.4.5.12</b> The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>Apart from the SPOP, this is also addressed under IOI Group’s guidelines for Handling Harassment at Workplace, Doc. Ref: IOI/G/SE/004, rev.02, issue date: 26/11/2020. Employees were given awareness on how to prevent sexual harassment through training and/or briefing at the muster ground.</p>	<p>Complied</p>
<p><b>4.4.5.13</b> 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><b>- Major compliance -</b></p>	<p>Apart from the SPOP, this is addressed under IOI Group’s Equal Opportunity Employment &amp; 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, and this was also confirmed by the interviewed workers.</p>	<p>Complied</p>

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<b>4.4.5.14</b>	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. <b>- Major compliance -</b>	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.	Complied														
<b>Criterion 4.4.6: Training and competency</b>																	
<b>4.4.6.1</b>	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. <b>- Major compliance -</b>	<p>The mill has established the training program and documented in Safety and Health Program FY 2020: Mill under section training. The training program was prepared based on the training need analysis conducted and reviewed annually. The training are as follows:</p> <table border="1"> <thead> <tr> <th>Training Topic</th> <th>Date of Training</th> </tr> </thead> <tbody> <tr> <td>Manual Lifting</td> <td>15/12/2021</td> </tr> <tr> <td>LOTO Training</td> <td>30/06/2021</td> </tr> <tr> <td>Boiler Burner Training</td> <td>23/07/2021</td> </tr> <tr> <td>Confined Space and HIRARC for Digester Tank Cleaning</td> <td>18/09/2021</td> </tr> <tr> <td>PPE Training</td> <td>01/10/2021</td> </tr> <tr> <td>First Aider, CPR &amp; Choking Training</td> <td>30/12/2021</td> </tr> </tbody> </table>	Training Topic	Date of Training	Manual Lifting	15/12/2021	LOTO Training	30/06/2021	Boiler Burner Training	23/07/2021	Confined Space and HIRARC for Digester Tank Cleaning	18/09/2021	PPE Training	01/10/2021	First Aider, CPR & Choking Training	30/12/2021	Complied
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<b>4.4.6.2</b>	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. <b>- Major compliance -</b>	The mill has conducted the training need analysis to determine the training requirement for the management, employee and contractors and documented in Training Need Analysis 2022. The analysis was conducted on annually basis.	Complied														
<b>4.4.6.3</b>	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.	Ladang Sabah POM has identified training program for the Year 2022 for mill operation, biogas and social. Training program planned for 2022 has include awareness and competency trainings based on the training needs analysis conducted on yearly basis.	Complied														

Criterion / Indicator		Assessment Findings	Compliance
- Minor compliance -			
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	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. <b>- Major compliance -</b>	The IOI Corporation Berhad has established Sustainable Palm Oil Policy was endorsed by Dato' Lee Yeow Chor, Group Managing Director and Chief Executive Officer, which the environmental policy has been integrated to.  Policy briefing has been conducted on 26/05/2021. The policy was communicated to the employee through training, muster briefing and displayed at several notice board in the Mill. The environmental management plan & Continuous Improvement Plan was reviewed and updated on 18/01/2022.	Complied
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations <b>- Major compliance -</b>	The mill management has conducted environment impact assessment which was reviewed and updated on 18/01/2022. The assessment consists of management action plans and continuous improvement plan.	Complied
<b>4.5.1.3</b>	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. <b>- Major compliance -</b>	The Ladang Sabah POM environmental improvement plan based on the aspects and impacts analysis conducted and documented in the Environmental Aspect Impact Assessment for Estate. The management plan was established for the activity which give significant impact for the environment. The management plan was reviewed annually basis.	Complied
<b>4.5.1.4</b>	A programme to promote the positive impacts should be included in the continual improvement plan.	Environmental Program was established (e.g. Water Sampling Program) 2022 with frequency of monthly sampling (POME, Up Stream	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Minor compliance</b> -	<p>and Down Stream) and half yearly (Raw Water, Treatment Water and Cleaning Water Tank)</p> <p>The mill has established Environment Impact Assessment – Management Action Plans &amp; Continuous Improvement Plan which has include program to promote the positive impacts as follows:</p> <ul style="list-style-type: none"> <li>i. Mulching EFB within estate</li> <li>ii. Disposal of boiler ash and decanter solid within estate</li> <li>iii. Parameter of final discharge POME within limit</li> <li>iv. Provide transparent information about quality of environment to stakeholder</li> <li>v. Shell and fibre wastes are used as fuel for steam production</li> </ul>	
<b>4.5.1.5</b>	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p>- <b>Major compliance</b> -</p>	<p>Ladang Sabah POM has established training program and documented in Training Program for the Year 2022. The training program was reviewed annually.</p> <p>The mill management has conducted series of training to the work force to achieve the environment policy's objective. Environmental training conducted for Y2021 is as follow:</p> <ul style="list-style-type: none"> <li>a. Schedule waste training conducted on 18/12/2021</li> <li>b. 5S Training conducted on 06/05/2021</li> <li>c. 3R Training conducted on 08/05/2021</li> </ul>	Complied
<b>4.5.1.6</b>	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- <b>Major compliance</b> -</p>	<p>The environmental issues have been discussed during a meeting conducted concurrently with the OSH meeting. The meeting minutes has been made available to the audit team and reviewed.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
<b>4.5.2.1</b>	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 <b>- Major compliance -</b>	Ladang Sabah POM has monitored diesel consumption on monthly basis with average usage for the period from July 2020-June 2021 is 1.42 liter/MT FFB and 7 liters/MT CPO and July-Dec 2021 is 1.93 liters/MT FFB and 9.13 liters/MT CPO which is higher compared to previous year due to poor performances gas engine at biogas plant. Only 2 units gas engine in operation which is 1 unit gas engine performance is low (average load of 230kW) and 1 unit gas engine unable to run due to major breakdown. Ladang Sabah POM has plan to install 1 unit gas engine (1000kW) at Biogas plant.	Complied
<b>4.5.2.2</b>	Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. <b>- Major compliance -</b>	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective mill yearly budgets. The diesel estimation was stated in the mill operation annual budget.	Complied
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	From the monitoring and interview with the management, the mill consumes the shell and fibre as boiler fuel. The mill has applied biogas as the renewal energy for the Ladang Sabah POM complex.	Complied
<b>Criterion 4.5.3: Waste management and disposal</b>			
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	Ladang Sabah POM has identified waste generated and source of pollution as per Identification & Management Plan of Waste Products, Potential Pollution Source and Potential Source of GHG Emission documented in the Environment Impact Assessment updated on 18/01/2022. The waste identified as follows:	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>i. Industrial waste – Scrap Iron</li> <li>ii. Scheduled Waste – SW110, SW 305, SW409, SW410, SW 103, SW 429, SW 103 etc.</li> <li>iii. Domestic Waste – Wet waste, kitchen waste, garden waste, sanitary waste, dry waste</li> <li>iv. Solid waste – EFB, Shell, Boiler Ash, Decanter Solid</li> </ul>	
<b>4.5.3.2</b>	<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"> <li>a) Identifying and monitoring sources of waste and pollution.</li> <li>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</li> </ul> <p><b>- Major compliance -</b></p>	<p>Waste management plan was identified based on source of pollutions and the documented in Environmental Impact Assessment, Management Action Plans and Continuous Improvement Programme Ladang Sabah POM.</p> <ul style="list-style-type: none"> <li>a) Source of pollution was identified and monitored such as from marshalling yard &amp; loading ramp, smoke emission, noise pollution, disposal of schedule waste, domestic waste/recycled waste/sewage and garden residue, diesel, workshop, landfill, generator set, linesite, scrap iron and etc.</li> <li>b) Positive impact/improvement of efficiency and recycling potential was identified such as utilization of lubricant and hydraulic oil to ensure the machineries in marshalling yard able to run smoothly, boiler operated using renewable energy fuel, fibre and shells, by-product from mill process was utilized as fuel for mill boiler and etc</li> </ul> <p>In the management plan stated the identification of waste products/pollutants, waste generation, action plan and monitoring, documents to be reviewed, management review, comments and time bound and person in charge.</p> <p>The management plan covers all the operations and works station in the mill and estates</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>4.5.3.3</b>	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p><b>- Major compliance -</b></p>	<p>The IOI Group has established Scheduled Waste Safe Operating Procedures and “Kebenaran Bertulis” (Ref No: ASSH(B)91/110/619/001 Jld 22 (85) dated 23/01/2018 for handling to ensure proper and safe handling according to DOE requirements.</p> <p>Scheduled waste inventory was updated on monthly basis as per Fifth Schedule, Inventory of Scheduled Wastes verified for month of December 2021.</p> <p>Scheduled Waste collected by Lagenda Bumimas and disposal record dated 27/11/2021 is available as follows:-</p> <p>a) C/N No:2021121515MVE0PJ, SW109, Quantity:0.07MT</p> <p>b) C/N: 2021121516T3P4BL, SW305, Quantity: 8.28MT</p> <p>c) C/N: 2021121516DEB8P6, SW409, Quantity: 1.28MT</p> <p>Competent Person for Scheduled Waste (CePSWaM) is available at LSPOM (Mr. Vitus Bin Galip – CePSWaM/209918 and Mr. Jimi Dalinting -CePSWaM00311).</p>	Complied
<b>4.5.3.4</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p><b>- Minor compliance -</b></p>	<p>Domestic waste disposed in the Moynod Estate compound at field 97E. domestic waste record for 2021 was made available to the audit team and verified.</p>	Complied
<b>Criterion 4.5.4: Reduction of pollution and emission including greenhouse gas</b>			
<b>4.5.4.1</b>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p><b>- Major compliance -</b></p>	<p>Assessment of polluting activities were documented in the Environment Impact Assessment – Management Action Plans &amp; Continuous Improvement Plan updated on 18/01/2022. The mill has identified 5 sources of GHG emission which are palm oil mill effluent, diesel consumption, electricity usage, chemical usage and generator set. As for the POME, the action plan taken was to utilize methane</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		capture plant by pumping all POME to the biogas plant to extract GHG and use them as fuel for biogas engine to generate electricity.	
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	<p>CEMS system is available for continuous monitoring of air emission. The mill conducted Stack sampling as per requirement stated in the compliance schedule for DOE license and contradiction license. Stack emission monitoring conducted by Hypergreen Instruments Sdn. Bhd. every six months. Stack monitoring emission report is available for verification as follows:</p> <p>a. Boiler Chimney No.2,</p> <ul style="list-style-type: none"> <li>• Report Ref No: LSPOM/ST-B2/2021/1 dated 26/07/2021 (Measurement date: 10/07/2021)</li> <li>• Report Ref No: LSPOM/ST-B2/2021/2 dated 18/01/2022 (Measurement date: 05/01/2022)</li> </ul> <p>b. Boiler Chimney No. 3</p> <ul style="list-style-type: none"> <li>• Report Ref No: LSPOM/ST-B3/2021/1 dated 28/07/2021 (measurement date: 09/07/2021)</li> <li>• Report Ref No: LSPOM/ST-B3/2021/2 dated 18/01/2022 (Measurement date: 04/01/2022)</li> </ul> <p>Ladang Sabah POM has obtain "Lesen Pelanggaran" (Ref No: 005200 and Jadual Pematuhan Lesen Pelanggaran JPLP/PBU/12/005200) valid until 30/08/2022 under Sect 22(1) EQA 1974 Untuk Melanggar Had-Had Parameter Bagi Pengeluaran Pencemar atau Buangan ke Dalam Udara yang boleh di terima under Regs 25, EQA (Clean Air) Regs 2014 as per letter Ref No: JAS.SHQ.600-3/1/96 Jld.I(22) dated 16/08/2021</p>	Complied
<b>4.5.4.3</b>	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil)	Compliance Schedule (License No: 003445) for LSPOM valid until 30/06/2022 indicated that the mill is allowed to release the POME for	Complied



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Criterion / Indicator		Assessment Findings	Compliance
	<p>Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p><b>- Major compliance -</b></p>	<p>land irrigation purpose. The mill management has conducted the POME analysis before releasing it to land. The analysis results as follow: Mill Manager is Certified Environmental Professional in the Treatment of Palm Oil Mill Effluent (CePPOME) (Ref No: CePPOME/00141) POME discharge was monitored and tested on monthly basis by NALCO Industrial Services (e.g. dated 29/12/2021 and 30/11/2021)</p>	
<b>Criterion 4.5.5: Natural water resources</b>			
<b>4.5.5.1</b>	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>c) Ways to optimize water and nutrient usage and reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> </ul> <p><b>- Major compliance -</b></p>	<p>Water management plan for Ladang Sabah POM was made available to the audit team. The plan was integrated with the environmental management plan report. The mill used water for processing FFB and domestic used. The indicated the negative and positive impact of using water in processing FFB also indicate the action plan to be taken if something bad happened. water sampling for domestic used conducted twice a year.</p> <p>Certificate of analysis from external laboratory is available for verification:</p> <ul style="list-style-type: none"> <li>a) Raw Water, Ref No: W210909/04A dated 09/09/2021 and Ref No: E211227/08A-08C dated 27/12/2021</li> <li>b) Treated Water, Ref No: W210909/04B dated 09/09/2021</li> <li>c) Up Stream, Down Stream and Final Discharge, Ref No: E210824/05A-05C dated 24/08/2021</li> </ul> <p>Water consumption monthly monitoring for FY2020-2021 is 578,359m3 which is 11.55m3/MT CPO / 2.34 m3/MT FFB and for the period of July-Dec 2021, water consumption recorded in 278,985m3 which is average of 10.41m3/MT CPO /2.20m3/MT FFB.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.5.5.2</b>	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. - <b>Major compliance</b> -	Not applicable as the mill discharge the POME thru land irrigation as per stated in the Compliance Schedule.	NA
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Mill Management</b>			
<b>4.6.1.1</b>	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - <b>Major compliance</b> -	Standard Operating Procedures (SOPs) for estates and mills are documented and maintained. Set of procedures for mill operation detailed out under Group Standard Operating Procedures (StOPs) for Palm Oil Mill, document reference number, IOI/StOP/A, issue:2 dated 1/7/17. On safety practices, guided procedure titled, Occupational Safety and Management System IOI Corporation Berhad (Plantation Division) dated 1/8/2012.	Complied
<b>4.6.1.2</b>	All palm oil mills shall implement best practices. - <b>Major compliance</b> -	The mill regular visit from Mill Controller who will inspect on the mill operation and give comments on it. Mill Controller visit on 26/10/2021 Among the issues highlight by the mill controller were: a. FFB quality b. Production report c. Washing plant project d. Boiler operation e. Safety aspects f. Capex discussion g. Workers reduction plan	Complied

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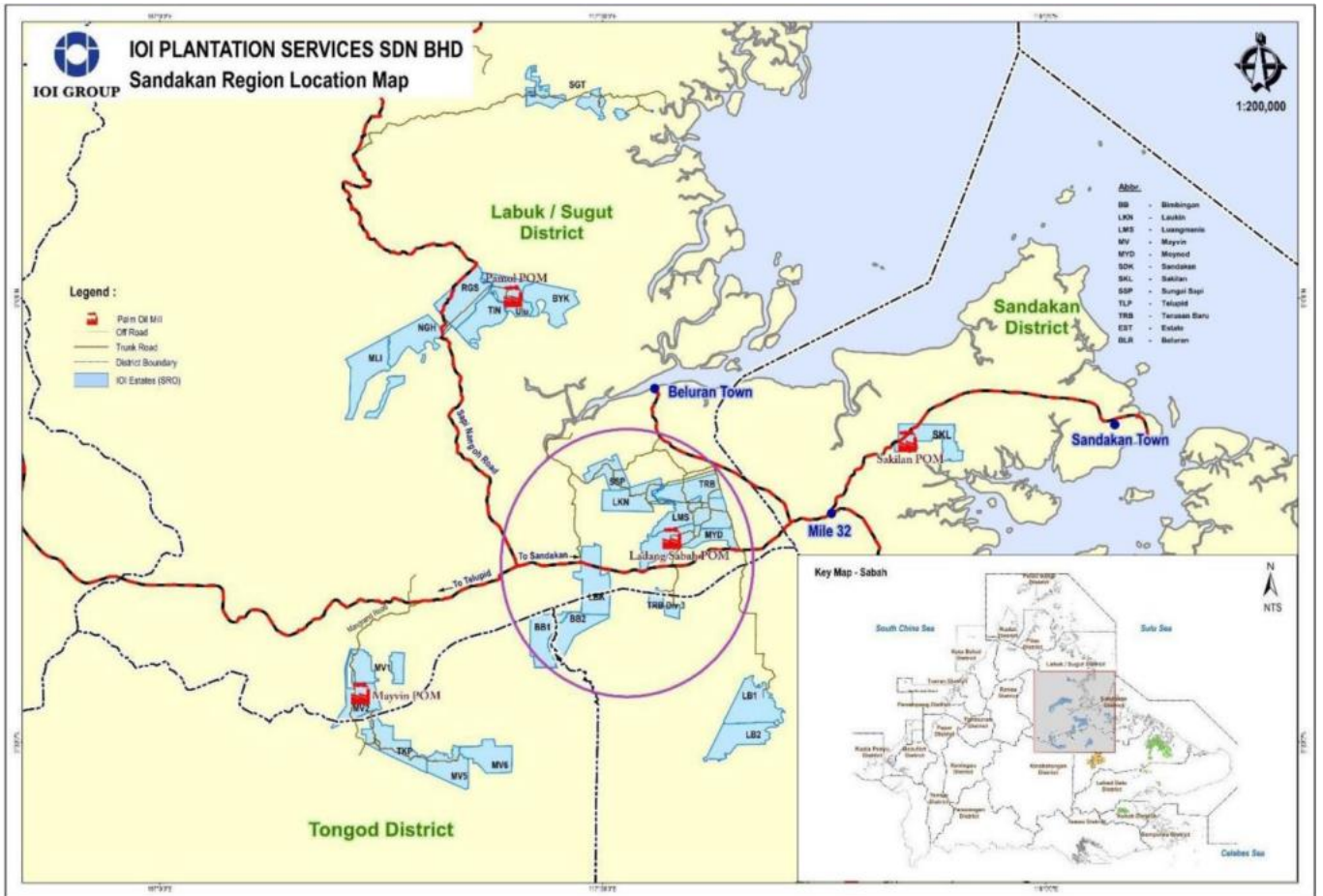
Criterion / Indicator		Assessment Findings	Compliance																								
		Mill manager has responded to each issues highlighted (e.g. for Production report OER for Oct 2021 achievement is 21.75. and for financial year 2020/2021 achieved 20.42% for OER and 5.46% for KER.																									
<b>Criterion 4.6.2:</b> Economic and financial viability plan																											
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. <b>- Major compliance -</b>	<p>The mills visited have established 10 years business plan as guidance for the mill to conduct the daily operation and expenditure. The business plan was documented in 5 years production, expenditure and profit/loss projection 2020/2021 – 2028 which is no changes during this audit. Items stated in the business plan as follows:</p> <ul style="list-style-type: none"> <li>i. Hectare statement</li> <li>ii. FFB yield/ha and Total Production by age</li> <li>iii. FFB Production and FFB purchase (FFB, CPO, PK, OER, KER)</li> <li>iv. Production cost</li> <li>v. Cost/ha and Cost/tons</li> <li>vi. Dispatch (CPO and PK)</li> </ul> <p>The capital expenditure was documented in Financial Year Proposed Capital Expenditure (CAPEX)</p> <table border="1"> <thead> <tr> <th></th> <th>FY2020/ 21</th> <th>FY2021/ 22</th> <th>FY2022/ 23</th> <th>FY2023/ 24</th> <th>FY2024/ 25</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>54,863</td> <td>51,450</td> <td>51,949</td> <td>50,295</td> <td>50,523</td> </tr> <tr> <td>PK</td> <td>15,022</td> <td>12,958</td> <td>13,606</td> <td>13,173</td> <td>13,232</td> </tr> <tr> <td>FFB</td> <td>261,250</td> <td>245,020</td> <td>247,377</td> <td>239,500</td> <td>240,583</td> </tr> </tbody> </table>		FY2020/ 21	FY2021/ 22	FY2022/ 23	FY2023/ 24	FY2024/ 25	CPO	54,863	51,450	51,949	50,295	50,523	PK	15,022	12,958	13,606	13,173	13,232	FFB	261,250	245,020	247,377	239,500	240,583	Complied
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<b>Criterion 4.6.3:</b> Transparent and fair price dealing																											

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. <b>- Major compliance -</b>	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
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	The contract agreements between the management and the contractors [e.g. Juita Baru Sdn Bhd, Pengangkutan Ya Hen Sdn Bhd, K.K. Fong Sdn Bhd, Pengangkutan Dagang Tera Sdn Bhd, Uniharvest Sdn Bhd] 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
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	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
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	Sampled contract agreements as mentioned in Indicator 4.6.3.2, between the mill 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
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. <b>- Minor compliance -</b>	The certification unit has no objection to allow BSI auditors to verify assessment through physical inspection if required.	Complied



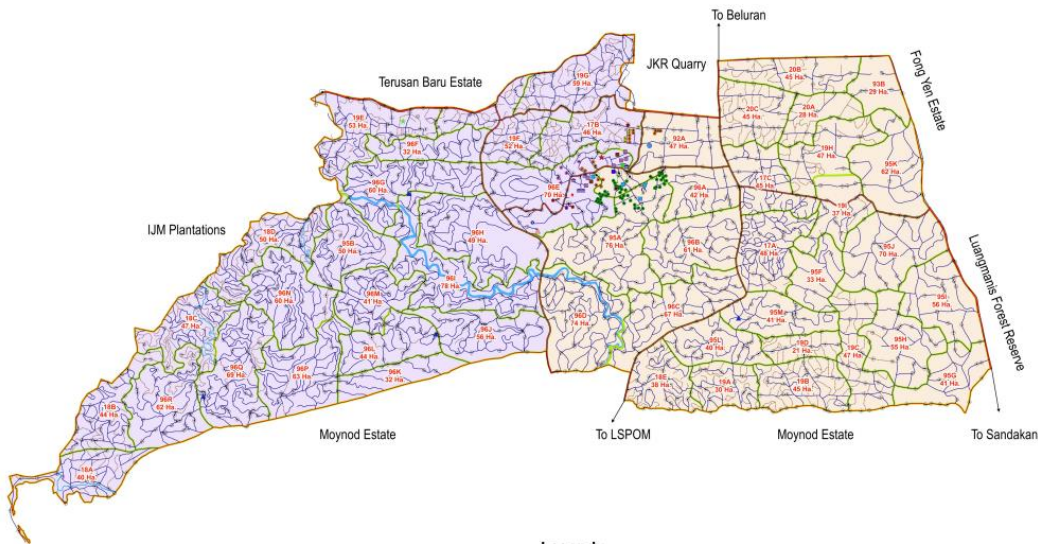
**Appendix C: Location and Field Map**





**LADANG SABAH SDNBHD.  
LUANGMANIS ESTATE**

**FIELD MAP**



**LADANG SABAH SDN BHD  
LAUKIN ESTATE**

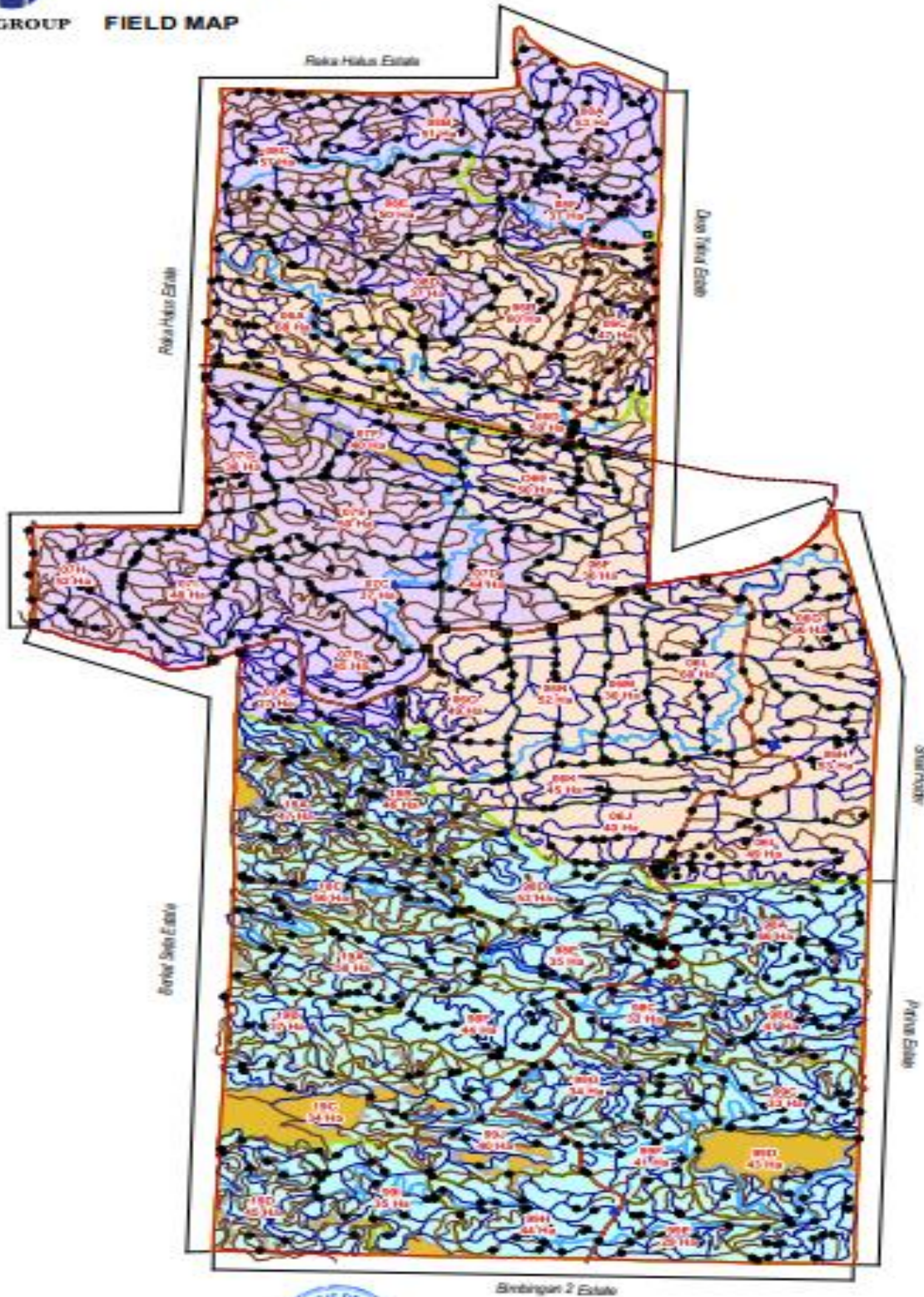
**FIELD MAP**





**LADANG SABAH SDN BHD  
LABUK ESTATE**

**FIELD MAP**



GIS data used based on : 26 August 2020 (\*00)  
Map created at : 18 February 2020  
Prepared by : GIS Department (Tini)





**Appendix D: List of Abbreviations**

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