

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

- Initial Assessment
- Annual Surveillance Assessment (3)
- Recertification Assessment (Choose an item.)
- Extension of Scope

<b>IOI CORPORATION BERHAD</b>
Client Company (HQ) Address: IOI Plantation Services Sdn Bhd Level 29, IOI City Tower 2, Lebuhr IRC, IOI Resort City 62502 Putrajaya, Malaysia
Certification Unit: Pamol Kluang Palm Oil Mill & Estates (Pamol Timur Estate, Pamol Barat Estate, Mamor Estate, Unijaya Estate, Kahang Estate, Swee Lam Estate)
Date of Final Report: 6/4/2022

**Report prepared by:**  
**Mohd Razaleigh bin Mohamad** (Lead Auditor)

**Report Number: 3293252**

**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>
	Pamol Kluang POM	500040104000	31/3/2022
	Pamol Timur Estate	504178602000	31/5/2022
	Pamol Barat Estate	504177802000	31/5/2022
	Mamor Estate	511691002000	31/3/2022
	Unijaya Estate	504524202000	31/7/2022
	Kahang Estate	502165302000	31/1/2022
	Swee Lam Estate	617329002000	30/4/2022
<b>Address</b>	Level 29, IOI City Tower 2, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Malaysia		
<b>Management Representative</b>	Mr Rajan a/l Sinnathamby		
<b>Website</b>	www.ioigroup.com	<b>E-mail</b>	pmm@ioigroup.com
<b>Telephone</b>	+603-8947 8888 +607-787 5100	<b>Facsimile</b>	+607-787 5179

1.2 Certification Information			
<b>Certificate Number</b>	Mill: MSPO 700801 Estates: MSPO 700802	<b>Certificate Start Date</b>	31/12/2018
<b>Date of First Certification</b>	31/12/2018	<b>Certificate Expiry Date</b>	30/12/2023
<b>Scope of Certification</b>	<input checked="" type="checkbox"/> Mill: Production of Sustainable Palm Oil and Palm Oil Products <input checked="" type="checkbox"/> Estates: Production of Sustainable Oil Palm Fruits		
<b>Visit Objectives</b>	<p>The objective of the assessment was to conduct a surveillance assessment 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 organization's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organization'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 <input checked="" type="checkbox"/> MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills		

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<b>Stage 1 Date</b>	N/A
<b>Stage 2 / Initial Assessment Visit Date (IAV)</b>	26-29/11/2018
<b>Continuous Assessment Visit Date (CAV) 1</b>	25-28/11/2019
<b>Continuous Assessment Visit Date (CAV) 2</b>	24-27/11/2020
<b>Continuous Assessment Visit Date (CAV) 3</b>	23-27/11/2021
<b>Continuous Assessment Visit Date (CAV) 4</b>	-

<b>1.3 Other Certifications</b>			
<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
RSPO 547027	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019	BSI Services Malaysia Sdn Bhd	15/03/2025
MSP0 720913	MSP0 Supply Chain Certification Standard (MSP0 SCCS) 1 October 2018.	BSI Services Malaysia Sdn Bhd	22/12/2024

<b>1.4 Location of Certification Unit</b>			
<b>Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)</b>	<b>Site Address</b>	<b>GPS Reference of the site office</b>	
		<b>Latitude</b>	<b>Longitude</b>
Pamol Kluang Palm Oil Mill	8 1/2 Miles, Jalan Mersing Road, 86007 Kluang, Johor, Malaysia	2° 6' 39.89" N	103° 23' 30.52" E
Pamol Timur Estate	Pamol Timur Estate, Jalan Kluang-Mersing, 86000 Kluang, Johor, Malaysia	2° 6' 39.48" N	103° 23' 32.25" E
Pamol Barat Estate	Pamol Barat Estate, Jalan Kluang-Paloh, 86000 Kluang, Johor, Malaysia	2° 6' 46.90" N	103° 20' 37.99" E
Mamor Estate	Mamor Estate, Jalan Kluang-Paloh, 86000 Kluang, Johor, Malaysia	2° 8' 43.14" N	103° 18' 21.49" E
Unijaya Estate	Unijaya Estate, Batu 5, Sri Lalang, Jalan Batu Pahat, K.B. 511, 86009 Kluang, Johor, Malaysia	1° 56' 26.04" N	103° 16' 41.47" E
Kahang Estate	Kahang Estate, Peti Surat 14, 86700 Kahang, Johor, Malaysia	2° 19' 55.72" N	103° 29' 51.83" E
Swee Lam Estate	Swee Lam Estate, K.B. 107, 81000 Kulai, Johor, Malaysia	1° 40' 28.95" N	103° 39' 13.56" E

1.5 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Pamol Timur Estate	2,098.00	6.78	191.33	2,296.11	91.37
Pamol Barat Estate	2,124.00	7.23	179.09	2,310.32	91.94
Mamor Estate	2,073.00	48.36	108.64	2,230.00	92.96
Unijaya Estate	1,166.00	1.97	92.53	1,260.50	92.50
Kahang Estate	2,278.00	4.11	137.79	2,419.90	94.14
Swee Lam Estate	1,098.00	2.16	60.80	1,160.96	94.58
<b>Total (ha)</b>	<b>10,837.00</b>	<b>70.61</b>	<b>770.18</b>	<b>11,677.79</b>	

**Note:**

**Pamol Timur Estate**

1) Increase 4ha of planted area due to:

- PM09 increase 2ha due to updated housing and buildings in field PM09F based on UAV Imagery
- PM11 increase 2ha due to updated housing and buildings in field PM11A based on UAV Imagery

**Pamol Barat Estate**

1) HCV area variance 0.04ha river due to the re-demarcation by GIS

**Mamor Estate**

1) Total planted reduced 1Ha due to new river in field PM98E

2) HCV area increase 2.32ha river due to declared new river in field PM98D, PM98E and PM99C

1.6 Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Pamol Timur Estate	12	1,371	489	226	0	2,086	12
Pamol Barat Estate	414	1,506	204	0	0	1,710	414
Mamor Estate	0	0	1,156	917	0	2,073	0
Unijaya Estate	252	375	475	64	0	914	252
Kahang Estate	0	0	2,278	0	0	2,278	0
Swee Lam Estate	0	308	429	192	169	1,098	0
<b>Total (ha)</b>	<b>678</b>	<b>3,560</b>	<b>5,031</b>	<b>1,399</b>	<b>169</b>	<b>10,159</b>	<b>678</b>

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<b>1.7 Certified Tonnage of FFB</b>			
Estate	Tonnage / year		
	Estimated (Nov 20 - Oct 21)	Actual (Nov 20 - Oct 21)	Forecast (Dec 21 - Nov 22)
Pamol Timur Estate	47,881.00	50,963.56	48,031.00
Pamol Barat Estate	30,288.00	36,595.75	30,288.00
Mamor Estate	53,672.00	38,176.28	49,919.00
Unijaya Estate	24,370.00	22,048.28	23,740.00
Kahang Estate	61,510.00	49,265.52	66,440.00
Swee Lam Estate	28,310.00	22,117.74	29,571.00
<b>Total (mt)</b>	<b>246,031.00</b>	<b>219,167.13</b>	<b>247,989.00</b>

Note: Data is aggregated over the reporting period.

<b>1.8 Uncertified Tonnage of FFB</b>			
Estate	Tonnage / year		
	Estimated (Nov 20 - Oct 21)	Actual (Nov 20 - Oct 21)	Forecast (Dec 21 - Nov 22)
N/A	N/A	N/A	N/A
<b>Total (mt)</b>	N/A	N/A	N/A

<b>1.9 Certified Tonnage</b>			
Mill Capacity: 60 MT/hr	Estimated (Nov 20 - Oct 21)	Actual (Nov 20 - Oct 21)	Forecast (Dec 21 - Nov 22)
	FFB	FFB	FFB
	246,031.00	219,167.13	247,989.00
SCC Model: SG	CPO (OER: 23.50%)	CPO (OER: 22.94%)	CPO (OER: 21.75%)
	57,817.29	50,284.39	53,937.61
	PK (KER: 4.75%)	PK (KER: 4.53%)	PK (KER: 5.50%)
	11,686.47	9,930.24	13,639.40

<b>1.10 Actual Sold Volume (CPO)</b>					
CPO (mt)	MSP0 Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
50,284.39	-	-	50,284.39	-	50,284.39

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<b>1.11 Actual Sold Volume (PK)</b>					
<b>PK (mt)</b>	<b>MSPO Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
		<b>ISCC</b>	<b>RSPO</b>		
9,930.24	-	-	9,930.24	-	9,930.24

## 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 23-27/11/2021. The audit programme is included as Appendix 2.4. The approach to the audit was to treat the Pamol Kluang Palm Oil Mill, Pamol Timur Estate, Pamol Barat Estate, Mamor Estate, Unijaya Estate, Kahang Estate and Swee Lam Estate as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

The 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 was based on the formula  $(r\sqrt{n})$ ; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members (3). 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.

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 years cycle.

<b>Assessment Program</b>					
<b>Name (Mill / Plantation / Group smallholders)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
Pamol Kluang Palm Oil Mill	√	√	√	√	√
Pamol Timur Estate	√		√	√	
Pamol Barat Estate	√		√	√	
Mamor Estate		√			√
Unijaya Estate	√		√	√	√
Kahang Estate		√			
Swee Lam Estate		√			√

**Tentative Date of Next Visit: November 23, 2022 – November 27, 2022**

**Total No. of Mandays: 8 mandays**

### 2.1 BSI Assessment Team

<b>Team Member Name</b>	<b>Role <i>(Team Leader or Team member)</i></b>	<b>Qualifications <i>(Short description of the team members)</i></b>
Mohd Razaleigh bin Mohamad (MRM)	Team Leader	Graduated Bachelor's Degree (Scs.) Plantation Management and Agrotechnology from Universiti Teknologi Mara (UiTM) in 2012. He gained his working exposure in the plantation sector, serving as Senior Assistant Manager with Tradewinds Plantation Berhad from 2012 until 2017 and has been doing audit for RSPO P&C, MSPO, Global G.A.P and Organic since 2017 until now. Successfully completed ISO 9001-2015 (2020), ISO14001-2015 (2017), ISO45001-2018 (2021), Endorsed RSPO P&C Lead Auditor Course (2018), Endorsed MSPO P&C Lead Auditor Course (2017), Social Accountability SA8000 (2019), Endorsed RSPO Independent Smallholder (IHS), (2022). Qualified auditor for environment and social aspect. He is fluent in Bahasa Malaysia and English languages.
Mohammad Fitri Mustafa (MFM)	Team Member	Graduate in Degree of Agribusiness with more than 8 years working experience in various plantation company and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Involved in ISCC and MSPO auditing since September 2017. Qualified as Lead Auditor/Auditor for MSPO, RSPO and ISO 9001. Completed and certified MSPO Auditor course in 2018 held by SGS (M) Sdn Bhd. Able to speak and understand Bahasa Malaysia and English.

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### 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
	Nil	

### 2.4 Assessment Plan

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

Date	Time	Subjects	MRM	MFM
22/11/2021, Monday		Audit team travel to Kluang. Check in at Anika Hotel, Kluang.	√	√
23/11/2021, Tuesday	0900-0915	Audit team travel to <b>Pamol Kluang POM</b> Opening Meeting: <ul style="list-style-type: none"> <li>• Opening Presentation by Audit team leader.</li> <li>• Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation).</li> <li>• Verification on previous audit findings</li> </ul>	√	√
	0915-1300	<b>Pamol Kluang POM</b> Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders, etc.		√
	1000-1200	<b>Stakeholder consultations:</b> Client to invite the relevant stakeholders for both mill and estates which consists of various categories such as government agencies/enforcers, NGO, contractors, suppliers, surrounding communities (e.g. neighboring estates, smallholders, villages, workers representative, etc.), etc.	√	
	1300-1400	Lunch		
	1400-1700	<b>Pamol Kluang POM</b> Document Review P1 – P6 (MSPO Part 4): SOPs, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation, etc.	√	√
	1700-1730	Interim closing meeting	√	√
24/11/2021, Wednesday	0900-1300	<b>Pamol Timur Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH &		√

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Date	Time	Subjects	MRM	MFM
		ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, worker housing, clinic, landfill, etc.		
	1300-1400	Lunch	√	√
	1400-1700	<b>Pamol Timur Estate</b> Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	√	√
	1700-1730	Interim closing meeting	√	√
25/11/2021, Thursday	0900-1300	<b>Pamol Barat Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, worker housing, clinic, landfill, etc.		√
	1300-1400	Lunch		
	1400-1700	<b>Pamol Barat Estate</b> Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	√	√
	1700-1730	Interim closing meeting	√	√
26/11/2021, Friday	0900-1300	<b>Unijaya Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, worker housing, clinic, landfill, etc.	√	√
	1300-1400	Lunch		
	1400-1630	<b>Unijaya Estate</b> Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	√	√
	1630-1700	Interim closing 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 two (2) Major & Zero (0) Minor nonconformities and one (1) OFI raised. The Pamol Kluang POM and estates 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>	2136957-202111-M1	<b>Issue Date:</b>	26/11/2021
<b>Due Date:</b>	27/01/2022	<b>Date of Closure:</b>	09/12/2021
<b>Area/Process:</b>	Pamol Kluang POM	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 4: 4.4.5.9 Major
<b>Clause:</b>	4.4.5.9		
<b>Requirements:</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.		
<b>Statement of Nonconformity:</b>	The management unable to monitor overtime for workers.		
<b>Objective Evidence:</b>	As per verification by the auditor, there is no evidence that overtime has been properly monitored by the POM management.		
<b>Corrections:</b>	Pamol Kluang POM Management has immediately told all workers to thumb print "out" before starting break time and "in" after break. An "overtime requisition" form has also been created for the workers and Management to record actual overtime work carried out. Workers are required to sign the "overtime requisition" form if they agree to the overtime hours offered before commencing work.  Please refer to the following appendix: Appendix 1: Overtime Requisition form		

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<b>Root cause analysis:</b>	As Pamol Kluang POM management monitors normal working hours and overtime by using "fingerflex" system where workers thumbprint before and after working hours, they felt that it was sufficient to monitor overtime. However, as some workers fail to thumbprint during "break hours", the data in the system incorrectly shows that they have worked extra OT hours.
<b>Corrective Actions:</b>	<p>A flow-chart has been prepared for management to better monitor normal and overtime working hours and payment.</p> <p>The "Overtime Requisition" form is also improved to ensure workers request for overtime work before commencing work. With the agreement of the workers concerned, Management shall revise the working hours accordingly in the Overtime Requisition form if there are any changes to the original OT hours requested.</p> <p>Management shall use the attached "Overtime Requisition" form (Appendix 1) and flow-chart (Appendix 2) to monitor payment of wages for normal and overtime work carried out by all workers.</p> <p>Please refer to the following appendix: Appendix 2: Overtime Requisition Flow Chart</p>
<b>Assessment Conclusion:</b>	The implementation of corrective actions was found effective and thus, major non-conformance was closed on 09/12/2021.

<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	2136957-202111-M2	<b>Issue Date:</b>	26/11/2021
<b>Due Date:</b>	27/01/2022	<b>Date of Closure:</b>	09/12/2021
<b>Area/Process:</b>	Pamol Barat Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.5.9 Major
<b>Clause:</b>	4.4.5.9		
<b>Requirements:</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.		
<b>Statement of Nonconformity:</b>	The management unable to monitor overtime for workers.		
<b>Objective Evidence:</b>	<p>During the audit, the auditor identified 1 worker works 2 types of job daily which are as manuring workers during daytime and as watchmen at night. Based on pay slips sighted, the workers have been paid daily rate and overtime (manuring works) and piece rate (watchman).</p> <p>As per calculation has been made, the worker works more than 12 hours a day and did not comply with Employment Act 1955 Seksyen 60A (b).</p>		
<b>Corrections:</b>	<p>Pamol Barat management issued a letter to the worker on 1/12/2021 to stop him from Watchman work at night-time (Appendix 1). The social liaison officer explained to the worker that according to Employment Act 1955 Section 60A (b) a worker cannot work more than 12 hours/day. However, the management will still offer other suitable jobs as long as it does not violate the Employment Act 1955. Though the worker requested not to be terminated from the night watchman job, he eventually agreed to the termination (Appendix 2 &amp; 3).</p> <p>Please refer to the following appendixes:</p>		

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	<p>Appendix 1: Letter from Pamol Barat Estate management to Alam JD Jahangir.</p> <p>Appendix 2: Reply Letter from Alam JD Jahangir to Pamol Barat Estate management.</p> <p>Appendix 3: Pictures of consultation to the workers.</p>
<b>Root cause analysis:</b>	<p>As there's a shortage of workers due to the pandemic related travel restrictions, Pamol Barat could not employ or assign separate workers to carry out night watchman work despite advertising for vacancies. Moreover, the worker involved (Alam JD Jahangir) who is very hardworking requested to work as the watchman to increase his income as the work only requires him to be at the buffalo shed without any manual work. He also admitted to resting and sleeping most of the time.</p>
<b>Corrective Actions:</b>	<p>Pamol Barat Estate management issued a memo dated 01/12/2021 to the Auxiliary police and requested them to supervise and patrol the buffalo shed from 06/12/2021 according to the Auxiliary Police Duty Roaster (Appendix 4).</p> <p>Please refer to the following appendix:</p> <p>Appendix 4: Memo from Pamol Barat Estate management to their Auxiliary Police and "Jadual Tugasan Harian Polis Bantuan".</p>
<b>Assessment Conclusion:</b>	<p>The implementation of corrective actions was found effective and thus, major non-conformance was closed on 09/12/2021.</p>

<b>Opportunity for Improvement</b>			
<b>Ref:</b>	2136957-202111-I1	<b>Clause:</b>	MSPO 2530 Part 3: 4.3.2.2
<b>Area/Process:</b>	Unijaya Estate		
<b>Objective Evidence:</b>	As per verification at Unijaya Estate, sighted total 32 land title that mentioned land use right is for rubber planting. Application to change the land used right has been made in year 2018. It's can be further improved by follow up and monitor the status of the application.		

<b>Noteworthy Positive Comments</b>	
1	Good cooperation given to the audit team during the audit.
2	Good positive feedback received from the stakeholders.

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

<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	1992729-202011-M1	<b>Issue Date:</b>	27/11/2020
<b>Due Date:</b>	28/02/2021	<b>Date of Closure:</b>	14/01/2021
<b>Area/Process:</b>	Pamol Kluang POM	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 4: 4.6.1.1 Major
<b>Clause:</b>	4.6.1.1		
<b>Requirements:</b>	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.		

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<b>Statement of Nonconformity:</b>	The standard operating procedure Confined space procedure Rev: 2 dated 1/8/2018 inadequately implemented.
<b>Objective Evidence:</b>	The Permit to work was available with approval from AESP (Mr Chua Seng Wei) HQ/19/AGTES/01/03181 dated 26/10/2020 however the Medical check up from OHD record was not available for all entrant in confined space and the entrant person was not competent (No AESP) to enter (Kejau Thu Soe & Amirul).
<b>Corrections:</b>	The revised Safe Operating Procedure for working safely in Confined Spaces shall be distributed to all operating centers. O.Cs will also be reminded to strictly comply with all the procedures. An AESP training is also scheduled to be carried out in Pamol Kluang POM on 14 and 15/12/2020 to increase the number of AE.
<b>Root cause analysis:</b>	Though, the management is aware that only AEs with health fitness certificate from OHD are permitted to enter confined spaces, they unfortunately had to send two workers to work in a boiler furnace for short a period as the mill had a shortage of AE because some of Authorized Entrants (AE) have returned to their home countries.
<b>Corrective Actions:</b>	The Safe Operating Procedure for working safely in confined spaces shall be revised to include strict checking of entries in Permit to Work in Confined Spaces and visual inspection of Health Fitness Certificate for the purposes of permission to work in confined space and Declaration of Health Status by Authorised Entrant of persons entering confined spaces by management.
<b>Assessment Conclusion:</b>	As per document verification, Audit team have reviewed the evidence submitted on 7/1/2021 and the major NC is satisfactorily closed on 14/01/2021. Continuous implementation of corrective action taken will be further verified in the next assessment visit. Document reviewed as per below: 1. New SOP (BEKERJA DENGAN SELAMAT DI DALAM RUANG TERKURUNG) Rev: 3 dated 15/12/2020. 2. Email record from Sustainability, Safety & Health Department to all operation dated 15/12/2020 regarding AESP training.
<b>Verification Statement:</b>	As per document verification, Audit team have reviewed the evidence submitted on 7/1/2021 and the major NC is satisfactorily closed on 14/01/2021. Document reviewed as per below: 1. New SOP (BEKERJA DENGAN SELAMAT DI DALAM RUANG TERKURUNG) Rev: 3 dated 15/12/2020. 2. Email record from Sustainability, Safety & Health Department to all operation dated 15/12/2020 regarding AESP training. There is evidence that corrective action plan has been properly implemented and compliance with the procedure (BEKERJA DENGAN SELAMAT DI DALAM RUANG TERKURUNG) Rev: 3 dated 15/12/2020. There is evidence of AESP training has been conducted in year 2021. Thus, Major Non-Conformity remain closed.

<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	1992729-202011-M2	<b>Issue Date:</b>	27/11/2020
<b>Due Date:</b>	28/02/2021	<b>Date of Closure:</b>	14/01/2021

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<b>Area/Process:</b>	Pamol Kluang POM	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.6.3.2 Major
<b>Clause:</b>	4.6.3.2		
<b>Requirements:</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.		
<b>Statement of Nonconformity:</b>	The contract between IOI Pamol Plantations Sdn Bhd (the Company) and Ah Teng Earthwork Construction Sdn Bhd (the Contractor) for land preparation and replanting works is not fair, legal and transparent, and agreed payment was not made in a timely manner.		
<b>Objective Evidence:</b>	<p>The contract signed between Pamol Plantations Sdn Bhd (the Company) and Ah Teng Earthwork Construction Sdn Bhd (the Contractor) for land preparation and replanting works was undated.</p> <p>This contract does not contain fair terms because:</p> <p>Only the Company has the right to terminate the contract. This right is not extended to the Contractor.</p> <ol style="list-style-type: none"> <li>1. The contract also details out all the obligations of the contractor but contains none of the Company's obligations such as obligation to pay upon satisfactory completion of work, compliance with all applicable laws and regulations, including sustainability requirements.</li> <li>2. There is no clear contract duration.</li> <li>3. There is no provision for extension of work period in the event of adverse weather conditions or force majeure.</li> </ol> <p>There is no transparency on when the Company should make payments to the Contractor.</p> <p>Invoice No. IV-2008-0004 dated 21/08/2020 21 for the sum of RM 116,822.52 contains a 30-day term of payment. However, this amount remains unpaid as of the date of audit.</p>		
<b>Corrections:</b>	<p>A draft contract containing corrections as mentioned in the NCR (fair, legal and transparent and agreed payments shall be made in timely manner) has been sent to IOI HQ to inform them to include fair terms in all future contracts c.</p> <p>The estate has highlighted this issue to Top Management, and they are expediting the payment process. The pending payment is expected to be made by xxxx.</p>		
<b>Root cause analysis:</b>	<p>Contracts issued by operating centres (which is different from the contracts issued by HQ) are mostly fair, legal, transparent and includes time frame for payment. This is because estates and mills include a document entitled "Additional Requirements for Contractors and Service Providers" when they issue contracts. However, IOI HQ uses a separate contract which does not include the fair terms and time frame payment as mentioned in the NCR when they issue contracts to contractors.</p> <p>As the tender award was above the estate's budgeted amount, the estate had to request Additional Vote for the non-budgeted amount. Though the request for the nonbudgeted amount was sent to the Plantation Controller on 28/8/2020, there was a delay in the approval process due to the transfer of Plantation Controller to Sabah at the end of August 2020 and the General Manager only taking over about 2 weeks later. The new SAP system introduced in Pamol region also contributed in the delay of payment.</p>		



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<p><b>Corrective Actions:</b></p>	<p>The amended contract with all the required fair terms shall be distributed to all operating centres and relevant departments in IOI HQ. They will be informed to use this contract and strictly abide by the terms.</p> <p>To avoid payment delay in future:</p> <ol style="list-style-type: none"> <li>a) HQ shall negotiate for a longer time frame for payment and include these terms in contracts especially for large projects;</li> <li>b) O.Cs shall try to estimate the correct amount when budgeting for all future contracts;</li> <li>c) O.Cs shall immediately arrange for the difference if the tender award amount is above the estate's budgeted amount;</li> <li>d) O.Cs shall request Additional Vote for the non-budgeted amount and ensure that the payment is made within the agreed time frame.</li> </ol>
<p><b>Assessment Conclusion:</b></p>	<p>As per document verification, Audit team have reviewed the evidence submitted on 7/1/2021 and the major NC is satisfactorily closed on 14/01/2021. Continuous implementation of corrective action taken will be further verified in the next assessment visit. Document reviewed as per below:</p> <ol style="list-style-type: none"> <li>1. Contractor agreement</li> <li>2. Payment record 08 Jan 2021</li> <li>3. Payment process flowchart</li> </ol>
<p><b>Verification Statement:</b></p>	<p>As per document verification, Audit team have reviewed the evidence submitted on 7/1/2021 and the major NC is satisfactorily closed on 14/01/2021. Document reviewed as per below:</p> <ol style="list-style-type: none"> <li>1. Contractor agreement</li> <li>2. Payment record 08 Jan 2021</li> <li>3. Payment process flowchart</li> </ol> <p>There is evidence that all contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>Sample of payment has been taken as per below:</p> <p><u>Unijaya Estate</u>  Contractor name: Isvaran a/l Gopal  Payment term as stated in contract: 30 days after invoices received  Invoices number: 013-2021(01/9)/30/04/2021 dated 30/04/2021  Payment date: Payment voucher number 7100001242 dated 10/05/2021</p> <p>Contractor name: Murarvin Enterprise  Payment term as stated in contract: 30 days after invoices received  Invoices number: M000085 30/04/2021  Payment date: Payment voucher number 7100001242 dated 31/05/2021  Invoices number: M000086 30/05/2021  Payment date: Payment voucher number 7100001242 dated 30/06/2021</p>

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	<p><u>Pamol Timur Estate</u>  Suman JCB Enterprise  Payment term as stated in contract: 30 days after invoices received  Invoices number: INV 021/20/21 dated 30/04/2021  Payment date: Payment voucher number 7100001252 dated 10/05/2021</p> <p>Mohd Saien bin Amat  Payment term as stated in contract: 30 days after invoices received  Invoices number: INV 015-04/20-21 dated 30/04/2021  Payment date: Payment voucher number 7100001250 dated 10/05/2021</p> <p>Rama Plantation and transportation  Payment term as stated in contract: 30 days after invoices received  Invoices number: INV 018/20-21 dated 30/04/2021  Payment date: Payment voucher number 7100001251 dated 10/05/2021</p> <p>Thus, Major Non-Conformity remain closed.</p>
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<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	1992729-202011-M3	<b>Issue Date:</b>	27/11/2020
<b>Due Date:</b>	27/02/2021	<b>Date of Closure:</b>	14/01/2021
<b>Area/Process:</b>	Unijaya Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSP0 2530 Part 3: 4.4.5.9 Major
<b>Clause:</b>	4.4.5.9		
<b>Requirements:</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.		
<b>Statement of Nonconformity:</b>	Harvesting mandore at Unijaya Estate exceeded the overtime limit of 104 hours in both June and October 2020.		
<b>Objective Evidence:</b>	The Employment (Limitation of Overtime Work) Regulations 1980 limits overtime work to 104 hours a month. Sampled payslips for Worker No. 1PPP/IOI/1115/764 showed that the total overtime hours he worked in June and October 2020 were as follows: No permit under Section 60A (4) (a) for exceeding overtime limit has been obtained from the Labour Department.		
<b>Corrections:</b>	As the supervisor failed to monitor the overtime hours of the harvesting mandore, the management issued a letter to the supervisor to remind him to monitor the working and overtime hours of all his workers.		
<b>Root cause analysis:</b>	Although the estate knows the maximum limit of 104 overtime hours they had to request the harvesting mandore to work a few extra hours in June and October 2020 as there were some extra work due to peak crop.		
<b>Corrective Actions:</b>	The management has instructed the payroll clerk to key in details of overtime hours in the SAP system every next day. The payroll clerk is to alert supervisors/		

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	management if any worker has reached 90 overtime hours in a month. Supervisors are reminded to monitor and ensure that any extra work be offered to other workers so that no worker exceeds 104 overtime hours in a month.
<b>Assessment Conclusion:</b>	As per document verification, Audit team have reviewed the evidence submitted on 7/1/2021 and the major NC is satisfactorily closed on 14/01/2021. Continuous implementation of corrective action taken will be further verified in the next assessment visit. Document reviewed as per below: - 1. Reminder letter to staff 2. Memo to all workers (Awareness)
<b>Verification Statement:</b>	During the audit, reoccurrence of issued has been identified in Pamol Barat Estate where worker works 2 types of job daily which are as manuring workers during daytime and as watchmen at night. Based on pay slips sighted, the workers have been paid daily rate and overtime (manuring works) and piece rate (watchman). Hence, Major Non-conformities has been raised in the same indicator.

<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	1992729-202011-N1	<b>Issue Date:</b>	27/11/2020
<b>Due Date:</b>	27/02/2021	<b>Date of Closure:</b>	27/11/2021
<b>Area/Process:</b>	Unijaya Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO Part 3: 4.3.1.4 Minor
<b>Clause:</b>	4.3.1.4		
<b>Requirements:</b>	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.		
<b>Statement of Nonconformity:</b>	The monitoring on compliance and changes was inadequate.		
<b>Objective Evidence:</b>	Water sampling in Unijaya was done yearly sighted record water analysis dated 3/11/2020 and previously on July 2019 (ENV/WTR/UJE/175) however not followed as per Permit Kebenaran Menggunakan Bekalan Persendirian Seksyen 6(1) (a) Akta Standard – standard minimum perumahan dan Kemudahan Pekarja 1990, to ensure done water analysis 3 monthly once.		
<b>Corrections:</b>	Estate shall hire a new sustainability staff to assist the new Environment Liaison Officer in sustainability matters. This staff shall also assist in the monitoring and implementation of changes to the permit requirements especially the domestic water quality analysis.		
<b>Root cause analysis:</b>	Due to lack of experienced personnel and sustainability staff, the estate could not conduct more thorough checking and monitoring of legal requirements. This was amplified by the fact that the person in charge of monitoring the permit requirements left the estate in September 2020 without proper handover of duties to his successor. Unijaya Estate also did not have a sustainability staff since October 2019. They have failed to hire a replacement due to lack of accommodation in the estate.		
<b>Corrective Actions:</b>	The sustainability internal audit checklist and annual sustainability program shall be revised according to the conditions stated in the permits to ensure proper implementation.		

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<b>Assessment Conclusion:</b>	As per corrective action plan audit team have reviewed and accepted on 11/12/2020 and continuous implementation of corrective action taken will be further verified in the next assessment visit.
<b>Verification Statement:</b>	As per verified, there is evidence that appointment letter for all operating units which assistant manager has been identified as PIC. There is also evidence that water sampling has been done every 3 months. Thus, minor NC was closed on 27/11/2021.

Opportunity for Improvement			
<b>Ref:</b>	NA	<b>Clause:</b>	MSPO Part __: -
<b>Area/Process:</b>	-		
<b>Objective Evidence:</b>	-		
<b>Verification Statement:</b>	-		

### 3.4 Summary of the Nonconformities and Status

CAR Ref.	Clause & Category (Major / Minor)	Issued Date	Status & Date (Closure)
1855284-201911-M1	Major	28/11/2019	Closed on 21/2/2020
1855284-201911-M2	Major	28/11/2019	Closed on 21/2/2020
1992729-202011-M1	Major	27/11/2020	Closed on 14/1/2021
1992729-202011-M2	Major	27/11/2020	Closed on 14/1/2021
1992729-202011-M3	Major	27/11/2020	Closed on 14/1/2021
1992729-202011-N1	Minor	27/11/2020	Closed on 27/11/2021
2136957-202111-M1	Major	27/11/2021	Closed on 09/12/2021
2136957-202111-M2	Major	27/11/2021	Closed on 09/12/2021 escalated from Minor to Major.

### 3.5 Issues Raised by Stakeholders



IS #	Description
<b>1</b>	<p><b>Issues:</b> Kampung Pengkalan Tereh Head of village of Kampung Pengkalan Tereh also mentioned that, they are aware about policy and procedure that has been established. Good communication and respond by the management and some contribution has been received.</p> <p><b>Management Responses:</b> The management is committed to maintain good relationship with all the stakeholders and to respond any consultation and consultation as per mentioned in the internal procedure.</p> <p><b>Audit Team Findings:</b> No other issues</p>

2	<p><b>Feedbacks:</b> Sekolah Kebangsaan Pengkalan Tereh Stakeholders request if possible, for more contribution made by the operating units for the community.</p>
	<p><b>Management responses:</b> Management for each operating unit will look into possibilities for contribution depending on the company budget. It will be further discussed during the management review meeting.</p>
	<p><b>Audit Team Findings:</b> Auditor noted with the respond by the management and will further verified during next assessment.</p>
3	<p><b>Issues:</b> Rama Transportation &amp; Mohd Saien bin Amat Contract agreement detailing all term has been signed by both parties and confirmed that stakeholders understand content of the agreement. Payment has been made on timely manner. The management of estate also monitor compliance of legal requirement for each contractor.</p>
	<p><b>Management Responses:</b> Management team will keep good relationship with contractor and will ensure that payment been made on timely manner.</p>
	<p><b>Audit Team Findings:</b> No other issues</p>
4	<p><b>Issues:</b> Worker’s Representative/Gender Committee Sample of local and foreign workers has been interviewed. As per interviews, noted that policies and procedures has been communicated to all workers. Salary payment is in line with local regulations. All workers interviewed satisfied with accommodation provided by the company.</p>
	<p><b>Management Responses:</b> Management team will keep update on any update of legal requirement to ensure that all workers will be paid compliance with legal requirement.</p>
	<p><b>Audit Team Findings:</b> No other issues</p>

**3.6 List of Stakeholders Contacted**

<p><b>Government Officer:</b> Sekolah Kebangsaan Pengkalan Tereh</p>	<p><b>Community/neighbouring village:</b> Kampung Pengkalan Tereh</p>
<p><b>Suppliers/Contractors/Vendors:</b> Rama Transportation Mohd Saien bin Amat</p>	<p><b>Worker’s Representative/Gender Committee:</b> Local and foreign workers for each operating units Workers union representative Gender committee</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 Pamol Kluang POM and estates certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Pamol Kluang POM and estates certification Unit to be continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
Name: Ravi Tony	Name: Mohd Razaleigh bin Mohamad
Company name: IOI Plantation Services Sdn Bhd	Company name: BSI Services Malaysia Sdn Bhd
Title: Sustainability, safety and health, environment (Peninsular) Senior Manager	Title: Client Manager
Signature:  <b>Date: 21/02/2022</b>	Signature:  Date: 05/02/2022

**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 Group has established internal policy title “Sustainable Palm Oil Policy” on October 2020 that has been signed by Dato' Lee Yeow Chor, Group Managing Director & Chief Executive Officer and Dr Surina Ismail, Group Head of Sustainability.  Stated in the policy that the management is committed to comply with all applicable legislation and code of practices, to achieve higher level of transparency and stakeholder’s engagement, to build traceable supply chain such that all suppliers are also in compliance with company commitment.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	As mentioned in the policy in clause 4, our operation, stated that the company is committed towards sustainable production of palm oil and its continuous as outline in the MSPO guidelines.	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	There is evidence that internal audit schedule has been planned and submitted to operating units on 03/09/2021. The audit has been done based on aspect which are social, OSH and safety and environment.	Complied
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of	Internal audit procedure has been established and documented in the document title “Internal audit” dated 03/05/2018 SOP 8. The scope of the	Complied

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Criterion / Indicator		Assessment Findings	Compliance																
	<p>strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p><b>- Major compliance -</b></p>	<p>procedure is to establish systems that may be utilized to comply with the relevant element of a formal certification scheme. Mentioned in the procedure that internal audit needs to be done at least once a year to determine the strength and weaknesses and potential area for further improvement.</p> <p>The internal audit has been done according aspect such as safety and health, environment and social. Details as below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Unijaya Estate</th> <th>Audit Date</th> <th>Pamol Barat Estate</th> <th>Audit Date</th> </tr> </thead> <tbody> <tr> <td>Safety and Health Audit</td> <td style="text-align: center;">-</td> <td>Safety and Health Audit</td> <td>06/10/2021</td> </tr> <tr> <td>Environment Audit</td> <td>01/10/2021</td> <td>Environment Audit</td> <td>08-09/10/2021</td> </tr> <tr> <td>Social Audit</td> <td>15/09/2021</td> <td>Social Audit</td> <td>11/10/2021</td> </tr> </tbody> </table> <p>For Unijaya Estate there is evidence that report has been made available and identification of strengths and root causes of nonconformities has been mentioned in the same document. The report prepared by Muhammad Nasrul Darto and Syaidatul Aishah Binti Johari and has been signed accepted by Muhammad Fuad, Estate Manager.</p> <p>While for Pamol Barat Estate internal audit report 2021 was available in the document social sustainability, for safety and health internal audit report prepared by the safety and health officer and for environment internal audit report was available in the document internal audit report (environment &amp; GAP) identification of strengths and root causes of non-conformities has been done and stated in the same document.</p>	Unijaya Estate	Audit Date	Pamol Barat Estate	Audit Date	Safety and Health Audit	-	Safety and Health Audit	06/10/2021	Environment Audit	01/10/2021	Environment Audit	08-09/10/2021	Social Audit	15/09/2021	Social Audit	11/10/2021	
Unijaya Estate	Audit Date	Pamol Barat Estate	Audit Date																
Safety and Health Audit	-	Safety and Health Audit	06/10/2021																
Environment Audit	01/10/2021	Environment Audit	08-09/10/2021																
Social Audit	15/09/2021	Social Audit	11/10/2021																
<b>4.1.2.3</b>	<p>Report shall be made available to the management for their review.</p> <p><b>- Major compliance -</b></p>	<p>The report prepared by Muhammad Nasrul Darto and Syaidatul Aishah binti Johari and has been signed accepted by Muhammad Fuad, Estate Manager.</p> <p>While for Pamol Barat Estate, report for social aspect was available in the document social sustainability internal audit report 2021, for safety and health the report was available in the safety and health officer internal audit report and for environment the report was available in the document internal audit</p>	Complied																



Criterion / Indicator		Assessment Findings	Compliance										
		report (environment &GAP) identification of strengths and root causes of nonconformities has been done and stated in the same document.											
<b>Criterion 4.1.3 – Management Review</b>													
<b>4.1.3.1</b>	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSP0 and decide on any changes, improvement and modification.</p> <p><b>- Major compliance -</b></p>	<p>It has been verified that management meeting has been done periodically for all estates based on the minutes meeting provided. The objective of the meeting to discuss any issues such as results of audits, customer feedback, process performance and product, status of preventive and corrective actions, recommendation for any improvement and others.</p> <p>For Unijaya Estate, the management review has been done on 18/11/2021 with attendance of 8 persons from manager to staff. There are no significant issues has been discussed since all issues has been resolved. The minutes meeting prepared by Mr Muhammad Nazam bin Abdul Rahman.</p> <p>Management review meeting for Pamol Barat Estate has been done on 27/10/2021 with attendance of 5 persons.</p>	Complied										
<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>Actions plans for continual improvement have been specified and documented for respective estates. The plans covered the aspect of safety &amp; health, social impact and environment.</p> <p>Sighted some of the action plan for continual improvement as below:</p> <table border="1"> <thead> <tr> <th>Section</th> <th>Plan</th> </tr> </thead> <tbody> <tr> <td>Beneficial plant</td> <td>To plant more at area with high risk attacked by pest.</td> </tr> <tr> <td>Waste segregation</td> <td>Using own bag during buying goods and foods.</td> </tr> <tr> <td>Buffalo assistance</td> <td>Using buffalo to carry FFB during harvesting time.</td> </tr> <tr> <td>EFB application</td> <td>To focus on application at lateritic area</td> </tr> </tbody> </table>	Section	Plan	Beneficial plant	To plant more at area with high risk attacked by pest.	Waste segregation	Using own bag during buying goods and foods.	Buffalo assistance	Using buffalo to carry FFB during harvesting time.	EFB application	To focus on application at lateritic area	Complied
Section	Plan												
Beneficial plant	To plant more at area with high risk attacked by pest.												
Waste segregation	Using own bag during buying goods and foods.												
Buffalo assistance	Using buffalo to carry FFB during harvesting time.												
EFB application	To focus on application at lateritic area												

Criterion / Indicator		Assessment Findings		Compliance
		Staff quarters	To upgrade staff quarters by renovating 2 units of house by this year.	
		Providing amenities	To provide land which enable the employees to plant their own food.	
<b>4.1.4.2</b>	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. <b>- Major compliance -</b>	The estate management have established annual training program based on the training needs analysis. This program is flexible and may add on any new information or technology that is feasible and applicable to the company.		Complied
<b>4.1.4.3</b>	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. <b>- Major compliance -</b>	Training to workers in various aspects of plantation operation were conducted throughout the year. The training was provided to employees by the competent person from the estate management.		Complied
<b>4.2 Principle 2: Transparency</b>				
<b>Criterion 4.2.1 – Transparency of information and documents relevant to MSP0 requirements</b>				
<b>4.2.1.1</b>	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. <b>- Major compliance -</b>	The stakeholders were informed of the documents that stakeholder can have access to, during stakeholder meeting held on 28/10/2021. This stakeholder meeting was attended by 29 stakeholders and the briefing was given in Bahasa Malaysia. The meeting also informed the stakeholders how the documents can be accessed, which include the Sustainability Corner which are available at each estate and mill office.  Stakeholders can have access to the documents using the SOP 6.11 effective date 28/12/2020 title "Stakeholder Request Procedure" where the stakeholder can either visit, call or write a formal letter to the estate/mill management.		Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.1.2	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p><b>- Major compliance -</b></p>	<p>Among the management documents that are publicly available include:</p> <ol style="list-style-type: none"> <li>1. Whistleblowing Policy</li> <li>2. Sustainability certificates, (RSPO, MSPO, ISCC),</li> <li>3. Grievance reporting procedure;</li> <li>4. Negotiation procedure;</li> <li>5. Grievance procedure for landowner issue;</li> <li>6. Land use compensation procedure;</li> <li>7. Stakeholder request procedure;</li> <li>8. IOI Group Policies;</li> <li>9. Environmental Impact Assessment, management Action Plan &amp; Continuous Improvement Plan;</li> <li>10. Safety &amp; Health Plans;</li> <li>11. Water Management Plan.</li> </ol>	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p><b>- Major compliance -</b></p>	<p>Procedure for communication and consultation has been established in the document title “Stakeholder request procedure flowchart” appendix 1.0 revision 1B effective dated 28/12/2020. There are 3 methods has been established by the company which are through IOI group websites, visit or call estate management and communicate with social liaison and to write formal letter to estate management.</p>	Complied
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p><b>- Minor compliance -</b></p>	<p>For Unijaya Estate, the management has appointed Mr Mohd Nazam bin Abdul Rahman based on appointment letter dated 20/10/2021 that has been signed by Estate Manager, Mr Muhammad Fuad bin Abdul Majid.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Mr Mohamad Ali bin Idrus has been appointed as social liaison officer for Pamol Barat Estate based on the appointment letter 01/11/2020.	
<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. <b>- Major compliance -</b>	Latest consultation and communication with the stakeholders for all estates has been done during the stakeholder meeting held on 28/10/2021. This stakeholder meeting was attended by 29 stakeholders and the briefing was given in Bahasa Malaysia.	Complied
<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>	IOI Group has established traceability procedure: MSP0 Supply Chain – Oil Palm Mills (Segregation), ref no: MSPOSC/SOP/SG/1, rev no: 02, dated on 01/09/2019. The purpose is applicable to incoming FFB, outgoing CPO & PK at RSPO certified mills that operate SG supply chain system. The procedure covers the following area: <ul style="list-style-type: none"> <li>a. Reception of raw material FFB crop (goods in)</li> <li>b. Processing &amp; storage  <ul style="list-style-type: none"> <li>Processing</li> <li>Storage</li> <li>Crushing of CSPK</li> </ul> </li> <li>c. Dispatch of Mill Produce  <ul style="list-style-type: none"> <li>CSP0 &amp; CSPK produce (goods out)</li> <li>CSP0 &amp; CSPK transportation</li> </ul> </li> <li>d. Records &amp; retention  <ul style="list-style-type: none"> <li>Records</li> <li>Retention records</li> </ul> </li> </ul> <p>As per interview with the person in charge, inspection and verification of the daily harvested FFB has been done on daily basis.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	The estate management is using Electronic Plantation Management System in order to track the FFB harvest and delivery. Inspection and verification of the production were made on daily basis and agreed between both parties (employer and employees).	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. <b>- Minor compliance -</b>	Each estate management has appointed respective estate Assistant Manager as the person in charge for traceability system as has been verified based on the appointment letter for each estate. Details for each estate as per below: <u>Unijaya Estate:</u> The management has appointed Estate Assistant Manager as the person in charged for supply chain on 20/10/2021. <u>Pamol Barat Estate:</u> Mr. Logeshrao Sivanjalam, estate assistant manager was appointed as the person in charge for traceability on 17/08/2020. <u>Pamol Timur Estate:</u> Mr. Anwar Ridhwan Rosli, estate assistant manager was appointed as the person in charge for traceability on 22/01/2019.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b>	All records of incoming FFB transported/received, CPO & PK produced and delivery, on daily basis were maintained and verified traceable through the delivery notes, lorry ticket & weighbridge which were maintained at the palm oil mill office. Records for year 2019, 2020 and 2021 were maintained and sighted.	Complied
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			

Criterion / Indicator	Assessment Findings	Compliance
<p><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></p>	<p>All estates have maintained the system for documentation, monitoring and assessing the legal compliance with applicable laws and regulations. Inspection of records are as below:</p> <p><u>Unijaya Estate:</u></p> <ul style="list-style-type: none"> <li>a. Diesel storing permit, reference no: J/KLU000021, expired on 21/12/2021.</li> <li>b. Permit for water deduction, reference no: TK(NJ)KG/43, endorsed on 27/12/2019.</li> <li>c. License for gun, reference no: KPD(PR)19/16/15, expired on 15/06/2022.</li> <li>d. MPOB license 504524202000, expired on 31/07/2022.</li> <li>e. Certificate of fitness for air compressor, reference no: PM-JH/20120458, expired on 22/12/2021.</li> <li>f. License for extracting water – “Badan Kawal Selia Air Negeri”, reference no: 07/A/Klg/091, expired on 31/12/2021.</li> <li>g. Calibration of weighing machine by Metrology Corporation Malaysia Sdn Bhd, reference no: C200930, expired on 01/01/2022.</li> </ul> <p><u>Pamol Barat Estate:</u></p> <ul style="list-style-type: none"> <li>a. JTK deduction permit for water, ref no: TK (NJ) U – 23,</li> <li>b. MPOB licenses &amp; permits, ref no: 504177802000, expired on 31/05/2022.</li> <li>c. Certificate of Fitness for air compressor, ref no: PMT-JH/185239, expired on 22/12/2021.</li> <li>d. Licenses for extracting water (BAKAJ), ref no: BAKAJ 05/01A/SYKT.BAKAJ:334/700-20/6/7/6.</li> <li>e. Calibration of weighing machine by Metrology Corporation Malaysia Sdn Bhd, reference no: JK6BT4, expired on 01/11/2022.</li> </ul> <p><u>Pamol Timur Estate</u></p> <ul style="list-style-type: none"> <li>a. Permit for water deduction, reference no: BHG.PU19/129/12(21), endorsed on 27/12/2019.</li> </ul>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		b. Permit for electricity supply deduction, reference no: BHG.PU19/129/12(20), endorsed on 27/12/2019. c. Permit for donation to worshipping area deduction, reference no: TK(NJ)U-23, endorsed on 15/05/2019. d. Permit for storing 18,000 diesel, reference no: J002037, expired on 10/02/2022. e. MPOB licence, reference no: 504178602000, expired on 31/05/2022. f. Certificate of fitness for air compressor, reference no: JH PMT 13794, expired on 22/12/2021.	
<b>4.3.1.2</b>	The management shall list all laws applicable to their operations in legal requirements register. <b>- Major compliance -</b>	Legal Requirement Register was made available to the audit team. The register was acknowledged by the estate manager on 14/06/2019. Latest revision was made on 06/03/2021 for Workers' Minimum Standards of Housing & Amenities Regulations 1990 and Emergency (Prevention and Control of Infectious Diseases) Amendment Ordinance 2021.	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>	The legal register will be updated by the Sustainability, Safety & Health Department, IOI if any new amendments or new regulations coming into force.	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>	Estate assistant managers of each estate were appointed as the person responsible to monitor compliance at the estate level whilst the SSHD is responsible to update the changes in regulatory requirements.	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.	There is evidence that the oil palm cultivation activities for all estates did not diminish the land use rights of other users and has been verified based on	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	interview with the workers and stakeholder. Other than that, land title has been verified by the auditor.	
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	<p>For Unijaya Estate, there are total 152 land titles for total land area 1260.50 Ha. Sample of land title has been taken and details as per below:</p> <ul style="list-style-type: none"> <li>a. Lot 1767 total 4.7475 ha freehold status syarat nyata agriculture (Getah), Pamol Plantation Berhad</li> <li>b. Lot 1806 total 3.5815 ha freehold status syarat nyata agriculture (Getah), Pamol Plantation Berhad</li> <li>c. Lot 3271 total 0.9232 Ha freehold status syarat nyata agriculture (Getah), Pamol Plantation Berhad</li> <li>d. Lot 3267 total 0.6844 Ha freehold status syarat nyata agriculture (Getah), Pamol Plantation Berhad</li> <li>e. Lot 3253 total 1.2469 Ha freehold status syarat nyata agriculture (Getah), Pamol Plantation Berhad</li> </ul> <p>For Pamol Barat Estate, there is total 6 land title for total 2310.32 Ha land area has been review and verified. Details as per below:</p> <ul style="list-style-type: none"> <li>a. H.S. (D) 791, PT 3950 total 79.2779 Ha, freehold</li> <li>b. H.S. (D) 790, PT 3949 total 23.067 Ha, freehold</li> <li>c. H.S. (D) 88885 Lot 2430, total 808.1572Ha, freehold</li> <li>d. H.S. (D) 94673 Lot 2589 total 859.957Ha, freehold</li> <li>e. H.S. (D) 56272 Lot 1877 total 2050.1393Ha, freehold</li> <li>f. H.S. (D) 73767, total 36.09 Ha, freehold</li> </ul>	Complied
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.	There is evidence that legal perimeter for each estate has been established and reviewed by the auditor.	Complied



Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -		
<b>4.3.2.4</b>	<p>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).</p> <p>- <b>Minor compliance</b> -</p>	<p>The management of IOI Group has established some procedure for any land disputes. Details of procedure as below:</p> <ul style="list-style-type: none"> <li>a. Grievance procedure for land owner issues SOP 6.11 appendix 4.0 revised 1A effective 17/01/2017</li> <li>b. Flowchart on squatters disputes handling.</li> <li>c. Negotiation procedure through free, prior and informed consent SOP 6.11 appendix 5.0 effective date 17/01/2017.</li> </ul> <p>As per verification, there is no dispute has been identified. Verification has been made through the interview with management, stakeholder and workers.</p>	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- <b>Major compliance</b> -</p>	Not applicable since there is no customary right land for all estate.	Not applicable
<b>4.3.3.2</b>	<p>Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.</p> <p>- <b>Minor compliance</b> -</p>	Not applicable since there is no customary right land for all estate.	Not applicable
<b>4.3.3.3</b>	<p>Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.</p> <p>- <b>Major compliance</b> -</p>	Not applicable since there is no customary right land for all estate.	Not applicable
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			

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<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p><b>- Minor compliance -</b></p>	<p>The objective of the assessment is to ensure effective systems to identify and handle key social factors related to operating centre by taking appropriate measure.</p> <p>For Unijaya Estate, Social impact assessment has been done by the management and reviewed on November 2021. There are several issues has been identified as significant such as no recruitment fees, expectation for better income, comfortable labor quarters and amenities. Social management plan has been established for the outcome of the assessment that has been done. There are some issues has been raised from the assessment such price of grocery which is higher than outside, Hospital assistant provide same medicine for different illness, and workers did not understand working house. As per conversation, since the assessment just been conducted in November 21, implementation will be completed by next year.</p> <p>While for Pamol Barat Estate, it has been documented in annual social impact management plan dated 29/01/2021. There are several issues has been highlighted such painting for labour quarters, damage of oil sump and expensive grocery price.</p>	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p><b>- Major compliance -</b></p>	<p>Systems for dealing with complaints and grievances has been established and documented in the document title "Stakeholders complaint procedure flowchart" document number SOP 6.11 appendix 9.0 effective date 17/01/2017 while for workers it has been documented in the document title "Employees grievances procedure" document number IOI/G/SE017 dated 14/09/2021. As per stated in both procedure that all complaints that has been received need to be responded in 5 days and action need to be taken in additional 5 days.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
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>	As per stated in the complaint procedure that all complaints that has been received need to be responded in 5 days and action need to be taken in additional 5 days. There is evidence that all complaint that has been received has been recorded in the complaint and grievance book and has been responded timely and appropriate 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>	For all estates, complaint and grievance book has been placed at the office for the workers and stakeholders can lodge any complaint. As per interview with the workers, it has been verified that all workers and stakeholders aware about the mechanism to lodge the complaint.	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>	For Unijaya Estate, training for the procedure has been done on 20/09/2021 during the muster call by Mr Ahmad Safwan bin Abu Bakar with attendance of all workers. While for Pamol Barat Estate, training for the complaint procedure has been done on 30/09/2021 with attendance all workers during the muster call.  Latest socialization on the procedure with the stakeholders for all estates has been done during the stakeholder meeting held on 28/10/2021. This stakeholder meeting was attended by 29 stakeholders and the briefing was given in Bahasa Malaysia.	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>	There is evidence that complaint and solution has been maintained for past 24 months by the management of all estates in the complaint/ grievance books.	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
4.4.3.1	Growers should contribute to local development in consultation with the local communities.	For all estates, there is evidence that contribution has been made such as donations of foods to all workers. Other than that, smallholders are allowed to weigh their FFB at the estate weighbridge for free. Smallholders also allow	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Minor compliance</b> -	to use the estate access road to evacuate their FFB. Both has been confirmed from stakeholder consultation;	
<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 Group established Sustainable Palm Oil Policy which was endorsed in 2020. The group is committed to implement leading sustainability standards for human rights and workplace conditions. IOI firmly believes that it is crucial to providing a safe, healthy and harmonious working environment for all our employees across Malaysia.  Communication of the policy was made to the employees by the respective estate management. This is confirmed during the site visit to the workstation and field.	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	a. Occupational Safety and Health Plan has been established. Annual review is conducted by the respective mill and estates together with the respective Safety Officers for estates. Safety Policy is established and was made known to all workers through induction upon arrival and acknowledgement by the workers. Foreign workers induction briefing is conducted using translator. b. The risk of all operations was assessed and documented under HIRARC. The HIRARC for estate operations was made available and reviewed. The following operations were sighted such as office, security, weeding, P&D, boundary, road bridges, drainage & culverts, transportation, workshop and replanting and has been updated on 06/11/2021. c. Training to the employees exposed to the chemical was properly conducted. The training records were made available and sighted. • Safe Working Procedure: Chemical Usage, conducted on 17/11/2021. • Safe Working Procedure: Chemical Store, conducted on 29/05/2021.	Complied

Criterion / Indicator	Assessment Findings	Compliance																
<p>as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <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>	<ul style="list-style-type: none"> <li>High Conservation Value training conducted on 19/07/2021. Spraying employees were trained on how to conduct spraying activities and where not to sprayer.</li> </ul> <p>d. The estate management provide free PPE to the employees based on the work station or job scope. Among the PPE distributed to the employees were apron, safety helmets, respirator, safety shoes and gloves. PPE issuance recorded by type of PPE using PPE stock record.</p> <p>e. The management has established Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal under the Document Reference: IOI-OSH 3.2.2 Appendix 6 (31).</p> <p>f. Each estate management has appointed assistant manager who have knowledge as the person in charge for the safety &amp; health. The appointment letters of the PIC were sighted and reviewed. Details as per below</p> <table border="1" data-bbox="1055 970 1921 1137"> <thead> <tr> <th>Estate</th> <th>PIC</th> <th>Date appointment</th> </tr> </thead> <tbody> <tr> <td>Pamol Barat</td> <td>Logeshrao A/L Sivanjalam</td> <td>17/08/2020</td> </tr> <tr> <td>Pamol Timur</td> <td>Anwar Ridhwan Rosli</td> <td>22/01/2019</td> </tr> <tr> <td>Unijaya</td> <td>Muhammad Nazam bin Abd Rahman</td> <td>25/03/2019</td> </tr> </tbody> </table> <p>g. Communications on safety &amp; health are made through regular meeting, briefing and training. The meeting was held once in every 3 months and the records as below:</p> <table border="1" data-bbox="1055 1289 1921 1391"> <thead> <tr> <th>Estate</th> <th>Date of Meeting</th> </tr> </thead> <tbody> <tr> <td>Unijaya</td> <td>1<sup>st</sup> - 17/02/2021, 2<sup>nd</sup> - 21/05/2021, 3<sup>rd</sup> - 20/08/2021, 4<sup>th</sup> - 18/11/2021</td> </tr> </tbody> </table>	Estate	PIC	Date appointment	Pamol Barat	Logeshrao A/L Sivanjalam	17/08/2020	Pamol Timur	Anwar Ridhwan Rosli	22/01/2019	Unijaya	Muhammad Nazam bin Abd Rahman	25/03/2019	Estate	Date of Meeting	Unijaya	1 <sup>st</sup> - 17/02/2021, 2 <sup>nd</sup> - 21/05/2021, 3 <sup>rd</sup> - 20/08/2021, 4 <sup>th</sup> - 18/11/2021	
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Criterion / Indicator		Assessment Findings	Compliance				
		<table border="1" style="width: 100%;"> <tr> <td style="width: 20%;">Pamol Barat</td> <td>1<sup>st</sup> - 11/03/2021, 2<sup>nd</sup> - 19/06/2021, 3<sup>rd</sup> - 21/09/2021, 4<sup>th</sup> meeting expected to be conducted on December 2021</td> </tr> <tr> <td>Pamol Timur</td> <td>1<sup>st</sup> - 31/03/2021, 2<sup>nd</sup> - 29/06/2021, 3<sup>rd</sup> - 29/09/2021, 4<sup>th</sup> meeting expected to be conducted on December 2021</td> </tr> </table> <p>h. Accident &amp; emergency procedures were available. Each estate management has formed the ERP team and the organization chart was displayed on notice board for information of the employees. During the interview, the employees can demonstrate a good understanding regarding on the ERP procedure and plan.</p> <p>i. Employees who were trained in First Aid were present at all station visited. The first aid box equipped with approved contents and in accordance with 4<sup>th</sup> schedule for first aid guidelines. For Pamol Timur Estate, total 15 persons attended training on 15/11/2021 while for Pamol Barat Estate, total 17 persons attended training on 15/07/2021</p> <p>j. Records of accident are well kept by the estate office and reviewed quarterly during the OSH committee meeting. HIRARC was review accordingly and investigation was also held by the OSH committee. Each estate submitted their JKKP 8 form to DOSH on January of each year (Unijaya Estate – 09/01/2021), Pamol Barat Estate – 15/01/2021), Pamol Timur Estate – 19/01/2021).</p>	Pamol Barat	1 <sup>st</sup> - 11/03/2021, 2 <sup>nd</sup> - 19/06/2021, 3 <sup>rd</sup> - 21/09/2021, 4 <sup>th</sup> meeting expected to be conducted on December 2021	Pamol Timur	1 <sup>st</sup> - 31/03/2021, 2 <sup>nd</sup> - 29/06/2021, 3 <sup>rd</sup> - 29/09/2021, 4 <sup>th</sup> meeting expected to be conducted on December 2021	
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Pamol Timur	1 <sup>st</sup> - 31/03/2021, 2 <sup>nd</sup> - 29/06/2021, 3 <sup>rd</sup> - 29/09/2021, 4 <sup>th</sup> meeting expected to be conducted on December 2021						
<b>Criterion 4.4.5: Employment conditions</b>							
<b>4.4.5.1</b>	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.	IOI Group has established internal policy title "Sustainable Palm Oil Policy" on October 2020 that has been signed by Dato' Lee Yeow Chor, Group Managing Director & Chief Executive Officer and Dr Surina Ismail, Group Head of Sustainability.	Complied				

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	Stated in the policy that the management is committed to comply with all applicable legislation and code of practices, to achieve higher level of transparency and stakeholder’s engagement, to build traceable supply chain such that all suppliers are also in compliance with company commitment	
<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 management of IOI Group has established internal policy for anti-discrimination and has been documented in the document title “Equal opportunity employment and freedom of association policies” that has been signed by N B Sudhakaran on October 2017. Mentioned in the policy that all workers will be received equal treatment based on relevant merits and competency regardless of gender, race, caste, nationality, religion, physical condition, sexual orientation, marital status and others.	Complied
<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> -	The Collective Agreement signed between IOI Group of Companies and the National Union of Plantation Workers came into force on 01/01/2020 and valid until 31/12/2022. Four-month pay slips sighted also demonstrate that employees’ pay, and conditions meet Collective Agreement terms, legal or industry minimum standards, and comply with their employment contracts.	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> -	Evidence is available that Unijaya Estate and Pamol Barat Estates ensured employees of contractors are paid based on legal or minimum standards. Contractors are required by the estate management to extend copies of their workers’ employment contracts and payslips for review. Sighted during the audit were the payslips of Ah Teng Earthwork Construction Sdn Bhd’s and Mido Enterprise’s workers. The payslips demonstrates that the workers were paid more than the statutory minimum wages, and SOCSO, EPF and EIS contributions made by both the workers and contractors.	Complied
<b>4.4.5.5</b>	The management shall establish records that provide an accurate account of all employees (including seasonal	There is evidence that the management of estates has established records that provide details of the employee which can be sighted the document title	Complied

Criterion / Indicator		Assessment Findings	Compliance
	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>	"List of workers". Mentioned in the document total workers, identification numbers, dates join, job description and period of employment.	
<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>	Estates within the Pamol Kluang POM certification unit are able to demonstrate that all employees have been issued with employment contracts. These contracts were prepared in either Bahasa Malaysia (for Malaysians and Indonesians) and in dual language (English and either Nepali, Hindi, Bengali) for workers from India, Nepal or Bangladesh. Workers were given a copy for their safekeeping.	Complied
<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>	As per conversation by the management, there time recording time system has been monitored through field supervisor that will records time start and end work. For overtime, each worker has their own log book to record their overtime and the data will be transfer to overtime time form that will be verified by field supervisor, assistant manager and manager.	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>	As per mentioned in the employment contract, stated that working hours is from 6.30am until 230pm. Mentioned also breaking hours is from 11.00am-11.30am. Stated in the contract also, rate for overtime which stated 1.5 for normal hours rate, 2.0 from normal rate for rest days and 3.0 for public holiday and will not exceed 104 hours/ months. For overtime, each worker has their own log book to record their overtime and the data will be transfer to overtime time form that will be verified by field supervisor, assistant manager and manager.	Complied



Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.4.5.9</b> Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p><b>- Major compliance -</b></p>	<p>There is evidence that wages and overtime payment has been documented on the pay slips and in line with legal regulations. Total 18 samples of workers has been verified by the auditor for month December 2020, February 2021 and July 2021.</p> <p>Major Nonconformities</p> <p>During the audit, the auditor identified 1 worker works 2 types of job daily which are as manuring workers during daytime and as watchmen at night. Based on pay slips sighted, the workers has been paid daily rate and overtime (manuring works) and piece rate (watchman).</p> <p>As per calculation has been made, the worker works more than 12 hours a day and did not comply with Employment Act 1955 Seksyen 60A (b). Hence, Major nonconformities has been raised.</p>	<p>Major Non-compliance</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.</p> <p><b>- Minor compliance -</b></p>	<p>The unit of certification provides for its employees, free houses, subsidised water and electricity, free medical treatment and facilities, worshipping facilities such as mosque, Hindu and Buddhist temples, chapel, futsal court, volleyball court, transport allowance for field checkers, mandores, and auxiliary police.</p>	<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 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>Based on visits to the linesite and interviews conducted with the workers, the unit of certification was able to demonstrate that on-site living quarters provided to all employees are habitable and comply with the Employees' Minimum Standard of Housing and Accommodation and Amenities Act 1990.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.5.12</b>	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. <b>- Major compliance -</b>	The management of IOI Group has been established in the document title Guidelines for handling harassment at workplace document number IOI/G/SE/004 revision 02 dated 26/11/2020. Mentioned in the policy that the objective is to provide impartial process in dealing with harassment and sexual harassment. Mentioned also that the company is committed to promote safe and healthy work environment which free from unlawful discrimination.	Complied
<b>4.4.5.13</b>	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. <b>- Major compliance -</b>	There is no prohibition to join any union and it has been verified based on the active participation in NUPW by the workers and during-interview session. IOI Group also has established internal policy title equal opportunity employment & freedom of association policies that has been signed by NB Sudhakaran, plantation director on October 2017. Sighted also was the Collective Agreement signed between IOI Group of Companies and the National Union of Plantation Workers came into force on 01/01/2020 and valid until 31/12/2022. Interview held with union representative also confirmed that management does not discriminate or retaliate against union members.	Complied
<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. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions. <b>- Major compliance -</b>	Formal policy for the protection of children exists in IOI Group Sustainable Oil Palm Policy signed by Chief Executive Officer and Group Head of Sustainability (revised October 2020). Paragraph 4 of the Policy states that the Company would eliminate all forms of child labour. Based on records reviewed and observations made, there was no evidence of any children or young persons employed or exploited.	Complied
<b>Criterion 4.4.6: Training and competency</b>			

Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.6.1</b>	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. <b>- Major compliance -</b>	Training programmes were available at all visited estates. Based on the documented programmes, generally the planned trainings cover the OHS, environmental and best practice aspects of all the operations in the field.	Complied
<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 training needs at all visited estates for Training Program 2021 have been established. It is aimed to provide specific skills and competency required for employees to discharge their duties diligently. Included in this program are subjects related to environment, safety & health and best practices.	Complied
<b>4.4.6.3</b>	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. <b>- Minor compliance -</b>	Training program planned for year 2021 was consistently implemented. The program includes training for all categories of employees. Evidence of adequate and appropriate training on safe working practices provided to harvesters, sprayers manure and general labours.	Complied
<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 in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. <b>- Major compliance -</b>	The IOI Group has developed environmental policy in accordance with the relevant country and state laws. It is documented and communicated to all levels of the workforce through briefings, trainings, and placement of the policy on the notice board. Interview with the employees during the site visit has confirmed that they were aware about the environmental policy and able to demonstrate a good understanding on the company's directions.	Complied

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4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p> <p><b>- Major compliance -</b></p>	<p>Aspects and impact analysis of all operation was documented in the Environmental Aspect &amp; Impacts Document, dated on 09/11/2021. Sighted the action as follow:</p>				Complied	
		No	Activities	Aspect	Impact		Action Plan
		1	Spraying	Chemical residue into water source by rainwater	Water pollution		<p>To conduct training to sprayer gang.</p> <p>To maintain riparian buffer one along the water source.</p> <p>To carry out regular maintenance.</p> <p>To ensure dosage used adhered to.</p>
		2	Transport of fertilizer & spraying chemicals	Smoke emission of vehicle	Air pollution		To perform regular maintenance.
3	Manuring	<p>Fertilizer residue washed into water sources by rainwater.</p> <p>Emission of greenhouse gases from nitrogen</p>	Water pollution and global warming.	<p>To conduct training to manuring workers.</p> <p>To maintain riparian buffer zone along the water source.</p> <p>To ensure no manuring activity during high rainfall season.</p> <p>To follow the recommendation from research centre.</p>			

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Criterion / Indicator		Assessment Findings				Compliance
			fertilizer usage			
		4	Buffalo assisted harvesting system	Greenhouse gas emission from buffalo dung and urine.	Air pollution.	Strong ammonia release to the air from the buffalo's urine, therefore veterinarian check ups need to be conducted according to the schedule.
		5	Petroleum, oil & lubricant handling during the intake and issue	Spillage.	Water and land pollution.	To provide spill kits & secondary containment for all transferring utensil to bund up the store.
		6	Provide treatment to patients	Generation of clinical waste	Land contamination	To store the waste generated in the provided waste containers with clear labels. To ensure the disposal of clinical waste within 180 days.
<p>Implementation of the action plan sighted as follow:</p> <ol style="list-style-type: none"> <li>Fertilizer application recommendation for Pamol Barat Estate were made available to the audit team. The estate management has applied the fertilizer as per recommended by the IOI Group's agronomist. Manuring application following the recommendation by the agronomist. Only slight delay manuring for Compound 45 (recommended on August but manage to complete on November) due to delayed fertilizer delivery.</li> </ol>						

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		<p>2. Regular vehicle maintenance was conducted by the estate management. The maintenance was conducted on thrice monthly. Related records were sighted and reviewed.</p> <p>3. Chemical Spraying Pump Nozzle Calibration Record was made available to the audit team. The frequency of spraying nozzle calibrations is on monthly basis. Records were sighted and reviewed.</p>	
<b>4.5.1.3</b>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>The Environmental Impact Aspect Assessment had also included the development for the mitigation of negative impacts and promotion of positive impacts. The implementation and monitoring of the documented environmental improvement plan were reviewed annually and found to be satisfactorily implemented.</p>	Complied
<b>4.5.1.4</b>	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>	<p>Evidence the positive impact has been included into the continual improvement plan under Environmental Impact Aspect Assessment, Management Action Plans and Continuous Improvement Plan for each estate.</p>	Complied
<b>4.5.1.5</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>Training program is available in the Training Program records and being updated on yearly basis or revised as per the management required.</p>	Complied
<b>4.5.1.6</b>	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p><b>- Major compliance -</b></p>	<p>Regular meetings and discussion or consultation with relevant employees were conducted in relation to environments quality issues. Environmental Performance Monitoring Committee was also set up to oversee the implementation of the environmental programs. This committee met at minimum of once every 3 months.</p> <p>Among the issues discussed are:</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance																
		a. Verification on previous issues. b. GHG reduction program. c. Waste disposal monitoring. d. RTE species and wildlife. e. HCV area monitoring. f. Water management plan. g. Zero burning policy and training. h. Others. Details as per below: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Estate</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Pamol Timur Estate</td> <td>17/08/2021</td> </tr> <tr> <td>Pamol Barat Estate</td> <td>23/08/2021</td> </tr> <tr> <td>Unijaya Estate</td> <td>25/08/2021</td> </tr> </tbody> </table>	Estate	Date	Pamol Timur Estate	17/08/2021	Pamol Barat Estate	23/08/2021	Unijaya Estate	25/08/2021									
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<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 an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. <b>- Major compliance -</b>	Monthly record on energy consumption for respective estates were well kept and documented. It is monitored to optimize use of non-renewable energy. Diesel data is being compiled for future management review. <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Estate</th> <th>Total Diesel</th> <th>FFB</th> <th>Baseline</th> </tr> </thead> <tbody> <tr> <td>Pamol Timur</td> <td>36773</td> <td>40044.58</td> <td>0.92</td> </tr> <tr> <td>Pamol Barat</td> <td>49383.65</td> <td>32612.92</td> <td>1.51</td> </tr> <tr> <td>Unijaya</td> <td>19646</td> <td>18537.64</td> <td>1.06</td> </tr> </tbody> </table> Usage of non-renewable energy is monitored monthly and maintained at each estate. The records were available for review.	Estate	Total Diesel	FFB	Baseline	Pamol Timur	36773	40044.58	0.92	Pamol Barat	49383.65	32612.92	1.51	Unijaya	19646	18537.64	1.06	Complied
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<b>4.5.2.2</b>	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	The estimation 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	Complied																

Criterion / Indicator		Assessment Findings	Compliance															
	operations. This shall include fuel use by contractors, including all transport and machinery operations. <b>- Major compliance -</b>	and machinery operations was available in the respective estate yearly budgets.																
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	Unijaya Estate has been using solar as an alternative energy for their post security.	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>	Waste management plan in estate are categorized into two which are waste generated by estate and waste used by the estates. Therefore, the waste management plan is including of these two types of wastes. The estate management has identified the waste products and sources of pollution and documented it under Waste Management Plan.	Complied															
<b>4.5.3.2</b>	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <b>- Major compliance -</b>	The identification and monitoring source of waste as below: <table border="1" data-bbox="1008 965 1904 1380"> <thead> <tr> <th>Identification of waste</th> <th>Waste generation</th> <th>Action plan &amp; monitoring</th> </tr> </thead> <tbody> <tr> <td>SW305</td> <td>Waste engine oil</td> <td>To ensure waste oil is placed in drum.</td> </tr> <tr> <td>SW410</td> <td>Contaminated rags</td> <td>To ensure that empty rags are available to clean leaked spillage oil.</td> </tr> <tr> <td>SW104</td> <td>Used of welding rod</td> <td>To ensure all welding rod to be collected and disposed as schedule waste.</td> </tr> <tr> <td>SW409</td> <td>Empty chemical container</td> <td>To ensure all chemical containers to be triple rinsed and pierced.</td> </tr> </tbody> </table>	Identification of waste	Waste generation	Action plan & monitoring	SW305	Waste engine oil	To ensure waste oil is placed in drum.	SW410	Contaminated rags	To ensure that empty rags are available to clean leaked spillage oil.	SW104	Used of welding rod	To ensure all welding rod to be collected and disposed as schedule waste.	SW409	Empty chemical container	To ensure all chemical containers to be triple rinsed and pierced.	Complied
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Criterion / Indicator		Assessment Findings			Compliance
		SW109	Florescent tube	To store all used electronic after repaired. To dispose waste as per Schedule Waste Regulations 2005. Waste to be labelled accordingly.	
		<p>Schedule waste disposed to Kualiti Alam Sdn Bhd as the licensed contractor who registered with Department of Environment. Latest disposal was made on 10/06/2021, items disposed as follow; SW103 (discarded batteries), SW10 (welding rod), SW109 (waste from tube light), SW305 (spend lubricant oil), SW40 (clinical waste), SW409 (used chemical container), SW410 (used PPE, rags &amp;&amp; filter) and SW430 (obsolete chemical).</p> <p>As for Pamol Timur Estate, schedule waste was disposed to 5E Resources Sdn Bhd on 30/09/2021.</p>			
<b>4.5.3.3</b>	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p><b>- Major compliance -</b></p>	<p>IOI Group has established Safe Operating Procedure for handling used chemical, doc no: IOI-OSH 3.2.2, dated on 06/01/2020, rev no: 05. The SOP covers the following:</p> <ul style="list-style-type: none"> <li>a. Penyimpanan &amp; Pengurusan Stor Bahan Kimia</li> <li>b. Prosedur Kerja Selamat "Spill Kit"</li> <li>c. Penggunaan Bahan Kimia</li> <li>d. Prosedur Pembancuh Bahan Kimia</li> </ul>			Complied
<b>4.5.3.4</b>	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p>	<p>During site visit it has been sighted that the chemical containers are punctured and disposed in an environmentally and socially responsible way to prevent contamination of water source or to human health. For example, the empty pesticide containers at Pamol Timur Estate are disposed to 5E Resources Sdn Bhd on 30/09/2021: - SW409 (contaminated containers with chemical), 0.2460 Mt.</p>			Complied

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -		
<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 thru licensed contractor, MS MIDO Enterprise, registered no: JR0011856W.	Complied
<b>Criterion 4.5.4:</b> Reduction of pollution and emission			
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - <b>Major compliance</b> -	IOI Group has established and assess their polluting activities management plan. This has been incorporated in the Environmental Improvement Plan. Vehicle maintenance records were made available for review. Sighted the latest vehicle services was conducted on 18/11/2021 for tractor with plate no: QSV2144. Latest schedule waste (Pamol Timur Estate) was disposed to 5E Resources Sdn Bhd on 30/09/2021. Sighted the item disposed were spent oil, empty chemical container, contaminated rags and oil filter.	Complied
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - <b>Major compliance</b> -	Action plan to reduce pollution was incorporated in the Environmental Improvement Plan. The plan was sighted and reviewed.	Complied
<b>Criterion 4.5.5:</b> Natural water resources			
<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.	a) Assessment of water usage and water management plan (revised for year 2021) was made available to the audit team. It was prepared by the Sustainability, Safety & Health Department (SSHD) and acknowledged by the respective estate managers. Among the objectives of the plan was to ensure the outgoing water does not have negative impacts to the natural waterways as the results of the activities by the operating centres.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</p> <p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</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>The plan has outlined the following; usage of water sources, impacts &amp; mitigation plan, water conservation &amp; improvement plan, conclusion and references.</p> <p>b) For Pamol Barat and Pamol Timur Estate, the main water supply comes from Syarikat Air Johor whilst for Unijaya Estate comes from water catchment. The management of Unijaya Estate had carried out water analysis (requirement by “Jabatan Tenaga Kerja”) every three months and water quality analysis twice a year. The water analysis results, monitoring and action plans were well documented and reviewed by the audit team. Latest water quality analysis was conducted on 12/08/2021 indicated that no heavy metal and pathogenic microorganism were found.</p> <p>c) Inspection of water leakage has been done at line site during the line site inspection that has been conducted on weekly basis</p> <p>d) Appropriate riparian buffer zones were sighted during the site visit.</p> <p>e) Not applicable since there no removal of vegetation at riparian area.</p> <p>f) No bore well is being used for water supply.</p>	
<p><b>4.5.5.2</b> No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p><b>- Minor compliance -</b></p>	<p>It has been verified during the site visit there is no bunds, weirs and damns constructed for all rivers and waterways for all estates</p>	<p>Complied</p>
<p><b>4.5.5.3</b> 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>	<p>It has been verified during the site visit that that many silt pits were prepared by the road sides to capture rain water in order to maintain the moisture content in the field.</p>	<p>Complied</p>
<p><b>Criterion 4.5.6:</b> Status of rare, threatened, or endangered species and high biodiversity value</p>		

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.5.6.1</b> 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> <ul style="list-style-type: none"> <li>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</li> <li>b) Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.</li> </ul> <p><b>- Major compliance -</b></p>	<p>IOI Group established HCV Conservation Value Assessment on September 2014 and annually reviewed the assessment. Latest was reviewed on 11/11/2021. The HCV areas can be classified into 6 categories as listed below:</p> <ul style="list-style-type: none"> <li>a. HCV 1 Forest area containing globally, regionally or nationally significant concentrations of biodiversity values.</li> <li>b. HCV 2 Forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.</li> <li>c. HCV 3 Forest areas that are in or contain rare, threatened or endangered ecosystems.</li> <li>d. HCV 4 Forest areas that provide basic services of nature in critical situations (<i>e.g.</i> watershed protection, erosion control)</li> <li>e. HCV 5 Forest areas fundamental to meeting basic needs of local communities (<i>e.g.</i> subsistence, health)</li> <li>f. HCV 6C Forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).</li> </ul>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		The group is committed to comply with the MSP0 Standard Part 3, 4.5.6 which requires HCV assessment to be conducted to all operating units. Monthly RTE checklist from January until October 2021 were made available to the audit team. Among the wildlife species sighted were "babi hutan", "ayam hutan", "burung wak wak".	
<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: a. Ensuring that any legal requirements relating to the protection of the species are met. b. Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <b>- Major compliance -</b>	No RTE were recorded. Evidence to continuously prevent and discourage illegal hunting, fishing or collecting activities were maintained and implemented. Signage as well as routine patrolling activities were utilised as part of creating awareness among employees and maintaining the HCVs area.	Complied
<b>4.5.6.3</b>	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. <b>- Major compliance -</b>	HCV and Conservation Area Management Action Plan and continuous management plan was sighted. Management plan established is consistent with site implementation.	Complied
<b>Criterion 4.5.7: Zero burning practices</b>			
<b>4.5.7.1</b>	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. <b>- Major compliance -</b>	IOI Group has established Zero Burning Policy, endorsed by the Plantation Director, Mr. NB Sudhakaran on May 2018. The group commits to be a leading corporation in its core businesses and a leader in integrating the highest sustainability standards into business practice. Thus, no burning is allowed and applied in the operation centre.	Complied

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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> -	The management maintained zero open burning and opted for other option in case of potential significant risk of disease spread for the continuation of other crop. Hence this requirement is not used in the estate practices.	Not applicable
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> -	The management maintained zero open burning and opted for other option in case of potential significant risk of disease spread for the continuation of other crop. Hence this requirement is not used in the estate practices.	Not applicable
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> -	There is evidence that palms have been felled and chipped during the replanting process. It has been further verified during the site visit at the replanting area.	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> -	Standard Operation Procedures for estates and mills are documented and maintained. Set of SOP for mill operations detailed out under Group Standard Operating Procedures for palm oil estates, document no IOI/SOP/A, issue no: 02, dated on 01/07/2017. Sighted the SOP as below: a) Planting density. b) Nursery. c) Land clearing & preparation. d) Planting techniques. e) Tidal gates. f) Manuring g) Pest & Disease.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>h) Harvesting.</li> <li>i) Weeding.</li> <li>j) Road maintenance.</li> <li>k) Workshop.</li> <li>l) Buffalo healthcare.</li> <li>m) Foliar sampling &amp; soil sampling.</li> <li>n) Replanting area.</li> </ul>	
<b>4.6.1.2</b>	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p><b>- Major compliance -</b></p>	<p>The estates construct terraces at slope area of more than 6 degrees. Planting of cover crop are made to retain the soil structure and conservation. a) Road side pit are made to divert water at slope areas to prevent road erosion and surface damage. Terraces are constructed inclined towards the terrace wall.</p>	Complied
<b>4.6.1.3</b>	<p>A visual identification or reference system shall be established for each field.</p> <p><b>- Major compliance -</b></p>	<p>All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stencilled at the palm trees and also displayed in signages at the boundary/corners of every fields. This is observed during the field visit in both estates.</p>	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p><b>- Major compliance -</b></p>	<p>The estate management established 5 years business plan which cover the following aspect such as area statement, crop by year planting, 10 years replanting program, employee's requirement, mature oil palm costing statement, general charges statement and capital expenditure statement.</p>	Complied

Criterion / Indicator		Assessment Findings							Compliance		
4.6.2.2	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>	Respective estate managements have established a replanting program spanned over 10 years period from 2020 – 2026. The first 5 years program summarize as below:							Complied		
		Estate	20/21	21/22	22/23	23/24	24/25	25/26			
		Unijaya	131 ha			67 ha					
		Pamol Barat	No replanting conducted until 2033.								
							Pamol Timur			100 ha	126 ha
4.6.2.3	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>	This requirement is further elaborated under indicator 4.6.2.1 above. The estates management had a format and guidelines to formulate the returns on the field operations. This format was made available to the audit team and reviewed.							Complied		
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. <b>- Major compliance -</b>	Implementation of the management plan, SOP and best management practices was regularly monitored via monthly progress and production reports, the computerized system, monthly meetings and visit by agronomist, plantation controller, plantation director and management from headquarters level.  Visit reports, minute meetings and other related documents on the best management practices was made available to the audit team and reviewed.							Complied		
<b>Criterion 4.6.3:</b> Transparent and fair price dealing											



Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.6.3.1</b> Pricing mechanisms for the products and other services shall be documented and effectively implemented.  <b>- Major compliance -</b></p>	<p>Pricing mechanism has been documented in the documented in the contract agreement and sample has been taken by the auditor for verification.            For Unijaya Estate, sample of contractors which for transporting FFB as per below:</p> <ul style="list-style-type: none"> <li>a. Murarvin Enterprise Sdn Bhd</li> <li>b. Isvaran A/L Gopal document number UJE/002-21/22</li> <li>c. Soh Ah HON UJE/003-21/22</li> </ul> <p>While for Pamol Barat Estate, 3 contractors have been sample as per below:</p> <ul style="list-style-type: none"> <li>a. Rama Plantation and transportation, transporting FFB contract number PBE/002-21/22</li> <li>b. Mohd Saien bin Amat, transporting FFB contract number PBE/001-21/22</li> <li>c. Suman JCB Enteprise contract number PBE/003-21/22</li> </ul> <p>Pamol Timur Estate</p> <ul style="list-style-type: none"> <li>a. Robiah Bt Aslam contact number PTE/006-21/22 for club caretaker contract</li> <li>b. Lee Yeng Cheng (Internal EFB transporter) contract number PTE/005-21/22</li> </ul>	<p>Complied</p>
<p><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></p>	<p>There is evidence that all contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.            Sample of payment has been taken as per below:  <u>Unijaya Estate</u>            Contractor name: Isvaran a/l Gopal            Payment term as stated in contract: 30 days after invoices received            Invoices number: 013-2021(01/9)/30/04/2021 dated 30/04/2021</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Payment date: Payment voucher number 7100001242 dated 10/05/2021</p> <p>Contractor name: Murarvin Enterprise            Payment term as stated in contract: 30 days after invoices received            Invoices number: M000085 30/04/2021            Payment date: Payment voucher number 7100001242 dated 31/05/2021            Invoices number: M000086 30/05/2021            Payment date: Payment voucher number 7100001242 dated 30/06/2021</p> <p><u>Pamol Timur Estate</u>            Suman JCB Enterprise            Payment term as stated in contract: 30 days after invoices received            Invoices number: INV 021/20/21 dated 30/04/2021            Payment date: Payment voucher number 7100001252 dated 10/05/2021</p> <p>Mohd Saien bin Amat            Payment term as stated in contract: 30 days after invoices received            Invoices number: INV 015-04/20-21 dated 30/04/2021            Payment date: Payment voucher number 7100001250 dated 10/05/2021</p> <p>Rama Plantation and transportation            Payment term as stated in contract: 30 days after invoices received            Invoices number: INV 018/20-21 dated 30/04/2021            Payment date: Payment voucher number 7100001251 dated 10/05/2021</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Pamol Barat Estate</u></p> <p>a. Le Yee Cheng invoices number 011/06 Lee dated 30/06/2021 Payment voucher number 7100000063</p> <p>b. Robiah bte Aslam invoices number 0010/0006 28/06/2021, payment 10/07/2021</p>	
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	<p>Where contractors are engaged, they shall understand the MSP0 requirements and shall provide the required documentation and information.</p> <p><b>- Major compliance -</b></p>	<p>Sighted during the audit was the inclusion of MSP0 requirements into contracts. This insertion of this Policy is to ensure contractors are aware and comply with local, national laws such as payment of minimum wage, ratified international laws, and also with MSP0 standards. This was also acknowledged by the contractors and reiterated during the stakeholder meeting.</p>	Complied
<b>4.6.4.2</b>	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p><b>- Major compliance -</b></p>	<p>There is evidence that all contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>Pamol Timur Estate</p> <p>a. Robiah Bt Aslam contact number PTE/006-21/22 for club caretaker contract</p> <p>b. Lee Yeng Cheng (Internal EFB transporter) contract number PTE/005-21/22</p> <p>For Unijaya Estate, sample of contractors which for transporting FFB as per below:</p> <p>a. Murarvin Enterprise Sdn Bhd</p> <p>b. Isvaran A/L Gopal document number UJE/002-21/22</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>c. Soh Ah HON UJE/003-21/22</p> <p>While for Pamol Barat Estate, 3 contractors have been sample as per below:</p> <p>a. Rama Plantation and transportation, transporting FFB contract number PBE/002-21/22</p> <p>b. Mohd Saien bin Amat, transporting FFB contract number PBE/001-21/22</p> <p>c. Suman JCB Enterprise contract number PBE/003-21/22</p>	
<b>4.6.4.3</b>	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p> <p><b>- Minor compliance -</b></p>	<p>The auditors have been able to have access to the contractors' workers, documentations such as contracts and workers' pay slips for verification during this audit.</p>	Complied
<b>4.6.4.4</b>	<p>The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.</p> <p><b>- Major compliance -</b></p>	<p>For harvesting works, there is evidence of observance of the control point applicable for the contractor through the bunch counter that has been appointed. The responsibilities of the bunch counter are to monitor any off spec FFB at the platform and to inform management for any off spec FFB harvested. Sample of records monitoring by bunch counter has been taken by the auditor for verification.</p> <p>While for other types of works observance of work done by the contractor has been monitored by the mandore that in charge for respective works. Any issues will be highlighted to management for further action</p>	Complied
<p><b>4.7 Principle 7: Development of new planting-</b></p> <p>IOI Group Berhad estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this assessment. The immature areas are replanted area.</p>			
<p><b>Criterion 4.7.1: High biodiversity value</b></p>			
<b>4.7.1.1</b>	<p>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.</p>	<p>NA as no development of new planting.</p>	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
	<b>- Major compliance -</b>		
<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 development of new planting.	Not applicable
<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 development of new planting.	Not applicable
<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 development of new planting.	Not applicable
<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.	NA as no development of new planting.	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
	<b>- Major compliance -</b>		
<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 development of new planting.	Not applicable
<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 development of new planting.	Not applicable
<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. <b>- Major compliance -</b>	NA as no development of new planting.	Not applicable
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. <b>- Major compliance -</b>	NA as no development of new planting.	Not applicable
<b>Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils</b>			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.	NA as no development of new planting.	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -		
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. - <b>Major compliance</b> -	NA as no development of new planting.	Not applicable
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - <b>Major compliance</b> -	NA as no development of new planting.	Not applicable
<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 express their views through their own representative institutions. - <b>Major compliance</b> -	NA as no development of new planting.	Not applicable
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 development of new planting.	Not applicable
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	NA as no development of new planting.	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
	shall be made available. - <b>Major compliance</b> -		
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 development of new planting.	Not applicable
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - <b>Major compliance</b> -	NA as no development of new planting.	Not applicable
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 development of new planting.	Not applicable
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - <b>Major compliance</b> -	NA as no development of new planting.	Not applicable
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - <b>Minor compliance</b> -	NA as no development of new planting.	Not applicable



**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 Group has established internal policy title "Sustainable Palm Oil Policy" on October 2020 that has been signed by Dato' Lee Yeow Chor, Group Managing Director & Chief Executive Officer and Dr Surina Ismail, Group Head of Sustainability.  Stated in the policy that the management is committed to comply with all applicable legislation and code of practices, to achieve higher level of transparency and stakeholder's engagement, to build traceable supply chain such that all suppliers are also in compliance with company commitment.	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> -	As mentioned in the policy in clause 4, our operation, stated that the company is committed towards sustainable production of palm oil and its continuous as outline in the MSPO guidelines.	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - <b>Major compliance</b> -	There is evidence that internal audit schedule has been planned and submitted to operating units on 03/09/2021. The audit has been done base on aspect which are social, OSH and safety and environment. For social audit, it has been done on 08/10/2021, environment on 27- 28/09/2021 and OSH on 29/09/2021. As per mentioned in the Internal audit procedure has been document in the document title standard operating procedure for internal	Complied

Criterion / Indicator		Assessment Findings	Compliance						
		audit dated 03/05/2018, SOP number 8 stated that the internal audit need to be done on annual basis.							
<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>	Internal audit procedure has been document in the document title standard operating procedure for internal audit dated 03/05/2018, SOP number 8. Internal audit report has been made available for each audit and documented in the document title "Internal audit report Pamol Kluang POM". For environment, the report prepared by Puan Farah Syuhada Salleh, Sustainability Executive. Total 1 Major and 8 observation raised during the audit. While for social, the report prepared by Puan Syaidatul Aisyah binti Johari which total 14 NCs and 11 OFI has been raised. While of safety and health, the internal audit done on 29/09/2021 by Mr Mohd Hamirul Othman. Identification of root cause and corrective action plan for non-conformities that raised during the internal audit has been implemented and documented in the same document.	Complied						
<b>4.1.2.3</b>	Reports shall be made available to the management for their review. <b>- Major compliance -</b>	Internal audit report has been made available for each audit that has been documented in the document title "Internal audit report Pamol Kluang POM". Details as per below: <table border="1" data-bbox="1010 1043 1751 1145"> <tr> <td>Environment</td> <td>Puan Farah Syuhada</td> </tr> <tr> <td>Safety and health</td> <td>Mr Mohd Hamirul Othman</td> </tr> <tr> <td>Social</td> <td>Puan Syaidatul Aisyah binti Johari</td> </tr> </table>	Environment	Puan Farah Syuhada	Safety and health	Mr Mohd Hamirul Othman	Social	Puan Syaidatul Aisyah binti Johari	Complied
Environment	Puan Farah Syuhada								
Safety and health	Mr Mohd Hamirul Othman								
Social	Puan Syaidatul Aisyah binti Johari								
<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, improvement and modification. <b>- Major compliance -</b>	Management review meeting has been done on 17/11/2021 with attendance on 6 persons. The objective of the management review is to discuss results of audits, customer feedback, complaint and grievances, improvement in the effectiveness of the management systems and any resources required. The	Complied						

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Criterion / Indicator		Assessment Findings	Compliance
		minutes meeting has been prepared by Ms Nur Izyan Izzaty and verified by Mr Rajan A/L Sinnathamby, Sr. Assistant Mill Manager In-charge.	
<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>	Continual improvement plan was incorporated in the environmental management plan. A continual improvement plan has been developed and implemented for the promotion of positive impacts such as to install biogas plant & capture the biogas for flaring or mill power generation and to install boiler emission control system to monitor the smoke emission.	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>	Disseminating of new information or technique related to the mill operation were made thru training and briefing delivered by the management (manager, assistant manager). The management will prepare the annual training program and should there any training or briefing which deem necessary to, it will be added in the annual program.	Complied
<b>4.2 Principle 2: Transparency</b>			
<b>Criterion 4.2.1 – Transparency of information and documents relevant to MSP0 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>	The stakeholders were informed of the documents that stakeholder can have access to during stakeholder meeting held on 28/10/2021. This stakeholder meeting was attended by 29 stakeholders and the briefing was given in Bahasa Malaysia. The meeting also informed the stakeholders how the documents can be accessed, which include the Sustainability Corner which are available at each estate and mill office. Stakeholders can have access to the documents using the SOP 6.11 effective date 28/12/2020 title "Stakeholder Request Procedure" where the	Complied

Criterion / Indicator		Assessment Findings	Compliance
		stakeholder can either visit, call or write a formal letter to the estate/mill management.	
<b>4.2.1.2</b>	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. <b>- Major compliance -</b>	Among the management documents that are publicly available include: a) Whistleblowing Policy b) Sustainability certificates, (RSPO, MSPO, ISCC), c) Grievance reporting procedure; d) Negotiation procedure; e) Grievance procedure for landowner issue; f) Land use compensation procedure; g) Stakeholder request procedure; h) IOI Group Policies; i) Environmental Impact Assessment, management Action Plan & Continuous Improvement Plan; j) Safety & Health Plans; k) Water Management Plan.	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	The company has a Stakeholder Request Procedure SOP 6.11 Appendix 1.0 Rev 1B effective 28/12/2020. This SOP is also accompanied by a flowchart which details out the procedure for consultation and communication. Additionally, there is also the SOP on Stakeholder Complaint Procedure SOP 6.11 Appendix 9.0 Rev 1B effective date 28/12/2020. The procedure has been communicated during the stakeholders meeting on 28/10/2021.	Complied

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4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - <b>Minor compliance</b> -	Mr Amirruddin bin Mustafa Kamal Iskandar has been appointed as social liaison officer for Pamol Kluang POM and has been verified by appointment letter dated 07/10/2021.	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - <b>Major compliance</b> -	Sighted during the audit were list of stakeholders for the mill. The stakeholder list was updated on 29/09/2020. The stakeholders comprise government bodies (e.g. Labour Department, MPOB Kluang, JAKOA Kluang, PERKESO Kluang, KWSP Kluang), relevant embassies (Indonesian Consulate Johor Baru, High Commission of India, Bangladesh and Nepal Embassy), NGO's (e.g. NUPW, AMESU), neighbouring estates/smallholders, neighbouring villagers (e.g. Kg Pengkalan Tereh, Kg Sri Tambak, Kg Gajah), suppliers, contractors, transporters, worshipping areas and schools. The lists contain details of stakeholders such as their names, type of agencies or bodies, complete address, contact persons, and contact numbers.	Complied
<b>Criterion 4.2.3 – Traceability</b>			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - <b>Major compliance</b> -	The IOI Group has established, implemented and maintained a procedure for traceability of FFB from the estate to the CPO & PK produced by the palm oil mill. The SOP for Traceability, document no: SOP/COC/3 issue no: 06 dated on March 2019 was made available to the audit team and reviewed.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - <b>Major compliance</b> -	Compliance on the traceability system was maintained through regular inspections, monthly checking of records and the annual internal audits conducted for the current year. Internal audit report has been made available for each audit that has been documented in the document title "Internal audit report Pamol Kluang POM". For traceability, it has been conducted on 25/07/2022.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - <b>Minor compliance</b> -	Mill Senior Assistant Manager was appointed to implement and maintain the traceability system. The appointment was made on 07/10/2021 by the 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> -	All records of incoming FFB transported/received, CPO & PK produced and delivery, on daily basis were maintained and verified traceable through the delivery notes, lorry ticket & weighbridge which were maintained at the palm oil mill office.  Records for year 2019, 2020 and 2021 were maintained and sighted.	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> -	The legal requirements register covering the applicable local and international laws and regulations is available at the office. The relevant legislation identified and listed as below: <ul style="list-style-type: none"> <li>a. Permit for working more than 104 hours overtime in a month, reference no: BHG.PU/9/134 Jld 38(2), expired on 30/04/2023.</li> <li>b. Permit for women working after 10.00 pm, reference no: BHG.PU/9/13 Jld 18(5), no expiry date required.</li> <li>c. Permit for storing diesel, reference no: BPGK.JH (KLU)0273 SK, expired on 25/03/2022.</li> <li>d. MPOB license no 500040104000, expired on 31/03/2022.</li> <li>e. SPAN license for extracting water, reference no: SPAN/EKS/(PT)/800-4(1)/9/09, EXPIRED ON 30/05/2024.</li> <li>f. Electricity supply license from Suruhanjaya Tenaga, reference no: ST(SJB)P/S/JHR/00/128, expired on 18/08/2022.</li> </ul>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		g. Calibration of weighing machine by Metrology Corporation Malaysia Sdn Bhd, reference no: C204102, expired on 09/07/2022.	
<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>	Legal Requirement Register was made available to the audit team. The register was acknowledged by the mill manager on 14/06/2019. Latest revision was made on 06/03/2021 for Workers' Minimum Standards of Housing & Amenities Regulations 1990 and Emergency (Prevention and Control of Infectious Diseases) Amendment Ordinance 2021.	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>	The mechanism used for tracking changes in laws/regulations is made through the following methods: 1. News release through daily newspaper. 2. Law change tracked by book publisher (MDC Book Publications). 3. Circulars from relevant association (eg. MPOA, MPOB, MAPA). 4. Internet (e-federal gazette, www.lawnet.com.my,www.e-warta.com.my).	Complied
<b>4.3.1.4</b>	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. <b>- Minor compliance -</b>	Management assigned Mr Chua Seng Wai as person responsible to monitor compliance and tracking/updating changes in legal requirements. It has been verified based on the appointment letter dated 07/10/2021	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	There is evidence that oil palm milling activities did not diminish the land use right as per conversation with workers and stakeholders. Pamol Kluang POM operates within the land title of Pamol Plantations Sendirian Berhad. It is situated on 4.1 ha of land within title No. G88881 (Freehold) Lot No. 2429, Mukim Kluang, District Kluang (Mill compound). Registered on 30/11/2002.	Complied

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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>	Pamol Kluang POM operates within the land title of Pamol Plantations Sendirian Berhad. It is situated on 4.1 ha of land within title No. G88881 (Freehold) Lot No. 2429, Mukim Kluang, District Kluang (Mill compound). Registered on 30/11/2002.	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>	Parameter boundary markers for Pamol Kluang POM has been established using bulb wire surrounding the mill compound. There is evidence that boundary markers have been visibly maintained.	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>	The management of IOI Group has established some procedure for any land disputes. Details of procedure as below a. Grievance procedure for land owner issues SOP 6.11 appendix 4.0 revised 1A effective 17/01/2017 b. Flowchart on squatters disputes handling. c. Negotiation procedure through free, prior and informed consent SOP 6.11 appendix 5.0 effective date 17/01/2017. There is no complaint or disputes has been received and verified base on complaints records and consultation with stakeholder. Pamol Kluang POM operates within the land title of Pamol Plantations Sendirian Berhad. It is situated on 4.1 ha of land within title No. G88881 (Freehold) Lot No. 2429, Mukim Kluang, District Kluang (Mill compound). Registered on 30/11/2002.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	The management of IOI Group has established some procedure for any land disputes. Details of procedure as below:	Complied



Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	<p>a. Grievance procedure for land owner issues SOP 6.11 appendix 4.0 revised 1A effective 17/01/2017</p> <p>b. Flowchart on squatters disputes handling.</p> <p>c. Negotiation procedure through free, prior and informed consent SOP 6.11 appendix 5.0 effective date 17/01/2017.</p> <p>There are no customary rights and verified base on complaints records and consultation with stakeholder.</p> <p>Pamol Kluang POM operates within the land title of Pamol Plantations Sendirian Berhad. It is situated on 4.1 ha of land within title No. G88881 (Freehold) Lot No. 2429, Mukim Kluang, District Kluang (Mill compound). Registered on 30/11/2002.</p>	
<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> -	There are no customary rights and verified base on complaints records and consultation with stakeholder.	Complied
<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> -	There are no customary rights and verified base on complaints records and consultation with stakeholder.	Complied
<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> -	Social impact assessment has been done by the management and reviewed on November 2020. The objective of the assessment is to ensure effective systems to identify and handle key social factors related to operating centre by taking appropriate measure. There are several issues has been identified as significant such as no recruitment fees, expectation for better income,	Complied

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		comfortable labor quarters and amenities. Social management plan has been established for the outcome of the assessment that has been done. Other than that, the management has established mitigation measures and status for those input that has been collected from the stakeholders consultation such request to put water dispenser at the mill area, food waste in the drainage and dustbin without cover.	
<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>	SOP on Stakeholder Complaint Procedure SOP 6.11 Appendix 9.0 Rev 1B effective date 28/12/2020 while for workers, complaint procedure has been documented in the document title "Employees grievance procedure" document reference IOI/G/SE/017 dated 14/09/2021	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>	For both procedures mentioned that any complaint will be accessed within 5 days of complaint received, 14 days for respond and 30 days if required reference to HR. <ul style="list-style-type: none"> <li>There is no complaint has been received from stakeholders and for workers, it has been recorded in the logbook title complaint/grievance book. Most of the complaint received is related to repair. There is evidence that all complaint received has been responded as per stated in the procedure.</li> </ul>	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>	For Pamol Kluang POM, complaint and grievance book has been placed at the office for the workers and stakeholders can lodge any complaint. As per interview with the workers, it has been verified that all workers and stakeholders aware about the mechanism to lodge the complaint.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. <b>- Minor compliance -</b>	Complaint procedure has been communicated to all stakeholder during the stakeholders meeting that has been done on 28/10/2021.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. <b>- Major compliance -</b>	There is evidence that complaint and solution has been maintained for past 24 months by the management of Pamol Kluang POM. Sample has been taken dated 17/05/2021.	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. <b>- Minor compliance -</b>	There is evidence that contribution has been made by the management of Pamol Kluang POM and has been verified. Details as per below. a. Donation of daily foods to staff b. Donation to PIBG of Sekolah Kebangsaan Pengkalan Tereh and SK Ladang Pamol c. Donation to Perkampungan Orang Asli	Complied
<b>Criterion 4.4.4: Employees safety and health</b>			
4.4.4.1	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. <b>- Major compliance -</b>	IOI Group has established Occupation Safety & Health Policy, endorsed by the Plantation Director on April 2019. The group is committed to implement and working towards: a. Complying to all national occupational safety & health laws, regulations, statutory requirements, relevant standards and approved codes of practices and guidelines. b. Assessing all health & safety risks relator to work activities to determine and implement appropriate control measures.	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>c. Ensuring all employees and third parties are wearing proper personal protective equipment when doing work in the estates, mills, laboratories, stores etc.</p> <p>d. Conducting regular inspections at worker’s homes to ensure a tidy and hygienic environment and availability of clean drinking water.</p> <p>The mill management has communicated the OSH policy to the employees thru the morning briefing conducted on every Thursday and thru the scheduled training.</p>	
<p><b>4.4.4.2</b></p> <p>The occupational safety and health plan should cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risk of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <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> </ul> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p>	<p>a. The mill management has communicated the OSH policy to the employees thru the morning briefing conducted on every Thursday and thru the scheduled training.</p> <p>b. Noise Risk Assessment was arranged by the mill management to the employees exposed to noise risk area. The assessment was done on 21/10/2021, by ETOSH Consult &amp; Engineering Plt.</p> <p>Risk assessment was conducted by ESH Committee and being reviewed yearly and if any accident occurred. HIRARC sighted for the followings 34 work operation and activities: -</p> <ul style="list-style-type: none"> <li>i. Loading Ramp</li> <li>ii. Vertical steriliser</li> <li>iii. Threshing</li> <li>iv. Press station</li> <li>v. Clarification</li> <li>vi. Kernel plant station</li> <li>vii. Empty Bunch Press Station</li> <li>viii. Water Treatment Plant</li> <li>ix. Boiler Station</li> </ul>	<p>Complied</p>

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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 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>x. Etc</p> <p>c. The mill management has developed training program for all employees which cover the OSH (24 trainings). Sighted some of the training records as follow:</p> <ul style="list-style-type: none"> <li>a) Sterilizer station training conducted on 16/02/2021</li> <li>b) Workshop training program conducted on 07/03/2021</li> <li>c) Effluent treatment plant training conducted on 06/03/2021</li> <li>d) Working at height training conducted on 1/04/2021</li> <li>e) Schedule waste training conducted on 29/07/2021</li> <li>f) Hearing conversation training conducted on 22/07/2021</li> <li>g) Laboratories station training conducted 22/04/2021</li> <li>h) Contractor training conducted on 05/05/2021</li> <li>i) First aid box training conducted on 21/08/2021</li> </ul> <p>d. PPE issuance records were made available to the audit team. the management provide free PPE to all level of employees. Sighted the issuance records as follow</p> <p>e. The group has established Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Schedule Waste) 2005, Environmental Quality Act 1974, to ensure proper &amp; safe handling, storage &amp; disposal under the document reference IOI-OSH 3.2.2 Appendix 6 (31).</p> <p>f. Mill Senior Assistant Manager was appointed as the Safety &amp; Health Coordinator for Pamol Kluang POM. The appointment was made on 07/10/2021, by the Mill Manager.</p> <p>g. OSH committee managed to organized 4 series of OSH meeting which has been done on 20/01/2021,20/04/2021,21/07/2021 and 11/10/2021. Among the matter discussed in the meeting were, conformation on issues from previous meeting, work station inspection,</p>	

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		<p>accident &amp; near missed accidents, OSH training &amp; programs conducted since previous meeting, review on HIRARC &amp; safe working procedure.</p> <p>h. Emergency procedures were made available to the audit team. interview with the employees during the site visit confirmed their understanding regarding on the ERP. Trainings were conducted as per schedule in the training program and thru the morning briefing.</p> <p>i. All employees trained with first aid training that has been done on 22-23/01/2022 were present at their respective workstation. Sighted the first aid box available at the said workstation. Interview with the employees confirmed their understanding regarding on the emergency issues (if happened).</p> <p>j. Accident records were well maintained by the mill management and accident / near missed accident cases were discussed during the OSH committee meeting. The mill management has submitted JKKP 8 form to DOSH on 21/01/2021.</p>	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p><b>- Major compliance -</b></p>	<p>IOI Group has established internal policy title "Sustainable Palm Oil Policy" on October 2020 that has been signed by Dato' Lee Yeow Chor, Group Managing Director &amp; Chief Executive Officer and Dr Surina Ismail, Group Head of Sustainability.</p> <p>Stated in the policy that the management is committed to comply with all applicable legislation and code of practices, to achieve higher level of transparency and stakeholder's engagement, to build traceable supply chain such that all suppliers are also in compliance with company commitment</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 regardless of race, colour, sex, religion,</p>	<p>The management of IOI Group has established internal policy for anti-discrimination and has been documented in the document title "Equal opportunity employment and freedom of association policies" that has been</p>	Complied

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	political opinion, nationality, social origin or any other distinguishing characteristics. <b>- Major compliance -</b>	signed by N B Sudhakaran on October 2017. Mentioned in the policy that all workers will be received equal treatment based on relevant merits and competency regardless of gender, race, caste, nationality, religion, physical condition, sexual orientation, marital status and others.	
<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>	The Collective Agreement signed between IOI Group of Companies and the National Union of Plantation Workers came into force on 01/01/2020 and valid until 31/12/2022. Four-month pay slips sighted also demonstrate that employees’ pay has been detail in the document	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>	Evidence is available that the Pamol Kluang POM ensured employees of contractors are paid based on legal or minimum standards. Contractors are required by the estate management to extend copies of their workers’ employment contracts and payslips for review. Sighted during the audit were the payslips for March, June and October 2021. The payslips show that the workers receive more than minimum wages, and SOCSO, EPF and EIS contributions made by both the workers and contractors.	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 contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. <b>- Major compliance -</b>	A record providing an overview of all employees is available. The list contains the full names, gender, date of birth. Information on the workers’ date of entry, job description and period of employment are contained in the respective employment contracts.	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	Pamol Kluang POM was able to demonstrate that all employees have been issued with employment contracts. These contracts were prepared in either Bahasa Malaysia (for Malaysians and Indonesians) and in dual language	Complied

Criterion / Indicator		Assessment Findings	Compliance
	employment contract shall be made available for each and every employee indicated in the employment records. <b>- Major compliance -</b>	(English and either Nepali, Hindi, Bengali) for workers from India, Nepal or Bangladesh. Workers were given a copy for their safekeeping.	
<b>4.4.5.7</b>	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>	As per conversation by the management, there time recording time system has been monitored through field supervisor that will records time start and end work. For overtime, each worker has their own logbook to record their overtime and the data will be transfer to overtime time form that will be verified by field supervisor, assistant manager and manager.	Complied
<b>4.4.5.8</b>	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>	Based on the payslips and overtime records reviewed during the audit, Pamol Kluang POM were able to demonstrate that time records comply with legal regulations and Collective Agreement signed between IOI Group of Companies and the National Union of Plantation Workers came into force on 01/01/2020 and valid until 31/12/2022.	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 agreements. <b>- Major compliance -</b>	There is evidence that wages and overtime payment has been documented on the pay slips and in line with legal regulations. Total 18 samples of workers have been verified by the auditor for month December 2020, February 2021 and July 2021.  As per verification by the auditor, there is no evidence that overtime has been properly monitored by the POM management. Thus, Major Non-conformities has been raised.	Major Non-Compliance
<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.	The unit of certification provides for its employees, free houses, subsidised water and electricity, free medical treatment and facilities, worshipping facilities such as mosque, Hindu and Buddhist temples, chapel, futsal court, volleyball court, transport allowance for field checkers, mandores, and auxillary police.	Complied



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	- <b>Minor compliance</b> -		
<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. - <b>Major compliance</b> -	Based on visits to the linesite and interviews conducted with the workers, the unit of certification was able to demonstrate that on-site living quarters provided to all employees are habitable and comply with the Employees' Minimum Standard of Housing and Accommodation and Amenities Act 1990.	Complied
<b>4.4.5.12</b>	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - <b>Major compliance</b> -	The management of IOI Group has been established in the document title Guidelines for handling harassment at workplace document number IOI/G/SE/004 revision 02 dated 26/11/2020. Mentioned in the policy that the objective is to provide impartial process in dealing with harassment and sexual harassment. Mentioned also that the company is committed to promote safe and healthy work environment which free from unlawful discrimination.	Complied
<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. - <b>Major compliance</b> -	There is no prohibition to join any union and has been verified based on the active participation in NUPW by the workers and interview. IOI Group also has established internal policy title equal opportunity employment & freedom of association policies that has been signed by NB Sudhakaran, plantation director on October 2017. Sighted also was the Collective Agreement signed between IOI Group of Companies and the National Union of Plantation Workers came into force on 01/01/2020 and valid until 31/12/2022. Interview held with union representative also confirmed that management does not discriminate or retaliate against union members.	Complied
<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> -	Formal policy for the protection of children exists in IOI Group Sustainable Oil Palm Policy signed by Chief Executive Officer and Group Head of Sustainability (revised October 2020). Paragraph 4 of the Policy states that the Company would eliminate all forms of child labour. Based on records	Complied

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		reviewed and observations made, there was no evidence of any children or young persons employed or exploited.	
<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>	The mill management has developed training program for all employees which cover the OSH (24 trainings), social (trainings), environment (4 trainings), traceability (2 trainings) and standard operation procedure (15 trainings) aspects. Sighted some of the training records as follow: a) Sterilizer station training conducted on 16/02/2021 b) Workshop training program conducted on 07/03/2021 c) Effluent treatment plant training conducted on 06/03/2021 d) Working at height training conducted on 1/04/2021 e) Schedule waste training conducted on 29/07/2021 f) Hearing conversation training conducted on 22/07/2021 g) Laboratories station training conducted 22/04/2021 h) Contractor training conducted on 0505/2021 i) First aid box training conducted on 21/08/2021 j) Water quality training conducted on 25/10/2021	Complied
<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>	Training needs analysis record was made available to the audit team. The management has categorized the training under 4 groups which are safety & health, environment, social and sustainability. Each employee is required to undergo the training to ensure their competency while carrying out their duties.	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	All the estates have developed the annual training plan in order to ensure their employees are competent to carry out their duties. The training planned	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>their job function and responsibility in accordance to the documented training procedure.</p> <p><b>- Minor compliance -</b></p>	<p>was customized based on their workstation and nature of job. Any new training related to the new regulation or information will be added to the annual program.</p>	
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>The mill management has established Environmental Aspect &amp; Impact Assessment for a period of November 2021 – October 2026. The assessment cover 22 areas provided with mitigation measures for respective area.</p> <p>Environmental management plan was reviewed by the mill management on November 2021. The plan consists of Waste Management &amp; Reduction Plan and Continuous Improvement Plan.</p>	Complied
<b>4.5.1.2</b>	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p> <p><b>- Major compliance -</b></p>	<p>The environmental management plan was prepared for year 2021 and reviewed by the mill manager. The environmental aspect &amp; impact for all operation has been conducted and documented. the scope of assessment included the management of mill effluent, schedule waste disposal, transportation of FFB/CPO/PK and others.</p>	Complied
<b>4.5.1.3</b>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>The EIA document had also included the development of the Environmental Improvement Plan for the mitigation of negative impacts and promotion of positive impacts.</p> <p>The POME and EFB are delivered/recycled to the plantation for fertiliser and moisture retention purposes.</p> <p>The implementation and monitoring of the documented environmental improvement plan were reviewed annually and found to be satisfactorily implemented.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance										
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>	<p>A Continual Improvement Plan (CIP) has been developed and implemented for the promotion of positive impacts. Among the area covers under CIP are water consumption, fossil fuel monitoring and boiler fuel monitoring. Sighted the action plan as follow:</p> <table border="1"> <thead> <tr> <th>Improvement Plan</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Maintain routine checks</td> <td>Meter water ready taken daily.</td> </tr> <tr> <td>Equipment modification</td> <td>Reduce water flow and pressure whenever possible</td> </tr> <tr> <td>To provide water dispenser for workers to obtain clean drinking water.</td> <td>To install water dispenser at mill's mess room.</td> </tr> <tr> <td>To collect rainfall as a supplementary source of water supply.</td> <td>Mill plan to install rain harvesting system.</td> </tr> </tbody> </table>	Improvement Plan	Action Plan	Maintain routine checks	Meter water ready taken daily.	Equipment modification	Reduce water flow and pressure whenever possible	To provide water dispenser for workers to obtain clean drinking water.	To install water dispenser at mill's mess room.	To collect rainfall as a supplementary source of water supply.	Mill plan to install rain harvesting system.	Complied
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To collect rainfall as a supplementary source of water supply.	Mill plan to install rain harvesting system.												
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p><b>- Major compliance -</b></p>	<p>Verified that the documented training programme had been established. Briefing on the awareness and understanding of the objectives on Environmental management were adequately conducted and conveyed to all levels of employees.</p> <p>During the site visit, it was confirmed that the employees are aware regarding on the environmental issues. They can demonstrate a good understanding and aware of the issues around them.</p>	Complied										
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p><b>- Major compliance -</b></p>	<p>The mill management has conducted 3 meetings with the employees to discussed on the environment issues. The meeting was conducted on 13/01/2021, 20/04/2021 and 21/07/2021.</p> <p>Among the agenda discussed are previous agenda verification, DOE licenses &amp; compliance requirement, effluent management system, schedule waste disposal management, continuous improvement plan.</p>	Complied										

Criterion / Indicator	Assessment Findings	Compliance																				
<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 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>	Electricity supply for domestic use comes from Tenaga Nasional Berhad whilst for operation from boiler. Records of diesel, electricity and water used for operation were made available to the audit team. Sighted the records as follow: <table border="1" data-bbox="1010 647 1910 817"> <thead> <tr> <th>Item</th> <th>Total Usage</th> <th>CPO produced</th> <th>Energy / CPO</th> </tr> </thead> <tbody> <tr> <td>Diesel</td> <td>62680</td> <td>44436.63</td> <td>1.41</td> </tr> <tr> <td>Water (process)</td> <td>187457</td> <td>44436.63</td> <td>4.21</td> </tr> <tr> <td>Water (domestic)</td> <td>116740</td> <td>NIL</td> <td>NIL</td> </tr> <tr> <td>Electricity</td> <td>4836142</td> <td>44436.63</td> <td>108.83</td> </tr> </tbody> </table>	Item	Total Usage	CPO produced	Energy / CPO	Diesel	62680	44436.63	1.41	Water (process)	187457	44436.63	4.21	Water (domestic)	116740	NIL	NIL	Electricity	4836142	44436.63	108.83
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<b>4.5.2.2</b>	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. <b>- Major compliance -</b>	The estimation of diesel consumption is reflected in their business management plan. The plan was made available to the audit team and reviewed																				
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible. <b>- Minor compliance -</b>	To date, no renewable energy was used in the mill compound neither for operation or domestic use.																				
<b>Criterion 4.5.3:</b> Waste management and disposal																						
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	The mill has identified all waste and source of pollution and documented in the List of Waste Identified. The list was reviewed on annually basis. The latest review was done on 25/06/2020. The waste identified as follows:																				

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>a. Industrial waste – Scrap Iron</li> <li>b. Scheduled Waste – SW110, SW 305, SW409, SW410, SW 103, SW 429, SW 103 etc.</li> <li>c. Domestic Waste – Wet waste, kitchen waste, garden waste, sanitary waste, dry waste</li> <li>d. 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>The management of Pamol Kluang POM has established management Plan based on the identification and source of pollutions and the documented in Waste management Plan FY 2020 and were available for review. 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. The management plan covers all the operations and works station in the mill.</p> <p>Domestic waste was managed by MS MIDO Enterprise and for schedule waste, the management disposed to Kualiti Alam Sdn Bhd.</p> <p>Latest schedule waste disposed was done on 17/06/2021 involved the following waste; SW109 (fluorescent tube – 0.125 mt), SW305 (spent oil – 0.765 mt), SW110 (waste from electrical items – 0.021 mt), SW429 (discarded chemicals – 0.036 mt), SW306 (waste hydraulic oil – 0.330 mt), SW103 (used batterires – 0.002 mt), SW104 (used welding electrode – 0.045 mt), SW312 (oil residue trapped – 0.010 mt) SW410 (contaminated rags – 0.183 mt).</p>	Complied
<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.</p>	<p>IOI Group has established Safe Operating Procedure (SaOP) for handling used chemical, doc no: IOI-OSH 3.2.2, dated on 06/01/2020, rev no: 05. The SOP covers the following:</p> <ul style="list-style-type: none"> <li>a. Penyimpanan &amp; Pengurusan Stor Bahan Kimia</li> <li>b. Prosedur Kerja Selamat "Spill Kit"</li> </ul>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005 <b>- Major compliance -</b>	c. Penggunaan Bahan Kimia d. Prosedur Pembancuh Bahan Kimia	
<b>4.5.3.4</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. <b>- Minor compliance -</b>	Domestic waste disposed thru contractor, MS MIDO Enterprise.	Complied
<b>Criterion 4.5.4:</b> Reduction of pollution and emission			
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	An assessment of all polluting activities has been conducted through environmental impact assessment. These assessments have also included greenhouse gas emissions, scheduled wastes and solid wastes.	Complied
<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>	The "Environmental Aspect & Impact Assessment Identification" had included plans to reduce identified significant pollutants and emissions.	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) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations. <b>- Major compliance -</b>	POME discharged to the land field at Pamol Timur Estate, Block B1. Discharged of POME was conducted daily and upon on the necessity. POME samples were sent to Nalco Industrial Services Malaysia Sdn Bhd for further analysis. Sighted the analysis results showed that the BOD level discharged to the furrow system has not exceed the permitted level (BOD mg/L: 100) as per guided by the Compliance Schedule.	Complied
<b>Criterion 4.5.5:</b> Natural water resources			
<b>4.5.5.1</b>	The management shall establish water management plans to maintain the quality and availability of natural water resources	Water management plan for the Pamol Kluang POM was reviewed and necessary action plan has been identified and implemented accordingly. The	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>(surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill’s current activities.</li> <li>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> </ul> <p><b>- Major compliance -</b></p>	<p>plan had included the source of water and how it is being treated for mill use, their usage monitored and recorded. Main water source come from Syarikat Air Johor (for domestic use) and water catchment (for processing). Water usage in the mill from Jan – Oct 2021 recorded at 187,457 cubic meters for processing and 116,740 cubic meters for domestic use.</p>	
<b>4.5.5.2</b>	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p><b>- Major compliance -</b></p>	<p>Not applicable since the POME discharged to land application.</p>	<p>Not applicable</p>
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Mill Management</b>			
<b>4.6.1.1</b>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>Standard Operation Procedures for estates and mills are documented and maintained. Set of SOP for mill operations detailed out under Group Standard Operating Procedures for palm oil mill, document no IOI/SOP/A, issue no: 02, dated on 01/07/2017. Listed of the SOP sampled as below:</p> <ul style="list-style-type: none"> <li>a. FFB reception.</li> <li>b. FFB handling.</li> <li>c. Sterilizer.</li> <li>d. Threshing.</li> </ul>	<p>Complied</p>



Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>e. Digestion and pressing.</li> <li>f. Oil room.</li> <li>g. Depericarper.</li> <li>h. Nut &amp; kernel plant.</li> <li>i. Product storage &amp; despatch.</li> <li>j. Laboratory.</li> <li>k. Effluent treatment plant.</li> </ul>	
<b>4.6.1.2</b>	<p>All palm oil mills shall implement best practices.</p> <p><b>- Major compliance -</b></p>	<p>The mill management had adhered to their SOP's and best management practises, which included the following; water management, monitoring of emissions, discharge &amp; pollution, monitoring of safety &amp; health of workers and environment issues.</p> <p>Besides, the mill also received regular visit from Mill Controller to ensure the best management practices were implemented in the mill compound. Sighted the visit report dated on 09-10/11/2021.</p>	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p><b>- Major compliance -</b></p>	<p>5 years business plan was made available to the audit team. Attention was given to the crop projection from the supply base besides the capital expenditure, operational expenditure etc.</p>	Complied
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p><b>- Major compliance -</b></p>	<p>Pricing mechanism has been documented in the contract agreement for each contractor and 3 samples of contractors has been taken by the auditor for verification. Details as per below:</p> <ul style="list-style-type: none"> <li>a. Rama Plantation and transportation contract number PMM/002-1920 commenced on 01/07/2021 until 30/06/2022 for transport of EFB and</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>POME from Pamol Kluang POM to estate fields including loading/unloading.</p> <p>b. Lee Yee Cheng contract number PMM/001-1920 dated 01/07/2021, EFB and POME transport from Pamol Kluang POM to Estates.</p> <p>c. SP Shine Enterprise contract number PMM/007-1920 dated 01/07/2021 for loading EFB and POME, hiring JCB and shovel.</p> <p>As stated in the contract agreement, payment term for 3 contractors that has been samples is 30 days from the invoices received.</p>	
<b>4.6.3.2</b>	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p><b>- Major compliance -</b></p>	<p>There is evidence of contract agreement for all contractor and has been verified by the auditor. Bae on verification, there is evidence that the contract is fair, legal and transparent. 3 samples of contractors have been taken by the auditor for verification. Details as per below</p> <p>a. Rama Plantation and transportation contract number PMM/002-1920 commenced on 01/07/2021 until 30/06/2022 for transport of EFB and POME from Pamol Kluang POM to estate fields including loading/unloading.</p> <p>b. Lee Yee Cheng contract number PMM/001-1920 dated 01/07/2021, EFB and POME transport from Pamol Kluang POM to Estates.</p> <p>c. SP Shine Enterprise contract number PMM/007-1920 dated 01/07/2021 for loading EFB and POME, hiring JCB and shovel.</p> <p>As stated in the contract agreement, payment term for 3 contractors that has been samples is 30 days from the invoices received. Sample of payment has been verified and details as per below:</p> <p>a. Rama Plantation and transportation invoices number 002-21/22 PO Number 4534029581 dated 31/08/2021 and payment voucher number 710000583 dated 13/09/2021.</p>	Complied

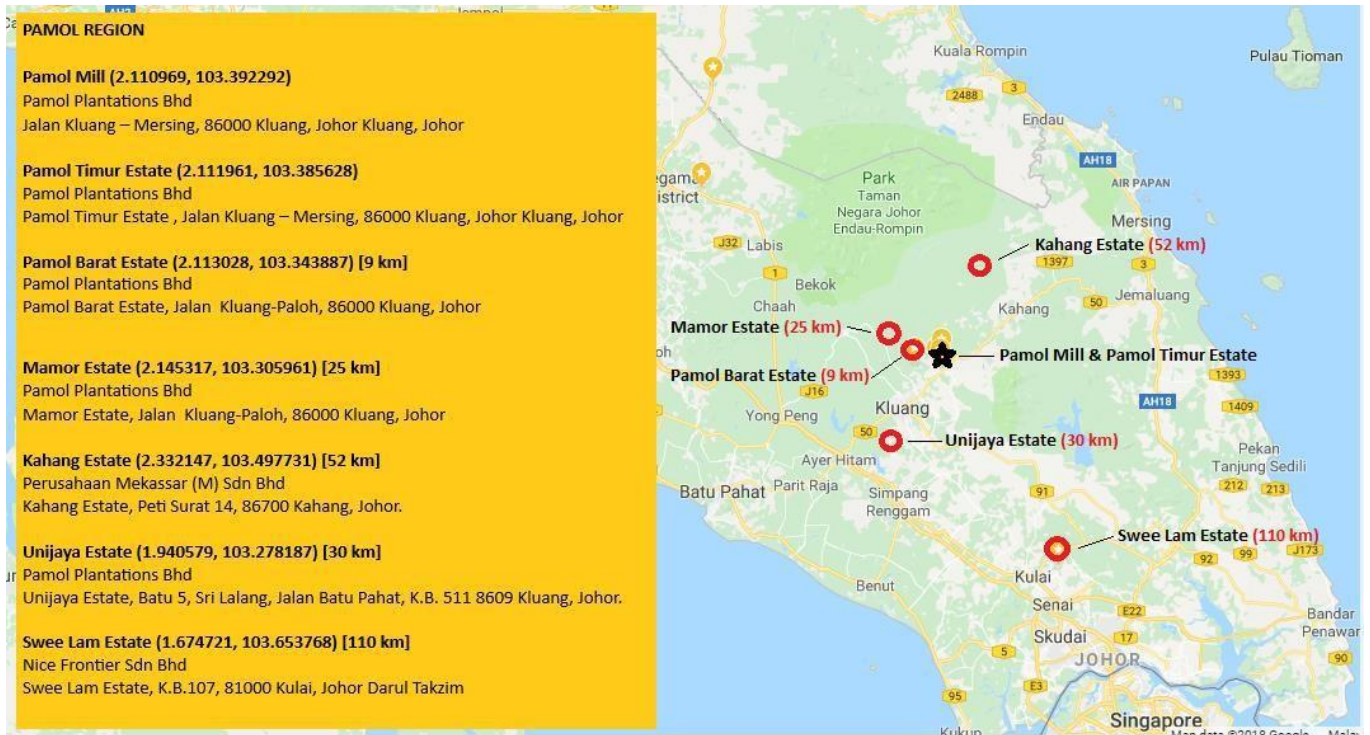
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Criterion / Indicator		Assessment Findings	Compliance
		b. SP Shine Enterprise invoices number 0721 dated 31/08/2021 PO number 4534029598 and payment voucher number 710000580 dated 13/09/2021.	
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	In 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>	Contractors engaged by the unit of certification are given Additional Requirements for Contractors and Service Providers. In this document, contractors, among others, confirmed their awareness and compliance with MSPO requirements, and they also acknowledged that IOI and its certification bodies have the right to audit the contractors. Sighted were the contracts entered into with Lee Yee Cheng and Rama Plantation.	Complied
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	There is evidence of contract agreement for all contractor and has been verified by the auditor. Base on verification, there is evidence that the contract is fair, legal and transparent. 3 samples of contractors have been taken by the auditor for verification. Details as per below a. Rama Plantation and transportation contract number PMM/002-1920 commenced on 01/07/2021 until 30/06/2022 for transport of EFB and POME from Pamol Kluang POM to estate fields including loading/unloading. b. Lee Yee Cheng contract number PMM/001-1920 dated 01/07/2021, EFB and POME transport from Pamol Kluang POM to Estates. c. SP Shine Enterprise contract number PMM/007-1920 dated 01/07/2021 for loading EFB and POME, hiring JCB and shovel.	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>	Contractors were given Additional Requirements for Contractors and Service Providers. In this document, contractors, among others, confirmed their awareness and compliance with MSPO requirements, and they also	Complied

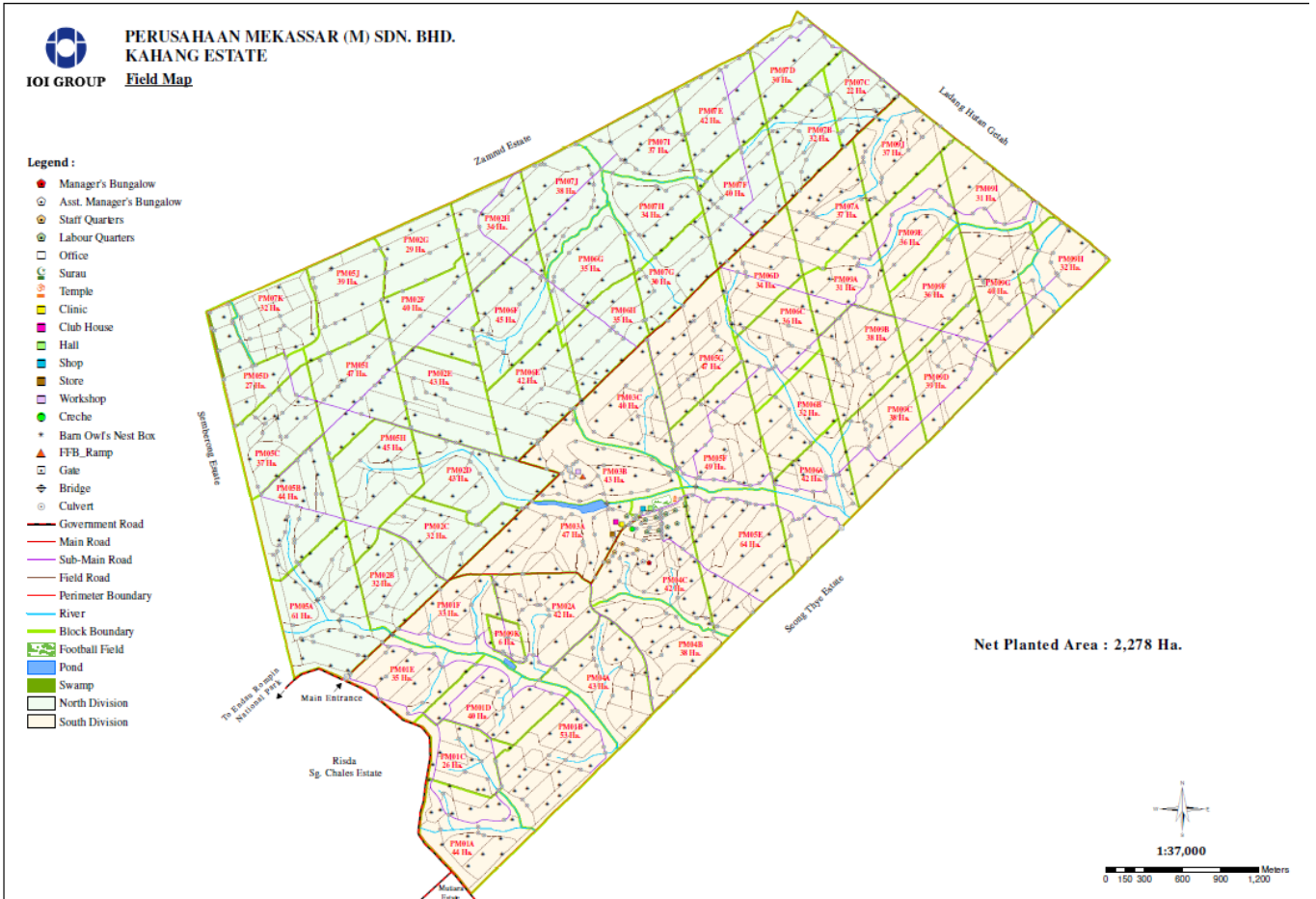
Criterion / Indicator	Assessment Findings	Compliance
	acknowledged that IOI and its certification bodies have the right to audit the contractors.	



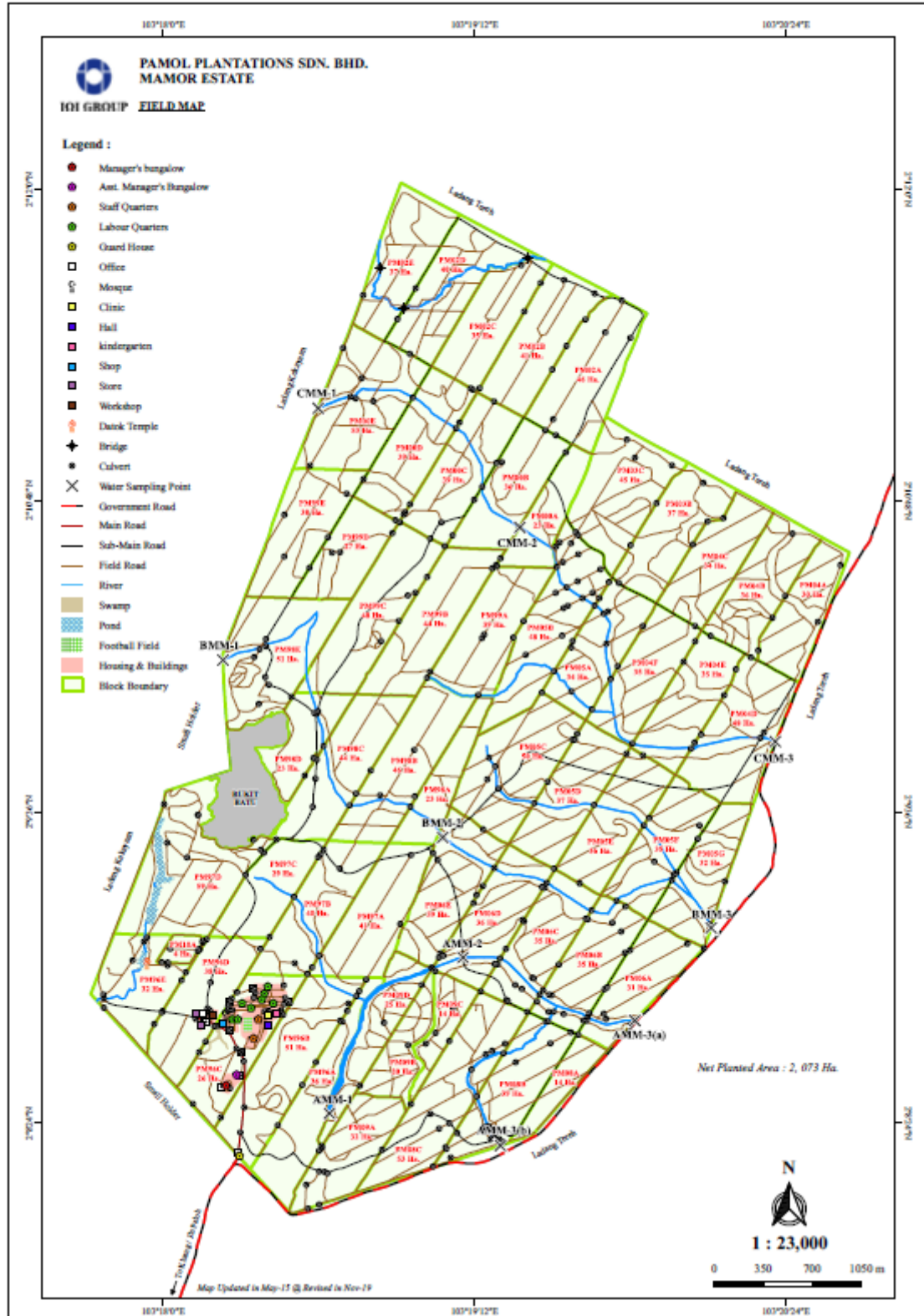
**Appendix C: Location and Field Map**



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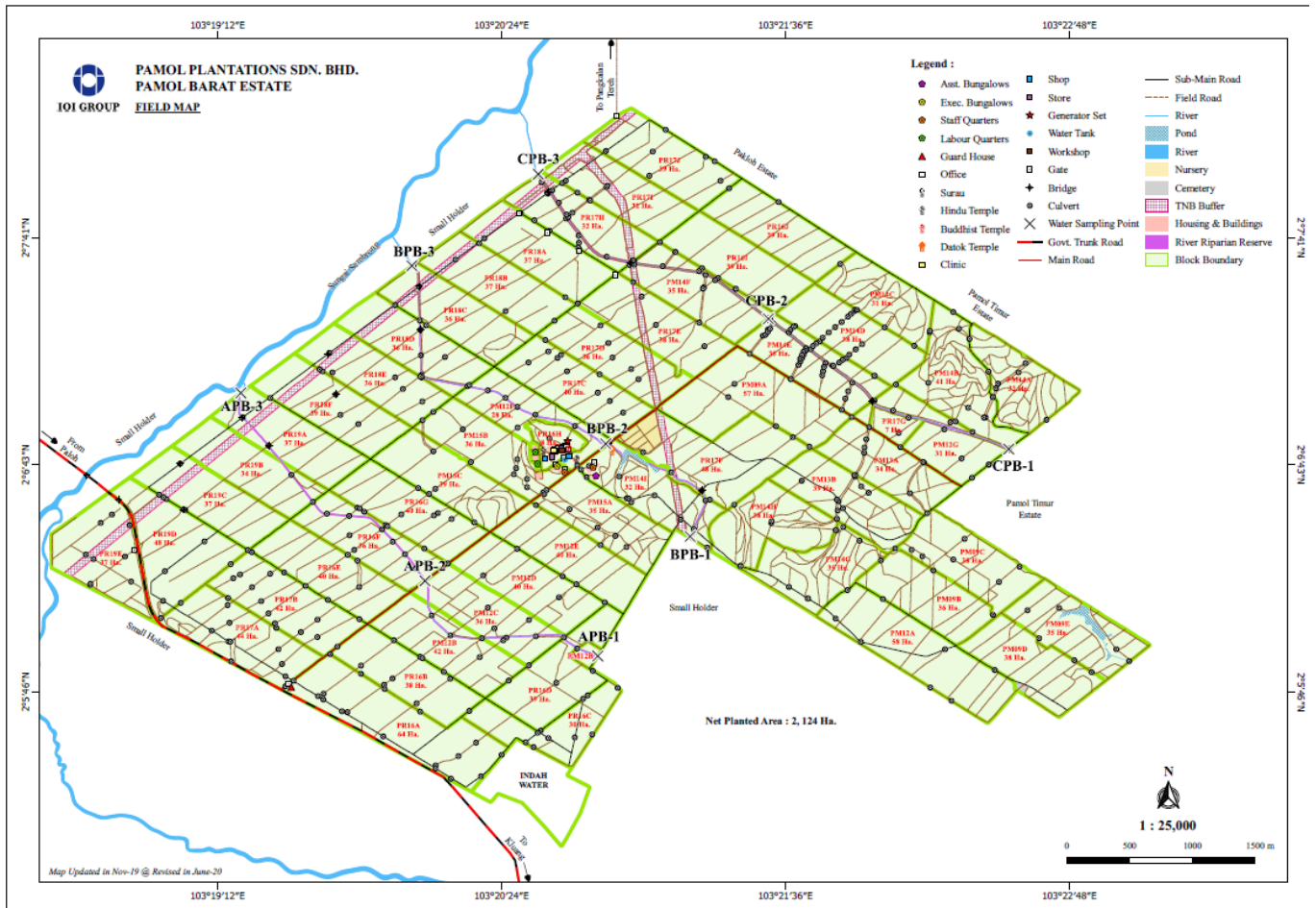


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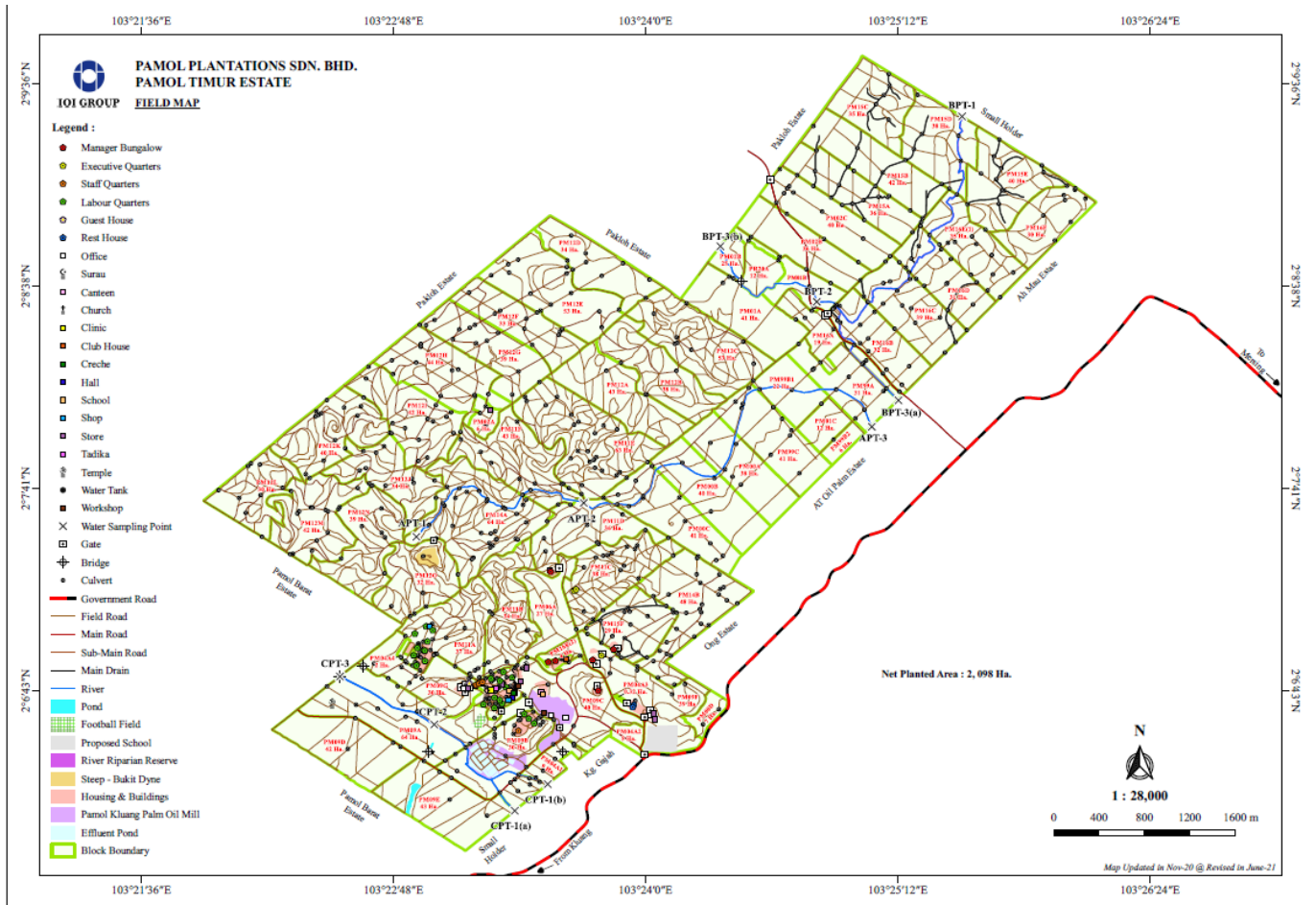




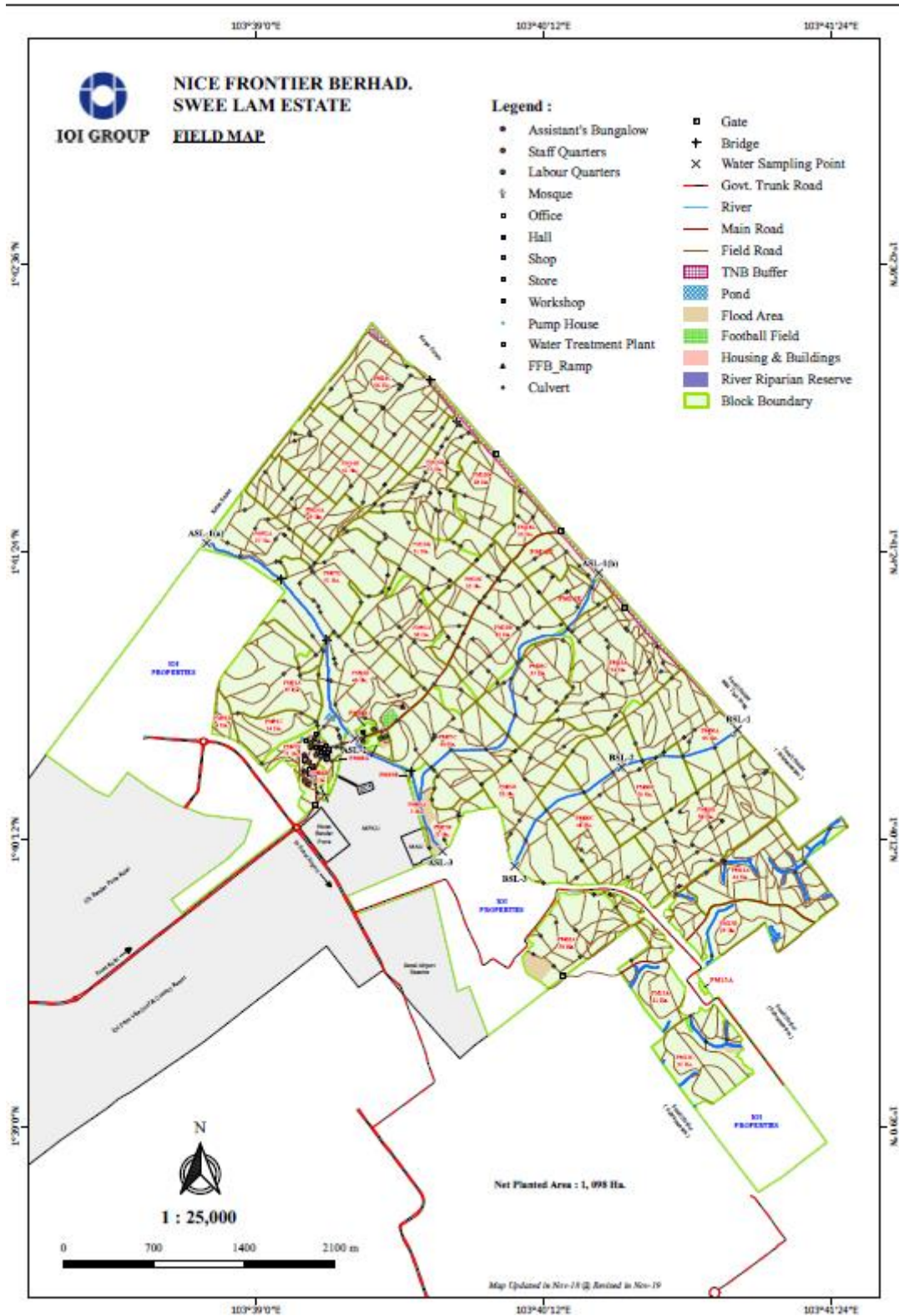
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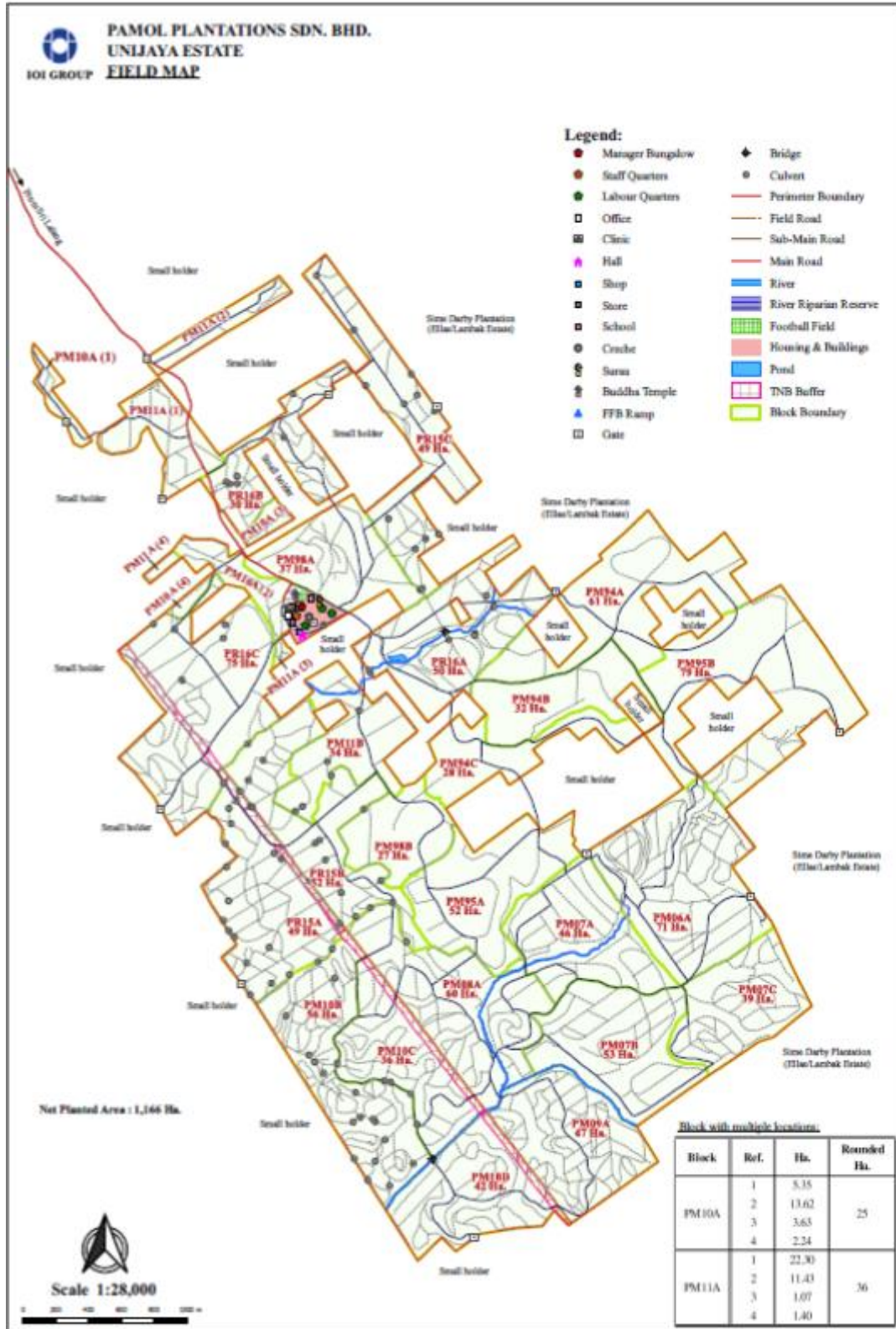
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**Appendix D: List of Abbreviations**

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