

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

- Initial Assessment**
- Annual Surveillance Assessment** (Choose an item.)
- Recertification Assessment (RA 1)**
- Extension of Scope**

<b>IOI CORPORATION BERHAD</b>
Client Company (HQ) Address: IOI City Tower 2, Lebuhr IRC IOI Resort City, 62502 Putrajaya, Malaysia
Certification Unit: Halusah Ladang Sdn Bhd (Sakilan Palm Oil Mill) and Supply Base (Sakilan Estate, Linbar 1 Estate, and Linbar 2 Estate)
Date of Final Report: 03/03/2023

**Report prepared by:**  
**VIJAY KANNA PAKIRISAMY** (Lead Auditor)

**Report Number: 3717740**

**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		
<b>Mill/Estate</b>	<b>Certification Unit</b>	<b>MPOB License No.</b>	<b>Expiry Date</b>
	Sakilan Palm Oil Mill	500293404000	30/11/2023
	Sakilan Estate	503335002000	31/07/2023
	Linbar 1 Estate	502435102000	31/08/2023
	Linbar 2 Estate	502435102000	31/08/2023
<b>Address</b>	Mile 22, Sandakan/ Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia		
<b>Management Representative</b>	Mr. Agos Atan (Senior Manager – Sustainability Department, Gomali Estate)		
<b>Website</b>	www.ioigroup.com	<b>E-mail</b>	agos@ioigroup.com
<b>Telephone</b>	+603-89478888 (Head Office) +6016-265185 (Mobile)	<b>Facsimile</b>	+603-89432266 (Head Office)

1.2 Certification Information			
<b>Certificate Number</b>	Mill: MSPO 720885 Estate: MSPO 720886	<b>Certificate Start Date</b>	26/01/2023
<b>Date of First Certification</b>	26/01/2018	<b>Certificate Expiry Date</b>	25/01/2028
<b>Scope of Certification</b>	<input checked="" type="checkbox"/> Mill: Production of Sustainable Palm Oil and Palm Oil Products <input checked="" type="checkbox"/> Estate: Production of Sustainable Oil Palm Fruits		
<b>Visit Objectives</b>	<p>To conduct a recertification 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 organisation's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organisation's specified objectives, as applicable with regard to the scope of the management standard, and to confirm the on-going achievement and applicability of the forward strategic plan and where applicable to identify potential areas for improvement of the management system.</p>		
<b>Standard</b>	<input type="checkbox"/> MSPO MS 2530-2:2013 – General Principles for Independent Smallholders <input checked="" type="checkbox"/> MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders <input checked="" type="checkbox"/> MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills		
<b>Recertification (RA)</b>	14/11/2022 - 17/11/2022		
<b>Continuous Assessment Visit Date (CAV) 1_1</b>	-		
<b>Continuous Assessment Visit Date (CAV) 1_2</b>	-		

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<b>Continuous Assessment Visit Date (CAV) 1_3</b>	-
<b>Continuous Assessment Visit Date (CAV) 1_4</b>	-

### 1.3 Other Certifications

Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO 720888	MSPO Supply Chain Certification Standard (MSPO SCCS) 1 <sup>st</sup> October 2018	BSI Services Malaysia Sdn Bhd	02/02/2025
RSPO 543161	RSPO Principles & Criteria of Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019	BSI Services Malaysia Sdn Bhd	07/03/2025

### 1.4 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Sakilan Palm Oil Mill	Mile 22, Sandakan/ Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia	5° 50' 9.74" N	117° 50' 37.77" E
Sakilan Estate	Mile 22, Sandakan/ Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia	5° 50' 49.17" N	117° 53' 15.62" E
Linbar 1 Estate	Mile 45, Sandakan/ Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia	5° 32' 58.63" N	117° 40' 53.42" E
Linbar 2 Estate	Mile 45, Sandakan/ Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia	5° 30' 8.31" N	117° 38' 42.87" E

### 1.5 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Sakilan Estate	2,092.00	0	204.37	2,296.37	91.10
Linbar 1 Estate	2,315.00	7.24	305.93	2,628.17	88.08
Linbar 2 Estate	1,888.00	0	323.83	2,211.83	85.36
<b>Total (ha)</b>	<b>6,295.00</b>	<b>7.24</b>	<b>834.13</b>	<b>7,136.37</b>	

#### Remarks:

- Sakilan Estate - Reduce 2ha from previous planted hectarage reported after area resurveyed completed on replanting area. The 2ha is allocated for road and drainage construction (Infrastructure & Other).
- Linbar 2 Estate - Reduce 45ha from previous planted hectarage reported after area resurveyed completed and finalized in October 2022. The 45ha was set aside for conservation area (HCV).

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1.6 Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Sakilan Estate	297.00	153.00	0.00	1,642.00	-	1,795.00	297.00
Linbar 1 Estate	-	1,922.00	393.00	-	-	2,315.00	-
Linbar 2 Estate	458.00	1,163.00	-	267.00	-	1,430.00	458.00
<b>Total (ha)</b>	<b>755.00</b>	<b>3,238.00</b>	<b>393.00</b>	<b>1,909.00</b>	<b>-</b>	<b>5,540.00</b>	<b>755.00</b>

1.7 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Jan 22 - Feb 23)	Actual (Nov 21 - Oct 22)	Forecast (Jan 23 - Feb 24)
Sakilan Estate	34,800.00	30,587.84	35,895.00
Linbar 1 Estate	63,013.00	43,627.39	63,795.00
Linbar 2 Estate	21,893.00	18,494.27	28,345.00
Terusan Baru Estate	-	113.15	-
<b>Total (mt)</b>	<b>119,706.00</b>	<b>92,822.65</b>	<b>128,035.00</b>

1.8 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Jan 22 - Feb 23)	Actual (Nov 21 - Oct 22)	Forecast (Jan 23 - Feb 24)
NA	-	-	-
<b>Total (mt)</b>	<b>-</b>	<b>-</b>	<b>-</b>

1.9 Certified Tonnage			
	Estimated (Jan 22 - Feb 23)	Actual (Nov 21 - Oct 22)	Forecast (Jan 23 - Feb 24)
	<b>Mill Capacity: 40 MT/hr</b>	<b>FFB</b>	<b>FFB</b>
	119,706.00	92,822.65	128,035.00
<b>SCC Model: SG</b>	<b>CPO (OER: 22.00 %)</b>	<b>CPO (OER: 21.70 %)</b>	<b>CPO (OER: 22.15 %)</b>
	26,341.00	20,145.00	28,358.00
	<b>PK (KER: 4.00 %)</b>	<b>PK (KER: 3.95 %)</b>	<b>PK (KER: 4.50 %)</b>
	4,855.00	3,665.43	5,822.00

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<b>1.10 Actual Sold Volume (CPO)</b>					
CPO (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
20,145.00	-	-	15,367.87	452.17	15,820.04

<b>1.11 Actual Sold Volume (PK)</b>					
PK (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
3,665.43	-	-	3,010.42	-	3,010.42

## 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 14 - 17/11/2022. The audit programme is included as Section 2.4. The approach to the audit was to treat the Sakilan Palm Oil Mill, Sakilan Estate, Linbar 1 Estate & Linbar 2 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.

Prior to on-site assessment, a MSPO Public Notification has been conducted through notification dated on 11 October 2022 via website as following: <https://www.bsigroup.com/globalassets/localfiles/en-my/mspo/Public%20Notification/2022/10-1-mspo-public-notification-recertification-ioi-sakilan-palm-oil-mill--supply-base-english.pdf>

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 were 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. 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. The Major NC close assessment was conducted on 11/02/2023.

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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.

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

<b>Assessment Program</b>					
<b>Name (Mill / Plantation)</b>	<b>Year 1 (Recertification)</b>	<b>Year 2 (ASA 1_1)</b>	<b>Year 3 (ASA 1_2)</b>	<b>Year 4 (ASA 1_3)</b>	<b>Year 5 (ASA 1_4)</b>
Sakilan POM	✓	✓	✓	✓	✓
Sakilan Estate	✓	-	✓	✓	-
Linbar 1 Estate	✓	✓	-	✓	✓
Linbar 2 Estate	-	✓	✓	-	✓

**Tentative Date of Next Visit: November 13, 2023 - November 16, 2023**

**Total No. of Mandays: 11 Mandays**

**2.1 BSI Assessment Team**

<b>Team Member Name</b>	<b>Role</b> <i>(Team Leader or Team member)</i>	<b>Qualifications</b> <i>(Short description of the team members)</i>
Vijay Kanna Pakirisamy (VKP)	Team Leader	<p><b>Education:</b> Bachelors in Agribusiness Science Management with Honours from University Utara Malaysia in 2010.</p> <p><b>Work Experience:</b> He gained his working exposure in the plantation sector, serving as an Assistant Manager with KL Kepong and IOI Plantations and as a Sr. Assistant Manager with United Plantations Berhad prior to joining BSI as a Client Manager.</p> <p><b>Training attended:</b> He has completed ISO IMS 9001, 14001, 45001 (OHS 18001) Lead Auditor Course in November 2019, Endorsed RSPO P&amp;C Lead Auditor Course in October 2019, Endorsed RSPO SCCS Lead Auditor Course in August 2020, Endorsed MSPO Lead Auditor Course in November 2019 and attended SMETA Requirements Training in April 2021.</p> <p><b>Aspect covered in this audit:</b></p>



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		<p>During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health and environmental aspect.</p> <p><b>Language proficiency:</b>          He is fluent in English, Bahasa Malaysia, Tamil languages.</p>
Valence Shem (VSH)	Team Member	<p><b>Education:</b>          BTech (Hons) Bachelor’s Degree in Industrial Technology, University of Science Malaysia.</p> <p><b>Work Experience:</b>          He has 9 years working experience in oil palm plantation industry and has conducted management system auditing since 2009 for various standards such as ISO 14001, RSPO P&amp;C, RSPO SCCS, MSPO and SMETA.</p> <p><b>Training attended:</b>          He has completed ISO 14001 Lead Auditor Course, ISO 9001 Lead Auditor Course, Endorsed RSPO P&amp;C Lead Auditor Course, Endorsed RSPO SCCS Lead Assessor Course, MSPO Awareness Training, ISO 45001 Lead Auditor Course, SMETA Auditor training, HCV-HCS training and RSPO-endorsed RSPO ISH Standard 2019 Lead Auditors Course.</p> <p><b>Aspect covered in this audit:</b>          During this assessment, he has assessed the policy and commitment, Social requirements, contract agreement, human rights, workers’ welfare, Stakeholder Consultation, Legal Requirements, Land &amp; Legal issue and transparency requirements.</p> <p><b>Language proficiency:</b>          He is fluent in both verbal/written in Bahasa Malaysia and English.</p>
Amir Bahari (AB)	Team Member	<p><b>Education:</b>          He obtained qualification in B.Sc. (Hons) Chemistry USM 1985 &amp; Diploma in Palm Oil Milling Tech/Management MPOB 1996.</p> <p><b>Work Experience:</b>          He has been in the plantations industry for 30 years, among others managing rubber factories, palm oil mills and estates.</p> <p><b>Training attended:</b>          During the tenure of employment, he has been trained as an auditor in ISO 9001, ISO 14001, OHSAS 18001, Endorsed RSPO P&amp;C Lead Auditor Course (2019) and HCV Auditing for RSPO &amp; MSPO course (2016).</p> <p><b>Aspect covered in this audit:</b>          During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, legal requirements, environmental aspects and HCV requirements.</p> <p><b>Language proficiency:</b>          He is fluent in both verbal/written in Bahasa Malaysia and English.</p>

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Mohd Sabre Salim (MSS)	Peer Reviewer	<p><b>Education:</b> Master's in business administration (MBA) from UiTM in 2006 and Bachelor Science Agribusiness from UPM in 1986.</p> <p><b>Work Experience:</b> He gained his working exposure in the plantation sector, serving as a Plantation Manager with Hap Seng Plantation Berhad and currently as consultant, free-lance lecturer, and trainer at MDV Management Sdn Bhd. He has more than 50 MSPO report that has been reviewed.</p> <p><b>Training attended:</b> He has completed Endorsed Lead Auditor Course and Endorsed MSPO Lead Auditor Course and MSPO Peer Review certificate by MPOCC. He has attended MSPO Peer Reviewer 1 - 2017 by MPOCC.</p> <p><b>Expertise:</b> General Management, Leadership &amp; Financial Management Occupational Safety &amp; Health Management Plantation (Agriculture &amp; Agribusiness) Management Malaysian Sustainable Palm Oil (MSPO).</p>
Muhammad Sufyan Azmi (MSA)	Peer Reviewer	<p><b>Education:</b> Master's in Business Administration (MBA) from Open University Of Malaysia and Bachelor Degree in Bioindustry from UPM in 2006.</p> <p><b>Work Experience:</b> He gained his working exposure in the plantation sector with 15 years' experience, currently serving as a Plantation Manager with TSH Resources Berhad and previously as an Audit Executive with Kulim Malaysia Berhad.</p> <p><b>Training attended:</b> He has attended MSPO Peer Reviewer 2 – 2017 by MPOCC.</p> <p><b>Expertise:</b> General Management, Auditing, Environment and Plantation Management.</p>

## 2.2 Impartiality and conflict of interest

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

## 2.3 Accompanying Persons

No.	Name	Role
-	-	-

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**2.4 Assessment Plan**

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

Date	Time	Subjects	VKP	VSH	AB
13/11/2022, Sunday	-	Auditors travel from Kuala Lumpur to Sandakan	✓	✓	✓
14/11/2022, Monday	0900 - 0930	Opening meeting - Opening presentation by audit team leader - Confirmation of assessment scope and finalize audit plan	✓	✓	✓
	0930 - 1230	<b>Sakilan Palm Oil Mill</b> Site visit: 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.	✓	✓	✓
	1230 - 1330	Lunch break	✓	✓	✓
	1330 - 1630	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.	✓	✓	✓
	1630 - 1700	Interim closing meeting	✓	✓	✓
15/11/2022, Tuesday	0900 - 1230	<b>Linbar 1 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, workers housing, clinic, Landfill, etc.	✓	✓	✓
	1000 - 1200	Stakeholder consultation – Government Agencies, NGO, Surrounding Communities, and Contractors/Vendors (Mill and Estate Combine)	✓	-	-
	1230 - 1330	Lunch break	✓	✓	✓
	1330 - 1630	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	✓	✓	✓

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16/11/2022, Wednesday	0900 - 1230	<p><b>Linbar 1 Estate</b></p> <p>Continue document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production &amp; monitoring records, IPM &amp; HCV records, SEIA documents &amp; records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.</p> <p><b>Sakilan Estate</b></p> <p>Field visit, boundary inspection, field operations, staff &amp; workers interview, buffer zone, HCV area, IPM implementation, OSH &amp; ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, workers housing, clinic, Landfill, etc.</p>	✓	-	-
	1230 - 1330	Lunch break	✓	✓	✓
	1330 - 1630	<p><b>Linbar 1 Estate</b></p> <p>Continue document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production &amp; monitoring records, IPM &amp; HCV records, SEIA documents &amp; records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.</p> <p><b>Sakilan Estate</b></p> <p>Continue document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production &amp; monitoring records, IPM &amp; HCV records, SEIA documents &amp; records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.</p>	✓	-	-
	1630 - 1700	Interim closing meeting	✓	✓	✓
17/11/2022, Thursday	0900 - 1230	<p><b>Sakilan Estate</b></p> <p>Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production &amp; monitoring records, IPM &amp; HCV records, SEIA documents &amp; records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.</p>	✓	-	✓
	1230 - 1330	Lunch break	✓	-	✓
	1330 - 1600	Continue document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure,	✓	-	✓

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		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.			
	1600 - 1630	Assessment team discussion and preparation	✓	-	✓
	1630 - 1700	Closing Meeting	✓	-	✓
18/11/2022, Friday	-	Audit team travel from Sandakan to Kuala Lumpur	✓	✓	✓

### 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, Two (2) Minor nonconformities and Zero (0) OFI raised. Sakilan POM and Supply Base Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major 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>	2277138-202211-M1	<b>Issue Date:</b>	17/11/2022
<b>Due Date:</b>	15/02/2023	<b>Date of Closure:</b>	11/02/2023
<b>Area/Process:</b>	Sakilan Estate & Linbar 1 Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.1.1 Major
<b>Requirements:</b>	Social impact should be identified, and plans are implemented to mitigate the negative impacts and promote the positive ones.		
<b>Statement of Nonconformity:</b>	Risk assessment in term of social, safety, and environment for some activities has yet to be conducted.		
<b>Objective Evidence:</b>	<p>The following activities has yet to be risk assessed:</p> <ol style="list-style-type: none"> <li>1. Tamu event (night market) had been organised by Sakilan Estate inside their premise once a month for the past 3 months. Several third-party vendors came to sell their goods on that occasion. However, the risk assessments (e.g., on social impact, safety &amp; health, etc.) for this activity has yet to be conducted. Moreover, the vendors were not registered in the stakeholder list.</li> <li>2. Some of the workers at Linbar 1 and Sakilan estates get their supply of petrol from outside the premises and keep the stock in their housing compound for motorcycle consumptions. However, However, the risk assessments (e.g., on social impact, safety &amp; health, etc) has yet to be conducted.</li> </ol>		

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<p><b>Corrections:</b></p>	<ol style="list-style-type: none"> <li>1. To identify and conduct risk assessment, then review to establish the aspect and impact in detail for Tamu event to be included accordingly in the relevant management plan (SIA, EIA, HIRARC).</li> <li>2. The list of vendors to be updated in accordance when necessary.</li> <li>3. To identify and conduct risk assessment, then establish the aspect and impact in detail for petrol storage to be included in the relevant management plan (SIA, EIA, HIRARC). Then the management action plans as part of mitigation and control measures will be established accordingly, such as to brief workers on the hazard of improper petrol storage at housing compound.</li> </ol>
<p><b>Root cause analysis:</b></p>	<ol style="list-style-type: none"> <li>1. The risk assessment of Tamu event was not captured in detailed in the relevant management plan as the entry of data used for review and updates is limited to collective information provided by workers during consultation conducted in the financial year period (July-June). During the cut off month for the management plan (SIA, EIA) updates, the Tamu event was raised merely as a request during the ECC meeting with an immediate response received from the management that the issue will be further discussed during next due meeting programmed in August 2022. Moreover, the vendors were not registered in the stakeholder list as they were only a one-off vendor and was unactive stakeholder during the stakeholder list being reviewed. The stakeholder list was only updated based on active stakeholders.</li> <li>2. The risk assessment of petrol storage was not conducted as the petrol is considered as part of the worker's personal belonging.</li> </ol>
<p><b>Corrective Actions:</b></p>	<ol style="list-style-type: none"> <li>1. To review the identified aspect and impact during the annual management plan review exercise, which by obtaining any changes of activity and other new information from internal and external stakeholders by gathering data from sources such as during management and workers interviews, meeting feedbacks, grievance book, suggestion or request letters and emails. In the meantime, vendor registration is to be established with applicable needs on evaluation and requirement included.</li> <li>2. To identify other equivalent chemicals to petrol usage and storage at housing area and review the aspect and impact during the annual management plan review exercise. Establish management actions plan to include periodic inspection routine by management on petrol storage at housing area and to establish guideline on the proper storage of petrol and other equivalent chemicals at housing compound.</li> </ol>
<p><b>Assessment Conclusion:</b></p>	<ol style="list-style-type: none"> <li>1. The EIA has been reviewed and available in the document IOI Plantations Sdn Bhd; Reviewed Document; Environment Impact Assessment – Management Action Plans and Continuous Improvement Plans; Dated 12/12/2022. The revised document has included the assessment at Linesite Area (for the storage of petrol) and Tamu or Other Social Events.</li> <li>2. The estate has established a HIRARC Register for the Housing Compound which has identified risks and hazards in relation to Storage and Handling of Petrol and Diesel at Housing Area dated 12/01/2023. The document was available for verification</li> <li>3. The SIA has been reviewed and available in the document IOI Plantations Sdn Bhd; Reviewed Document; Social Impact Assessment – Management Action Plans and Continuous Improvement Plans; Dated 25/01/2022. The revised document has included the assessment at Living/Working Condition inc. Petrol Storage and Events/Occasions (Including: Outsider Involvement).</li> </ol>

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	<p>4. Sakilan Estate has updated the List of Vendors to include the List of Registered Vendors during Tamu Event, which was available in the document "<i>Senarai Nama Peniaga/Penjaja Gerai Tamu</i>". The list was available for verification.</p> <p>5. The estate has established a "<i>Senarai Faham dan Setuju</i>" which serves as an agreement with the estate and the vendors on the agreed rules and regulations that the vendors have to oblige to in order to setup their stalls. The document was available for verification.</p> <p>6. Sakilan Certification Unit have established a procedure titled Panduan Penyimpanan Petrol/Diesel di Kawasan Perumahan; Document Number: IOI-OSH 3.3.4; Document Date: 12/01/2023</p> <p>7. Linbar 1 Estate has conducted refresher training on 16/01/2023 for workers on the Guidance of Petrol and Diesel Storage at the housing area. The records of training were available for verification. Sakilan Estate has conducted refresher training on 27/12/2022 for workers on the Guidance of Petrol and Diesel Storage at the housing area. The records of training were available for verification.</p> <p>Based on the above evidence, the major non-conformity was effectively closed on 11/02/2023. Continuous implementation will be further verified during the next assessment.</p>
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<b>Non-Conformity Report</b>			
<b>NCR Ref #:</b>	2277138-202211-M2	<b>Issue Date:</b>	17/11/2022
<b>Due Date:</b>	15/02/2023	<b>Date of Closure:</b>	11/02/2023
<b>Area/Process:</b>	Sakilan Estate & Linbar 1 Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.4.2 (b) Major
<b>Requirements:</b>	The occupational safety and health plan shall cover the following: b) The risks of all operations shall be assessed and documented.		
<b>Statement of Nonconformity:</b>	The implementation of the risk controls was not adequate.		
<b>Objective Evidence:</b>	<p>The implementation of the risk controls was not adequate. Evidence as below.</p> <p><u>Linbar 1 Estate</u></p> <p>a. During the site visit at Harvesting Operation - Block 12C, it was found that 1 tractor driver was not wearing sufficient PPEs – Earplugs. This was not in line with the NRA Recommendation dated 25/09/2020, Section 8.0; Farm Tractor Driver: '<i>Good Practice to wear PHP during work</i>'.</p> <p>b. During the site visit at the Genset Station, it was observed that the Genset Operator was not wearing Safety Shoes. This was not in line with the HIRARC – Genset House dated 04/10/2022; Existing Risk Control – Working Inside Genset House: PPE (Safety Helmet, Safety Shoes, Earmuff/Earplug. Nitrile Gloves, Respirator).</p> <p>c. During the site visit at the Water Treatment Plant, it was observed that the Water Treatment Operator was not wearing sufficient PPEs – Earplugs and Safety Boots. This was not in line with:</p> <ul style="list-style-type: none"> <li>– NRA Recommendation dated 25/09/2020, Section 8.0: Water Treatment Operator – Best Practice: Recommend wearing PHP during work.</li> </ul>		



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	<ul style="list-style-type: none"> <li>- HIRARC – Water Treatment Plant dated 07/01/2022; Existing Risk Control – Working Inside Genset House: Use PPE (Nitrile Gloves, Respirator, Face Shield, Apron, Safety Boot).</li> </ul> <p>Sakilan Estate</p> <p>a. During site inspection at Sakilan Estate – Manuring Tractor and Workshop found containers with hydraulic &amp; lubricant oil stored in containers without any label. It was not in line with OSH (USECHH) Regulations 2000, Part VI Labelling &amp; Relabelling; 21, (1) An employer shall ensure that all chemicals hazardous to health supplied or purchased by him and used in the place of work are labelled and that the labels are not removed, defaced, modified or altered. (2) When the labels mentioned in sub regulation (1) are removed, defaced, modified or altered while the chemical hazardous to health is being used at the place of work, the employer shall re-label the chemical.</p>
<p><b>Corrections:</b></p>	<p><u>Linbar 1 Estate</u></p> <ol style="list-style-type: none"> <li>1. Inspection of PPE will be conducted to provide replacement of PPE to the workers when the issued PPE is in poor condition, misplaced or unusable.</li> <li>2. To inspect and place additional PPE such as safety shoe, earplug and other required PPE, in the PPE storage box at Genset area, water treatment area as well as other workstations.</li> <li>3. Reminder letter from management to all field staff to remind them to conduct daily in field inspection on PPE usage</li> <li>4. Reminder letter to all workers to wear proper PPE as per stated in NRA, during work operation.</li> </ol> <p><u>Sakilan Estate</u></p> <ol style="list-style-type: none"> <li>1. Container used to store chemical/lubricant is to be relabelled as per the original label.</li> </ol>
<p><b>Root cause analysis:</b></p>	<p><u>Linbar 1 Estate</u></p> <ol style="list-style-type: none"> <li>1. At the time of audit, the worker has unintentionally misplaced his PPE (Earplug) though the daily PPE usage checklist was conducted during the morning muster.</li> <li>2. The genset operator was aware to wear PPE however, he was not wearing the safety shoes due to his safety shoes still wet after being cleaned earlier on that day. Subsequently, the decision of wearing casual shoes was not made aware to the management for temporarily replacement.</li> <li>3. The PPEs have been issued out by the management to the workers. However, the actual operator was on leave and replaced temporarily by another worker who was not aware with the earplug usage.</li> </ol> <p><u>Sakilan Estate</u></p> <ol style="list-style-type: none"> <li>1. Workers were not made aware by the management that relabelling as per the original label is required should there be any chemicals transferred to a smaller container from the original packaging.</li> </ol>
<p><b>Corrective Actions:</b></p>	<p><u>Linbar 1 Estate</u></p> <ol style="list-style-type: none"> <li>1. To conduct refresher training on the SOP Workplace inspection to PIC/Field Staff.</li> </ol>

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	<p>2. Induction training to be conducted to new worker before they undertake new assignment/task.</p> <p><u>Sakilan Estate</u></p> <p>1. Workshop’s workers to be given training on USECHH Regulations on the requirement of relabelling of non-original containers.</p>
<p><b>Assessment Conclusion:</b></p>	<p><u>Linbar 1 Estate</u></p> <ol style="list-style-type: none"> <li>1. Linbar 1 Estate has provided appropriate PPEs to the workers as per the NRA Recommendations and HIRARC Register. Verified the document "<i>Borang Pemberian Alat Perlindungan Diri (Individu)</i>" available for the identified workers drivers, genset attendant and water treatment attendant.</li> <li>2. Workplace Inspection Checklist was established to monitor the usage of PPEs on daily and monthly basis. Refer Daily Report, Weekly and Monthly Report for November 2022, December 2022 and January 2023 which was available for verification.</li> <li>3. A reminder letter was issued to the staff dated 16/11/2022, due to the staff failing to conduct worksite inspections where the worker was not wearing appropriate PPEs. The records were available for verification.</li> <li>4. A reminder letter was issued to the worker dated 16/11/2022, due to the worker not wearing the provided appropriate PPEs during the operations. The records were available for verification.</li> <li>5. Refresher training on SOP - Workplace Inspection was conducted for the PIC and Field Staffs dated 05/01/2023. Records of training was available for verification.</li> <li>6. Refresher training were provided to the Drivers, Genset Attendants and Water Treatment Attendants on 16/11/2022, Records of training was available for verification.</li> <li>7. Induction training for new worker before they undertake new assignment/task has been conducted. Refer training SOP Water Treatment Plant &amp; NRA dated 05/12/2022 and 16/11/2022. Training evaluation has been documented and available for verification.</li> </ol> <p><u>Sakilan Estate</u></p> <ol style="list-style-type: none"> <li>1. The containers used to store chemicals have been disposed of. And containers that were relabelled accordingly as per original label were only used for storage of chemicals. Photographic evidence was available for verification.</li> <li>2. Sakilan Estate has conducted training on USECHH Regulations – Requirements of relabelling or non-original containers to its workshop workers on 09/12/2022. The records of training were available for verification.</li> </ol> <p>Based on the above evidence, the major non-conformity was effectively closed on 11/02/2023. Continuous implementation will be further verified during the next assessment.</p>

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Non-Conformity Report			
<b>NCR Ref #:</b>	2277138-202211-N1	<b>Issue Date:</b>	17/11/2022
<b>Due Date:</b>	Next Surveillance Assessment	<b>Date of Closure:</b>	"Open"
<b>Area/Process:</b>	Sakilan Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.6.4.1 Minor
<b>Requirements:</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.		
<b>Statement of Nonconformity:</b>	The monitoring of the contractors' understanding on MSPO requirements was not satisfactorily demonstrated.		
<b>Objective Evidence:</b>	Based on interview with sampled workers and the management, the groceries shop (Terus Maju) at Sakilan Estate's Div. 2 workers housing, had been storing the liquid petroleum gas cylinders and distributing them to workers. However, the legal permit from the relevant authority (KPDNKK) for this activity has yet to be obtained.		
<b>Corrections:</b>	Sakilan Estate management to closely observe the progress of action taken by the groceries shop owner on the permit application status up to completion.		
<b>Root cause analysis:</b>	Prior to the due diligence exercise, the management had verbally reminded the groceries shop owner to comply with the legal requirement i.e., LPG permit however action was pending until down to the wire.		
<b>Corrective Actions:</b>	The management to conduct continuous supervision, by ensuring inspection and periodic monitoring of the sundry shop's compliances towards law and regulations including the valid permit, license and etc other requirements, which is to be recorded accordingly in the inspection book and conduct consultation as well as issue reminder letter if any incompliances by the sundry shop.		
<b>Assessment Conclusion:</b>	The submitted CAP detailing on proposed actions to be taken to address the raised nonconformity, based on the root cause identified were reviewed and deemed to be appropriate. Thus, the effectiveness of the CAP will be verified during the next surveillance assessment.		

Non-Conformity Report			
<b>NCR Ref #:</b>	2277138-202211-N2	<b>Issue Date:</b>	17/11/2022
<b>Due Date:</b>	Next Surveillance Assessment	<b>Date of Closure:</b>	"Open"
<b>Area/Process:</b>	Sakilan Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSPO 2530 Part 3: 4.4.5.6 Minor
<b>Requirements:</b>	The charge for electricity usage to the workers was not clearly justified according to the terms stated in the employment contract.		
<b>Statement of Nonconformity:</b>	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each, and every employee indicated in the employment records.		
<b>Objective Evidence:</b>	There is a RM10/month charge to the workers on electricity usage for each house at Sakilan Estate's Div. 1 which was agreed by the workers. The charge was made through wage deduction and stated in the pay slip. However, the basis of how the		

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	RM10 value was derived was not clearly demonstrated, despite the term stated in the employment contract Clause 20(i)(c) which reads, " <i>Api/elektrik (listrik) ditanggung oleh PEKERJA jika melebihi had yang diberikan dan yang dibekalkan oleh pihak syarikat.</i> "
<b>Corrections:</b>	Immediate termination of the electric charge including the deduction on workers' payslip.
<b>Root cause analysis:</b>	Since there is no electric meter/tariff being install in each of the workers houses. Hence, the electrical charge was defined and discussed in ECC meeting back in 2017 which all workers agreed with the charge as they requested for 24H of electric supply.
<b>Corrective Actions:</b>	Communicate to all workers during muster call regarding the termination of the electrical charge and its deduction of payslip.
<b>Assessment Conclusion:</b>	The submitted CAP detailing on proposed actions to be taken to address the raised nonconformity, based on the root cause identified were reviewed and deemed to be appropriate. Thus, the effectiveness of the CAP will be verified during the next surveillance assessment.

Opportunity For Improvement			
<b>Ref:</b>	NA	<b>Clause:</b>	-
<b>Area/Process:</b>	-		
<b>Objective Evidence:</b>	-		

Noteworthy Positive Comments	
1	Good Implementation of GAP across the estates.
2	Good understanding by staffs and workers on GAP, H&S and Environment Protections.

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

Non-Conformity Report			
<b>NCR Ref #:</b>	2133482-202111- N1	<b>Issue Date:</b>	17/11/2021
<b>Due Date:</b>	17/11/2022	<b>Date of Closure:</b>	17/11/2022
<b>Area/Process:</b>	Sakilan Estate	<b>Clause &amp; Category: (Major / Minor)</b>	MSP0 2530 Part 3: 4.4.1.1 Minor
<b>Requirements:</b>	Social impact should be identified, and plans are implemented to mitigate the negative impacts and promote the positive ones.		
<b>Statement of Nonconformity:</b>	Found an issue been raised by worker which was not discussed in the SIA.		
<b>Objective Evidence:</b>	As per verification in Joint Consultative Committee (JCC) dated 30/6/2021, issue was raised by workers (1SSD/IOI/0510/8954) on children being brought to the field by the parents. He also requested that the management strictly enforced the No Child Labour policy. This issue was not inadequately captured in the Sakilan Estate SIA (10/11/2021).		

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<b>Corrections:</b>	<ol style="list-style-type: none"> <li>1. Reminder letter for the minute taker of the minute meeting for taking irresponsible action to exclude the discussed issue.</li> <li>2. Revision of the JCC meeting to include the discussed child labour issued.</li> <li>3. SPO department to conduct verification on the issue raised during the JCC meeting and to revise the SIA partially to include the assessment of child labour in Sakilan Estate.</li> </ol>
<b>Root cause analysis:</b>	According to the interview inputs with the Estate Manager, the issue was being discussed during the meeting and action plan was provided. However, the minutes was excluded from record by the minute taker without having informed the management on the decision. Due to this action, the subsequent correspondence related to this issue is absent in the meeting record and further not captured in the reviewed SIA accordingly.
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>1. The ECC Chairman together with the Social Liaison Officer to check and review all meeting minutes prior being verified and finalized by the estate manager to ensure all issue as discussed during meeting has been recorded accordingly.</li> <li>2. SPO and Estate Management shall conduct the SIA revision to ensure all issue were correctly represent the situation on ground.</li> <li>3. To conduct periodic spot inspection to workplace and house census against the list of registered school students to ensure there were no child labour in the workplace vicinity.</li> </ol>
<b>Assessment Conclusion:</b>	The correction and corrective action are accepted. The effectiveness of the implementation will be verified during next assessment
<b>Assessment Verification:</b>	<p>Evidence verified:</p> <ol style="list-style-type: none"> <li>1. Letter dated 21/01/2022 to remind the minute taker of Sakilan Estate not to repeat the same lapse in future or stern action will be taken.</li> <li>2. Ad hoc JCC minutes of meeting dated 31/01/2022 that shows the issue of child labour had been addressed.</li> <li>3. Social management plan that shows the action plan to address the child labour issue had been established. Among the action plans were:               <ul style="list-style-type: none"> <li>- To continuously brief workers on prohibition of child labour.</li> <li>- To conduct workplace inspection from time to time.</li> <li>- To update housing census to identify all children.</li> </ul> </li> <li>4. No children were observed to be working during site visits.</li> </ol> <p>The correction and corrective action evidence were found to be adequate to close the NCR. Continuous effective implementation shall be verified in the next assessment visit.</p>

<b>Opportunity For Improvement</b>			
<b>Ref:</b>	-	<b>Clause:</b>	-
<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)
1848666-201911-N1	4.4.2.2 Part-3 Minor	20/11/2019	Closed on 20/11/2020
1848666-201911-N2	4.6.3.2 Part-3 Minor	20/11/2019	Closed on 20/11/2020
2133482-202111-N1	4.4.1.1 Part-3 Minor	17/11/2021	Closed on 17/11/2022
2277138-202211-M1	4.4.1.1 Part-3 Major	17/11/2022	Closed on 11/02/2023
2277138-202211-M2	4.4.4.2 (b) Part-3 Major	17/11/2022	Closed on 11/02/2023
2277138-202211-N1	4.6.4.1 Part-3 Minor	17/11/2022	Open
2277138-202211-N2	4.4.5.6 Part-3 Minor	17/11/2022	Open

### 3.5 Issues Raised by Stakeholders

IS #	Description
1	<p><b>Feedbacks:</b>  <u>Contractors and vendors (Jen Siong Transport, Mama Zarah, and KKME Engineering)</u>                      The contractors have a good relationship with the company. They were satisfied with the company's mechanism of awarding contract and purchasing procedure. The staff of the operating units have also been very accommodating should there be any issues of concern. The company has also always invited the contractors' representative to attend the stakeholder meetings as a channel to discuss any social issues. They were also made to understand the mechanism to lodge complaint or grievance should there be any.</p>
	<p><b>Management Responses:</b>                      No further issue.</p>
	<p><b>Audit Team Findings:</b>                      No further issue.</p>
2	<p><b>Feedbacks:</b>  <u>Neighbouring premise (KTS Plantation)</u>                      The stakeholder has a very good relationship with the company and has been transparent should there be any issues of concern. There has been no undissolved issue so far. The company has also always invited their representative to attend meetings as a channel to discuss any social issues. They were also made to understand the mechanism to lodge complaint or grievance should there be any. So far, there is no activities of the certification unit that has given negative impact to the stakeholder business.</p>
	<p><b>Management Responses:</b>                      No further issue.</p>
	<p><b>Audit Team Findings:</b>                      No further issue.</p>
3	<p><b>Feedbacks:</b>  <u>Community Learning Centre (CLC) and HUMANA</u></p>



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	<p>Relationships were very good. The schools were also very grateful to the company for continuous contributions especially in providing and maintaining the school's facilities and providing the schoolchildren with stationeries, school uniform, t-shirts, and food supplementary. They were also made to understand the mechanism to lodge complaint or grievance should there be any.</p> <p><b>Management Responses:</b> No further issue.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
<b>4</b>	<p><b>Feedbacks:</b> <u>Field workers (estates and mill)</u></p> <p>The management has been very accommodative to the workers in term of welfare. Safety at the workplace is a top priority imposed by the management. Adequate trainings and free PPE were among the main needs given by the management. With regards to welfare, housing facilities, water &amp; electricity supply were always maintained in good conditions. Workers were also made to understand the mechanism to lodge complaint or grievance should there be any. There has been no issue with regards to delivering the terms &amp; conditions stipulated in the employment contract so far.</p> <p><b>Management Responses:</b> No further issue.</p> <p><b>Audit Team Findings:</b> No further issue.</p>

**3.6 List of Stakeholders Contacted**

<p><b>Government Officer:</b> -</p>	<p><b>Community/neighbouring village:</b> 1. KTS Plantation</p>
<p><b>Suppliers/Contractors/Vendors:</b> 1. Jen Siong Transport 2. Mama Zarah 3. KKME Engineering</p>	<p><b>Worker's Representative/Gender Committee:</b> 1. Community Learning Centre (CLC) 2. HUMANA Representative 3. Worker's Representative Committee Representative 4. Gender Committee Representative 5. Field workers (estates and mill)</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 Sakilan Palm Oil Mill and Supply Base Certification Unit complies with the <b>MS 2530-3:2013</b> and <b>MS 2530-4:2013</b> . It is recommended that the certification of Sakilan Palm Oil Mill and Supply Base Certification Unit is continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> R. KUMARESH SR. PLANTATION CONTROLLER SANDAKAN REGION	<b>Name:</b> VIJAY KANNA PAKIRISAMY
<b>Company name:</b> IOI CORPORATION BERHAD	<b>Company name:</b> BSI SERVICES (MALAYSIA) SDN BHD
<b>Title:</b> SR. PLANTATION CONTROLLER	<b>Title:</b> CLIENT MANAGER
<b>Signature:</b> 	<b>Signature:</b> 
<b>Date:</b> 22/02/2023	<b>Date:</b> 15/02/2023



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

**Malaysian Sustainable Palm Oil 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 IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato’ Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Group Head of Sustainability. The policy was last revised in October 2020. The policy emphasizes on the following commitments: <ul style="list-style-type: none"> <li>- Compliance with all applicable legislation and codes of practice</li> <li>- Implementation of sustainability standards laid out in the policy of environmental, human rights, community development and social impacts</li> <li>- Contribution to the United Nations Sustainable Development Goals (“UN SDGs”)</li> <li>- Building traceable supply chain such that all suppliers are also in compliance with IOI’s Sustainability Policy</li> <li>- To strive the highest levels of transparency and stakeholder engagement</li> </ul> The policy is also publicly available at <a href="https://www.ioigroup.com/Content/S/S_Enquiries">https://www.ioigroup.com/Content/S/S_Enquiries</a>	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement.	The commitment towards sustainable production of palm oil and its continuous improvement as outlined in the MSPO guidelines and RSPO	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Principle and Criteria is stated in the IOI Group Sustainable Palm Oil Policy.	
<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. - Major compliance -	The internal audits were planned in compliance with the company's Standard Operation Procedure for MSPO Internal Audit Procedure; Document Number: MSPO/SOP/IA/2; Revision Number: 02; Document Date: 01/11/2018. The SOP states the frequency of the MSPO Internal Audit must be carried out at least once a year. More frequent audits may be conducted for higher risk units. The audits are conducted by the Sustainable Palm Oil (SPO) Department, Sandakan Regional Office. The plan of Sakilan Region MSPO Internal Audit was established at by the Sustainable Palm Oil (SPO) Department and conducted for Linbar 1 Estate, Linbar 2 Estate on 13/09/2022 and Sakilan Estate on 15/09/2022.	Complied
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	The internal audits were established and available in the Standard Operation Procedure for MSPO Internal Audit Procedure; Document Number: MSPO/SOP/IA/2; Revision Number: 02; Document Date: 01/11/2018. The recent internal audits for the mill were conducted on 12/09/2022. The procedure states the requirement of the identification of the conformities and detailing of close out action such as feedback, corrective action and recommendation of improvement. <u>Linbar 1 Estate</u> During the MSPO Internal Audit conducted on 13/09/2022 at Linbar 1 Estate, there were 2 Major and 1 Minor Nonconformities raised. Linbar 1 Estate has provided the Root Cause, Correction & Timeline,	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Corrective Action &amp; Timeline and PIC on 13/10/2022 to the Sustainable Palm Oil (SPO Department). The SPO Department have conducted a Verification and Validation on 27/10/2022.</p> <p><u>Sakilan Estate</u></p> <p>During the MSPO Internal Audit conducted on 15/09/2022 at Sakilan Estate, there were 3 Major Nonconformities raised. Sakilan Estate has provided the Root Cause, Correction &amp; Timeline, Corrective Action &amp; Timeline and PIC on 20/10/2022 to the Sustainable Palm Oil (SPO Department). The SPO Department have conducted a Verification and Validation on 11/11/2022.</p>	
<b>4.1.2.3</b>	<p>Report shall be made available to the management for their review.</p> <p><b>- Major compliance -</b></p>	<p>The MSPO Internal Audit reports were made available to the management within 14 days of the audit. The report has the information about standards' requirements and findings. The results of the internal audits were also part of the agenda recorded in the management review meeting.</p>	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p><b>- Major compliance -</b></p>	<p>The management review was conducted in compliance with the company's Standard Operation Procedure for MSPO Internal Audit Procedure; Document Number: MSPO/SOP/IA/2; Revision Number: 02; Document Date: 01/11/2018 which states a management review shall be carried out to address the non-conformities details.</p> <p>The Management Review meeting was conducted on 03/10/2022 at Linbar 1 Estate and 28/09/2022 at Sakilan Estate. The meetings were chaired by the Acting Mill Manager and attended by the Assistant Mill Managers, Safety Officer, Mill Supervisor, SPO Supervisor and others.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.1.4 – Continual Improvement</b>			
<p><b>4.1.4.1</b></p>	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p><b>- Major compliance -</b></p>	<p>The continual improvement plan for financial year 2021/2022 was available for all the sampled estates. It was established based on the social and environmental impact. To name a few of the action plans established at the mill are:</p> <p><u>Linbar 1 Estate</u></p> <ol style="list-style-type: none"> <li>1. Management &amp; Social           <ul style="list-style-type: none"> <li>- Most Beautiful House Competition</li> <li>- New Furniture &amp; Necessities – To provide basic amenities to all workers which is still in progress as it will be delivered by phase for mattress, bedstead, cupboard, gas stove and meat safe.</li> <li>- Repainting House – To improve housing cheerfulness instead of old linesite as it ages.</li> <li>- School Equipment – To provide the basic needs for Humana’s students.</li> </ul> </li> <li>2. Management &amp; Environment           <ul style="list-style-type: none"> <li>- New Poster Wildlife (RTE Species) – Give awareness to all employees.</li> <li>- Recycling Management – Improving recycle practice to reduce pollution to environment.</li> </ul> </li> <li>3. Management &amp; Safety           <ul style="list-style-type: none"> <li>- New signboards for PPE and Warning Signs – providing safety information at the workplace to improve awareness on safety issue.</li> </ul> </li> </ol>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Sakilan Estate</u></p> <ol style="list-style-type: none"> <li>Management &amp; Social           <ul style="list-style-type: none"> <li>To provide basic amenities to all workers which is still in progress as it will be delivered by phase for mattress, bedstead, cupboard, gas stove and meat safe.</li> <li>To give stationery, bags for Humana Schools.</li> <li>To provide free food for Humana &amp; CLC Students.</li> <li>1 Unit ne Humana School and Surau.</li> </ul> </li> <li>Management &amp; Safety           <ul style="list-style-type: none"> <li>Replace roofing at Workshop.</li> <li>Construct 439m Monsoon Concrete Drainage.</li> </ul> </li> </ol>	
4.1.4.2	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p><b>- Major compliance -</b></p>	<p>The estates continuously introduce new technology to improve efficiency of the work activities, reduce environmental impacts and increase health and safety compliances. Any new technology and/or innovation equipment is subject to approval by HQ. New technologies have been implemented as below:</p> <p><u>Linbar 1 Estate</u></p> <ol style="list-style-type: none"> <li>Bin System - Implementation of grabber and bin for FFB evacuation improvement.</li> <li>New Passenger Trailer – To provide safe transporting workers to workplace.</li> <li>Crawler (25 Units) – To change from wheelbarrow to crawler.</li> </ol> <p><u>Sakilan Estate</u></p> <ol style="list-style-type: none"> <li>Purchase of 3 Units Power Barrow.</li> </ol>	Complied

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		2. Purchase of Mini Excavator – For maintenance of road and drains at field and line side compound.	
<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>	When there are plans for any new techniques or technology to be implemented, a budget is allocated by the company to the estates. Prior to the implementation of the new technology or practices, the relevant personals and workers are adequately trained on the standard operating procedures and its safety aspects by the suppliers or competent personals.	Complied
<b>4.2 Principle 2: Transparency</b>			
<b>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</b>			
<b>4.2.1.1</b>	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. <b>- Major compliance -</b>	The sampled estates are transparent and open to communicate its information on environmental, social, and legal issues related to sustainability practice to its stakeholders. The awareness among the stakeholders about the request of information was made mainly during stakeholders’ consultation meetings, which was last conducted on 14/10/2022.	Complied
<b>4.2.1.2</b>	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. <b>- Major compliance -</b>	Among the information can be made available upon request is: <ul style="list-style-type: none"> <li>• Company’s policies</li> <li>• Management action plans (e.g., SIA, EIA, HCV, WMP, OHS, and continuous improvement plan)</li> <li>• Company’s annual report and certification assessment reports</li> <li>• Complaint and grievance procedure</li> <li>• Land use rights</li> </ul>	Complied

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		This has been communicated in the stakeholders' consultation meeting.	
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	IOI Group has established Grievance Procedure indicated in the Group Social Impact Assessment & Management Action Plans Guidance Document (For Period 2019-2024), revised on Oct 2021. There are three stages of handling grievance i.e.: 1. Grievance Submission - Submitted through Green Book, hotline or ECC immediately or within 24 hours 2. Preliminary Investigation - Investigate within 30 working days from grievance submission date 3. Further Investigation/Meeting with complainant - Meet up with complainant within 10 working days after preliminary investigation outcome	Complied
<b>4.2.2.2</b>	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. <b>- Minor compliance -</b>	The sampled estates have appointed the following personnel to be the responsible person in handling the issues related to Indicator 1, i.e.: 1. Linbar 1 – Mr Berthold Kibin [ref.: letter dated 28/03/2019 from the Estate Manager] 2. Sakilan – Mr Rene Ulysses Hanis [ref.: letter dated 29/10/2022 from the Estate Manager]	Complied
<b>4.2.2.3</b>	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. <b>- Major compliance -</b>	List of stakeholders for all the operating units were last updated on 10/11/2022. The list consists of various group of stakeholders such as government authorities, contractors/suppliers, NGOs, local communities, and internal stakeholders such as workers and representatives.	Complied

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		Records of consultation generally recorded in the stakeholders' consultation minute of meeting. The last consultation was conducted on 14/10/2022 for Sakilan Group (mill and supplying estates). Feedbacks were recorded in the Timebound Action Plan 2022 which includes the positive/negative impacts, complaints, continuous improvement, and suggestion. The management had also included the explanation about RSPO & MSPO certification, IOI policies, Human Rights Defender, procedures to handle complaints and land dispute, HCV, and best practices.	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - <b>Major compliance</b> -	The IOI Group has established, implemented and maintained a procedure for traceability of FFB from the estate to the CPO & PK produced by the palm oil mill. The SOP for Traceability, documented in Management System & Traceability Control Procedures; Document Number: MSPO/SOP/MST/01; Revision Number: 00; Document Date: 31/10/2020; was made available for verification.	Complied
<b>4.2.3.2</b>	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 on a yearly basis.	Complied
<b>4.2.3.3</b>	The management should identify and assign suitable employees to implement and maintain the traceability system. - <b>Minor compliance</b> -	<u>Linbar 1 Estate</u> The estate management has appointed Mr. Berthold Kibin (Assistant Manager) as the MSPO person in-charge, responsible for Traceability in the estate as stated in the appointment letter dated 26/10/2020 undersigned by the Manager, Linbar 1 Estate. <u>Sakilan Estate</u>	Complied



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		The estate management has appointed Mr. Mohd Harman Bin Bahar (Cadet Assistant Manager) as the MSPO Officer, responsible for Traceability in the estate as stated in the appointment letter dated 29/09/2021 undersigned by the Manager, Sakilan Estate.	
<b>4.2.3.4</b>	Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b>	All records of incoming FFB produced and delivered on daily basis were maintained and verified traceable through the delivery notes, lorry ticket & weighbridge which were maintained at the estate office. Records for year 2022 were maintained and verified.	Complied
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. <b>- Major compliance -</b>	<p>Sakilan Certification Unit has maintained the systems for documentation, checking and assessment of legal compliance with applicable laws and regulations. Inspection of records showed that the estate has maintained legal compliance with statutory requirements. Sample of permit and license sighted as listed below:</p> <p><u>Linbar 1 Estate</u></p> <ol style="list-style-type: none"> <li>1. MPOB (FFB) License; License Number: 502435102000; License Validity Period: 01/09/2022 – 31/08/2023.</li> <li>2. MPOB (Nursery) License; License Number: 525933011000; License Validity Period: 01/01/2022 – 31/12/2022.</li> <li>3. License to Employ Non-Residential Workers; License Number: JTK.H.KBN.600-4/1/1/01261/0281; License Validity Period: 27/07/2022 – 26/07/2023</li> <li>4. Permit Barang Kawalan Berjadual; Serial Number: P (S 003526); Reference Number: PPDNKK.SDK.04/2002 (SK); Description:</li> </ol>	Complied

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		<p>Diesel Euro 2M (Industry); Storage Quantity: 30,000 Liters; Validity Period: 29/06/2021 – 28/06/2024.</p> <p>5. Energy Commission – Private Installation License; License Number: 2022/02067; Serial Number: 56529; License Validity Period: 08/07/2022 – 07/07/2023.</p> <p><u>Sakilan Estate</u></p> <p>1. MPOB (FFB) License; License Number: 503335002000; License Validity Period: 01/08/2022 – 31/07/2023.</p> <p>2. MPOB (Nursery) License; License Number: 618962011000; License Validity Period: 01/12/2021 – 31/11/2022.</p> <p>3. Permit Barang Kawalan Berjadual; Serial Number: P (S005432); Reference Number: PPDNKK.SDK.43/2007 (SK); Description: Diesel Euro 2M (Industry); Storage Capacity: 40,500 Liters; License Validity Period: 25/11/2021 – 24/11/2024.</p> <p>4. Energy Commission – Private Installation; License Number: 2022/01711; Serial Number: 55891; License Validity Period: 13/06/2022 – 12/06/2023.</p> <p>5. License to Employ Non-Residential Workers; License Number: JTK.H.SDK.600-4/1/1/01261/003858; License Validity Period: 01/12/2022 – 01/12/2023.</p>	
<b>4.3.1.2</b>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	<p>The list of related regulations and laws was documented in their List of Laws, Covenants &amp; Standards Applicable to Sabah Estate &amp; Mill Operations. Sustainable Palm Oil Department was in charged for the updating if there any new requirement or regulations that come into force.</p>	Complied

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<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 Requirements Register are subjected to periodic reviews in the event of new legislation enforced by National or State laws on in the event of any new cost-effective technology development. SPO Department have established the Mechanism of Tracking Law Changes (Reference: IOI/SR/SPO/MTLC/22-01); Established Date: 03/01/2022. The document states the responsibilities of Legal Department – IOI Head Quarters, Regional Office, Sustainability Department and Estate/Mill Management. All the legal and other requirements were registered accordingly and documented including new updates.	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>	Sustainable Palm Oil Department is responsible to update as when the new regulation or amendments coming into force. Later the SPOD will distributed the information to the operating units. At Linbar 1 Estate, Mr. Berthold Kibin (Assistant Manager) has been appointed as the MSPO person in-charge, responsible for legal compliance in the estate as stated in the appointment letter dated 26/10/2020 undersigned by the Manager, Linbar 1 Estate. At Sakilan Estate, Mr. Mohd Harman Bin Bahar (Cadet Assistant Manager) has been appointed as the MSPO Officer, responsible for legal compliance in the estate as stated in the appointment letter dated 29/09/2021 undersigned by the Manager, Sakilan Estate.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	The oil palm cultivation activities for the sampled estates do not diminish the land use rights of other users. The conditions stipulated in the land title was adhered to.	Complied

Criterion / Indicator		Assessment Findings	Compliance																					
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. <b>- Major compliance -</b>	Linbar 1 and Linbar 2 estates are sharing one land title [ref.: #CL095311667, owner: Right Purpose Sdn Bhd, 4,840.0 Ha, lease period: 1/1/1983 to 31/12/2081] to show legal ownership. Whereas, for Sakilan Estate, there are three land titles #CL075471242, #CL075471260, and #CL075471288.	Complied																					
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	<p>The estates have maps showing the locations of boundary stones that have been physically located and marked. Inspection of boundary stones/ markers/ trenching at the estates, during the field inspection confirmed that they were clearly marked and maintained. All the physical markers/boundary stones along the legal boundaries between were visibly available.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Boundary</th> <th>Neighbouring Property</th> </tr> </thead> <tbody> <tr> <td>Sakilan</td> <td>P97Q</td> <td>IJN Plantation Bhd</td> </tr> <tr> <td>Sakilan</td> <td>P97E</td> <td>IJN Plantation Bhd</td> </tr> <tr> <td>Sakilan</td> <td>P97H</td> <td>Smallholder</td> </tr> <tr> <td>Sakilan</td> <td>P97C</td> <td>Malsa Corporation</td> </tr> <tr> <td>Linbar 1</td> <td>P10G</td> <td>Segaliud Lokan Forest</td> </tr> <tr> <td>Linbar 1</td> <td>P12G</td> <td>Kg Pahu</td> </tr> </tbody> </table>	Estate	Boundary	Neighbouring Property	Sakilan	P97Q	IJN Plantation Bhd	Sakilan	P97E	IJN Plantation Bhd	Sakilan	P97H	Smallholder	Sakilan	P97C	Malsa Corporation	Linbar 1	P10G	Segaliud Lokan Forest	Linbar 1	P12G	Kg Pahu	Complied
Estate	Boundary	Neighbouring Property																						
Sakilan	P97Q	IJN Plantation Bhd																						
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Linbar 1	P10G	Segaliud Lokan Forest																						
Linbar 1	P12G	Kg Pahu																						
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). <b>- Minor compliance -</b>	There was no land dispute at the certification unit. The company has the legal ownership documents as demonstrated by possessing land titles issued by the state government.	Not Applicable																					
<b>Criterion 4.3.3 – Customary rights</b>																								

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	No land is encumbered by customary rights.	Not Applicable
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. <b>- Minor compliance -</b>	No land is encumbered by customary rights.	Not Applicable
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. <b>- Major compliance -</b>	No land is encumbered by customary rights.	Not Applicable
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance –</b>	The sampled estates have last reviewed their SIA in Nov 2022 by the appointed Social Liaison Officers. Among the methods of identifying the social impacts were: <ul style="list-style-type: none"> <li>- Conducting both internal &amp; external stakeholder meetings</li> <li>- Grievance book</li> <li>- Employee Consultative Committee meetings</li> <li>- Women empowerment committee</li> <li>- Safety committee meeting</li> <li>- Collecting feedbacks from questionnaires with regards to merchandise, shop services, children’s activities after school, satisfaction towards complaint/grievance, etc.</li> </ul>	Major Non-Compliance

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	<p>Among the group of stakeholders outreached by the governmental organization, gender representatives, NGO, neighbouring estates, religious representatives, employees, contractors, suppliers, and village representatives. Generally, among the impacts identified were those related to compliance with legal requirements, workers welfare, handling of complaints &amp; grievances and socio-economic impact on surrounding communities. SIA management plan was developed thereafter to address the identified issues. Among the information available in the management plan is social aspects, potential impacts, action plan &amp; monitoring programme, and management review.</p> <p>However, it was found that the following activities has yet to be risk assessed:</p> <ol style="list-style-type: none"> <li>1. Tamu event (night market) had been organised by Sakilan Estate inside their premise once a month for the past 3 months. Several third-party vendors came to sell their goods on that occasion. However, the risk assessments (e.g., on social impact, safety &amp; health, etc.) for this activity has yet to be conducted. Moreover, the vendors were not registered in the stakeholder list.</li> <li>2. Some of the workers at Linbar 1 and Sakilan estates get their supply of petrol from outside the premises and keep the stock in their housing compound for motorcycle consumptions. However, the risk assessments (e.g., on social impact, safety &amp; health, etc) has yet to be conducted.</li> </ol> <p>Thus, a major nonconformity report was assigned due to this lapse. The nonconformity is graded as major since a nonconformity was also raised under this indicator in the last assessment.</p>	
<p><b>Criterion 4.4.2: Complaints and grievances</b></p>		

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4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - <b>Major compliance</b> -	IOI Corporation Berhad has a Grievance Procedure [doc. No. IOI/P/GP/001, rev. 1, dated 20/1/2020] which outlined the system for dealing with complaints and grievance.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - <b>Major compliance</b> -	The sampled estates are having a format to record complaints or requests from the stakeholders. Based on the records, most of the complaints were about defects of housing facility. The actions taken by the management were found to be appropriate and timely manner.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - <b>Minor compliance</b> -	The complaint forms were available at the operating unit's office, where the stakeholders can easily access should it be needed. Among the information available in the form is name of requestor/complainant, date of request, details of complaint/grievance, details of action taken including dates and acknowledgement signature of the requestor.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - <b>Minor compliance</b> -	Employees and the surrounding communities were made aware that complaints or suggestions can be made any time through various meetings such as morning muster, training/briefing and stakeholder consultation.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - <b>Major compliance</b> -	The complaints and resolutions for the past 24 months (i.e., from November 2020) were well maintained by the sampled estates and available upon request.	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. - <b>Minor compliance</b> -	Since the last assessment, there have been a couple of contributions in forms of gift hamper and monetary donation for supporting school	Complied

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		events. The recipients were SK Sakilan Desa (on 25/02/2022) and Sakilan’s Humana School (on 16/09/2022).	
<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 has established Occupational Safety, Health and Hygiene Policy signed by the Plantation Director dated March 2022. In the policy, stated the company’s commitment to implement leading sustainability, human rights and safety standards by providing safe, healthy and harmonious working environment for all our employees as well as others who may be affected by the operations.  Sakilan Estate and Linbar 1 Estate has established Safety Management Plan. The management plan includes the OSH Programs, General Safety Requirements, PPE Program, Chemical Safety Procedures, Emergency Response Plan and Plan Review.	Complied
<b>4.4.4.2</b>	The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as	The Safety Management Plans 2022 cover the following: a. IOI Group has established Occupational Safety, Health and Hygiene Policy signed by the Plantation Director dated March 2022. In the policy, stated the company’s commitment to implement leading sustainability, human rights and safety standards by providing safe, healthy and harmonious working environment for all our employees as well as others who may be affected by the operations. The policy was communicated through training, briefing and displayed on notice board. The policy has been briefed to all workers as below. - Sakilan Estate: 25/04/2022 - Linbar 1 Estate: 04/08/2022	Major Non Compliance



Criterion / Indicator	Assessment Findings	Compliance
<p>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>	<p>b. HIRARC was available for all operations within the estates to identify the hazards, assess and recommended control measures to minimize the risks. Among the HIRARC sampled were Harvesting of FFB, P&amp;D Control, FFB Checking, landfill Activities, Creche and Diesel Tank. All HIRARC were recently reviewed on 07/01/2022 at Linbar 1 Estate.</p> <p>Other risks were assessed in compliance with national regulations and its report recommendations were implemented and verified as below.</p> <p><u>Linbar 1 Estate</u></p> <p>Chemical Health Risk Assessment (CHRA) was conducted in compliance with Occupational Safety and Health (USECHH) regulation 2000 on 02/11/2020 – 12/11/2020 by DOSH Registered Assessor, Dr. Mohd Azizan Bin Abdul Aziz (HQ/11/ASS/00/298-2020/217) with the CHRA Report available for verification. The CHRA Report (Report Ref Number: HQ/11/ASS/00/298-2020/217) was available for verification.</p> <p>Medical Surveillance was conducted to establish workers health status when they work in an environment where they are exposed to hazardous chemicals and fumes, in compliance with CHRA Report. The estate has conducted the medical surveillance on 22/09/2022 for 25 workers at Klinik Ung (Lahad Datu) Sdn Bhd where all the workers were certified fit to work with no workers needed for Medical Removal Protection.</p> <p>Initial Noise Risk Assessment was conducted in compliance to OSH (Noise Regulation 2019, by DAB OH Sdn Bhd on 25/09/2020 for Linbar 01 Estate. The NRA Report (Ref. No: JKKP: KIM127/453/6(30)) was available for verification.</p>	

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	<p>Audiometric test was conducted in 10/02/2022 by DAB OH Sdn Bhd for all workers exposed to excessive noise at the estate which has been identified in the Noise Risk Assessment. A total of 23 workers had undergone the audiometric test where 20 workers were diagnosed to have normal hearing and 3 workers with Abnormal Audiogram. No workers were diagnosed with Standard Threshold Shift.</p> <p>Nevertheless, the implementation of the risk controls was not adequate. Evidence as below.</p> <ol style="list-style-type: none"> <li>1. During the site visit at Harvesting Operation - Block 12C, it was found that 1 tractor driver was not wearing sufficient PPEs – Earplugs. This was not in line with the NRA Recommendation dated 25/09/2022, Section 8.0; Farm Tractor Driver: <i>'Good Practice to wear PHP during work'</i>.</li> <li>2. During the site visit at the Genset Station, it was observed that the Genset Operator was not wearing Safety Shoes. This was not in line with the HIRARC – Genset House dated 04/10/2022; Existing Risk Control – Working Inside Genset House: PPE (Safety Helmet, Safety Shoes, Earmuff/Earplug, Nitrile Gloves, Respirator).</li> <li>3. During the site visit at the Water Treatment Plant, it was observed that the Water Treatment Operator was not wearing sufficient PPEs – Earplugs and Safety Boots. This was not in line with: <ul style="list-style-type: none"> <li>• NRA Recommendation dated 25/09/2022, Section 8.0: Water Treatment Operator – Best Practice: Recommend wearing PHP during work.</li> </ul> </li> </ol>	

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	<ul style="list-style-type: none"> <li>• HIRARC – Water Treatment Plant dated 07/01/2022; Existing Risk Control – Working Inside Genset House: Use PPE (Nitrile Gloves, Respirator, Face Shield, Apron, Safety Boot).</li> </ul> <p><u>Sakilan Estate</u></p> <p>Chemical Health Risk Assessment (CHRA) was conducted in compliance with Occupational Safety and Health (USECHH) regulation 2000 on 30/10/2020 – 12/11/2020 by DOSH Registered Assessor, Dr. Mohd Azizan Bin Abdul Aziz with the CHRA Report available for verification. The CHRA Report (Report Ref Number: HQ/11/ASS/00/298-2020/216) was available for verification.</p> <p>Medical Surveillance was conducted to establish workers health status when they work in an environment where they are exposed to hazardous chemicals and fumes, in compliance with CHRA Report. The estate has conducted the medical surveillance on 12/03/2022 for 29 workers at DAB OH Sdn Bhd where all the workers were certified fit to work with no workers needed for Medical Removal Protection.</p> <p>Initial Noise Risk Assessment was conducted in compliance to OSH (Noise Regulation 2019, by DAB OH Sdn Bhd on 21/09/2020 for Sakilan Estate. The NRA Report (Ref. No: DABOH/0920/054) was available for verification.</p> <p>Audiometric test was conducted in 11/02/2022 by DAB OH Sdn Bhd for all workers exposed to excessive noise at the estate which has been identified in the Noise Risk Assessment. A total of 14 workers had undergone the audiometric test where 12 workers were diagnosed to have normal hearing and 2 workers with</p>	

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	<p>Abnormal Audiogram. No workers were diagnosed with Standard Threshold Shift. Medical Check Up has been conducted for the 2 workers with Abnormal Audiogram on 07/10/2022.</p> <p>Nevertheless, the implementation of the risk controls was not adequate. Evidence as below.</p> <p>During site inspection at Sakilan Estate – Manuring Tractor and Workshop found containers with hydraulic &amp; lubricant oil stored without any label. It was not in line with OSH (USECHH) Regulations 2000, Part VI Labelling &amp; Relabelling; 21, (1) An employer shall ensure that all chemicals hazardous to health supplied or purchased by him and used in the place of work are labelled and that the labels are not removed, defaced, modified or altered. (2) When the labels mentioned in sub regulation (1) are removed, defaced, modified or altered while the chemical hazardous to health is being used at the place of work, the employer shall re-label the chemical.</p> <p>c. The estates have established an Occupational Safety and Health – Training Programme for the year 2022 which includes training for employees exposed to chemicals used at the estate to ensure continuous awareness to the employees. The training was conducted by the Manager, Asst. Manager and representative from the chemical suppliers to the supervisors and operators. Among the trainings conducted are as below.</p> <p><u>Linbar 1 Estate</u></p> <ul style="list-style-type: none"> <li>- Premix, Chemical Handling and SDS Training conducted on 23/06/2022</li> <li>- Chemical Store and SD Training on 23/08/2022</li> <li>- Spraying SOP Training on 02/09/2022</li> </ul>	

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	<p><u>Sakilan Estate</u></p> <ul style="list-style-type: none"> <li>- Spraying and PPE SOP Training on 10/09/2022 and 10/10/2022.</li> <li>- Chemical Premixing SOP Training on 27/04/2022</li> <li>- Spray Pump Maintenance Training on 24/05/2022</li> </ul> <p>d. The estate has provided appropriate PPE to all workers according to the job type and requirements. The PPE given as per HIRARC requirements. Sighted the PPE issuance records documented in "Borang Pemberian Alat Perlindungan Diri (Individu)". The PPE issued recorded by workers and job station.</p> <p>e. Procedures of Chemical Handling is presented in several documents in the estate. Among the related documents verified are as below.</p> <ul style="list-style-type: none"> <li>- Occupational Safety and Health Management System; Title: Competence and Training; Subject: SOP – Chemical Storage and Chemical Store Management; Document Reference: IOI – OSH 3.2.2; Date: 01/08/2012; Revision: 01.</li> <li>- Occupational Safety and Health Management System; Title: Competence and Training; Subject: SOP – Chemical Premixing; Document Reference: IOI – OSH 3.2.2; Date: 01/08/2012; Revision: 0.</li> <li>- Occupational Safety and Health Management System; Title: Competence and Training; Subject: SOP – Chemical Spraying; Document Reference: IOI-OSH 3.2.2; Date:01/08/2012; Revision: 1.</li> </ul> <p>f. As stated in the IOI Group – Safety Management Plans – which states that the chairman of the Safety and Occupational Health</p>	

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	<p>Committee shall be appointed as per Regulation 6 (1) of OSH (Safety and Health Committee) Regulations 1996 which reads "An employer or his authorized manager shall be chairman of a safety and health committee". The management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate Managers.</p> <p>g. Sakilan Certification Unit estates conducted regular OSH committee meetings on quarterly basis and when necessary due to accidents that occur. In the meeting, discussed issue on employees' safety, health and welfare such as estate safety and health achievement report, estate security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training.</p> <p><u>Linbar 1 Estate</u></p> <ul style="list-style-type: none"> <li>- Sighted the latest OSH Meeting Minutes dated 10/10/2022 (03-2022), 21/07/2022 (02-2022) and 08/04/2022 (01-2022) available for verification.</li> </ul> <p><u>Sakilan Estate</u></p> <ul style="list-style-type: none"> <li>- Sighted the latest OSH Meeting Minutes dated 27/09/2022 (03-2022), 27/06/2022 (02-2022) and 30/03/2022 (01-2022) available for verification.</li> </ul> <p>h. Accident and Emergency Response Procedures are available in the document Occupational Safety and Health Management System; Title: Emergency Prevention, Preparedness and Response; Doc Reference: IOI-OSH 3.3.4.3; Issue: 1/0; Date: 01/08/2012. Emergency Response Plans for the estates were available covering Spillage – Diesel and Lubricant Oil, Flood, Fire, Tractor/Lorry</p>	

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	<p>Incidents, Chemical Exposure and Physical Injuries.</p> <p>The estates have established Emergency Response Team 2022 lead by the Emergency Commander (Estate Manager). Trainings and awareness related to ERP have been conducted at the estate for the workers. Sighted the Fire Fighting and Fire Drill Training conducted at Linbar 1 Estate on 19/09/2022 and Fire Drill Training conducted at Sakilan Estate on 25/06/2022.</p> <p>i. First aiders were present at various workstations at the estate. The first aiders were responsible for first aid box at each workstation assigned to them by the management. The first aid box was recently replenished with records of monthly monitoring available for verification. Interview with the designated first aid box holders indicated that they have been trained and are well aware on the usage of the first aid box items. The latest First Aid Training was conducted on 26/07/2022 at Linbar 1 Estate and 31/10/2022 at Sakilan Estate for all mandores and First Aid Handlers.</p> <p>j. Accident records are recorded and maintained in the estate and discussed during the quarterly held JKPP Meetings.</p> <p><u>Linbar 1 Estate</u></p> <p>There were 3 reported accidents for the year 2021 in the estate. Sighted the JKPP 8 form submission to JKPP for the year 2021 as well, submitted on 18/01/2022. There were 5 accident/incident reported at the estate for the year 2022 as of to date. The JKPP 6 and Accident Investigation Report was available for verification.</p> <p><u>Sakilan Estate</u></p> <p>There were 3 reported accidents for the year 2021 in the estate. Sighted the JKPP 8 form submission to JKPP for the year 2021 as well, submitted on 05/01/2022. There were 2 accident/incident</p>	

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		reported at the estate for the year 2022 as of to date. The JKPP 6 and Accident Investigation Report was available for verification.	
<b>Criterion 4.4.5:</b> Employment conditions			
<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. <b>- Major compliance -</b>	Policy on good social practices regarding human rights is addressed in the IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato' Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Group Head of Sustainability. The policy was last revised in October 2020. Communication to the employees was done in various methods such as briefing during morning muster, display on notice boards and training.	Complied
<b>4.4.5.2</b>	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. <b>- Major compliance -</b>	The company is committed to ensure all the employees are treated equally regardless of race, nationality religion, gender, age, and other political opinions. There was no evidence of any form of discriminatory practice.	Complied
<b>4.4.5.3</b>	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. <b>- Major compliance -</b>	Employment contracts for workers were available for verification. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the workers. Based on sampled pay slips, it was found that the wages were paid in line with the Minimum Wage Order 2022. This has also been further verified through interview with the sampled workers.	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.	In order to ensure employees of contractors are paid based on legal or industry minimum standards, the management requests payslips from the contractors. Payslips of employees from JS Transport (Linbar 1) and Kontraktor Pengangkutan Hidayah (Sakilan) were available for	Complied



Criterion / Indicator		Assessment Findings	Compliance
	- <b>Minor compliance</b> -	verification. All the pay was found to be meeting the minimum standard requirements.	
<b>4.4.5.5</b>	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.  - <b>Major compliance</b> -	Employee data base is kept and maintained in a computer system (SAP). All the required information such as names, gender, date of birth, date of entry, job description, and ID number was available in the data base.	Complied
<b>4.4.5.6</b>	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.  - <b>Major compliance</b> -	Every employee had been provided with employment contract which is signed by both parties. The terms and conditions stipulated in the employment contract and written in Bahasa Malaysia, were found to be in-line with the legal requirements.  However, it was found that the charge for electricity usage to the workers was not clearly justified according to the terms stated in the employment contract. There is a RM10/month charge to the workers on electricity usage for each house at Sakilan Estate's Div. 1 which was agreed by the workers. The charge was made through wage deduction and stated in the pay slip. However, the basis of how the RM10 value was derived was not clearly demonstrated, despite the term stated in the employment contract Clause 20(i)(c) which reads, " <i>Api/elektrik (listrik) ditanggung oleh PEKERJA jika melebihi had yang diberikan dan yang dibekalkan oleh pihak syarikat.</i> " Thus, a non-conformity report was assigned due to this lapse.	Minor Non Compliance
<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.  - <b>Major compliance</b> -	The estates are using Electronic Plantation Mobile Solution (EPMS) as its methods to record working hours and overtime. The data will then be transferred to the SAP system for wages calculation. Employees can	Complied

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

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<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>	Apart from the SPOP, this is also addressed under IOI Group’s Policy on Harassment at Workplace, which was signed by the Plantation Director dated June 2018. There has been no report with regards to any forms of sexual harassment and violence at the workplace since the last assessment. Should there be any, the “Guidelines for Handling Harassment at Workplace”, dated 26/11/2020 will be used.	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>	Apart from the SPOP, this is addressed under IOI Group’s Equal Opportunity Employment & Freedom of Association Policies, which was signed by the Plantation Director dated October 2017. By this policy, employees are not restricted to join any trade union.	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 exposed to hazardous working conditions. <b>- Major compliance -</b>	Based on verification of the employees’ data base extracted from the SAP system, there was no evidence that children and young persons have been recruited. This is also in-line with the company’s SPOP.	Complied
<b>Criterion 4.4.6: Training and competency</b>			

Criterion / Indicator		Assessment Findings	Compliance																																
<b>4.4.6.1</b>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p><b>- Major compliance -</b></p>	<p>Sakilan Certification Unit management has established an annual training program and listed several different trainings which cover the aspect of safety &amp; health, environmental, social and sustainability. Training records sighted are as below:</p> <p><u>Linbar 1 Estate</u></p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Triple Rinsed and Re-Entry SOP Training</td> <td>26/04/2022</td> </tr> <tr> <td>IPM – Beneficial Plant</td> <td>27/04/2022</td> </tr> <tr> <td>Welding, Acetylene &amp; Air Compressor Training</td> <td>24.05.2022</td> </tr> <tr> <td>Working At Height Training</td> <td>23/06/2022</td> </tr> <tr> <td>Nursery Training</td> <td>08/07/2022</td> </tr> <tr> <td>Scheduled Waste Training</td> <td>13/07/2022</td> </tr> <tr> <td>HCV Training</td> <td>01/07/2022</td> </tr> </tbody> </table> <p><u>Sakilan Estate</u></p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Harvesting and Loading Training</td> <td>27/08/2022</td> </tr> <tr> <td>Triple Rinse Training</td> <td>21/04/2022</td> </tr> <tr> <td>Spraying – HCV &amp; Buffer Zone Training</td> <td>27/04/2022</td> </tr> <tr> <td>Tractor Driver, Heavy Machinery, Lorry and Trailer Training</td> <td>23/09/2022</td> </tr> <tr> <td>Grievance Procedure Training</td> <td>02/08/2022</td> </tr> <tr> <td>Working at Height SOP Training</td> <td>28/05/2022</td> </tr> <tr> <td>Landfill Management Training</td> <td>13/08/2022</td> </tr> </tbody> </table>	Training	Date	Triple Rinsed and Re-Entry SOP Training	26/04/2022	IPM – Beneficial Plant	27/04/2022	Welding, Acetylene & Air Compressor Training	24.05.2022	Working At Height Training	23/06/2022	Nursery Training	08/07/2022	Scheduled Waste Training	13/07/2022	HCV Training	01/07/2022	Training	Date	Harvesting and Loading Training	27/08/2022	Triple Rinse Training	21/04/2022	Spraying – HCV & Buffer Zone Training	27/04/2022	Tractor Driver, Heavy Machinery, Lorry and Trailer Training	23/09/2022	Grievance Procedure Training	02/08/2022	Working at Height SOP Training	28/05/2022	Landfill Management Training	13/08/2022	Complied
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<b>4.4.6.2</b>	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to</p>	<p>Training needs analysis record was made available to the audit team. The management has categorized the training under 4 groups which are safety &amp; health, environment, social and sustainability. Each</p>	Complied																																

Criterion / Indicator		Assessment Findings	Compliance
	all employees based on their job description. <b>- Major compliance -</b>	employee is required to undergo the training to ensure their competency while carrying out their duties.	
<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>	A training programme has been developed and available in Training Programme for the year 2022. The trainings were sighted to have also included Gender Specific Training and involves staffs, workers and contractors.	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 policy in relation to environmental is stated in the IOI Group – Sustainable Palm Oil Policy with the latest revision on Oct 2020. The Policy is signed by The Group Chief Executive Officer and Head Sustainability Department.	Complied
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <b>- Major compliance -</b>	The policy in relation to environmental is stated in the IOI Group – Sustainable Palm Oil Policy latest revised dated Oct 2020 signed by Group Chief Executive Officer and Head Sustainability Department. Among others the Policy emphasized on the Environmental Management to include the following; a) Identification & protection of HCV And HCS forest b) Implementation of program to progressively reduce GHG emission, recycle /reuse of palm biomass c) Enforcement of IOI no burning policy. d) No use of paraquat and pesticides categorized by WHO class 1A or 1B.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>e) To identify source of GHG and calculation of GHG emission with plan /effort to minimize the emission.</p> <p>f) To reduce chemical usage by 5% from FY 20/21 to FY 21/22.</p> <p>The aspects and impact for the estates were established in a similar document prepared by the Sustainability team. The documents compilation was made for a period ranging from Nov 2015 – Oct 2023 prepared initially on 10/11/2015. Thereafter being reviewed with recent on 12/11/2022 for both the estates.</p> <p>Therein the content providing details relating to;</p> <p>a) Waste management and reduction plan</p> <p>b) Pesticide reduction plan</p> <p>c) Chemical &amp; fertilizer reduction plan</p> <p>d) Aspects and impacts identification &amp; risk assessment matrix</p> <p>e) Environmental pollution and GHG management plan.</p> <p>f) Future continuous improvement plan.</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>All the estates documented a similar environmental improvement plan being having similar operations and work method throughout the region. The continual improvements plans are aimed to;</p> <ol style="list-style-type: none"> <li>1. Prevent and reduce pollutant</li> <li>2. Prevent and reduce waste products release</li> <li>3. Reduce chemicals comprising pesticides or fertilizer</li> </ol>	Complied

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		<p>Details as compiled in the Environment Impact Assessment with management plan among other as shown below:</p> <table border="1"> <thead> <tr> <th data-bbox="1059 475 1451 512">Sources/objective &amp; target</th> <th data-bbox="1451 475 1861 512">Action steps</th> </tr> </thead> <tbody> <tr> <td data-bbox="1059 512 1451 608">Synergy support and planning between mill and estates</td> <td data-bbox="1451 512 1861 608">A synergistic support and planning of the EFB and dried POME from the mill to the estates.</td> </tr> <tr> <td data-bbox="1059 608 1451 735">Management of biodiversity river reserve &amp; buffer zone conservation</td> <td data-bbox="1451 608 1861 735">To train/ retrain sprayers/ manuring gang to avoid any chemical-related works at such areas</td> </tr> <tr> <td data-bbox="1059 735 1451 863">To monitor waste management plan for its suitability</td> <td data-bbox="1451 735 1861 863">SW &amp; domestic waste disposal monitoring. Changes of internal disposal site to the local municipal.</td> </tr> <tr> <td data-bbox="1059 863 1451 991">To improve employee's awareness on pollution prevention at housing complex including zero burning policy.</td> <td data-bbox="1451 863 1861 991">Continuous reminders and enforcement.</td> </tr> <tr> <td data-bbox="1059 991 1451 1062">To minimize spillage of oil/chemical onto the ground</td> <td data-bbox="1451 991 1861 1062">Continuous training/ use of spill trays</td> </tr> <tr> <td data-bbox="1059 1062 1451 1190">To review aspect identification &amp; impact evaluation to identify significant critical points control.</td> <td data-bbox="1451 1062 1861 1190">Review through EIA. Guidance also sourced from the chemical MSDS/ CSDS.</td> </tr> <tr> <td data-bbox="1059 1190 1451 1326">Soil erosion prevention plans</td> <td data-bbox="1451 1190 1861 1326">Using palm trunk chip as part of ground mulch Planting of LCC for ground covers No bare ground condition.</td> </tr> <tr> <td data-bbox="1059 1326 1451 1391">Identification of Integrated Pest Management</td> <td data-bbox="1451 1326 1861 1391">Practices of beneficial plant as SOP.</td> </tr> </tbody> </table>	Sources/objective & target	Action steps	Synergy support and planning between mill and estates	A synergistic support and planning of the EFB and dried POME from the mill to the estates.	Management of biodiversity river reserve & buffer zone conservation	To train/ retrain sprayers/ manuring gang to avoid any chemical-related works at such areas	To monitor waste management plan for its suitability	SW & domestic waste disposal monitoring. Changes of internal disposal site to the local municipal.	To improve employee's awareness on pollution prevention at housing complex including zero burning policy.	Continuous reminders and enforcement.	To minimize spillage of oil/chemical onto the ground	Continuous training/ use of spill trays	To review aspect identification & impact evaluation to identify significant critical points control.	Review through EIA. Guidance also sourced from the chemical MSDS/ CSDS.	Soil erosion prevention plans	Using palm trunk chip as part of ground mulch Planting of LCC for ground covers No bare ground condition.	Identification of Integrated Pest Management	Practices of beneficial plant as SOP.	
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Criterion / Indicator		Assessment Findings		Compliance								
			<p>Treatment of pest &amp; disease i.e. bag worms, RB attack rats infestation. To minimize usage of chemical for treatment.</p> <p>Emission of GHG from combustion of gen-set diesel for power generation.</p> <p>Landfill management / waste from housing/office complex</p> <p>Regular collection of household waste. Location of landfill 2 km from housing area. Separation of recyclable waste Training to employees on waste handling.</p>									
		The monitoring is made through the daily supervision and visits by the higher management.										
<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>The improvement plans were sighted. The estates identified the following activities and areas for Improvement plan;</p> <table border="1"> <thead> <tr> <th>Activity</th> <th>Areas of activity / Plan</th> </tr> </thead> <tbody> <tr> <td>Reduce water usage</td> <td>Washing bay, mixing chemical bay. Consumption of water is measured by L/mt FFB</td> </tr> <tr> <td>Reduce diesel usage</td> <td>Through SOP of PMV (planned maintenance vehicle). FFB collection using buffalo system.</td> </tr> <tr> <td>Reduce herbicide &amp;</td> <td>Initiative made through <i>nephrolepis</i> establishment, LCC establishment and growth of beneficial plant. Biological control using barn owl system.</td> </tr> </tbody> </table>		Activity	Areas of activity / Plan	Reduce water usage	Washing bay, mixing chemical bay. Consumption of water is measured by L/mt FFB	Reduce diesel usage	Through SOP of PMV (planned maintenance vehicle). FFB collection using buffalo system.	Reduce herbicide &	Initiative made through <i>nephrolepis</i> establishment, LCC establishment and growth of beneficial plant. Biological control using barn owl system.	Complied
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		Pesticide usage	Grass cutting at path for the field upkeep. Application of EFB and stacked fronds to suppress weeds growth and enhance moisture.																																										
		Monitoring is made through data analysis and the daily field supervision. Other initiatives/details are also shown in 4.5.1.3 above.																																											
<b>4.5.1.5</b>	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.  <b>- Major compliance -</b>	<p>The annual training program organized in relation to environmental management are made under the subject of:</p> <table border="1" style="width: 100%;"> <thead> <tr> <th colspan="2" style="text-align: center;">Subjects</th> </tr> </thead> <tbody> <tr><td colspan="2">ESH Legal &amp; Other requirements</td></tr> <tr><td colspan="2">Chemical handling</td></tr> <tr><td colspan="2">Emergency Respond Plan/ Chemical spill/ Fire</td></tr> <tr><td colspan="2">Scheduled waste management</td></tr> <tr><td colspan="2">RSPO/ ISCC/ MSPO Training</td></tr> <tr><td colspan="2">HIRARC</td></tr> <tr><td colspan="2">Water Treatment Plant</td></tr> <tr><td colspan="2">Environmental Management Plan</td></tr> <tr><td colspan="2">CDS understanding</td></tr> </tbody> </table> <p>Details of the training held in relation to environmental management among others as shown below:</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Subject</th> <th>Linbar 1</th> <th>Sakilan</th> </tr> </thead> <tbody> <tr><td>HCV Management</td><td>30/03/22</td><td>28/10/22</td></tr> <tr><td>Environmental Compliance</td><td>18/02/22</td><td>14/07/22</td></tr> <tr><td>Beneficial Plant Guidance</td><td>27/04/22</td><td>27/05/22</td></tr> <tr><td>Housing upkeep/ wastes</td><td>14/09/22</td><td>21/10/22</td></tr> <tr><td>Zero Burning Policy</td><td>27/08/22</td><td>22/02/22</td></tr> <tr><td>Buffer Zone/ Conservation Area</td><td>27/09/22</td><td>11/10/22</td></tr> </tbody> </table>		Subjects		ESH Legal & Other requirements		Chemical handling		Emergency Respond Plan/ Chemical spill/ Fire		Scheduled waste management		RSPO/ ISCC/ MSPO Training		HIRARC		Water Treatment Plant		Environmental Management Plan		CDS understanding		Subject	Linbar 1	Sakilan	HCV Management	30/03/22	28/10/22	Environmental Compliance	18/02/22	14/07/22	Beneficial Plant Guidance	27/04/22	27/05/22	Housing upkeep/ wastes	14/09/22	21/10/22	Zero Burning Policy	27/08/22	22/02/22	Buffer Zone/ Conservation Area	27/09/22	11/10/22	Complied
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4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p><b>- Major compliance -</b></p>	<p>These are made through a joint JCC held twice monthly. The dates held to date as recorded below. The agenda discussed as follows:</p> <ul style="list-style-type: none"> <li>a) SW discussion/EFB disposal/Effluent,</li> <li>b) Drainage/GHG/Competent Person.</li> <li>c) RTE/Zero burning</li> <li>d) Water management plan.</li> <li>e) Pesticide reduction plan</li> <li>f) HCV/Land preparation &amp; soil conservation</li> <li>g) Continuous improvement plans.</li> </ul> <table border="1"> <thead> <tr> <th>Estate</th> <th>1st</th> <th>2nd</th> <th>3rd</th> <th>4th</th> </tr> </thead> <tbody> <tr> <td>Sakilan</td> <td>31/01/22</td> <td>25/02/22</td> <td>22/04/22</td> <td>23/06/22</td> </tr> <tr> <td>Lanbar1</td> <td>28/04/22</td> <td>23/06/22</td> <td>08/09/22</td> <td>05/10/22</td> </tr> </tbody> </table> <p>Minutes dated 31/01/22, 22/04/22 and 28/04/22, 05/0/22 were sighted and verified.</p>	Estate	1st	2nd	3rd	4th	Sakilan	31/01/22	25/02/22	22/04/22	23/06/22	Lanbar1	28/04/22	23/06/22	08/09/22	05/10/22	Complied
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<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>																		
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within 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.</p> <p><b>- Major compliance -</b></p>	<p>The estates consistently monitor the following and tabulate the data monthly. Direct usage of diesel for the estate's operations are recorded. The quantity in mt is divided over the mt FFB and CPO produced (ratio) during the month. The performance is measured by this ratio to indicate the level of performance. The data is compiled for comparison and control for future improvement with aim of gradual reduction of diesel. There were measures as shown in the energy management plan to reduce and eliminate wastage among others as follows.</p> <ul style="list-style-type: none"> <li>a. Timely servicing of vehicles to ensure efficient use of diesel.</li> </ul>	Complied															

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		<p>b. Regular servicing of gen-sets for a better efficiency  c. Educate employees on fuel/electricity saving practices.</p> <p>The diesel consumption tabulated as shown below.</p> <p><u>Sakilan Estate</u></p> <table border="1"> <thead> <tr> <th>Details</th> <th>July 18- June 19</th> <th>July 19- June 20</th> <th>July 20- June 21</th> <th>July 21 June 22</th> </tr> </thead> <tbody> <tr> <td>Diesoline litre</td> <td>224234</td> <td>259937</td> <td>198443</td> <td>173617</td> </tr> <tr> <td>CPO /mt</td> <td>11361</td> <td>10952</td> <td>16306</td> <td>7729</td> </tr> <tr> <td>FFB /mt</td> <td>52359</td> <td>49839</td> <td>41272</td> <td>33186</td> </tr> <tr> <td>Diesel/CPO mt</td> <td>19.73</td> <td>23.73</td> <td>12.17</td> <td>22.46</td> </tr> <tr> <td>Diesel /FFB mt</td> <td>4.28</td> <td>5.22</td> <td>4.81</td> <td>5.23</td> </tr> </tbody> </table> <p><u>Linbar 1 Estate</u></p> <table border="1"> <thead> <tr> <th>Details</th> <th>Jul 18 - Jun 19</th> <th>July 19 - June 20</th> <th>July 20 - June 21</th> <th>July 21 - June 22</th> </tr> </thead> <tbody> <tr> <td>Diesoline litre</td> <td>253433</td> <td>363507</td> <td>303984</td> <td>286691</td> </tr> <tr> <td>CPO /mt</td> <td>9736</td> <td>11623</td> <td>10369</td> <td>9010</td> </tr> <tr> <td>FFB /mt</td> <td>45030</td> <td>52547</td> <td>50106</td> <td>41823</td> </tr> <tr> <td>Diesel/CPO mt</td> <td>26.03</td> <td>31.27</td> <td>29.31</td> <td>31.81</td> </tr> <tr> <td>Diesel /FFB mt</td> <td>5.62</td> <td>6.92</td> <td>6.06</td> <td>6.85</td> </tr> </tbody> </table>	Details	July 18- June 19	July 19- June 20	July 20- June 21	July 21 June 22	Diesoline litre	224234	259937	198443	173617	CPO /mt	11361	10952	16306	7729	FFB /mt	52359	49839	41272	33186	Diesel/CPO mt	19.73	23.73	12.17	22.46	Diesel /FFB mt	4.28	5.22	4.81	5.23	Details	Jul 18 - Jun 19	July 19 - June 20	July 20 - June 21	July 21 - June 22	Diesoline litre	253433	363507	303984	286691	CPO /mt	9736	11623	10369	9010	FFB /mt	45030	52547	50106	41823	Diesel/CPO mt	26.03	31.27	29.31	31.81	Diesel /FFB mt	5.62	6.92	6.06	6.85	
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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.	The monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimize use of renewable energy. Data is being compiled for comparison and control for future improvement. Consumption of electricity is also recorded mainly reading from the meters. Diesel utilization is recorded at ratio vs the mt FFB and CPO. Graph is	Complied																																																												

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4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	There is no opportunity for the estates to capitalize the utilization of fibre/shell as part of their energy production in replacement of fossil fuel with the current technology limitation.	Complied																		
<b>Criterion 4.5.3: Waste management and disposal</b>																					
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	<p>All waste and pollution are identified and documented in the Environment Impact Assessment - Management Actions Plans &amp; Continuous Improvement Plan 2022. The waste and pollution generated from the estates operations as shown below. The Waste Management and Disposal Plan are compiled to avoid or reduce pollution had been documented and implemented with review made annually. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation. Among of waste management identified by the estates were:</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Description</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>Domestic waste</td> <td>Rubbish</td> <td>Line sites, office, workshop, store</td> </tr> <tr> <td rowspan="3">Industrial waste</td> <td>Fertilizer bags</td> <td>Empty bags store</td> </tr> <tr> <td>Scrap metal</td> <td>Workshop</td> </tr> <tr> <td>POME</td> <td>Land application</td> </tr> </tbody> </table>	Type	Description	Location	Domestic waste	Rubbish	Line sites, office, workshop, store	Industrial waste	Fertilizer bags	Empty bags store	Scrap metal	Workshop	POME	Land application	Complied					
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		Sewage waste	Sewage	Workers housing toilets/ office																	
		Scheduled Waste	SW 404 Clinical waste	Clinic																	
			SW rags, plastics, filters	Workshop																	
			Spent lubricant & hydraulic oil	Workshop																	
			Disposed containers, bags, equipment contaminated with chemicals, pesticides	Scheduled waste store																	
<b>4.5.3.2</b>	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p><b>- Major compliance -</b></p>	<p>The details of the waste management plan are described below.</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Description</th> <th>Action to be taken</th> </tr> </thead> <tbody> <tr> <td>Domestic waste</td> <td>Rubbish</td> <td>Collection/disposal min 2x /week externally Establish collection SOP Establish collection schedule &amp; PIC Create awareness on hygiene Monitoring of line site</td> </tr> <tr> <td rowspan="3">Industrial waste</td> <td>Fertilizer bags</td> <td>Inventory of bags, reuse for LF collection, sell to appointed contractor</td> </tr> <tr> <td>Scrap metal</td> <td>Inventory maintained, tender at region level for sale to licensed contractor.</td> </tr> <tr> <td>POME</td> <td>Daily monitoring of application at designated fields.</td> </tr> <tr> <td>Sewage waste</td> <td>Sewage</td> <td>To monitor during housing inspection and residents' complaints Engagement with licensed contractor for sewage management.</td> </tr> </tbody> </table>			Type	Description	Action to be taken	Domestic waste	Rubbish	Collection/disposal min 2x /week externally Establish collection SOP Establish collection schedule & PIC Create awareness on hygiene Monitoring of line site	Industrial waste	Fertilizer bags	Inventory of bags, reuse for LF collection, sell to appointed contractor	Scrap metal	Inventory maintained, tender at region level for sale to licensed contractor.	POME	Daily monitoring of application at designated fields.	Sewage waste	Sewage	To monitor during housing inspection and residents' complaints Engagement with licensed contractor for sewage management.	Complied
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<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>The SOP for SW has been established and documented in SOP ref no IOI/SRO/HSE/SW/01 dated 01/01/2015 compiled in the Group Standard Operating Procedures for the estates. Therein describing details relating to.</p> <ul style="list-style-type: none"> <li>i. Labeling / Legal requirement</li> <li>ii. Waste generator / Training required</li> <li>iii. DOE license</li> </ul>		Complied								

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		<p>All estates will collectively deliver the SW to Ldg Sabah POM for bulk transfer to the DOE licensed collector M/s Lagenda Bumimas Sdn Bhd (DOE letter dated 02/5/19 <i>ref no</i> 003082 renewed on 30/04/23).</p> <p>The procedure described the details of labeling handling storage transfer and disposal of scheduled waste. Details of collection as given below. All units in mt otherwise stated.</p> <table border="1"> <thead> <tr> <th>Linbar 1 Estate</th> <th>SW 429</th> <th>SW 417</th> <th>SW 102</th> <th>SW 305</th> <th>SW 410</th> <th>SW 104</th> <th>SW 409</th> <th>SW 109</th> </tr> </thead> <tbody> <tr> <td>31/03/22</td> <td>0.360</td> <td>0.007</td> <td>0.450</td> <td>4.96</td> <td>0.920</td> <td>0.020</td> <td>1.650</td> <td>0.018</td> </tr> <tr> <td>30/06/22</td> <td>0.300</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0.014</td> <td>0.160</td> <td>-</td> </tr> <tr> <td>05/07/22</td> <td>-</td> <td>0.031</td> <td>0.930</td> <td>3.480</td> <td>1.480</td> <td>-</td> <td>1.610</td> <td>0.040</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Sakilan Estate</th> <th>SW 429</th> <th>SW 417</th> <th>SW 110</th> <th>SW 305</th> <th>SW 410</th> <th>SW 109</th> <th>SW 409</th> <th>SW 306</th> </tr> </thead> <tbody> <tr> <td>16/03/22</td> <td>-</td> <td>-</td> <td>-</td> <td>1.200</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>18/08/22</td> <td>-</td> <td>0.050</td> <td>0.160</td> <td>2.640</td> <td>0.840</td> <td>0.020</td> <td>2.170</td> <td>0.400</td> </tr> </tbody> </table> <p>SW404 is despatched to Ladang Lungmanis (IOI Plantation) for onwards bulk delivery to Sedafiat Sdn Bhd (an authorized buyer with DOE). Consignment details as shown below.</p> <table border="1"> <tbody> <tr> <td>Date - Linbar 1</td> <td>03/10/22</td> <td>01/07/22</td> <td>07/01/22</td> </tr> <tr> <td>Quantity / mt</td> <td>0.0047</td> <td>0.0045</td> <td>0.0044</td> </tr> <tr> <td>Date - Sakilan</td> <td>03/10/22</td> <td>01/07/22</td> <td>25/03/22</td> </tr> <tr> <td>Quantity / mt</td> <td>0.0047</td> <td>0.0045</td> <td>0.0053</td> </tr> </tbody> </table>	Linbar 1 Estate	SW 429	SW 417	SW 102	SW 305	SW 410	SW 104	SW 409	SW 109	31/03/22	0.360	0.007	0.450	4.96	0.920	0.020	1.650	0.018	30/06/22	0.300	-	-	-	-	0.014	0.160	-	05/07/22	-	0.031	0.930	3.480	1.480	-	1.610	0.040	Sakilan Estate	SW 429	SW 417	SW 110	SW 305	SW 410	SW 109	SW 409	SW 306	16/03/22	-	-	-	1.200	-	-	-	-	18/08/22	-	0.050	0.160	2.640	0.840	0.020	2.170	0.400	Date - Linbar 1	03/10/22	01/07/22	07/01/22	Quantity / mt	0.0047	0.0045	0.0044	Date - Sakilan	03/10/22	01/07/22	25/03/22	Quantity / mt	0.0047	0.0045	0.0053	
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<b>4.5.3.4</b>	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer’s labels should be	Under the operational control procedure established as given in 4.5.3.3 above the guidelines and practices for handling empty pesticides are as follows.	Complied																																																																															

Criterion / Indicator		Assessment Findings	Compliance												
	<p>adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p><b>- Major compliance -</b></p>	<p>a. All class 2 and above containers are tripled rinsed, and hole punctured at the bottom only if the waste generator is to dispose as non-scheduled waste.</p> <p>b. Containers to be disposed as scheduled waste need not go the triple rinsing.</p> <p>c. Disposal made to M/s Tong Lian Enterprise register with Jabatan Pertanian. Relevant documents sighted with the latest despatch made as follows.</p> <p>These guidelines are based on Department of Agriculture ref 91/120/038/014 dated 7/11/2002. Details as extracted below.</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Linbar 1-11/8/22</th> <th>Sakilan-3/11/22</th> </tr> </thead> <tbody> <tr> <td>Chemical container 20L</td> <td>82 kg</td> <td>346 kg</td> </tr> <tr> <td>Boxes - Rat Baits</td> <td>168 kg</td> <td>-</td> </tr> <tr> <td>500 g Ally bottle</td> <td>123 kg</td> <td>261 kg</td> </tr> </tbody> </table>	Description	Linbar 1-11/8/22	Sakilan-3/11/22	Chemical container 20L	82 kg	346 kg	Boxes - Rat Baits	168 kg	-	500 g Ally bottle	123 kg	261 kg	
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<b>4.5.3.5</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p><b>- Minor compliance -</b></p>	<p>Domestic wastes are disposed in the landfill located in the respective estates.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Landfill site</th> </tr> </thead> <tbody> <tr> <td>Sakilan Estate</td> <td>P97W Div 2</td> </tr> <tr> <td>Linbar 1 Estate</td> <td>P16C</td> </tr> </tbody> </table> <p>Under the action plan of the waste plan, and collection is 2x-3x/week by estate management. Monitoring is made by an Executive/staff. Sakilan Estate also manages the site of the mill domestic disposal</p>	Estate	Landfill site	Sakilan Estate	P97W Div 2	Linbar 1 Estate	P16C	Complied						
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<b>Criterion 4.5.4: Reduction of pollution and emission</b>															
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted,	The details of the waste management plan are described below:	Complied												



Criterion / Indicator		Assessment Findings			Compliance
	including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>				
		Type	Description	Action to be taken	
		Domestic waste	Rubbish	Collection/disposal min 2x /week externally Establish collection SOP Establish collection schedule & PIC Create awareness on hygiene Monitoring of line site	
		Industrial waste	Fertilizer bags	Inventory of bags, reuse for LF collection, sell to appointed contractor	
			Scrap metal	Inventory maintained, tender at zone level for sale to licensed contractor.	
			POME	Daily monitoring of application at designated fields a rate of 40mt/ha for mature areas.	
		Sewage waste	Sewage	To monitor during housing inspection and residents' complaints Engagement with licensed contractor for sewage management.	
		Scheduled Waste	SW 404 Clinical waste	Inventory maintained. Storage in sharp bin in clinic. Disposal to Sedafiat Sdn Bhd (licensed contractor) / via a centralised estate Ldg Lungmanis.	
			SW rags, plastics, filters	Inventory maintained. Storage in scheduled waste store. Disposal to Lagenda Bumimas Sdn Bhd registered vendor with DOE	
			Spent lubricant & hydraulic oil	Collection by licensed vendor. Inventory maintained. Disposal to	

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				Lagenda Bumimas Sdn Bhd registered vendor with DOE	
			Disposed containers, bags, equipment contaminated with chemicals, pesticides	Inventory maintained. Storage in SW store. All containers are labeled. Empty containers collected by authorized vendor. Disposal to Tong Lian Enterprise registered with Jabatan Pertanian.	
<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 management plan is given with details in 4.5.4.1 and 4.5.1.3 above.			Complied
<b>Criterion 4.5.5: Natural water resources</b>					
<b>4.5.5.1</b>	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: <ul style="list-style-type: none"> <li>a. Assessment of water usage and sources of supply.</li> <li>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</li> <li>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> </ul>	The Water Management Plan 2022 for the estates has been established with the latest review dated Oct 2022. This is compiled on Group basis and amended to meet demands of specific issue in Operating Units. Included therein are the following procedures which were sighted and verified.			Complied
		Area/incident	Action steps	PIC	
		Water shortage/ prolonged dry season	<ul style="list-style-type: none"> <li>a. To obtain water from nearby source of water course</li> <li>b. To train/ educate staff/ workers to conserve water</li> <li>c. To seek assistance from authority</li> <li>d. To obtain treated water supply from mill’s WTP</li> </ul>	Estate Assistant	

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Criterion / Indicator		Assessment Findings			Compliance							
	d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <b>- Major compliance -</b>	Severe water pollution/contamination	a. to train/educate staff/workers to conserve water b. to seek assistance from local authority. c. to obtain treated water supply from mill's WTP	Estate Assistant								
		Conservation of water pond/WTP	a. Prohibition of chemical application b. Monitoring of usage using flow meter	Estate Assistant								
		The estates continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along the natural waterways. The estates adopted the existing IOI policy to maintain the buffer by restricting agrochemical application and left undeveloped during replanting. Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines are detailed in the River Reserve Management (Management of River Reserve in IOI Plantation dated Nov 2021). The buffer zones established are as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>&gt; 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 - 40 m</td> <td>40 meters</td> </tr> <tr> <td>3-20 m</td> <td>20 meters</td> </tr> <tr> <td>&lt; 3 meters</td> <td>5 meters</td> </tr> </tbody> </table>				River width	Buffer zone	> 40 meters	50 meters	20 - 40 m	40 meters	3-20 m
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< 3 meters	5 meters											
The signboards were displayed accordingly at the site where applicable. The guideline was issued by the SPO Unit with latest revision dated on 10/11/21. During the field visit there was no spraying activities or signs left in such an area. The buffer zones identified at the estates are as follows:												

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		<table border="1" data-bbox="1050 379 1870 483"> <tr> <th>Estate</th> <th>Buffer Zone Area</th> </tr> <tr> <td>Linbar 1 Estate</td> <td>Water stream P12K / P12L</td> </tr> <tr> <td>Sakilan Estate</td> <td>Water Stream P97W/P97A</td> </tr> </table> <p>Samples are taken from the mill and estates for detection of any pollution arising from the mill and estates activities. Water samples from the intake point are taken for phosphate and nitrate analysis for detection of fertilizer application effect to the water courses. Extracted record of both the estates with details below;</p> <p>Among others management plan taken:</p> <ol style="list-style-type: none"> <li>Regular inspection at buffer/HCV areas</li> <li>Monitor water from surrounding areas</li> <li>Track, measure and report all activities around river</li> <li>Train and educate workers.</li> </ol> <p>Water Sampling was taken quarterly to test against the industrial effluent water analysis and pesticide analysis. Among other parameters as shown below. Sighted and verified results all estates and mill. SPOM handles the water supply for Sakilan Estate The sampling sites taken at the estates as follows:</p> <table border="1" data-bbox="1050 1074 1715 1177"> <thead> <tr> <th></th> <th>Estate</th> <th>Sampling sites River/ Stream</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Sakilan</td> <td>Water at P97 W/ P97A / P97V</td> </tr> <tr> <td>2</td> <td>Linbar 1</td> <td>Water stream P12K / P12L</td> </tr> </tbody> </table> <p>Samples for drinking water are taken from the line sites and the treatment plant taken 2x/year. There were no issues on the water quality for the sampling points for the sample taken.</p> <p>Results dated 15/08/22 ref no W220706/03 for Linbar 1 Estate was sighted and verified. Sakilan POM manages the domestic water supply</p>	Estate	Buffer Zone Area	Linbar 1 Estate	Water stream P12K / P12L	Sakilan Estate	Water Stream P97W/P97A		Estate	Sampling sites River/ Stream	1	Sakilan	Water at P97 W/ P97A / P97V	2	Linbar 1	Water stream P12K / P12L	
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Criterion / Indicator		Assessment Findings	Compliance
		for its entire complex for Sakilan Estate. Results dated 29/08/2022 ref no W220723/01A.	
<b>4.5.5.2</b>	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - <b>Minor compliance</b> -	The estates comply to this requirement. This requirement is also audited internally by the Sustainability Unit. During the field visit no construction of such obstruction was observed. There is no major river flowing within vicinity in all the estates audited.	Complied
<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). - <b>Minor compliance</b> -	During the site visit practices of water harvesting are noted as available in the SOP. Roadside pits were available at every 3 palm rows, to divert in event of water overflowing and also to benefit the nearest palm at the pit end to obtain additional moisture. Amendments of intervals of this construction are made to suit the infrastructure /terrain of estate.	Complied
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>			
<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: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - <b>Major compliance</b> -	An assessment on HCV/RTE being incorporated in the High Conservation Value and Conservation Area - Management Action Plans and Continuous Improvement Plan on 21/11/15 and reviewed latest dated 01/11/2022. The assessment report was compiled lead by Mr Hasrin Rossley Kho (HCV & HCSA Lead Assessor), SPO Executives and respective Estate personnel. Therein describing details relating to: a) Objectives - To identify RTE species surrounding the estate. - To identify the status of species identified - To develop action plan to maintain/enhance the species - To educate workforce - To ensure no individual capture b) Protection of wildlife Act 1972/wildlife conservation Act 2010.	Complied

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		<p>c) List of important bird areas IBAs for Malaysia</p> <p>d) Protection Animals and others under wildlife protection act 1972 (fauna)</p> <p>e) Protected mammals/aquatic/protected animals/protected birds</p> <p>f) Statement of commitment</p> <p>g) Action plan for monitoring RTE within and surrounding estate compound</p> <p>h) Mechanism for monitoring and reviewing outcomes of monitoring</p> <p>i) Contact no of local authorities.</p> <p>The Internal HCV and Conservation for both the estates as summarized below (Figures in ha otherwise stated);</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Sakilan</th> <th>Linbar 1</th> </tr> </thead> <tbody> <tr> <td>HCV/MA-Forest Reserve - Buffer Zone</td> <td>-</td> <td>30.98</td> </tr> <tr> <td>Conservation Area - Water Pond</td> <td>1.15 / 3.39</td> <td>0.38</td> </tr> <tr> <td>Conservation Area - River</td> <td>7.48</td> <td>9.25</td> </tr> <tr> <td>HCV MA - Riparian Reserve</td> <td>34.88</td> <td>13.54</td> </tr> <tr> <td>HCV 4 - Riparian Reserve Sg Lokan</td> <td>-</td> <td>7.25</td> </tr> <tr> <td>Conservation Area - Steep Hill</td> <td>2.94</td> <td>2.32</td> </tr> <tr> <td>Total</td> <td>49.84</td> <td>63.72</td> </tr> </tbody> </table>	Description	Sakilan	Linbar 1	HCV/MA-Forest Reserve - Buffer Zone	-	30.98	Conservation Area - Water Pond	1.15 / 3.39	0.38	Conservation Area - River	7.48	9.25	HCV MA - Riparian Reserve	34.88	13.54	HCV 4 - Riparian Reserve Sg Lokan	-	7.25	Conservation Area - Steep Hill	2.94	2.32	Total	49.84	63.72	
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<b>4.5.6.2</b>	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a. Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b. Discouraging any illegal or inappropriate hunting, fishing, or</p>	<p>A monitoring checklist maintained by the AP during their rounds in the fields. In addition, the supervisory personnel are also given task to inform the management of any sighting of RTE in the property. This is recorded in the RTE species recording. Document was sighted and verified. The formatting for monitoring and maintaining RTE as formatted under Action plan, monitoring &amp; continuous improvement</p>	Complied																								

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	collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <b>- Major compliance -</b>	program, documents to be reviewed, management reviews comments & time bound and the Person in charge. There is only common bird, presence of wild boar and monkeys occasionally sighted. The appropriate measures that are expected to maintain and/or enhance them were implemented through an action plan reviewed in Jan 2022. Monitoring of these areas are made through the daily field supervision by the field staff and executives. There were also visits by the PA/PC and also personnel from the Sustainability unit. Highlights if any are discussed during the management review or management meetings subject to the urgency of the situation.													
<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>	This has been elaborated in 4.5.6.2 above. Signboards and training are also displayed and provided to the employees on such a requirement. Training made in relation to RTE management among others as described below: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Subject</th> <th>Linbar 1</th> <th>Sakilan</th> </tr> </thead> <tbody> <tr> <td>HCV Management</td> <td>30/03/22</td> <td>28/10/22</td> </tr> <tr> <td>Environmental Compliance</td> <td>18/02/22</td> <td>14/07/22</td> </tr> <tr> <td>Buffer Zone/Conservation Area</td> <td>27/09/22</td> <td>11/10/22</td> </tr> </tbody> </table>	Subject	Linbar 1	Sakilan	HCV Management	30/03/22	28/10/22	Environmental Compliance	18/02/22	14/07/22	Buffer Zone/Conservation Area	27/09/22	11/10/22	Complied
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<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>	The Group policy of "Zero Burning Policy" is enforced ever since the industry practiced such a ruling. The Policy was last reviewed on May 2018 and signed by The Plantation Director. Among others the Policy stated the following commitment. Commitment towards zero burning practices across the estates as part of effort in protecting the environment and combating haze problem.	Complied												

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		<p>Open burning is defined as any fire, combustion or smouldering that occurs in the open air and as by law, no person shall cause or allow open burning on any premises and subjected to legal action.</p> <p>IOI will provide training to its workers on fire prevention and techniques to put out fire, and inform the Contractors and smallholders on this Policy.</p> <p>The operating units adhered to the policy of “Zero open burning” for any replanting. From field visits and interviews with the workers there is no open burning being practiced in the estates. This is the measures taken by the organization to pledge towards zero open burning.</p>	
<b>4.5.7.2</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>The management maintained zero open burning and opted for other option in case of potential significant risk of disease spread for the continuation of another crop. Hence this requirement is not used in the estate practices.</p>	Complied
<b>4.5.7.3</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>The management maintained zero open burning.</p>	Complied
<b>4.5.7.4</b>	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p><b>- Minor compliance -</b></p>	<p>This is in practice whenever the estate commences land preparation for its replanting works. Ploughing is not practiced in the Organization at current.</p>	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			



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Criterion / Indicator		Assessment Findings				Compliance																																																													
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. <b>- Major compliance -</b>	The estates possessed the following SOP for the guidance to the operations held. Among others the master list for the Estates possessed the following SOP under the best management practices/procedures:				Complied																																																													
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Criterion / Indicator		Assessment Findings				Compliance
		4	Procedure on Preparation and Mixing of Pesticides	12	Procedure on Disposal of Used Lubricants	
		5	Procedure for Tractor & Lorry Drivers	13	Procedure on Handling & Disposal of Domestic Waste	
		6	Procedure Loading of FFB	14	Procedure on Diesel Pump	
		7	Procedure for the Spraying of Pesticides	15	Procedure on disposal of Domestic Waste	
		8	Procedure Harvesting FFB	-	Pruning guidelines	
		<p>The SOP documented in English are dated accordingly and approved by the management. The latest copies of the SOP were available on-site. Copies of SOP were distributed and posted at site of operation in Bahasa Malaysia for easier understanding by the workers. SOP in all estates were laminated and made available in notice boards and work stations highly visible and easily accessible by all workers. Based on interviews conducted and training records sighted, it is evident that staff/ workers have understood the SOP.</p>				
<b>4.6.1.2</b>	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. <b>- Major compliance -</b>	The estates construct terraces at slope area of more than 6 degree. Planting of cover crop are made to retain the soil structure and conservation. Roadside pit are made to divert water at slope areas to prevent road erosion and surface damage. Terraces are constructed inclined towards the terrace wall. Slope of more than 25 degrees are avoided in the planting areas due to the Policy of the Company forecasting several issues during the crop recovery on maturity. This is also to comply along with the RSPO guidelines.				Complied
<b>4.6.1.3</b>	A visual identification or reference system shall be established for each field. <b>- Major compliance -</b>	All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stenciled at the palm trees and also displayed in signage at the				Complied

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Criterion / Indicator		Assessment Findings	Compliance						
		boundary/corners of every field. This is observed during the field visit in the estates. <table border="1" data-bbox="1048 502 1870 603"> <tr> <td>Estate</td> <td>Field visited</td> </tr> <tr> <td>Sakilan</td> <td>P97K / P97W / P97C / P97H / P22</td> </tr> <tr> <td>Linbar 1</td> <td>P16C / P12G / P12L / P16F / P10G</td> </tr> </table>	Estate	Field visited	Sakilan	P97K / P97W / P97C / P97H / P22	Linbar 1	P16C / P12G / P12L / P16F / P10G	
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<b>Criterion 4.6.2: Economic and financial viability plan</b>									
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. <b>- Major compliance -</b>	All the 2 estates audited possessed a similar budget format. Inclusive there is also a 5-year budget/forecast financial plan till 2025/26 allocating categories among others; <ul style="list-style-type: none"> <li>a) Area statement.                             <ul style="list-style-type: none"> <li>- Year of planting</li> <li>- Total mature areas / Total immature areas.</li> </ul> </li> <li>b) Crop FFB monthly breakdown</li> <li>c) 10 years replanting program</li> <li>d) Summary replanting program by field</li> <li>e) Executives/staff/workers requirement</li> <li>f) Mature oil palm costing statement                             <ul style="list-style-type: none"> <li>- Upkeep &amp; cultivation</li> <li>- Harvesting &amp; collection</li> </ul> </li> <li>g) General charges statement                             <ul style="list-style-type: none"> <li>- General charges</li> <li>- Cost of supervision / Labour</li> <li>- Cost of other / MSPO/RSPO</li> </ul> </li> <li>h) Capital expenditure statement</li> </ul>	Complied						

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		<ul style="list-style-type: none"> <li>- Building, utilities, welfare</li> <li>- Plant &amp; machinery</li> <li>- Office equipment / Furniture &amp; fittings</li> <li>- Electrical installation</li> <li>- New roads &amp; bridges</li> </ul> <p>The five years planning horizon 2021/22 - 2025/26 is available. The main key areas of the projections are as follows. Expenditures figures were excluded for reason of confidentiality.</p> <table border="1"> <thead> <tr> <th>Description</th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> </tr> </thead> <tbody> <tr> <td>Mature Ha</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> </tr> <tr> <td>Immature Ha</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> </tr> <tr> <td>FFB/ mt - Sakilan</td> <td>34239</td> <td>37610</td> <td>32794</td> <td>26850</td> <td>20830</td> </tr> <tr> <td>YPH - Sakilan</td> <td>19.00</td> <td>25.00</td> <td>23.00</td> <td>23.00</td> <td>15.00</td> </tr> <tr> <td>FFB / mt - L/bar1</td> <td>41823</td> <td>62240</td> <td>67126</td> <td>67130</td> <td>69460</td> </tr> <tr> <td>YPH - L/bar1</td> <td>18.88</td> <td>26.89</td> <td>29.00</td> <td>29.00</td> <td>30.00</td> </tr> <tr> <td>Cost FFB RM/mt</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> </tr> <tr> <td>Cost (RM/ha)</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> </tr> </tbody> </table>	Description	2021/22	2022/23	2023/24	2024/25	2025/26	Mature Ha	x	x	x	x	x	Immature Ha	x	x	x	x	x	FFB/ mt - Sakilan	34239	37610	32794	26850	20830	YPH - Sakilan	19.00	25.00	23.00	23.00	15.00	FFB / mt - L/bar1	41823	62240	67126	67130	69460	YPH - L/bar1	18.88	26.89	29.00	29.00	30.00	Cost FFB RM/mt	x	x	x	x	x	Cost (RM/ha)	x	x	x	x	x	
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<b>4.6.2.2</b>	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p><b>- Major compliance -</b></p>	<p>The replanting programmes until 2025/26 were sighted for the estates. This program is reviewed once a year (latest being Jan 2022 and is incorporated in their annual financial budget. The replanting program is as follows with all figures in ha otherwise stated.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> </tr> </thead> <tbody> <tr> <td>Sakilan</td> <td>0</td> <td>462</td> <td>232</td> <td>241</td> <td>228</td> </tr> <tr> <td>Linbar 1</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Estate	2021/22	2022/23	2023/24	2024/25	2025/26	Sakilan	0	462	232	241	228	Linbar 1	0	0	0	0	0	Complied																																				
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<b>4.6.2.3</b>	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> <li>a) Attention to quality of planting materials and FFB</li> <li>b) Crop projection: site yield potential, age profile, FFB yield trends</li> <li>c) Cost of production: cost per tonne of FFB</li> <li>d) Price forecast</li> <li>e) Financial indicators: cost benefit, discounted cash flow, return on investment</li> </ul> <p><b>- Major compliance -</b></p>	<p>This requirement i.e. crop material, crop projection, yield, production cost is available. It is provided in the business management plan shown in item 4.6.2.1 above. The estates had a format and guideline to calculate the returns on the field operations i.e. Income = sale of FFB (with award of CPO/CPK from the mill) less the expenditure (fixed and direct cost). The main document is handled by the higher management based in Head Office.</p>	Complied
<b>4.6.2.4</b>	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p><b>- Major compliance -</b></p>	<p>The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed monthly. The supervisory personnel maintained a daily cost for the field operations. The regional meetings involving the Managers sit monthly with the Regional Plantation Controller for the performance review.</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>Contract award is handled by the Regional Office or IOI HQ, Putra Jaya guided by a procurement procedure, which is normally through tendering process. With regards to operation expenses, the "Operating Expenditure (OPEX) Circular" document is adhered to, which generally, requisitions have to be supported by quotations.</p>	Complied
<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>The contract agreements between the management and the contractors [e.g., Jen Siong Transport Sdn Bhd (FFB transporter – Linbar 1)) and Kontraktor Pengangkutan Hidayah (FFB transporter -</p>	Complied

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		Sakilan)] were verified. The rate of payment was clearly stated in the agreement. Based on verification of sampled payment vouchers, the payment was made on timely manner by the Head Quarter after received invoice from the contractor.	
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	The engaged contractors were made to understand about the MSPO requirements through stakeholder meeting or face to face briefing. The records of meeting were well maintained by the operating units for verification.  However, the monitoring of the contractors' understanding on MSPO requirements was not satisfactorily demonstrated. Based on interview with sampled workers and the management, the groceries shop (Terus Maju) at Sakilan Estate's Div. 2 workers housing, had been storing the liquid petroleum gas cylinders and distributing them to workers. However, the legal permit from the relevant authority (KPDNKK) for this activity has yet to be obtained. Thus, a non-conformity report was assigned due to this lapse.	Minor Non Compliance
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	Sampled contract agreements as mentioned in Indicator 4.6.3.2, between the estates and the contractors were available for verification. The agreements were signed by both parties. At the point of this assessment, all the agreements were still valid.	Complied
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. <b>- Minor compliance -</b>	The certification unit has no objection to allow BSI auditors to verify assessment through physical inspection if required. This is stipulated under the "Additional Requirements for Contractors and Service Providers".	Complied

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<b>4.6.4.4</b>	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. <b>- Major compliance -</b>	Delivery of task is verified by the estates before proceeding for payment. Evaluation of task was normally done by the estate's personnel or regional office depending on type of work. Reports of task evaluation (e.g., Checklist Work done) were well maintained for verification.	Complied
<b>4.7 Principle 7: Development of new planting</b>			
<b>Criterion 4.7.1: High biodiversity value</b>			
<b>4.7.1.1</b>	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. <b>- Major compliance -</b>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	Not Applicable
<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>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	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.	No new planting was observed or planned by the management. Thus, this principle is not applicable.	Not Applicable

Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
<b>4.7.3.1</b>	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. <b>- Major compliance -</b>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	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. <b>- Major compliance -</b>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	Not Applicable
<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>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	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>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	Not Applicable
<b>Criterion 4.7.4: Soil and topographic information</b>			



Criterion / Indicator		Assessment Findings	Compliance
<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>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	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>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	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. <b>- Major compliance -</b>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	Not Applicable
<b>4.7.5.2</b>	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. <b>- Major compliance -</b>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	Not Applicable
<b>4.7.5.3</b>	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. <b>- Major compliance -</b>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	Not Applicable
<b>Criterion 4.7.6: Customary land</b>			
<b>4.7.6.1</b>	No new plantings are established on recognised customary land without the owners' free, prior and informed consent,	No new planting was observed or planned by the management. Thus, this principle is not applicable.	Not Applicable

Criterion / Indicator		Assessment Findings	Compliance
	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>		
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>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	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 shall be made available. <b>- Major compliance -</b>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	Not Applicable
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>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	Not Applicable
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. <b>- Major compliance -</b>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	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>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	Not Applicable

Criterion / Indicator		Assessment Findings	Compliance
<b>4.7.6.7</b>	The process and outcome of any compensation claims shall be documented and made publicly available. <b>- Major compliance -</b>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	Not Applicable
<b>4.7.6.8</b>	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. <b>- Minor compliance -</b>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	Not Applicable

**Malaysian Sustainable Palm Oil 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 IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato’ Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Group Head of Sustainability. The policy was last revised in October 2020. The policy emphasizes on the following commitments: <ul style="list-style-type: none"> <li>• Compliance with all applicable legislation and codes of practice</li> <li>• Implementation of sustainability standards laid out in the policy of environmental, human rights, community development and social impacts</li> <li>• Contribution to the United Nations Sustainable Development Goals (“UN SDGs”)</li> <li>• Building traceable supply chain such that all suppliers are also in compliance with IOI’s Sustainability Policy</li> <li>• To strive the highest levels of transparency and stakeholder engagement</li> </ul> The policy is also publicly available at <a href="https://www.ioigroup.com/Content/S/S_Enquiries">https://www.ioigroup.com/Content/S/S_Enquiries</a>	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.	The commitment towards sustainable production of palm oil and its continuous improvement as outlined in the MSPO guidelines	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	and RSPO Principle and Criteria is stated in the IOI Group Sustainable Palm Oil Policy.	
<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. - Major compliance -	The internal audits were planned in compliance with the company’s Standard Operation Procedure for MSPO Internal Audit Procedure; Document Number: MSPO/SOP/IA/2; Revision Number: 02; Document Date: 01/11/2018. The SOP states the frequency of the MSPO Internal Audit must be carried out at least once a year. More frequent audits may be conducted for higher risk units. The audits are conducted by the Sustainable Palm Oil (SPO) Department, Sandakan Regional Office.  The plan of Sakilan POM MSPO Internal Audit was established at by the Sustainable Palm Oil (SPO) Department and conducted on 12/09/2022.	Complied
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	The internal audits were established and available in the Standard Operation Procedure for MSPO Internal Audit Procedure; Document Number: MSPO/SOP/IA/2; Revision Number: 02; Document Date: 01/11/2018. The recent internal audits for the mill were conducted on 12/09/2022.  The procedure states the requirement of the identification of the conformities and detailing of close out action such as feedback, corrective action and recommendation of improvement.  During the MSPO Internal Audit conducted on 12/09/2022 at Sakilan POM, there were 10 Major Nonconformities raised. Sakilan POM has provided the Root Cause, Correction & Timeline, Corrective Action & Timeline and PIC on 19/10/2022 to the	Complied

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		Sustainable Palm Oil (SPO Department). The SPO Department have conducted a Verification and Validation on 07/11/2022.	
<b>4.1.2.3</b>	Reports shall be made available to the management for their review. - <b>Major compliance</b> -	The MSPO Internal Audit reports were made available to the management within 14 days of the audit. The report has the information about standards' requirements and findings. The results of the internal audits were also part of the agenda recorded in the management review meeting.	Complied
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - <b>Major compliance</b> -	The management review was conducted in compliance with the company's Standard Operation Procedure for MSPO Internal Audit Procedure; Document Number: MSPO/SOP/IA/2; Revision Number: 02; Document Date: 01/11/2018 which states a management review shall be carried out to address the non-conformities details.  The Management Review meeting was conducted on 18/10/2022. The meetings were chaired by the Acting Mill Manager and attended by the Assistant Mill Managers, Safety Officer, Mill Supervisor, SPO Supervisor and others.	Complied
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - <b>Major compliance</b> -	The continual improvement plan for financial year 2021/2022 was available for all the sampled estates. It was established based on the social and environmental impact. To name a few of the action plans established at the mill are:  1. Management & Social	Complied

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		<ul style="list-style-type: none"> <li>- Providing New furniture to Workers – to provide basic amenities to all workers.</li> <li>- 11 New unit of Banquet Chairs for the Office Conference Room – to give comfort while sitting during meeting/training in conference room.</li> <li>- Organized Futsal Tournament – to promote healthy lifestyle and nurture sportsmanship and building teamwork among workers.</li> <li>- Labour Day 2022 – a celebration of the economic and social achievements of workers.</li> </ul> <p>2. Management &amp; Environment</p> <ul style="list-style-type: none"> <li>- Refurbishing Floor at Marshalling Yard Area – to minimize the usage of fibers as conventional way of cleaning floor and to reduce water usage in mill during housekeeping.</li> </ul> <p>3. Management &amp; Safety</p> <ul style="list-style-type: none"> <li>- Sound Proofing for Ripple Mill Location – Concern on the effects of long exposure to noise which possibly affects the health of workers.</li> <li>- PPEs Certified by SIRIM &amp; DOSH – Implementing PPEs as required from DOSH.</li> </ul>	
<p><b>4.1.4.2</b></p>	<p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p><b>- Major compliance -</b></p>	<p>The mill continuously introduces new technology to improve efficiency of the processes and to reduce environmental impacts and increase health and safety compliances. Any new technology and/or innovation equipment is subject to approval by HQ. New technologies have been implemented as below:</p>	<p>Complied</p>

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		<ol style="list-style-type: none"> <li>1. Pressure Sand Filter for Reverse Osmosis System at Oil Room Station – to improve CPO product quality by reducing Total Chloride amount in Washed CPO Product.</li> <li>2. Additional 1 unit of CPO Washing Plant – to help existing unit during operations of washed CPO production. Thus, unit will be operating alternately.</li> <li>3. Installation of Face Recognition Device &amp; License – to improve the existing thumbprint system by having faster recognition speed of less than 1 second as well, with high accuracy, ensuring smooth usage for mill application.</li> </ol>	
<b>4.2 Principle 2: Transparency</b>			
<b>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</b>			
<b>4.2.1.1</b>	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p><b>- Major compliance -</b></p>	<p>Sakilan Palm Oil Mill is transparent and open to communicate its information on environmental, social, and legal issues related to sustainability practice to its stakeholders. The awareness among the stakeholders about the request of information was made mainly during stakeholders’ consultation meetings, which was last conducted on 14/10/2022.</p>	Complied
<b>4.2.1.2</b>	<p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p><b>- Major compliance -</b></p>	<p>Among the information can be made available upon request is:</p> <ul style="list-style-type: none"> <li>• Company’s policies</li> <li>• Management action plans (e.g., SIA, EIA, HCV, WMP, OHS, and continuous improvement plan)</li> <li>• Company’s annual report and certification assessment reports</li> <li>• Complaint and grievance procedure</li> </ul>	Complied



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		<ul style="list-style-type: none"> <li>Land use rights</li> </ul> <p>This has been communicated in the stakeholders' consultation meeting.</p>	
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p><b>- Major compliance -</b></p>	<p>IOI Group has established Grievance Procedure indicated in the Group Social Impact Assessment &amp; Management Action Plans Guidance Document (For Period 2019-2024), revised on Oct 2021. There are three stages of handling grievance i.e.:</p> <ol style="list-style-type: none"> <li>Grievance Submission - Submitted through Green Book, hotline or ECC immediately or within 24 hours</li> <li>Preliminary Investigation - Investigate within 30 working days from grievance submission date</li> <li>Further Investigation/Meeting with complainant - Meet up with complainant within 10 working days after preliminary investigation outcome.</li> </ol>	Complied
<b>4.2.2.2</b>	<p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p> <p><b>- Minor compliance -</b></p>	<p>The mill has appointed the assistant manager [ref.: letter dated 13/09/2021 from the Acting Mill Manager] to be the responsible person in handling the issues related to Indicator 1.</p>	Complied
<b>4.2.2.3</b>	<p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p><b>- Major compliance -</b></p>	<p>List of stakeholders for all the operating units were last updated on 10/11/2022. The list consists of various group of stakeholders such as government authorities, contractors/suppliers, NGOs, local communities, and internal stakeholders such as workers and representatives.</p> <p>Records of consultation generally recorded in the stakeholders' consultation minute of meeting. The last consultation was</p>	Complied

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		conducted on 14/10/2022 for Sakilan Group (mill and supplying estates). Feedbacks were recorded in the Timebound Action Plan 2022 which includes the positive/negative impacts, complaints, continuous improvement, and suggestion. The management had also included the explanation about RSPO & MSPO certification, IOI policies, Human Rights Defender, procedures to handle complaints and land dispute, HCV, and best practices.	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	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, documented in Management System & Traceability Control Procedures; Document Number: MSPO/SOP/MST/01; Revision Number: 00; Document Date: 31/10/2020; was made available for verification.	Complied
<b>4.2.3.2</b>	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 on a yearly basis.	Complied
<b>4.2.3.3</b>	The management shall identified and assign suitable employees to implement and maintain traceability system. <b>- Minor compliance -</b>	The mill management has appointed Mr. Christine Joannes as the MSPO person in-charge, responsible for Traceability in the mill as stated in the appointment letter dated 04/01/2021 undersigned by the Chairman, MSPO Management System.	Complied
<b>4.2.3.4</b>	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.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Records for year 2022 were maintained and verified.	
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. <b>- Major compliance -</b>	<p>Sakilan POM has maintained the systems for documentation, checking and assessment of legal compliance with applicable laws and regulations. Inspection of records showed that the mill has maintained legal compliance with statutory requirements. Sample of permit and license sighted as listed below:</p> <ol style="list-style-type: none"> <li>1. MPOB License; License Number: 500293404000; License Validity Period: 01/12/2022 – 30/11/2023.</li> <li>2. DOE License – Compliance Schedule; License Number: 003460; License Validity Period: 01/07/2022 – 30/06/2023.</li> <li>3. License to Employ Non-Residential Workers; License Number: JTK.H.SDK.600-4/1/1/10401/003866; License Validity Period: 12/01/2022 – 11/01/2023.</li> <li>4. Permit Barang Kawalan Berjadual; Serial Number: P (S003547); Reference Number: PPDNKK.SDK.02/2002 (SK); Description: Diesel Euro 2M (Industry); Storage Quantity: 19,000 Liters; License Validity Period: 29/06/2021 – 28/06/2024.</li> <li>5. Energy Commission - Private Installation License; Serial Number: 55097; License Number: 2022/01406; License Validity Period: 15/05/2022 – 14/05/2023.</li> </ol>	Complied
<b>4.3.1.2</b>	The management shall list all relevant laws related to their operations in a legal requirements register.	The list of related regulations and laws was documented in their List of Laws, Covenants & Standards Applicable to Sabah Estate	Complied

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	- Major compliance -	& Mill Operations. Sustainable Palm Oil Department was in charged for the updating if there any new requirement or regulations that come into force.	
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	The legal Requirements Register are subjected to periodic reviews in the event of new legislation enforced by National or State laws on in the event of any new cost-effective technology development.  SPO Department have established the Mechanism of Tracking Law Changes (Reference: IOI/SR/SPO/MTLC/22-01); Established Date: 03/01/2022. The document states the responsibilities of Legal Department – IOI Head Quarters, Regional Office, Sustainability Department and Estate/Mill Management.  All the legal and other requirements were registered accordingly and documented including new updates.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	Sustainable Palm Oil Department is responsible to update as when the new regulation or amendments coming into force. Later the SPOD will distributed the information to the operating units. At the mill, Mr. Christine Joannes has been appointed as the MSPO person in-charge, responsible for legal compliance in the mill as stated in the appointment letter dated 04/01/2021 undersigned by the Chairman, MSPO Management System.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	The oil palm milling activities does not diminish the land use rights of other users. The conditions stipulated in the land title was adhered to.	Complied

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<b>4.3.2.2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - <b>Major compliance</b> -	The mill located in Sakilan Estate Land in lot #10955 with land title no. CL 075471242. The mill occupied approximately 14.24 ha of the area including the effluent ponds.	Complied
<b>4.3.2.3</b>	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - <b>Major compliance</b> -	The mill is located in the sister estate i.e. Sakilan Estate and separated by means of fencing to demarcate the separation of management.	Complied
<b>4.3.2.4</b>	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - <b>Minor compliance</b> -	There was no land dispute at the certification unit. The company has the legal ownership documents as demonstrated by possessing land titles.	Not Applicable
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - <b>Major compliance</b> -	No land is encumbered by customary rights.	Not Applicable
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - <b>Minor compliance</b> -	No land is encumbered by customary rights.	Not Applicable
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - <b>Major compliance</b> -	No land is encumbered by customary rights.	Not Applicable

Criterion / Indicator	Assessment Findings	Compliance	
<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>	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p><b>- Minor compliance -</b></p>	<p>The mill has last reviewed their SIA in Nov 2022 by the appointed Social Liaison Officer. Among the methods of identifying the social impacts were:</p> <ul style="list-style-type: none"> <li>- conducting both internal &amp; external stakeholder meetings</li> <li>- grievance book</li> <li>- employee Consultative Committee meetings</li> <li>- women empowerment committee</li> <li>- safety committee meeting</li> <li>- collecting feedbacks from questionnaires with regards to merchant trade, shop services, children’s activities after school, satisfaction towards complaint/grievance, etc.</li> </ul> <p>Among the group of stakeholders outreached by the governmental organization, gender representatives, NGO, neighbouring estates, religious representatives, employees, contractors, suppliers and village representatives. Generally, among the impacts identified were those related to compliance with legal requirements, workers welfare, handling of complaints &amp; grievances and socio-economic impact on surrounding communities. SIA management plan was developed thereafter to address the identified issues. Among the information available in the management plan is social aspects, potential impacts, action plan &amp; monitoring programme, and management review.</p>	<p>Complied</p>

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<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. <b>- Major compliance -</b>	IOI Corporation Berhad has a Grievance Procedure [doc. No. IOI/P/GP/001, rev. 1, dated 20/1/2020] which outlined the system for dealing with complaints and grievance.	Complied
<b>4.4.2.2</b>	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. <b>- Major compliance -</b>	The mill is having a format to record complaints or requests from the stakeholders. Based on the records, most of the complaints were about defects of housing facility. The actions taken by the management were found to be appropriate and timely manner.	Complied
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. <b>- Minor compliance -</b>	The complaint forms were available at the operating unit's office, where the stakeholders can easily access should it be needed. Among the information available in the form is name of requestor/complainant, date of request, details of complaint/grievance, details of action taken including dates and acknowledgement signature of the requestor.	Complied
<b>4.4.2.4</b>	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. <b>- Minor compliance -</b>	Employees and the surrounding communities were made aware that complaints or suggestions can be made any time through various meetings such as morning muster, training/briefing and stakeholder consultation.	Complied
<b>4.4.2.5</b>	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. <b>- Major compliance -</b>	The complaints and resolutions for the past 24 months (i.e., from November 2020) were well maintained by the sampled estates and available upon request.	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			

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<b>4.4.3.1</b>	<p>Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p><b>- Minor compliance -</b></p>	<p>Since the last assessment, there have been a couple of contributions in forms of gift hamper and monetary donation for supporting school events. The recipients were SK Sakilan Desa (on 24/02/2022) and Sakilan’s Humana School (on 14/09/2022).</p>	Complied
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>IOI Group has established Occupational Safety, Health and Hygiene Policy signed by the Plantation Director dated March 2022. In the policy, stated the company’s commitment to implement leading sustainability, human rights and safety standards by providing safe, healthy and harmonious working environment for all our employees as well as others who may be affected by the operations.</p> <p>Sakilan POM has established Safety Management Plan – Sakilan Palm Oil Mill dated 05/01/2022. The management plan includes the OSH Programs, General Safety Requirements, PPE Program, Chemical Safety Procedures, Emergency Response Plan and Plan Review.</p>	Complied
<b>4.4.4.2</b>	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</li> </ul>	<p>The Safety Management Plans 2022 – Sakilan Palm Oil Mill cover the following:</p> <ul style="list-style-type: none"> <li>a. IOI Group has established Occupational Safety, Health and Hygiene Policy signed by the Plantation Director dated March 2022. In the policy, stated the company’s commitment to implement leading sustainability, human rights and safety standards by providing safe, healthy and harmonious working environment for all our employees as well as others who may</li> </ul>	Complied



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<ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> <li>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</li> <li>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</li> <li>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</li> </ul>	<p>be affected by the operations. The policy was communicated through training, briefing and displayed on notice board. The policy has been briefed to all workers on 06/10/2022.</p> <p>b. HIRARC was available for all operations within the Mill to identify the hazards, assess and recommended control measures to minimize the risks. Among the HIRARC sampled were Nut Plant, Forklift, Workshop, Water Treatment, Electrical, Land Irrigation and Diesel Tank. All HIRARC were recently reviewed on 06/01/2022.</p> <p>Chemical Health Risk Assessment (CHRA) was conducted in compliance with Occupational Safety and Health (USECHH) regulation 2000 on 19/02/2020 – 27/03/2020 by DOSH Registered Assessor, Dr. Mohd Azizan Bin Abdul Aziz (HQ/11/ASS/00/298-2020/182) with the CHRA Report available for verification. The CHRA Report (Report Ref Number: HQ/11/ASS/00/298-2020/182) was available for verification.</p> <p>Additional Chemical Health Risk Assessment (CHRA) was conducted due to changes in chemicals used in the operations. The CHRA was conducted on 03/09/2022 by DOSH Registered Assessor, Dr. Mohd Azizan Bin Abdul Aziz (HQ/11/ASS/00/298-2020/178) with the Additional CHRA Report available for verification. The CHRA Report (Report Ref Number: HQ/11/ASS/00/298-2020/178) was available for verification.</p> <p>Medical Surveillance was conducted to establish workers health status when they work in an environment where they are exposed to particular hazards such a n-Hexane, Manganese, Chlorine, Mineral Dust and Mineral Oil. The Mill</p>	

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<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>has conducted the medical surveillance on 30/09/2022 for 41 workers at DAB OH Sdn Bhd where all the workers were certified fit to work with no workers needed for Medical Removal Protection.</p> <p>Initial Noise Risk Assessment was conducted in compliance to OSH (Noise Regulation 2019, by DAB OH Sdn Bhd on 05/09/2020 for Sakilan POM. The NRA Report (Ref. No: JKPP: H/K/1149) was available for verification.</p> <p>Audiometric test was conducted in 30/09/2022 by DAB OH Sdn Bhd for all workers exposed to excessive noise at the mill which has been identified in the Noise Risk Assessment. A total of 45 workers had undergone the audiometric test where 37 workers were diagnosed to have normal hearing and 8 workers with Abnormal Audiogram. No workers were diagnosed with Standard Threshold Shift.</p> <p>c. The mill has established an Occupational Safety and Health – Training Programme for the year 2022 which includes training for employees exposed to chemicals used at the palm oil mill to ensure continuous awareness to the employees. The training was conducted by the Manager, Asst. Manager and representative from the chemical suppliers to the supervisors and operators. Among the trainings conducted are as below.</p> <ul style="list-style-type: none"> <li>– Water Treatment SOP and PPE training and Chemical Handling and ERP Training conducted on 18/04/2022.</li> <li>– Boiler SOP, PPE and ERP Training conducted on 07/06/2022</li> </ul> <p>d. The mill has provided appropriate PPE to all workers according to the job type and requirements. The PPE given</p>	

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	<p>as per HIRARC requirements. Sighted the PPE issuance records documented in "Borang Pemberian Alat Perlindungan Diri (Individu)". The PPE issued recorded by workers and job station.</p> <p>e. Procedures of Chemical Handling is presented in several documents in the mill. Among the related documents verified are as below.</p> <ul style="list-style-type: none"> <li>- Occupational Safety and Health Management System; Title: Competence and Training; Subject: SOP – Chemical Storage and Chemical Store Management; Document Reference: IOI – OSH 3.2.2; Date: 01/08/2012; Revision: 01.</li> <li>- Occupational Safety and Health Management System; Title: Competence and Training; Subject: SOP – Water Treatment Plant; Document Reference: IOI – OSH 3.2.2; Date: 01/08/2012; Revision: 0.</li> </ul> <p>f. As stated in the IOI Group – Safety Management Plans – Sakilan palm Oil Mill which states that the chairman of the Safety and Occupational Health Committee shall be appointed as per Regulation 6 (1) of OSH (Safety and Health Committee) Regulations 1996 which reads "An employer or his authorized manager shall be chairman of a safety and health committee". The management has appointed Safety Committee Members consists of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager.</p> <p>g. Sakilan POM conducted regular OSH committee meetings on quarterly basis and when necessary due to accidents that</p>	

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	<p>occur. In the meeting, discussed issue on employees' safety, health and welfare such as mill safety and health achievement report, mill security, safety compliance by contractors, workplace inspection, legal compliance, safety and health training. Sighted the latest OSH Meeting Minutes dated 28/09/2022 (03-2022), 29/06/2022 (02-2022) and 30/03/2022 (01-2022) available for verification.</p> <p>h. Accident and Emergency Response Procedures are available in the document Occupational Safety and Health Management System; Title: Emergency Prevention, Preparedness and Response; Doc Reference: IOI-OSH 3.3.4.3; Issue: 1/0; Date: 01/08/2012. Emergency Response Plans for Sakilan POM were available covering Earthquake, Accidents, Chemical Spillage, Physical Injury, Fire, Leachate Spillage from EFB, CPO Spillage, Schedule Waste Spillage, Electricity Shock and Effluent Spillage.</p> <p>The mill has established Emergency Response Team 2022 lead by the Emergency Commander (Acting Mill Manager). Trainings and awareness related to ERP have been conducted at the mill for the workers. Sighted the Emergency Drill Training records conducted on 01/11/2022 at the mill for all workers.</p> <p>i. First aiders were present at various workstations at the mill. The first aiders were responsible for first aid box at each workstation assigned to them by the management. The first aid box was recently replenished with records of monthly monitoring available for verification. Interview with the designated first aide box holders indicated that they have been trained and are well aware on the usage of the first aid</p>	

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		<p>box items. The latest First Aid Training was conducted on 18/07/2022.</p> <p>j. Accident records are recorded and maintained in the mill and discussed during the quarterly held JKKP Meetings. There was 1 reported accident for the year 2021 in the mill. Sighted the JKKP 8 form submission to JKKP for the year 2021 as well, submitted on 27/01/2021. There were 5 accident/incident reported at the mill for the year 2022 as of to date. The JKKP 6 and Accident Investigation Report was available for verification.</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>Policy on good social practices regarding human rights is addressed in the IOI Group Sustainable Palm Oil Policy (SPOP) signed by Dato' Lee Yeow Chor, group Chief Executive Officer and Dr. Surina Ismail, Group Head of Sustainability. The policy was last revised in October 2020. Communication to the employees was done in various methods such as briefing during morning muster, display on notice boards and training.</p>	Complied
<b>4.4.5.2</b>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p>	<p>The company is committed to ensure all the employees are treated equally regardless of race, nationality religion, gender, age, and other political opinions. There was no evidence of any form of discriminatory practice.</p>	Complied
<b>4.4.5.3</b>	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements.</p>	<p>Employment contracts for workers were available for verification. Sampled of employment contracts confirmed that terms and conditions are clearly outlined and have been signed by the</p>	Complied

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	The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. <b>- Major compliance -</b>	workers. Based on sampled pay slips, it was found that the wages were paid in line with the Minimum Wage Order 2022. This has also been further verified through interview with the sampled workers.	
<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>	In order to ensure employees of contractors are paid based on legal or industry minimum standards, the management requests payslips from the contractors. Payslips of employees from Rico Enterprise (CPO transporter) and Syt Perniagaan Piqrusyahliajaya (PK transporter) were available for verification. All the pay was found to be meeting the minimum standard requirements.	Complied
<b>4.4.5.5</b>	The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. <b>- Major compliance -</b>	Employee data base is kept and maintained in a computer system (SAP). All the required information such as names, gender, date of birth, date of entry, job description, and ID number was available in the data base.	Complied
<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 shall be made available for each and every employee indicated in the employment records. <b>- Major compliance -</b>	Every employee had been provided with employment contract which is signed by both parties. The terms and conditions stipulated in the employment contract and written in Bahasa Malaysia, were found to be in-line with the legal requirements.	Complied
<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>	The mill is using punch card and thumbprint scanner as its methods to record working hours and overtime. The data will then be transferred to the SAP system for wages calculation. Employees can be transparently provided with the information in the attendance records.	Complied

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<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>	The working hour and break time have been clearly stated in the Employment Contract. Verification of payslips showed that the overtime was paid consistent with the time recording and legal requirements.	Complied
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	Verification of sampled payslips showed that the wages and overtime were paid consistent with the employment contract and legal requirements.	Complied
<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. <b>- Minor compliance -</b>	Among the other forms of social benefits provided by the company are: <ul style="list-style-type: none"> <li>• Annual production bonus</li> <li>• Turn-out incentive</li> <li>• EPF &amp; SOCSO</li> <li>• Inhouse dispensary</li> </ul>	Complied
<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>	The mill workers are provided with free housing facilities which includes potable water and electricity. Housing inspection by the medical assistants was also carried out on weekly basis which criteria is mainly focussing on cleanliness and safety. Records of inspection were well maintained for verification.	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>	Apart from the SPOP, this is also addressed under IOI Group's Policy on Harassment at Workplace, which was signed by the Plantation Director dated June 2018. There has been no report with regards to any forms of sexual harassment and violence at the workplace since the last assessment. Should there be any, the	Complied

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		"Guidelines for Handling Harassment at Workplace", dated 26/11/2020 will be used.													
<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>	Apart from the SPOP, this is addressed under IOI Group's Equal Opportunity Employment & Freedom of Association Policies, which was signed by the Plantation Director dated October 2017. By this policy, employees are not restricted to join any trade union.	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>	Based on verification of the employees' data base extracted from the SAP system, there was no evidence that children and young persons have been recruited. This is also in-line with the company's SPOP.	Complied												
<b>Criterion 4.4.6: Training and competency</b>															
<b>4.4.6.1</b>	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. <b>- Major compliance -</b>	Sakilan POM management has established an annual training program and listed 381 different training which cover the aspect of safety & health, environmental, social and sustainability. Training records sighted are as below: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">Training</th> <th style="width: 20%;">Date</th> </tr> </thead> <tbody> <tr> <td>Effluent SOP, PPE &amp; ERP Training</td> <td>10/01/2022</td> </tr> <tr> <td>Capstan SOP, PPE &amp; ERP Training</td> <td>17/01/2022</td> </tr> <tr> <td>Security SOP, PPE &amp; ERP Training</td> <td>17/01/2022</td> </tr> <tr> <td>Workshop SOP, PPE &amp; ERP Training</td> <td>24/01/2022</td> </tr> <tr> <td>Boiler SOP, PPE &amp; ERP Training</td> <td>14/02/2022</td> </tr> </tbody> </table>	Training	Date	Effluent SOP, PPE & ERP Training	10/01/2022	Capstan SOP, PPE & ERP Training	17/01/2022	Security SOP, PPE & ERP Training	17/01/2022	Workshop SOP, PPE & ERP Training	24/01/2022	Boiler SOP, PPE & ERP Training	14/02/2022	Complied
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		Kernel Plant SOP, PPE & ERP Training	23/03/2022	
		Social Training	15/04/2022	
		Sexual Harassment Awareness at Workplace	18/04/2022	
		Conductive Hearing Loss Education & Training	12/05/2022	
		Welding Fumes Hazard Awareness	02/06/2022	
		Contractor Safety Briefing	03/06/2022	
		Vehicle Maintenance Training	23/08/2022	
		Recycling and Green Book Training	17/10/2022	
<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 their job function and responsibility in accordance to the documented training procedure. <b>- Minor compliance -</b>	A training programme has been developed and available in Halusah Ladang Sdn Bhd; Sakilan Palm Oil Mill; Occupational Safety and Health – Training Programme for the year 2022. The trainings were sighted to have also included Gender Specific Training and involves staffs, workers and contractors.		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 shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. <b>- Major compliance -</b>	The policy in relation to environmental is stated in the IOI Group – Sustainable Palm Oil Policy with the latest revision on Oct 2020. The Policy is signed by The Group Chief Executive Officer and Head Sustainability Department.		Complied

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<p><b>4.5.1.2</b> The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) An environmental policy and objectives;</li> <li>b) The aspects and impacts analysis of all operations</li> </ul> <p><b>- Major compliance -</b></p>	<p>The policy in relation to environmental is stated in the IOI Group – Sustainable Palm Oil Policy latest revised dated Oct 2020 signed by Group Chief Executive Officer. Among others the Policy emphasized on the Environmental Management to include the following;</p> <ol style="list-style-type: none"> <li>1. Identification &amp; protection of HCV And HCS forest</li> <li>2. Implementation of program to progressively reduce GHG emission, recycle /reuse of palm biomass</li> <li>3. Enforcement of IOI of the NO OPEN BURNING POLICY.</li> <li>4. Adopted no use of paraquat and pesticides categorized by WHO in class 1A or 1B.</li> <li>5. Adherence to EQA 1974</li> <li>6. Full compliance to legislative requirement</li> </ol> <p>The IOI sustainability team has prepared the environmental aspect and impacts assessment in term of Environmental Impact Assessment, Management Action Plans and Continual Improvement Plans from November 2022 for Sakilan Palm Oil Mill. The list of the aspect and impacts had covered all the mill activities from the FFB reception to the CPO/CPK dispatches. The waste and pollution treatment and management plans are also included.</p>	<p>Complied</p>

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<p><b>4.5.1.3</b> An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>The mill had planning for the following projects in its Future Continuous Improvement Plan jointly made by SPO and management team. The projects are also determined for the improvement for the effluent quality as described in 4.5.1.4 below:</p> <table border="1" data-bbox="1099 608 1854 1369"> <thead> <tr> <th>Improvement Section</th> <th>Plan</th> <th>Positive Impacts</th> <th>Timeline</th> </tr> </thead> <tbody> <tr> <td>Marshalling yard/ Ramp/ Mill Compound</td> <td>Washing on floor for removal spillage lubricants dripping, general waste oil trap and maintenance etc.</td> <td>Cleaner environment conducive working atmosphere, reduce risk of accident and environmental issues</td> <td>Continuous</td> </tr> <tr> <td>Boiler Station</td> <td>To monitor existing boiler emission control system and comply with Ringelmann Chart 1. Installation of ESP Aug 2019. Anticipated to commission in Dec 2022.</td> <td>Reduction in black smoke emission</td> <td>Dec 2022</td> </tr> <tr> <td rowspan="2">Nut and kernel station</td> <td>Sound proofing for ripple mill machine.</td> <td>RM 40K</td> <td>June 2023</td> </tr> <tr> <td>Installation of Tiva liner for nut polishing plant.</td> <td>RM 30K</td> <td>Mac 2023</td> </tr> </tbody> </table>	Improvement Section	Plan	Positive Impacts	Timeline	Marshalling yard/ Ramp/ Mill Compound	Washing on floor for removal spillage lubricants dripping, general waste oil trap and maintenance etc.	Cleaner environment conducive working atmosphere, reduce risk of accident and environmental issues	Continuous	Boiler Station	To monitor existing boiler emission control system and comply with Ringelmann Chart 1. Installation of ESP Aug 2019. Anticipated to commission in Dec 2022.	Reduction in black smoke emission	Dec 2022	Nut and kernel station	Sound proofing for ripple mill machine.	RM 40K	June 2023	Installation of Tiva liner for nut polishing plant.	RM 30K	Mac 2023	<p>Complied</p>
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			Supervisor room sound proof.					
		Biogas Plant	To install biogas plant and capture the biogas for flaring or other uses	Reduction in green house gas emissions	2022/23			
		Effluent	To install silt curtain inside 2 anaerobic ponds.	Improved solids and liquid.	April 2023			
		Water supply	To change raw water piping in mill plant complex	Improved efficiency	2024/25			
		CPO Washing	RO water installation Reduce raw water chloride and in CPO	Reduced chloride content in CPO	Completed and being monitored			
<b>4.5.1.4</b>	A programme to promote the positive impacts should be included in the continual improvement plan. <b>- Minor compliance -</b>	<p>The mill had identified new methods in improving the BOD level &lt;50 mg/l for the land application. Under the improvement plan the mill had the flowing plan in relation to the effluent management improvement.</p> <ul style="list-style-type: none"> <li>a) Biogas plant – reduction in GHG into the atmosphere</li> <li>b) Polishing plant – to comply to reduce BOD to 20 ppm for land discharge.</li> <li>c) Effluent pond system – to remove solid content in cooling pond under desludging program</li> </ul>				Complied		
<b>4.5.1.5</b>	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	<p>This is available in the annual training program under subject of;</p> <table border="1" style="width: 100%;"> <tr> <td>Subjects</td> </tr> <tr> <td>ESH Legal &amp; Other requirements</td> </tr> </table>				Subjects	ESH Legal & Other requirements	Complied
Subjects								
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Criterion / Indicator		Assessment Findings	Compliance																					
	<p>achieving objectives.</p> <p><b>- Major compliance -</b></p>	<p>Chemical handling</p> <p>Emergency Respond Plan Training Chemical spill, Fire</p> <p>Scheduled waste management</p> <p>RSPO/ISCC/MSPO Training</p> <p>HIRARC</p> <p>Water Treatment Plant</p> <p>Environmental Management Plan</p> <p>CDS understanding</p> <p>Training organized as sighted below:</p> <table border="1"> <thead> <tr> <th>Subject</th> <th>Date</th> <th>Attendee</th> </tr> </thead> <tbody> <tr> <td>Anti-Pollution Program</td> <td>04/09/22</td> <td>14</td> </tr> <tr> <td>Environmental Aspects</td> <td>07/09/22</td> <td>8</td> </tr> <tr> <td>Scheduled waste management</td> <td>03/11/22</td> <td>14</td> </tr> <tr> <td>Recycled program/Green Book</td> <td>17/10/22</td> <td>44</td> </tr> <tr> <td>SOP Effluent Management</td> <td>10/01/22</td> <td>9</td> </tr> <tr> <td>Zero burning Policy</td> <td>06/10/22</td> <td>Entire</td> </tr> </tbody> </table>	Subject	Date	Attendee	Anti-Pollution Program	04/09/22	14	Environmental Aspects	07/09/22	8	Scheduled waste management	03/11/22	14	Recycled program/Green Book	17/10/22	44	SOP Effluent Management	10/01/22	9	Zero burning Policy	06/10/22	Entire	
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<b>4.5.1.6</b>	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p><b>- Major compliance -</b></p>	<p>The is made through the EPMC session held 4 times in a year. The dates held to date as recorded below:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Attendee</th> </tr> </thead> <tbody> <tr> <td>28/09/2022</td> <td>14</td> </tr> <tr> <td>27/12/2021</td> <td>14</td> </tr> <tr> <td>30/03/2022</td> <td>14</td> </tr> <tr> <td>29/06/2022</td> <td>13</td> </tr> </tbody> </table> <p>The agenda among others discussed the following issues:</p> <p>a) SW discussion/ EFB disposal</p> <p>b) Effluent/ Drainage/ GHG</p>	Date	Attendee	28/09/2022	14	27/12/2021	14	30/03/2022	14	29/06/2022	13	Complied											
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		c) Compliance to DOE’s Competent Person requirement d) Other legislative requirement and compliance.																					
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>																							
<b>4.5.2.1</b>	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period  <b>- Major compliance -</b>	<p>The Mill consistently monitors the following and tabulates the data monthly.</p> <p>Direct usage of diesel for the mill operations are recorded. The quantity in mt is divided over the mt CPO produced (ratio) during the month. The performance is measured by this ratio to indicate the level of performance. The data is compiled for comparison and control for future improvement with aim of gradual reduction of diesel. There were measures as shown in the energy management plan to reduce and eliminate wastage among others as follows:</p> <ul style="list-style-type: none"> <li>i. To ensure optimum FFB ramp balance to commence processing</li> <li>ii. Timely servicing of vehicles to ensure efficient use of diesel &amp; avoid leakage</li> <li>iii. Regular servicing of turbine for a better efficiency and to minimize running of gen-set</li> <li>iv. Educate employees on fuel saving practices.</li> </ul> <table border="1"> <thead> <tr> <th>Details</th> <th>July 18- June 19</th> <th>July 19- June 20</th> <th>July 20- June 21</th> <th>July 21- June 22</th> </tr> </thead> <tbody> <tr> <td>Diesoline litre</td> <td>581768</td> <td>571987</td> <td>535736</td> <td>519221</td> </tr> <tr> <td>CPO /mt</td> <td>26845</td> <td>27035</td> <td>22654</td> <td>19705</td> </tr> <tr> <td>FFB /mt</td> <td>124886</td> <td>122120</td> <td>102599</td> <td>90293</td> </tr> </tbody> </table>	Details	July 18- June 19	July 19- June 20	July 20- June 21	July 21- June 22	Diesoline litre	581768	571987	535736	519221	CPO /mt	26845	27035	22654	19705	FFB /mt	124886	122120	102599	90293	Complied
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		Diesel/CPO mt	21.67	21.16	23.65	26.35	
		Diesel /FFB mt	4.66	4.68	5.22	5.75	
		<p>The mill recorded a range of 0.466 to highest 5.75 for the 4 years.</p> <p><i>Power production and allocation to the mill machinery and complex generated by steam turbine tabulated for the financial year 2021/22.</i></p> <p>It is calculated as electricity generated from turbine that produces power for the mill entire complex operation unit in kWh/mt FFB.</p>					
<b>4.5.2.2</b>	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p><b>- Major compliance -</b></p>	<p>The mill records the following data and tabulates the ratio against the CPO produced to determine the efficiency of their operations.</p> <p>a) all the diesel used (non-renewable) for the mill operations  b) fibre/shell (renewable)</p> <p>In this relation the following data were sighted and verified.</p> <p>a) Non-renewable energy usage for 2021/22  b) Renewable energy usage for 2021/22 - ratio shell/fibre/mt CPO average of 0.73</p>					Complied
<b>4.5.2.3</b>	<p>The use of renewable energy should be applied where possible.</p> <p><b>- Minor compliance -</b></p>	<p>The fibre and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fibre are delivered to estates for multi purposes or sold to outside buyers. EFB is used in the estates for mulching. Details of renewable energy fibre/shell utilization are recorded below. Fiber and Shell production ratio attributed to 12% and 7% respectively of the FFB processing. When the renewable energy consumption is maximized the utilization of non-renewable is reduced.</p>					Complied

Criterion / Indicator		Assessment Findings	Compliance																									
<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>	<p>The Waste Management and Disposal Plan 2022 to avoid or reduce pollution had been documented and implemented with review made annually. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation. Among of waste management has been implemented by the mill were:</p> <table border="1"> <thead> <tr> <th>Waste Type</th> <th>Description</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>Domestic waste</td> <td>Rubbish</td> <td>Line sites, office, workshop, store,</td> </tr> <tr> <td rowspan="3">Industrial waste</td> <td>Fertilizer bags</td> <td>Empty bags store</td> </tr> <tr> <td>Scrap metal</td> <td>workshop</td> </tr> <tr> <td>POME</td> <td>ETP</td> </tr> <tr> <td>Sewage waste</td> <td>sewage</td> <td>Workers housing toilets/ office</td> </tr> <tr> <td rowspan="4">Scheduled waste</td> <td>SW 404 Clinical waste</td> <td>Clinic</td> </tr> <tr> <td>SW rags, plastics, filters</td> <td>Workshop</td> </tr> <tr> <td>Spent lubricant &amp; hydraulic oil</td> <td>Workshop</td> </tr> <tr> <td>Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW</td> <td>Scheduled waste store</td> </tr> </tbody> </table>	Waste Type	Description	Location	Domestic waste	Rubbish	Line sites, office, workshop, store,	Industrial waste	Fertilizer bags	Empty bags store	Scrap metal	workshop	POME	ETP	Sewage waste	sewage	Workers housing toilets/ office	Scheduled waste	SW 404 Clinical waste	Clinic	SW rags, plastics, filters	Workshop	Spent lubricant & hydraulic oil	Workshop	Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW	Scheduled waste store	Complied
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Criterion / Indicator		Assessment Findings			Compliance											
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p><b>- Major compliance -</b></p>	<p>The Waste Management Plan 2022 listed the waste generated from the mill operations among others as described below:</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Description</th> <th>Action to be taken</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Industrial waste</td> <td>EFB</td> <td> <p>Sent for mulching in the estates.</p> <p>To ensure and submit EFB disposal schedule and location every month</p> <p>To dispose EFB within 14 days upon storage</p> <p>To ensure no open burning activity on EFB and mill waste</p> <p>To design EFB storage area in ensuring no spillage of leachate into monsoon drain.</p> </td> </tr> <tr> <td>Scrap iron</td> <td> <p>Dispose as sale to assigned vendor by Regional office/Head Office.</p> <p>Recycle where appropriate for workshop maintenance</p> </td> </tr> <tr> <td></td> <td>POME</td> <td> <p>Treated in effluent plant. The final discharge from the treatment plant is used for water discharge.</p> <p>Effluent quality monitoring on monthly basis.</p> <p>The monitoring of the effluent discharge is reported to DOE on monthly and quarterly basis.</p> <p>This practice is accordance with the requirements in the written approval issued by DOE.</p> </td> </tr> </tbody> </table>			Type	Description	Action to be taken	Industrial waste	EFB	<p>Sent for mulching in the estates.</p> <p>To ensure and submit EFB disposal schedule and location every month</p> <p>To dispose EFB within 14 days upon storage</p> <p>To ensure no open burning activity on EFB and mill waste</p> <p>To design EFB storage area in ensuring no spillage of leachate into monsoon drain.</p>	Scrap iron	<p>Dispose as sale to assigned vendor by Regional office/Head Office.</p> <p>Recycle where appropriate for workshop maintenance</p>		POME	<p>Treated in effluent plant. The final discharge from the treatment plant is used for water discharge.</p> <p>Effluent quality monitoring on monthly basis.</p> <p>The monitoring of the effluent discharge is reported to DOE on monthly and quarterly basis.</p> <p>This practice is accordance with the requirements in the written approval issued by DOE.</p>	Complied
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				Review of the results revealed that the quality of the effluent discharge is in within the regulatory limit.	
			Boiler ash	Disposed to designated dumping site near holding pond Daily leveling monthly using machine.	
		Scheduled Waste	SW305/ 306/ 102/410/ 109 SW409/ 410/322/ 429	Clean and tidy storage area Separation of type SW using labels 10cm x 10cm To ensure spillage trap functions effectively Monthly stock verification by executives Ensure inventory not exceeding 180 days / 20 mt Follow approved consignment note and update in ESWIS Provide training to the SW handlers.	
		Domestic Waste	Rubbish/ garden waste	Disposal made 1x-2x/week to Sakilan Estate. Encourage recycling program currently maintained by an assigned employee. Provide adequate dustbins line sites / office complex Weekly inspection by Supervisors / executives Awareness on hygiene.	
			Sewage	Provide adequate washrooms/toilets at mill and line sites	

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				To ensure employees' quarters equipped with appropriate septic tank Cleaning/desludging septic tank done by appointed contractor.																																									
<b>4.5.3.3</b>	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p><b>- Major compliance -</b></p>	<p>The SOP for SW has been established and documented in SOP ref no IOI/SRO/HSE/SW/01 dated 01/01/15 compiled in the Group Standard Operating Procedures for the mills. Therein describing details relating to;</p> <ul style="list-style-type: none"> <li>i. Labeling / Legal requirement</li> <li>ii. Waste generator / Training required</li> <li>iii. DOE license</li> </ul> <p>All scheduled waste is despatched to Lagenda Bumimas Sdn Bhd an authorized buyer approved by DOE ref no 003440 validity until 30/04/2023. Details as shown below.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>SW 104</th> <th>SW 109</th> <th>SW 110</th> <th>SW 305</th> <th>SW 306</th> <th>SW 409</th> <th>SW 410</th> <th>SW 429</th> <th>SW 417</th> </tr> </thead> <tbody> <tr> <td>16/3/22</td> <td>-</td> <td>-</td> <td>-</td> <td>1.20</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>18/8/22</td> <td>0.03</td> <td>0.02</td> <td>0.16</td> <td>2.64</td> <td>0.40</td> <td>1.91</td> <td>0.84</td> <td>0.08</td> <td>0.05</td> </tr> <tr> <td>9/11/22</td> <td>-</td> <td>-</td> <td>-</td> <td>0.87</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>The mill had annual maintenance in Mac 2022 hence lesser SW being generated coupled with lower FFB processed throughout the quarter.</p>			Date	SW 104	SW 109	SW 110	SW 305	SW 306	SW 409	SW 410	SW 429	SW 417	16/3/22	-	-	-	1.20	-	-	-	-	-	18/8/22	0.03	0.02	0.16	2.64	0.40	1.91	0.84	0.08	0.05	9/11/22	-	-	-	0.87	-	-	-	-	-	Complied
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<b>4.5.3.4</b>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p><b>- Minor compliance -</b></p>	<p>The host estate Sakilan Estate management handles the domestic waste management of the mill. Collection at frequency of 1x-2x/week and disposed to the designated field.</p>			Complied																																								

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<b>Criterion 4.5.4:</b> Reduction of pollution and emission											
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	The pollution identified from the mill activities as described below; <table border="1"> <thead> <tr> <th>Type of waste</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>Black smoke</td> <td>Emission from Boilers</td> </tr> <tr> <td>Odour &amp; gases</td> <td>Activities from the effluent treatment</td> </tr> <tr> <td>Leakage of lubricant</td> <td>Storage &amp; vehicle maintenance</td> </tr> </tbody> </table>	Type of waste	Details	Black smoke	Emission from Boilers	Odour & gases	Activities from the effluent treatment	Leakage of lubricant	Storage & vehicle maintenance	Complied
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<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 action plan to reduce the pollution are as follows; <table border="1"> <thead> <tr> <th>Type</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Black smoke</td> <td>To monitor condition of dust cyclone every 3 months To carry out boiler furnace cleaning every week</td> </tr> <tr> <td>Odour &amp; gases</td> <td>To maintain proper feeding into digestion process of effluent to prevent severe and unpleasant odour Maintain 1:1 ratio of acidification process</td> </tr> <tr> <td>Leakage lubricant</td> <td>Ensure SOP to be strictly followed To place all lubricant oil drum on metal trays</td> </tr> </tbody> </table> <p>All efforts and action plan for the identified pollutants and emission above is adequate to comply with the requirement. All identified issues have significant impacts to the environment.</p>	Type	Action Plan	Black smoke	To monitor condition of dust cyclone every 3 months To carry out boiler furnace cleaning every week	Odour & gases	To maintain proper feeding into digestion process of effluent to prevent severe and unpleasant odour Maintain 1:1 ratio of acidification process	Leakage lubricant	Ensure SOP to be strictly followed To place all lubricant oil drum on metal trays	Complied
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<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>	The treated mill effluent discharge is regularly monitored as prescribed in the "Jadual Pematuhar" license no 003460 01/07/2022 - 30/06/2023 issued to the mill. The limit for the Biochemical Oxygen Demand (BOD) discharge is <50 mg/l for land application. The improvement program to achieve the BOD level is shown in 4.5.5.2. Regular monitoring is made on monthly basis and quarterly. In addition, daily site checking on the effluent ponds are made by the supervisory personnel and effluent	Complied								

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		<p>attendants. Reports for the effluent parameters are submitted using "Borang Penyata Suku Tahun" to DOE for compliance. Sighted the effluent results in the laboratory at random and all parameters comply to the DOE requirement. (Units in mg/l except for pH)</p> <table border="1"> <thead> <tr> <th>Parameters</th> <th>Std</th> <th>13/7/22</th> <th>10/8/22</th> <th>13/9/22</th> </tr> </thead> <tbody> <tr> <td>PH</td> <td>5-9</td> <td>8.50</td> <td>8.60</td> <td>8.60</td> </tr> <tr> <td>BOD</td> <td>50</td> <td>18.10</td> <td>16.90</td> <td>13.70</td> </tr> <tr> <td>COD</td> <td>-</td> <td>205</td> <td>228</td> <td>209</td> </tr> <tr> <td>Total Solids</td> <td>-</td> <td>2535</td> <td>2680</td> <td>2710</td> </tr> <tr> <td>Suspended solids</td> <td>200</td> <td>1.99</td> <td>1.99</td> <td>1.99</td> </tr> <tr> <td>Oil &amp; grease</td> <td>20</td> <td>1.99</td> <td>1.99</td> <td>1.99</td> </tr> <tr> <td>Ammonical N</td> <td>150</td> <td>0.99</td> <td>0.99</td> <td>0.99</td> </tr> <tr> <td>Total N</td> <td>200</td> <td>16.70</td> <td>18.20</td> <td>12.80</td> </tr> </tbody> </table> <p>The mill had identified new methods in improving the BOD level &lt;50 mg/l for the water discharge. Under the improvement plan the mill had the flowing plan in relation to the effluent management improvement.</p> <ul style="list-style-type: none"> <li>a. Biogas plant – reduction in GHG into the atmosphere</li> <li>b. Polishing plant – to comply to reduce BOD to 20 ppm for water discharge.</li> <li>c. Effluent pond system – to remove solid content in cooling pond under desludging program</li> </ul>	Parameters	Std	13/7/22	10/8/22	13/9/22	PH	5-9	8.50	8.60	8.60	BOD	50	18.10	16.90	13.70	COD	-	205	228	209	Total Solids	-	2535	2680	2710	Suspended solids	200	1.99	1.99	1.99	Oil & grease	20	1.99	1.99	1.99	Ammonical N	150	0.99	0.99	0.99	Total N	200	16.70	18.20	12.80	
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<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 (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> </ul> <p><b>- Major compliance -</b></p>	<p>availability of natural water resources. This is made by practicing efficient water consumption through various methods such as;</p> <ul style="list-style-type: none"> <li>a. Implementation of rainwater harvest,</li> <li>b. Construction of water gate and scheduled water pumping for effective management of field drains / field water level.</li> <li>c. daily monitoring of bund / scheduled maintenance</li> <li>d. Establishment of <i>mucuna bracteata</i> to prevent erosion,</li> <li>e. Enhancement of ground vegetation at bare ground area.</li> </ul> <p>The water sources are as shown below:</p> <table border="1" data-bbox="1088 818 1848 1289"> <thead> <tr> <th>Water sources</th> <th>Usage</th> <th>Monitoring &amp; measurement</th> <th>Freq</th> <th>PIC</th> <th>Review status</th> </tr> </thead> <tbody> <tr> <td>Water catchment</td> <td>Domestic consumption &amp; mill processing</td> <td>Monitoring water supply</td> <td>Mth</td> <td>AM Mgr</td> <td>Liaison with Authority</td> </tr> <tr> <td>Rain water</td> <td>Domestic use Workshop Chemical mixing</td> <td>Rain fall data</td> <td>On-going</td> <td>AM Mgr</td> <td>Water harvesting for general purposes</td> </tr> <tr> <td>Water tank</td> <td>Emergency water supply</td> <td>-</td> <td>-</td> <td>AM Mgr</td> <td>Request water supply from other estates</td> </tr> </tbody> </table>	Water sources	Usage	Monitoring & measurement	Freq	PIC	Review status	Water catchment	Domestic consumption & mill processing	Monitoring water supply	Mth	AM Mgr	Liaison with Authority	Rain water	Domestic use Workshop Chemical mixing	Rain fall data	On-going	AM Mgr	Water harvesting for general purposes	Water tank	Emergency water supply	-	-	AM Mgr	Request water supply from other estates	
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		<p>The Mill had implemented water managements plans which covered:</p> <ul style="list-style-type: none"> <li>a) Water shortage contingencies</li> <li>b) Water pollution prevention</li> <li>c) Reduce wastage</li> <li>d) Identification &amp; management of waste waters</li> <li>e) Monitoring rainfall</li> <li>f) Regular water quality analysis.</li> </ul> <p>Water management plan reviewed annually latest being Oct 2022. The management plan was sighted and verified.</p> <p>The Mill Identification &amp; Management of Wastewater 2022 as summarized below:</p> <table border="1"> <thead> <tr> <th>Location</th> <th>Wastewater produced</th> <th>Treatment/containment</th> <th>Reuse/recycle/disposal method</th> </tr> </thead> <tbody> <tr> <td>Processing stations</td> <td>Clarification condensate Sterilizer condensate Hydro cyclone condensate Mill floor cleaning water</td> <td>Oil recovery/ETP</td> <td>Recover into system</td> </tr> <tr> <td>Boiler</td> <td>Blow down, cleaning water</td> <td>Sludge pit, ETP</td> <td>Monsoon drain</td> </tr> <tr> <td>Process ramp</td> <td>Rainfall runoff</td> <td>Sedimentation trap</td> <td>Monsoon drain</td> </tr> </tbody> </table>				Location	Wastewater produced	Treatment/containment	Reuse/recycle/disposal method	Processing stations	Clarification condensate Sterilizer condensate Hydro cyclone condensate Mill floor cleaning water	Oil recovery/ETP	Recover into system	Boiler	Blow down, cleaning water	Sludge pit, ETP	Monsoon drain	Process ramp	Rainfall runoff	Sedimentation trap	Monsoon drain	
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		Engine room	Steam condensate, turbine cooling water	Monsoon drain, recycled tank	Monsoon drain																														
		Lab	Cleaning water	Process drain	Monsoon drain																														
		Wash room	Toilet water, cleaning water	Septic tank	Collected by licensed contractor.																														
		<p>The water consumption with comparison in FY as shown below:</p> <table border="1"> <thead> <tr> <th>Details</th> <th>Jul 18 - Jun 19</th> <th>Jul 19 - Jun 20</th> <th>Jul 20 - Jun 21</th> <th>Jul 21 - Jun 22</th> </tr> </thead> <tbody> <tr> <td>Total Water / m3</td> <td>256551</td> <td>324261</td> <td>189185</td> <td>164536</td> </tr> <tr> <td>CPO /mt</td> <td>26845</td> <td>27035</td> <td>22654</td> <td>19705</td> </tr> <tr> <td>FFB /mt</td> <td>124886</td> <td>122120</td> <td>102599</td> <td>90293</td> </tr> <tr> <td>Water /CPO mt</td> <td>9.56</td> <td>9.00</td> <td>8.35</td> <td>8.35</td> </tr> <tr> <td>Water /FFB mt</td> <td>2.05</td> <td>1.99</td> <td>1.84</td> <td>1.82</td> </tr> </tbody> </table> <p>The mill made water analysis at the upstream and downstream for detection of any pollution related to the mill operations. Sampling sites were visited. Similarly, analysis for drinking water was taken for quality monitoring 2x/year. Results dated 15/08/2022 ref no W220705/01B and 19/10/2022 ref no E221011/14A respectively.</p>					Details	Jul 18 - Jun 19	Jul 19 - Jun 20	Jul 20 - Jun 21	Jul 21 - Jun 22	Total Water / m3	256551	324261	189185	164536	CPO /mt	26845	27035	22654	19705	FFB /mt	124886	122120	102599	90293	Water /CPO mt	9.56	9.00	8.35	8.35	Water /FFB mt	2.05	1.99	1.84
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<b>4.5.5.2</b>	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. <b>- Major compliance -</b>	Details of effluent treatment and report as provided in 4.5.4.3 above. The effluent is retained for treatment in a flow through several / multiple stage ponds before being discharged onto land application in Sakilan Estate designated fields. The compliance requirement is provided in the DOE 'Jadual Pematuhan' licensed to the mill. The final BOD is <50 mg/l. Under the improvement				Complied																													



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<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>Group Standard Operating Procedures for Palm Oil Mill dated March 2012 thereafter revised to include new work methods etc. The latest revision on Jan 2021 to include to work process in the Boiler and Oil Room. The SOP Master list for the Mill among others covered the following operations and activities:</p> <table border="1"> <thead> <tr> <th colspan="2">Operation / Stations</th> <th colspan="2">Operation / Stations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Weighbridge</td> <td>10</td> <td>Kernel Plant</td> </tr> <tr> <td>2</td> <td>FFB Reception/Grading</td> <td>11</td> <td>EFB Press</td> </tr> <tr> <td>3</td> <td>Loading Ramp</td> <td>12</td> <td>Water Treatment Plant</td> </tr> <tr> <td>4</td> <td>Sterilizer</td> <td>13</td> <td>Boiler</td> </tr> <tr> <td>5</td> <td>Winch</td> <td>14</td> <td>Power Plant (Engine Room)</td> </tr> <tr> <td>6</td> <td>Hoisting Crane</td> <td>15</td> <td>Laboratory</td> </tr> <tr> <td>7</td> <td>Thresher Drum</td> <td>16</td> <td>Workshop</td> </tr> <tr> <td>8</td> <td>Digester &amp; Press</td> <td>17</td> <td>Effluent Pond</td> </tr> <tr> <td>9</td> <td>Oil room</td> <td>18</td> <td>SC management procedures</td> </tr> </tbody> </table>	Operation / Stations		Operation / Stations		1	Weighbridge	10	Kernel Plant	2	FFB Reception/Grading	11	EFB Press	3	Loading Ramp	12	Water Treatment Plant	4	Sterilizer	13	Boiler	5	Winch	14	Power Plant (Engine Room)	6	Hoisting Crane	15	Laboratory	7	Thresher Drum	16	Workshop	8	Digester & Press	17	Effluent Pond	9	Oil room	18	SC management procedures	Complied
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		<p>In addition there were procedures established for the listed operations and activities.</p> <table border="1"> <thead> <tr> <th colspan="2">Operation / Stations</th> <th colspan="2">Operation / Stations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Procedure on Environment</td> <td>5</td> <td>Procedure on Diesel Pump</td> </tr> <tr> <td>2</td> <td>Procedure on Storage of Petrol, Diesel/ Lubricants</td> <td>6</td> <td>Procedure Storage Disposal Used Chemical Containers</td> </tr> <tr> <td>3</td> <td>Procedure on POME WTP/management</td> <td>7</td> <td>Procedure on Disposal of Used Lubricants</td> </tr> <tr> <td>4</td> <td>Procedure for Tractor &amp; Lorry Drivers</td> <td>8</td> <td>Procedure on Handling &amp; Disposal of Domestic Waste</td> </tr> </tbody> </table> <p>The SOP documented in English are dated accordingly and approved by the management. The latest copies of the SOP were available on-site. Copies of SOP were distributed and posted at site of operation in Bahasa Malaysia for easier understanding by the workers. SOP in the mill and all estates were laminated and made available in notice boards and workstations highly visible and easily accessible by all workers. Based on interviews conducted and training records sighted, it is evident that staff/workers have understood the SOP.</p>				Operation / Stations		Operation / Stations		1	Procedure on Environment	5	Procedure on Diesel Pump	2	Procedure on Storage of Petrol, Diesel/ Lubricants	6	Procedure Storage Disposal Used Chemical Containers	3	Procedure on POME WTP/management	7	Procedure on Disposal of Used Lubricants	4	Procedure for Tractor & Lorry Drivers	8	Procedure on Handling & Disposal of Domestic Waste	
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<b>4.6.1.2</b>	All palm oil mills shall implement best practices. <b>- Major compliance -</b>	<p>The following reports are established to monitor the mill operations</p> <ol style="list-style-type: none"> <li>Daily production report</li> <li>Progress report</li> </ol>				Complied																				

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Criterion / Indicator		Assessment Findings	Compliance																																				
		3. FFB quality / Extraction Ratios 4. Qualities issues/complaints 5. MPD analysis 6. Manpower 7. Process control 8. Mill throughput /downtime 9. Water consumption 10. Processing cost /CAPEX. 11. The Senior Mill Controller visits the mill every month. 12. Unscheduled visits by the Plantation Director. <table border="1" data-bbox="1086 833 1854 1139"> <thead> <tr> <th>Data at 31/10/22</th> <th>Today</th> <th>MTD</th> <th>YTD</th> </tr> </thead> <tbody> <tr> <td>FFB Received /mt</td> <td>404.83</td> <td>11450.93</td> <td>40309.26</td> </tr> <tr> <td>FFB Processed</td> <td>757.55</td> <td>11450.93</td> <td>40309.26</td> </tr> <tr> <td>CPO Production</td> <td>173.92</td> <td>2636.90</td> <td>8877.27</td> </tr> <tr> <td>PK Production</td> <td>23.23</td> <td>442.84</td> <td>1515.91</td> </tr> <tr> <td>OER %</td> <td>22.96</td> <td>23.03</td> <td>22.02</td> </tr> <tr> <td>KER %</td> <td>3.07</td> <td>3.87</td> <td>3.76</td> </tr> <tr> <td>Throughput /Mt</td> <td>53.61</td> <td>43.43</td> <td>42.34</td> </tr> <tr> <td>Rainfall / mm</td> <td>0</td> <td>147</td> <td>765</td> </tr> </tbody> </table>	Data at 31/10/22	Today	MTD	YTD	FFB Received /mt	404.83	11450.93	40309.26	FFB Processed	757.55	11450.93	40309.26	CPO Production	173.92	2636.90	8877.27	PK Production	23.23	442.84	1515.91	OER %	22.96	23.03	22.02	KER %	3.07	3.87	3.76	Throughput /Mt	53.61	43.43	42.34	Rainfall / mm	0	147	765	
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<b>Criterion 4.6.2:</b> Economic and financial viability plan																																							
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. <b>- Major compliance -</b>	Sakilan POM and supply base have established and implemented its commitment to a long-term sustainability and financial viability through an operating expenditure /capital expenditure planning. The mill has a budget for financial year July-June comprises of the following components.	Complied																																				

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Criterion / Indicator		Assessment Findings	Compliance																														
		<p>a) Crop processed with anticipated extraction ratios including a 5-year forecast.</p> <p>b) Cost components include the following</p> <ul style="list-style-type: none"> <li>i) General charges statement               <ul style="list-style-type: none"> <li>- General charges</li> <li>- Cost of supervision</li> <li>- Cost of labour</li> <li>- Cost of other</li> <li>- Cost of RSPO/MSPO &amp; Other Management system</li> </ul> </li> <li>ii) Capital expenditure statement               <ul style="list-style-type: none"> <li>- Building, utilities, welfare</li> <li>- Plant &amp; machinery</li> <li>- Office equipment</li> <li>- Furniture &amp; fittings</li> <li>- Electrical installation</li> </ul> </li> <li>iii) Plant /Mill inclusive of processing /dispatch cost</li> </ul> <p>The five years planning horizon 2021/22-2025/26 is available. The main key areas of the projections are as follows. Figures were excluded for reason of confidentiality.</p> <table border="1"> <thead> <tr> <th>Components</th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> </tr> </thead> <tbody> <tr> <td>Unit Cost RM/CPO</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Operating Cost</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Gen Charges</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Grand total</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Components	2021/22	2022/23	2023/24	2024/25	2025/26	Unit Cost RM/CPO	-	-	-	-	-	Operating Cost	-	-	-	-	-	Gen Charges	-	-	-	-	-	Grand total	-	-	-	-	-	
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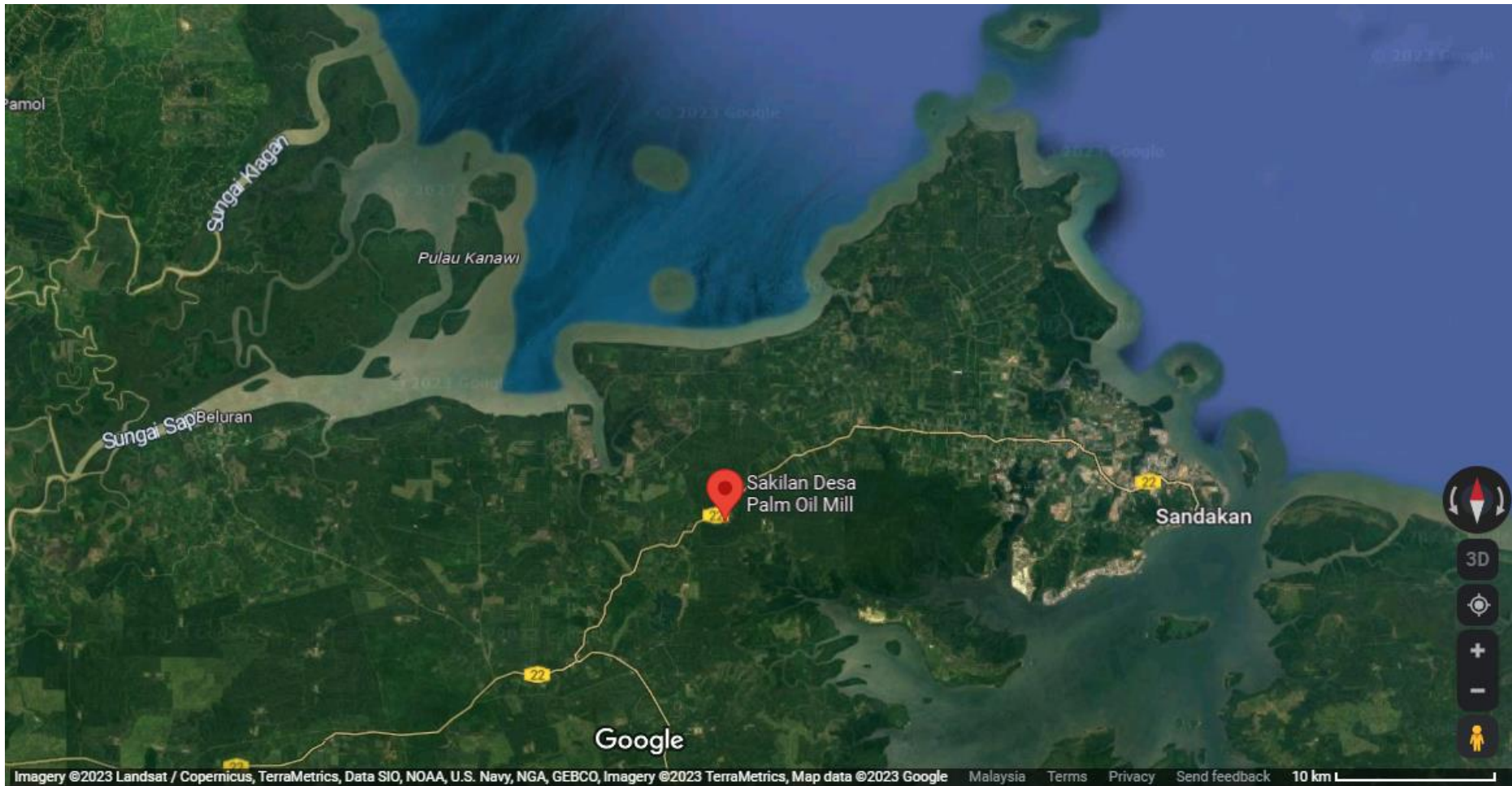
Criterion / Indicator		Assessment Findings					Compliance	
		FFB processed	90293	125160	133829	130284	140439	
		CPO Prod (mt)	19705	27848	29443	28662	30897	
		Kernel Prod (mt)	3867	5319	6691	6514	7022	
		OER %	21.82	22.25	22.00	22.00	22.00	
		KER %	4.28	4.25	5.00	5.00	5.00	
<b>Criterion 4.6.3: Transparent and fair price dealing</b>								
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented. <b>- Major compliance -</b>	Contract award is handled by the Regional Office or IOI HQ, Putra Jaya guided by a procurement procedure, which is normally through tendering process. With regards to operation expenses, the "Operating Expenditure (OPEX) Circular" document is adhered to, which generally, requisitions have to be supported by quotations.					Complied	
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	The contract agreements between the management and the contractors [e.g., Rico Enterprise (CPO transporter) and Syt Perniagaan Pigrusyahliajaya (PK transporter)] were verified. The rate of payment was clearly stated in the agreement. Based on verification of sampled payment vouchers, the payment was made on timely manner by the Head Quarter after received invoice from the contractor.					Complied	
<b>Criterion 4.6.4: Contractor</b>								
<b>4.6.4.1</b>	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	The engaged contractors were made to understand about the MSPO requirements through stakeholder meeting or face to face briefing. The records of meeting were well maintained by the operating units for verification.					Complied	

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	Sampled contract agreements as mentioned in Indicator 4.6.3.2, between the estates and the contractors were available for verification. The agreements were signed by both parties. At the point of this assessment, all the agreements were still valid.	Complied
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. <b>- Minor compliance -</b>	The certification unit has no objection to allow BSI auditors to verify assessment through physical inspection if required. This is stipulated under the "Additional Requirements for Contractors and Service Providers".	Complied

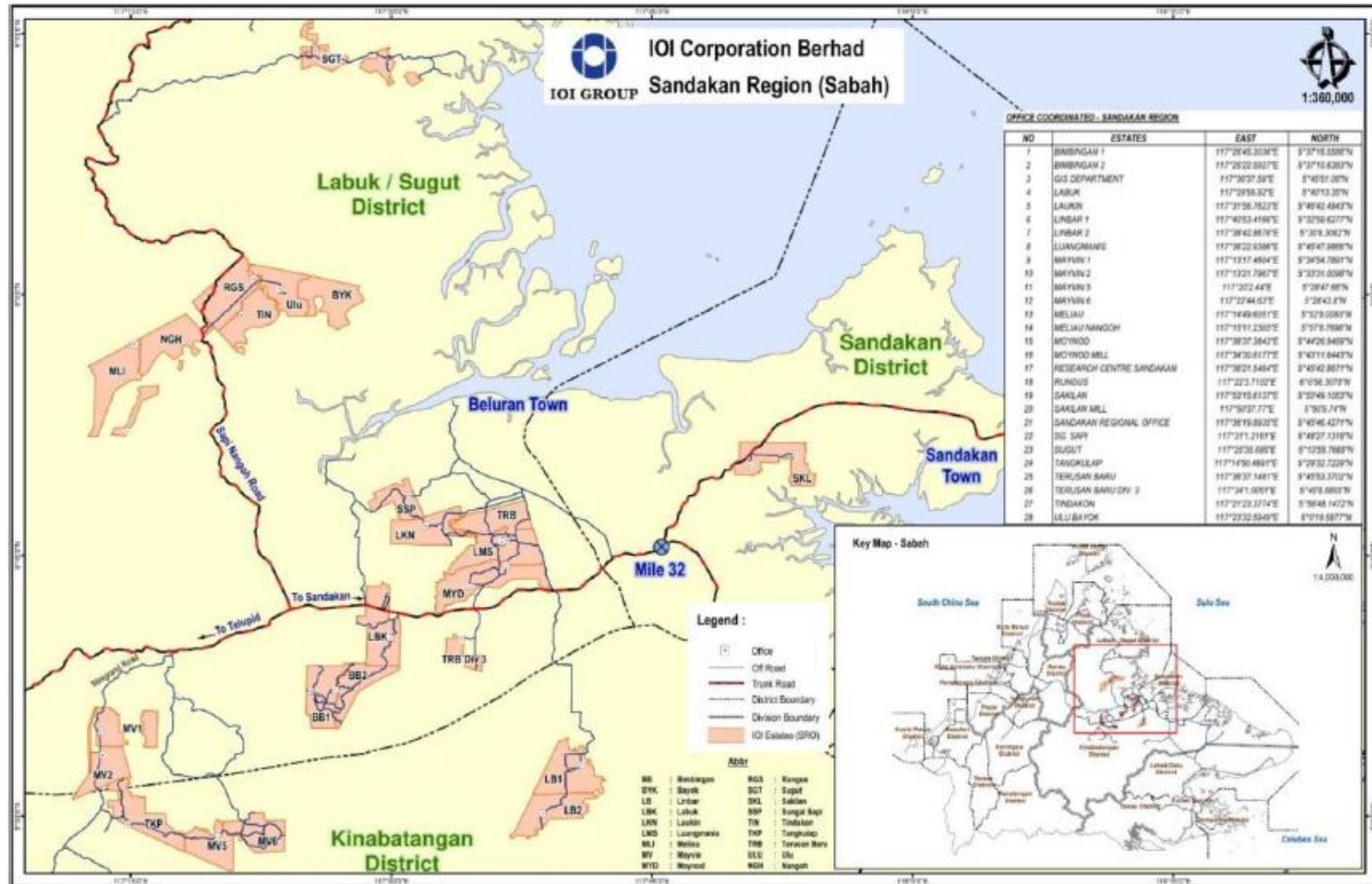


**Appendix C: Location and Field Map**



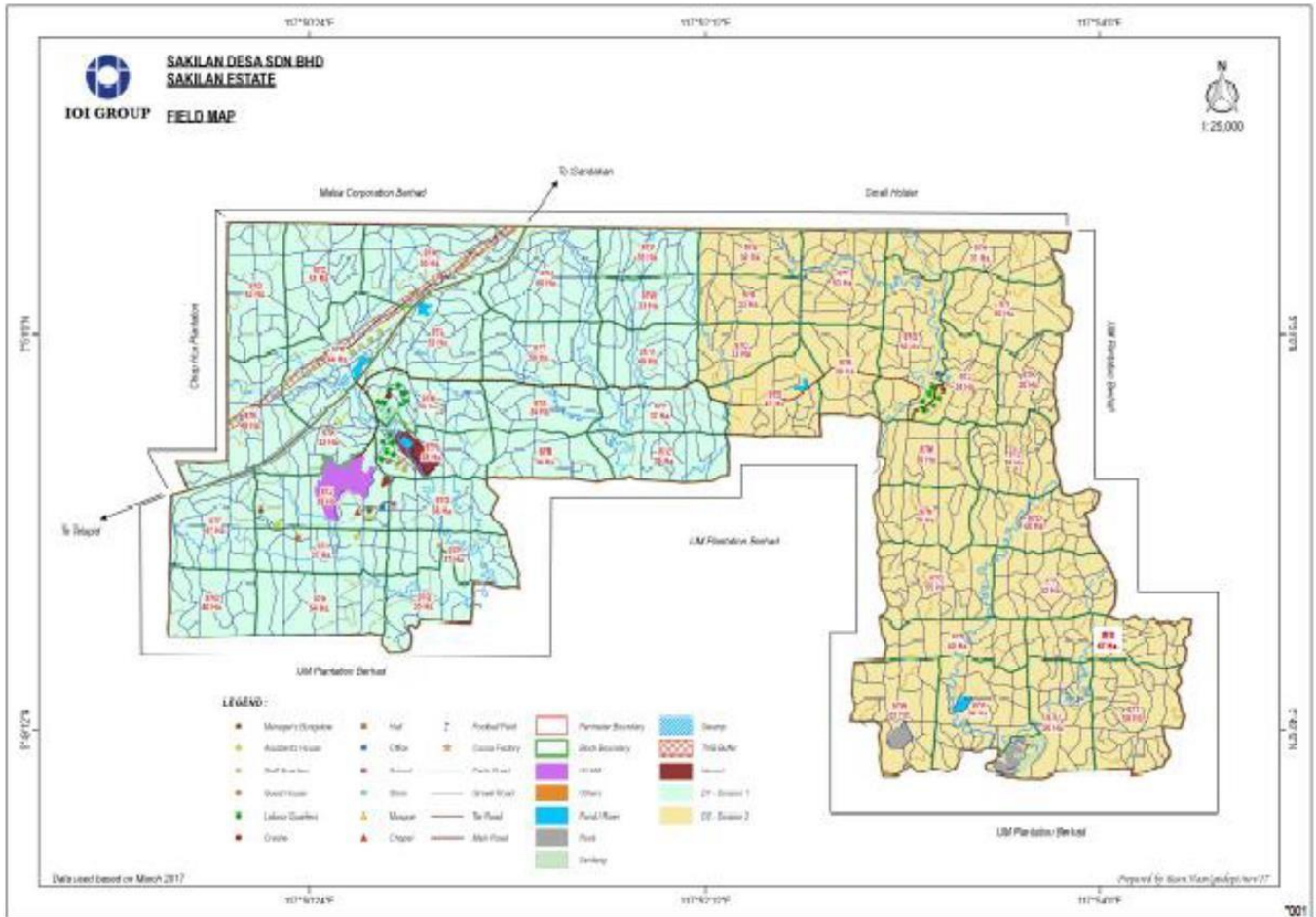


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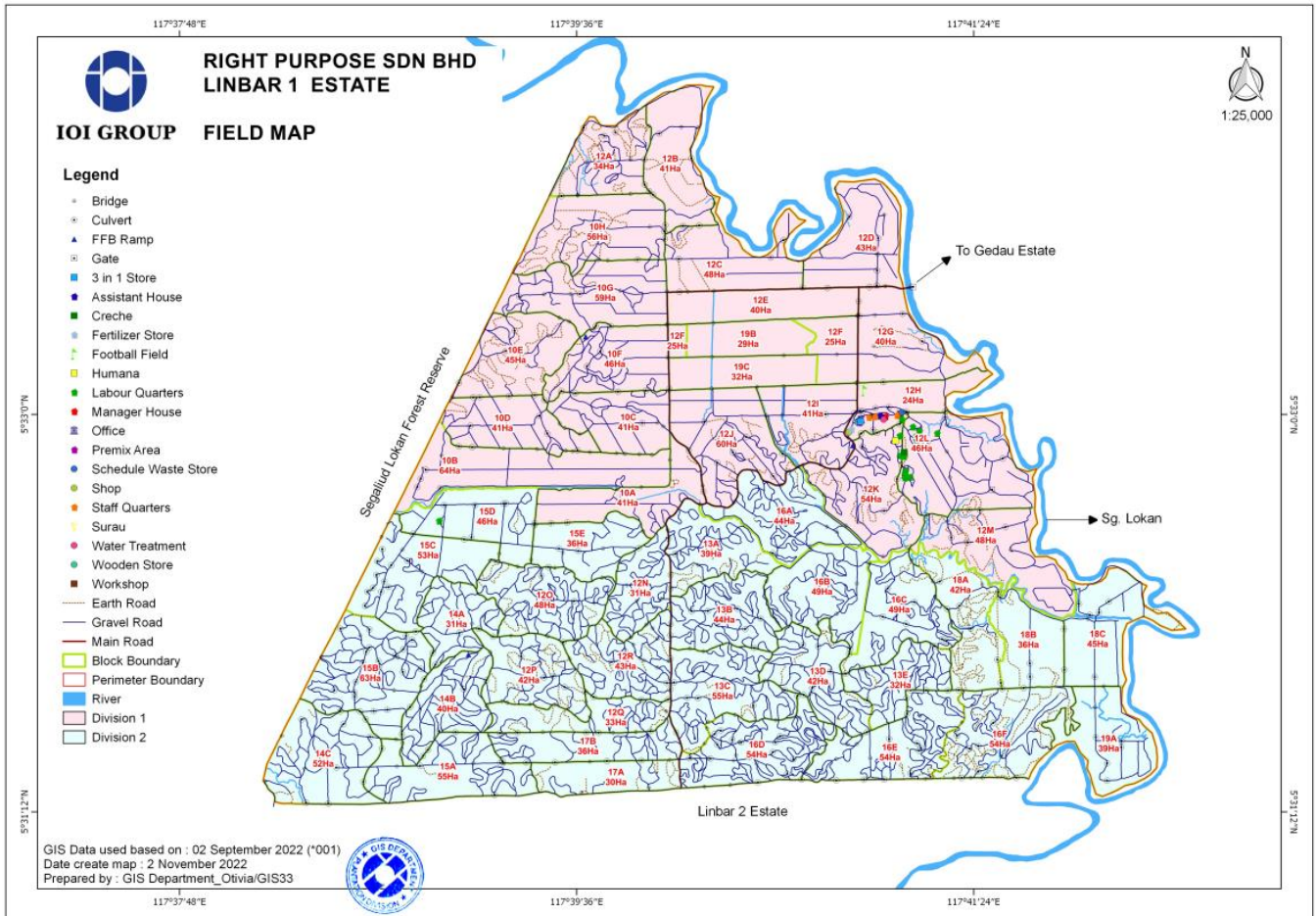


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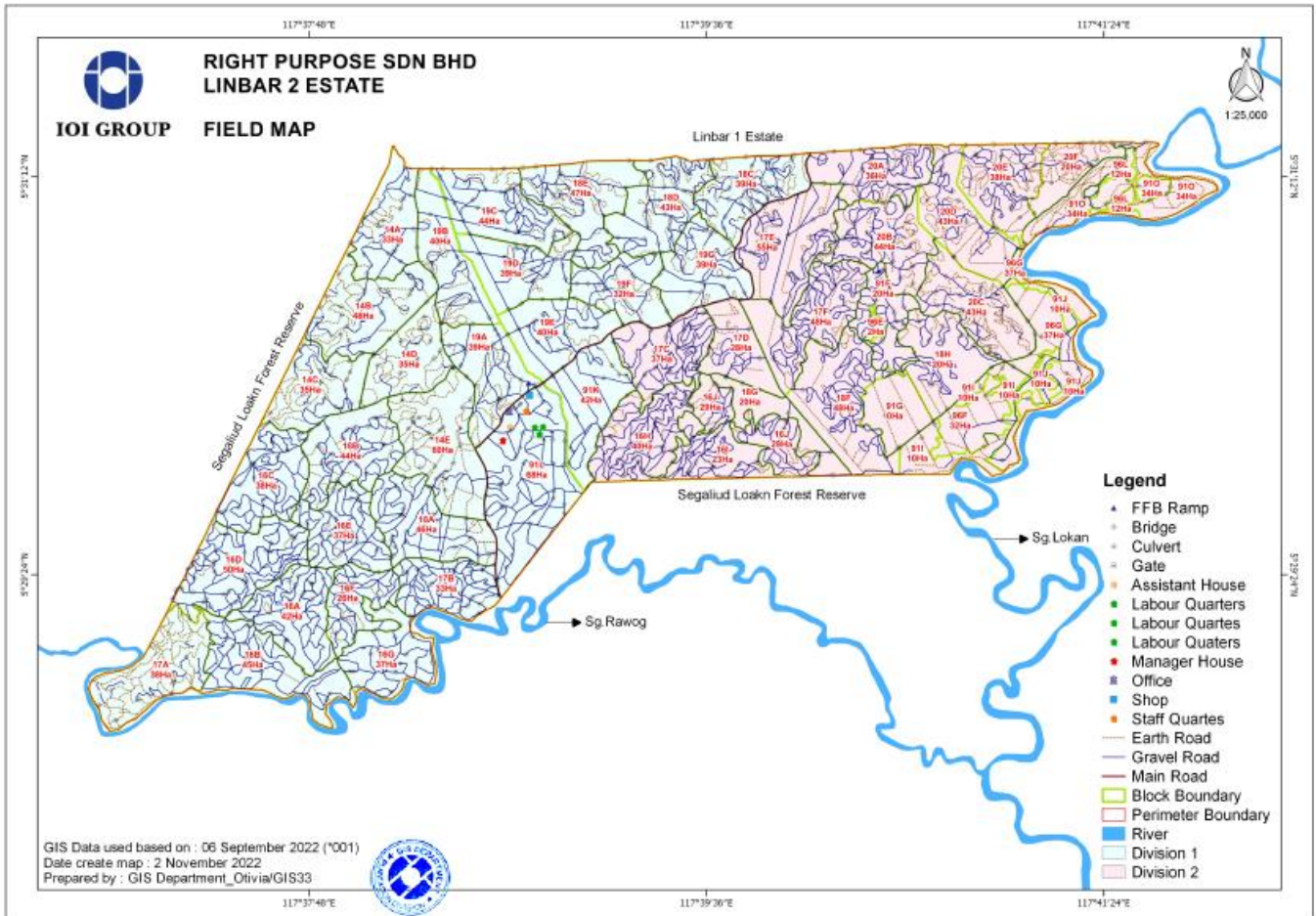
### Sakilan Estate



Linbar I Estate



Linbar 2 Estate



**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