

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

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

IOI CORPORATION BERHAD
Client Company (HQ) Address: IOI Plantation Services Sdn Bhd Level 8, Two IOI Square, IOI Resort, 62502 Putrajaya, Malaysia
Certification Unit: Ladang Sabah Sdn Bhd Ladang Sabah Palm Oil Mill & Group Estates (Bimbingan 1 Estate, Bimbingan 2 Estate, Labuk Estate, Sg. Sapi Estate, Moynod Estate, Luangmanis Estate, Terusan Baru Estate & Laukin Estate)
Date of Final Report: 11/5/2023

Report prepared by:
Mohd Nur Amin Bin Mohd Halim (Lead Auditor)

Report Number: 3717739

Assessment Conducted by:
BSI Services Malaysia Sdn Bhd,
(DSM Accreditation Number: MSPO 09112018 CB 12)
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	IOI Corporation Berhad – IOI Plantation Services Sdn Bhd		
Mill/Estate	Certification Unit	MPOB License No.	Expiry Date
	Ladang Sabah Palm Oil Mill	500264104000	30/06/2023
	Bimbingan 1 Estate	503278702000	31/12/2023
	Bimbingan 2 Estate		
	Labuk Estate	501728102000	30/04/2023
	Sg. Sapi Estate		
	Moynod Estate		
	Luangmanis Estate		
	Terusan Baru Estate	502592602000	30/11/2023
	Laukin Estate	502981602000	31/12/2023
Address	IOI City Tower 2, Labuh IRC, IOI Resort City, 62502, Putrajaya, Malaysia		
Management Representative	Mr. Agos Atan, Sr. Manager, Sustainability, Plantation Division, IOI HQ		
Website	www.ioigroup.com	E-mail	agos@ioigroup.com
Telephone	+603-8947 6755 (IOI HQ)	Facsimile	-

1.2 Certification Information			
Certificate Number	Mill: MSPO 723823 Estate: MSPO 723824	Certificate Start Date	20/06/2023
Date of First Certification	20/06/2018	Certificate Expiry Date	19/06/2028
Scope of Certification	<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		
Visit Objectives	<p>The objective of the assessment was to conduct a re-assessment (RAV01) of the existing certification to ensure the elements of the proposed scope of registration and the requirements of the management standard are effectively addressed by the IOI Group's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organization's specified objectives, as applicable with regard to the scope of the management standard, and to confirm the on-going achievement and applicability of the forward strategic plan and where applicable to identify potential areas for improvement of the management system.</p>		
Standard	<input type="checkbox"/> MSPO MS 2530-2:2013 – General Principles for Independent Smallholders <input checked="" type="checkbox"/> MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders		

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	<input checked="" type="checkbox"/> MSP0 MS 2530-4:2013 – General Principles for Palm Oil Mills
Recertification Assessment Visit Date (RAV) 1	30/01/2023-03/02/2023
Continuous Assessment Visit Date (CAV) 1_1	-
Continuous Assessment Visit Date (CAV) 1_2	-
Continuous Assessment Visit Date (CAV) 1_3	-
Continuous Assessment Visit Date (CAV) 1_4	-

1.3 Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSP0 712340	MSP0 Supply Chain Certification Standard (MSP0 SCCS) 1 October 2018	BSI Services Malaysia Sdn. Bhd.	29/05/2024
RSPO 687135	RSPO Principles & Criteria of Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019, RSPO SCCS with IP Supply Chain Module	BSI Services Malaysia Sdn. Bhd.	02/04/2023
EU-ISCC-Cert-ID218-20220127	International Sustainability and Carbon Certification (EU)	PT Intertek Utama Services	07/08/2023

1.4 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill and Estates)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Ladang Sabah Palm Oil Mill	Mile 45, Sandakan/ Telupid Road, WDT 164, 90009 Sandakan, Sabah, Malaysia	05° 43' 11.64" N	117° 34' 30.82" E
Bimbingan 1 Estate		05° 37' 16.56" N	117° 26' 45.30" E
Bimbingan 2 Estate		05° 37' 10.64" N	117° 25' 22.59" E
Labuk Estate		05° 40' 13.35" N	117° 29' 55.92" E
Sg. Sapi Estate		05° 48' 27.13" N	117° 31' 01.22" E
Moynod Estate		05° 44' 26.95" N	117° 33' 37.38" E
Luangmanis Estate		05° 45' 47.99" N	117° 36' 22.94" E
Terusan Baru Estate		05° 45' 53.37" N	117° 36' 37.15" E
Laukin Estate		05° 46' 42.49" N	117° 31' 56.76" E

1.5 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted

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Bimbingan 1 Estate	1,711.00	70.71	155.68	1,937.39	88.31
Bimbingan 2 Estate	1,727.00	138.67	89.94	1,955.61	88.31
Labuk Estate	2,320.00	219.56	128.94	2,668.50	86.94
Moynod Estate	2,614.00	73.44	356.27	3,043.71	85.88
Luangmanis Estate	2,427.00	68.43	217.86	2,713.29	89.45
Terusan Baru Estate	2,179.00	93.30	231.23	2,503.53	87.04
Laukin Estate	1,893.00	31.23	203.77	2,128.00	88.96
Sg. Sapi Estate	1,196.00	75.63	27.67	1,299.30	92.05
Total (ha)	16,067.00	770.97	1,411.36	18,249.33	88.04

Note:

The changes in of HCV, Infrastructure & others in area of statement are due to management conduct re-survey for the whole area at all estates.

1.6 Plantings & Cycle

Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Bimbingan 1 Estate	1,094.00	617.00	-	-	-	617.00	1,094.00
Bimbingan 2 Estate	1,642.00	54.00	-	31.00	-	85.00	1,642.00
Labuk Estate	357.00	149.00	1,421.00	393.00	-	1,963.00	357.00
Moynod Estate	672.00	521.00	-	1,327.00	94.00	1,942.00	672.00
Luangmanis Estate	721.00	358.00	-	-	1,348.00	1,706.00	721.00
Terusan Baru Estate	547.00	1,074.00	-	156.00	402.00	1,632.00	547.00
Laukin Estate	817.00	145.00	-	931.00	-	1,076.00	817.00
Sg. Sapi Estate	509.00	-	-	532.00	155.00	687.00	509.00
Total (ha)	6,359.00	2,918.00	1,421.00	3,370.00	1,999.00	9,708.00	6,359.00

1.7 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (June 2022 - May 2023)	Actual (Jan 2022 - Dec 2022)	Forecast (Jan 2023 - May 2024)
Bimbingan 1 Estate	12,462.00	11,402.30	15,602.00
Bimbingan 2 Estate	3,051.00	4,808.14	5,079.00
Labuk Estate	52,871.00	46,452.40	50,621.00
Moynod Estate	47,297.00	33,378.81	41,699.00
Luangmanis Estate	37,754.00	31,634.75	37,088.00

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Terusan Baru Estate	41,091.00	38,009.84	42,197.00
Laukin Estate	24,351.00	17,256.68	22,980.00
Sg. Sapi Estate	23,303.00	12,591.45	19,279.00
Linbar 2 Estate	-	469.92	-
Linbar 1 Estate	-	1,143.25	-
Sakilan Estate	-	1,053.61	-
Meliau Estate	-	400.71	-
Nangoh Estate	-	200.15	-
Tindakon Estate	-	60.03	-
Rungus Estate	-	375.04	-
Total (mt)	242,180.00	199,237.08	234,545.00

1.8 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (June 2022 - May 2023)	Actual (Jan 2022 - Dec 2022)	Forecast (Jan 2023 - May 2024)
Nil	N/A	N/A	N/A
Total (mt)	N/A	N/A	N/A

1.9 Certified Tonnage

	Estimated (June 22 - May 2023)	Actual (Jan 2022 - Dec 2022)	Forecast (Jan 2023 - May 2024)
	Mill Capacity: 90 MT/hr	FFB	FFB
	242,180.00	199,237.08	234,545.00
SCC Model: SG	CPO (OER: 20.65%)	CPO (OER: 20.93%)	CPO (OER: 20.83%)
	50,012.00	41,704.72	48,854.00
	PK (KER: 4.89%)	PK (KER: 4.65%)	PK (KER: 5.18%)
	11,843.00	9,273.90	12,161.00

1.10 Actual Sold Volume (CPO)

CPO (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
41,704.72	-	-	33,928.25	662.79	34,591.04

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1.11 Actual Sold Volume (PK)					
PK (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
9,273.90	-	-	8,918.34	-	8,918.34

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 reassessment was conducted from 30/01/2023-03/02/2023. The audit programme is included as Section 2.4. The approach to the audit was to treat the Ladang Sabah POM, Bimbingan 1 Estate, Bimbingan 2 Estate, Labuk Estate, Sg. Sapi Estate, Moynod Estate, Luangmanis Estate, Terusan Baru Estate and Laukin Estate as a MSP0 Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities. The public notification has been published on 22/12/2022 via website as following: [12-2-mspo-public-notification-recertification-ladang-sabah-palm-oil-mill--ladang-sabah-estates-grouping-bahasa-malaysia.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 MSP0 certification marks for any type of on- and off-product communication. The Certification Unit are compliance with the use of the MSP0 Logo and related claims.

The estates sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates while when applicable, the estates sample were determined following the MSP0 Certification Requirement. The sampling of estates 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 estates.

Emails also sent to selected stakeholders among NGOs, local authorities and interested parties on 26/01/2023. No feedbacks or comments received from the global stakeholder consultation and email consultation except for on-site consultation as reported under section 3.5 of this report. Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSP0 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.

One of the previous nonconformities is re occurred while the others are closed. The assessment findings from the initial assessment are detailed in Section 4.2. Major NC closure was conducted offsite based on evidence submitted.

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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.

Assessment Program					
Name (Mill / Plantation)	Year 1 (Recertification)	Year 2 (ASA 1_1)	Year 3 (ASA 1_2)	Year 4 (ASA 1_3)	Year 5 (ASA 1_4)
Ladang Sabah POM	✓	✓	✓	✓	✓
Bimbingan 1 Estate	-	✓	-	-	✓
Bimbingan 2 Estate	✓	-	-	✓	-
Labuk Estate	✓	-	✓	-	-
Sg. Sapi Estate	-	✓	-	-	✓
Moynod Estate	-	✓	-	✓	-
Luangmanis Estate	✓	-	-	✓	-
Terusan Baru Estate	-	-	✓	-	✓
Laukin Estate	-	-	✓	-	-

Tentative Date of Next Visit: January 29, 2024 - February 2, 2024

Total No. of Mandays: 15

2.1 BSI Assessment Team

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Mohd Nur Amin Bin Mohd Halim (MNA)	Team Leader	<p>Education: Diploma Office Management & Technology, UiTM.</p> <p>Work Experience: He gained his career as sustainability practitioner in Government Link Company related to palm oil plantation for over 6 years and 10 months majorly handling operational excellent, environment, safety and health at the upstream and downstream operations. He then joining an international certification body over the last 3 years and started his auditing career as qualified lead auditor for MSPO (OPMC and SCCS) scheme; and qualified auditor for ISCC Waste and Residue scheme. Concurrent, he was also a document controller and scheme coordinator for MSPO (OPMC and SCCS) prior to DSM accreditation.</p>

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		<p>Training attended: He has completed Exemplar IMS (9001, 14001 & 45001) LA Course (2019), SA 8000 Course (2019), Endorse MSPO SCCS Course (2020), Endorse MSPO LA Course (2020), Endorse ISCC Waste and Residue Course (2020), HCV & HCS Course (2020), Endorse ISCC Basic & PLUS Course (2022), CQI & IRCA ISO 14001:2015 LA Course (2022), Endorse RSPO P&C LA Course (2022), Endorse RSPO SCCS LA Course (2022).</p> <p>Aspect covered in this audit: Interview with smallholders and stakeholders, Transparency & communications, social aspect & aspects, human rights, employees' welfare, trafficking & child labour, stakeholders' consultation. (Principle 2 and Principle 4).</p> <p>Language proficiency: He is fluent in both verbal/ written English and Bahasa Malaysia languages.</p>
<p>Ahmad Rufi Bin Abu Talib Khan (ARK)</p>	<p>Team Member</p>	<p>Education: Bachelor's Degree in mechanical engineering from Universiti Teknologi MARA Shah Alam, graduated in 2015.</p> <p>Work Experience: He started his career as Assistant Mill Manager at Tradewinds Plantations Bhd (TPB). managing the day-to-day mill operations. In his three years' experience at TPB, he has experience handling the certification of ISO 9001, OHSAS 18001, ISO 14001 as well as Malaysia Sustainable Palm Oil (MSPO). He is then moved to United Malacca Berhad to work as Mill Engineer where he assisted mill manager in daily mill operation and together with his team at the mill, started the ISCC initiatives to certify the mill and the supply bases with the scheme. He is a qualified Lead Auditor for MS 2530:2013 and has accumulated more than 300 audit days throughout his current career as the auditor for multiple disciplines covering all over Malaysia.</p> <p>Training attended: He has completed CQI – IRCA approved ISO 9001, ISO 14001 and ISO 45001 Lead Auditor Course, MSPO 2530:2013 Lead Auditor Course, Endorsed RSPO Lead Auditor and RSPO SCC Auditor course.</p> <p>Aspect covered in this audit: Company policy & commitment, Continuous Improvement Plan, traceability, Legal requirement, land used rights, safety requirement, safety risk analysis, safety implementation, accident reporting and Training, Mill best practices, Mill economy viability. (Principle 1, Principle 3, Principle 4, Principle 6 (Mill)).</p> <p>Language proficiency: He is fluent in both verbal/ written English and Bahasa Malaysia languages.</p>
<p>Mohamad Fitri Mustafa (MFM)</p>	<p>Team Member</p>	<p>Education: Graduate with Degree in Agribusiness.</p> <p>Work Experience: He has more than 8 years working experience in various plantation companies and skills in Good Agricultural Practices (GAP) including Integrated</p>

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		<p>Pest Management (IPM). Involved in ISCC and MSPO auditing since September 2017.</p> <p>Training attended: Qualified as Lead Auditor/Auditor for MSPO, RSPO and ISO 9001. Completed and certified MSPO Auditor course in 2018 held by SGS (M) Sdn Bhd. Member of BSI MSPO audit team.</p> <p>Aspect covered in this audit: Environmental management & action plan, environmental requirement, biodiversity & HCV, water & waste management, opening burning practices, Estate best practices, Estate economy viability and new development (if any) (Principle 5, Principle 6 (Estate) and Principle 7).</p> <p>Language proficiency: He is fluent in both verbal / written English and Bahasa Malaysia languages.</p>
<p>Mohd Sabre Salim (MSS)</p>	<p>Peer Reviewer</p>	<p>Education: Master's in Business Administration (MBA) from UiTM in 2006 and Bachelor Science Agribusiness from UPM in 1986.</p> <p>Work Experience: He gained his working exposure in the plantation sector, serving as an 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>Training attended: 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>Expertise: General management, leadership & financial management, occupational safety & health management, plantation (agriculture & agribusiness) management, Malaysian Sustainable Palm Oil (MSPO).</p>
<p>Muhammad Sufyan Azmi (MSA)</p>	<p>Peer Reviewer</p>	<p>Education: Master's in Business Administration (MBA) from Open University Of Malaysia and Bachelor Degree in Bioindustry from UPM in 2006.</p> <p>Work Experience: 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>Training attended: He has attended MSPO Peer Reviewer 2 - 2017 by MPOCC.</p> <p>Expertise: General management, auditing, environment and plantation management.</p>

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2.2 Impartiality and conflict of interest

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

2.3 Accompanying Persons

No.	Name	Role
	NA	

2.4 Assessment Plan

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

Date	Time	Subjects	MNA	ARA	MFM
Sunday 29/01/2023	09:00 - 18:00	Audit team travel from Kuala Lumpur to Sandakan	✓	✓	✓
Monday 30/01/2023	07:30	Travel to Luangmanis Estate (for Opening Meeting)	✓	✓	✓
	08:30 - 09:00	Opening Meeting <ul style="list-style-type: none"> • Presentation by IOI Group’s management • Presentation by BSI Lead Auditor – Introduction of team member and assessment agenda • Confirmation of assessment scope and finalizing audit scope 	✓	✓	✓
	09:00 - 12:30	Luangmanis Estate 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, wastes management, workers housing, clinic, landfill, etc.	✓	✓	✓
	12:30 - 13:30	Lunch break	✓	✓	✓
	13:30 - 16:30	Luangmanis Estate Document review P1 – P7 (MS 2530 Part 3): General documentation e.g., Legal, Manual and Procedures, production and monitoring records, IPM & HCV records, SEIA documents and records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓	✓
	16:30 - 17:00	Interim closing meeting	✓	✓	✓
Tuesday 31/01/2023	07:30	Travel to Ladang Sabah POM	✓	✓	✓

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	09:00 - 12:30	Ladang Sabah POM Site visit, FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	✓	✓	✓
	10:00 - 12:00	Stakeholder consultation: Government agencies, village representatives, smallholders, Union Leader, contractors etc.	✓	-	-
	12:30 - 13:30	Lunch Break	✓	✓	✓
	13:30 - 16:30	Ladang Sabah POM Document review P1 – P6 (MS 2530 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.	✓	✓	✓
	16:30 - 17:00	Interim closing meeting	✓	✓	✓
Wednesday 01/02/2023	07:30	Travel to Bimbingan 2 Estate	✓	✓	✓
	08:30 - 12:30	Bimbingan 2 Estate 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, wastes management, workers housing, clinic, landfill, etc.	✓	✓	✓
	12:30 - 13:30	Lunch Break	✓	✓	✓
	13:30 - 16:30	Bimbingan 2 Estate Document review P1 – P7 (MS 2530 Part 3): General documentation e.g., Legal, Manual and Procedures, production and monitoring records, IPM & HCV records, SEIA documents and records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓	✓
	16:30 - 17:00	Interim closing meeting	-	✓	✓
Thursday 02/02/2023	07:30	Travel to Bimbingan 2 Estate	✓	-	-
	08:30 - 16:30	Bimbingan 2 Estate Field visit to workers housing and amenities. Document review P1 – P7 (MS 2530 Part 3): General documentation e.g., Legal, Manual and Procedures, production and	✓	-	-

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	16:30 - 17:00	monitoring records, IPM & HCV records, SEIA documents and records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc. Interim closing meeting	✓	-	-
	07:30	Travel to Labok Estate	-	✓	✓
	08:30 - 12:30	Labok Estate 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, wastes management, workers housing, clinic, landfill, etc.	-	✓	✓
	12:30 - 13:30	Lunch Break	-	✓	✓
	13:30 - 16:30	Labok Estate Document review P1 – P7 (MS 2530 Part 3): General documentation e.g., Legal, Manual and Procedures, production and monitoring records, IPM & HCV records, SEIA documents and records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	-	✓	✓
	16:30 - 17:00	Interim closing meeting	-	✓	✓
Friday 03/02/2023	07:30	Travel to Labok Estate	✓	✓	✓
	08:30 - 12:30	Labok Estate Field visit to workers housing and amenities. Continue pending document review P1 – P7 (MS 2530 Part 3).	✓	✓	✓
	12:30 - 13:30	Lunch Break	✓	✓	✓
	13:30 - 15:30	Labok Estate Document review P1 – P6 (MS 2530 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.	✓	✓	✓
	15:30 - 16:00	Assessment team discussion and preparation	✓	✓	✓
	16:00 - 16:30	Team discussion with IOI Group HQ team.	✓	✓	✓
	16:30 - 17:00	Closing meeting at Moynod Estate	✓	✓	✓

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Saturday 04/02/2023	08:00 - 18:00	Audit team travel back to Kuala Lumpur from Sandakan	✓	✓	✓

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 three (3) Major and zero (0) Minor nonconformities; zero (0) of OFI raised. The Ladang Sabah 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 Actions for the Major Non-conformities 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			
NCR Ref #:	2302065-202301-M1	Issue Date:	03/02/2023
Due Date:	02/05/2023	Date of Closure:	11/04/2023
Area/Process:	Bimbingan 2 Estate, Luangmanis Estate, Labuk Estate	Clause & Category: (Major / Minor)	MSPO 2530 Part 3: 4.4.4.2 (d) (i) Major
Requirements:	The occupational safety and health plan shall cover the following: 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). 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.		
Statement of Nonconformity:	Mitigation plans and procedures related Health and safety was not effectively implemented.		
Objective Evidence:	<u>Bimbingan 2 Estate</u> During site visit at P19, it was found that tractor driver was not wearing earplug as their PPE. It was not in line with NRA Recommendation Section 8.0 dated 11/11/2020, Recommended control measure: Recommended to wear PHP during work. In addition, Document verification on workplace inspection dated 28/12/2022 found that for Tractor section, Ear Plug was not included as required PPE to be wear. PPE inspection record dated 12/2022 found that ear plug was not included as PPE required. Refer SOP Tractor dated 01/08/2022 stated required PPE were Safety Helmet, Safety Shoes, Respirator (Spray and Manuring Operation) and Ear Plug.		

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	<p>During inspection at first aid box spraying area, it was found that medicine Optrex and Antiflavine were labeled with 'Goncang Sebelum Minum'.</p> <p><u>Luangmanis Estate</u></p> <p>During site visit at Harvesting area P17, it was found that 1 Bin Attendant worker was not wearing safety helmet as their PPE while loaded the FFB into the Bin. It was not in line with HIRARC dated 10/01/2023 FFB Loading and collection at field, Existing control: PPE: Gloves, Safety helmet, Ear plug.</p> <p>During site visit at EFB Mulching area, the weather condition was light rainy however based on inspection and verification, there is no raincoat was provided for respective workers. It was not in line with Recommended control measures HIRARC dated 10/01/2023, To provide raincoat.</p> <p>During inspection at first aid box main office, it was found that 2 units of eye pad was expired on 30/08/2022.</p> <p><u>Labuk Estate</u></p> <p>During inspection at first aid box main office, it was found that 2 units of gauge was expired on May 2019.</p> <p>It was not in line with SOP Emergency Prevention, Preparedness and Response dated 01/08/2012 Section 3(vii) The Hospital Assistant or a designated person shall be made responsible for maintaining all first aid boxes. The contents of the box must be checked periodically and replenished.</p>
<p>Corrections:</p>	<p><u>Bimbingan 2 Estate</u></p> <ol style="list-style-type: none"> 1. To issue out reminder & show cause letter to the driver on his failure to comply with company safety procedure (to bring and use the PPE provided). 2. To revised and specify in detail the PPE requirement for Driver in the PPE & Workplace Inspection Checklist. 3. To amend the label immediately. <p><u>Luangmanis Estate</u></p> <ol style="list-style-type: none"> 1. To issue reminder letter to the worker on his failure to comply with company safety procedure to bring and use the PPE provided at the workplace. 2. To provide raincoat for the worker and used for work during rain. 3. To revise HIRARC, to change the PPE requirement during rain. 4. To give reminder letter for the person-in-charge of failure to check and replace the item properly. 5. To appoint additional person in charge to conduct inspection of first aid box before distributing to all mandore, (Asst Manager or Safety & Sustainability Coordinator or field staff). 6. To have a separate master list data for all item inside the first aid box and to include the expiry date information to monitor its expiry date. <p><u>Labuk Estate</u></p> <ol style="list-style-type: none"> 1. To replace the expired item immediately. 2. To give reminder letter for the person-in-charge of failure to check and replace the item properly. 3. To appoint additional person in charge to conduct inspection of first aid box before distributing to all mandore, (Asst Manager or Safety & Sustainability Coordinator or field staff).

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	<p>4. To have a separate master list data for all item inside the first aid box and to include the expiry date information to monitor its expiry date.</p>
<p>Root cause analysis:</p>	<p><u>Bimbingan 2 Estate</u></p> <ol style="list-style-type: none"> 1. The driver went back to his house after morning muster and unintentionally left his earplug at house. 2. The workplace and PPE inspection checklist used by staff during the morning muster was generic that only stated the general PPE requirement. 3. As EHA is the only first aider in the estate, there is no person to double check for the item checklist inside the first aid box. EHA intend to use the label to show the expiry date of the medicine however she forgot to cross out the "Goncang Sebelum Minum" statement. <p><u>Luangmanis Estate</u></p> <ol style="list-style-type: none"> 1. The worker was observed to bring the helmet during the routine PPE checking in the morning. However, during work his helmet was placed on his motorcycle deliberately since he felt uncomfortable to wear it (after his hair was wet due to the rain). 2. HIRARC document was mistakenly revised. Raincoat was considered only as a supplementary equipment and only provided during certain condition. 3. The EHA was informed by VMO that the eye pad can be used together with the gauze for other purposes such as bandage, thus she decided to keep the item in the box to be used as bandage instead of eye pad. The EHA however forgot to add a new eye pad as a replacement. <p><u>Labuk Estate</u></p> <p>As EHA is the only first aider in the estate, there is no person to double check for the checklist item inside the first aid box. The EHA overlooked to check and replace item as the gauge was rarely used.</p>
<p>Corrective Actions:</p>	<p><u>Bimbingan 2 Estate</u></p> <ol style="list-style-type: none"> 1. All staff to be re-trained about workplace and PPE inspection based on the newly revised PPE & Workplace Inspection Checklist. 2. To conduct Safety Campaign as awareness for all workers. 3. To review and replace all PPE & Workplace inspection specific to each workstation requirement. 4. To continue conducting training on PPE requirement and safety procedures for all drivers including in the training, topic of disciplinary action which could be taken against the workers who were found failing to adhere to the safety & health requirement. 5. To identify candidates and send them to attend first aider for training (as additional first aider at each operating unit). 6. To continue double check the item in first aid by newly appointed person (Asst Manager or Safety & Sustainability Coordinator or field staff) <p><u>Luangmanis Estate</u></p> <ol style="list-style-type: none"> 1. To continue conducting workplace & PPE inspection for all workstation during work hour by mandore or field staff based on the newly revised PPE & Workplace Inspection Checklist. 2. To re-train all staff on HIRARC requirement and risk control for work during rain.

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	<ol style="list-style-type: none"> 3. Passenger trailer to continue to be place on standby near the workplace, i.e. spraying activity, EFB mulching activity, manuring activity. 4. To identify candidates and send them to attend first aider for training (as additional first aider at each operating unit). 5. To continue double check the item in first aid by newly appointed person (Asst Manager or Safety & Sustainability Coordinator or field staff). 6. To check other item with unusual expiry date format, and update master list once it being replace. 7. To establish procedure to monitor the expiry date of all the items inside the first aid box. <p><u>Labuk Estate</u></p> <ol style="list-style-type: none"> 1. To identify candidates and send them to attend first aider for training (as additional first aider at each operating unit). 2. To continue double check the item in first aid by newly appointed person (Asst Manager or Safety & Sustainability Coordinator or field staff). 3. To check other item with unusual expiry date format, and update master list once it being replace. 4. To establish procedure to monitor the expiry date of all the items inside the first aid box.
<p>Assessment Conclusion:</p>	<p>Major Non-conformity close out</p> <p>Evidence verified:</p> <p>Bimbingan 2 Estate submitted the evidence for NC Major with documents includes correction as below.</p> <ol style="list-style-type: none"> 1. Bimbingan 2 Estate conduct Workplace Inspection and PPE Checklist Procedure Training on 20/03/2023 attended by Field Staf and Estate hospital assistant. 2. Based document submitted, Bimbingan 2 Estate conduct 'Program Kempen Kesedaran Keselamatan dan Kesihatan Pekerjaan from 19/06/2023 until 23/06/2023 with collaboration with Hospital Duchess of Kent, Klinik Kesihatan Daerah Beluran, Klinik Dap.Oh, Agensi Anti Dadah and NIOSH. The program attends by all workers. 3. Bimbingan 2 Estate conduct training on driver SOP to emphasize the topic on PPE requirement and safety procedures to all drivers dated 14/03//2023. 4. IOI Group through Sandakan Regional Office has sent letter to Senior Plantation Controller with ref. no.: IOI/SR/HSE/2023-039 with dated on 16/03/2023 with subject of Basic Occupational First Aid (BOFA) Training with 61 participants nominated from all mills, estates and etc. <p>Luangmanis Estate submitted the evidence of Major with documents includes correction as below.</p> <ol style="list-style-type: none"> 1. Luangmanis Estate adopt revise IOI Group's Monthly Workplace Inspection Checklist with doc. No.: IOI/OHSMS/FM/POM/005/00 dated 01/09/2022. 2. Based on training record, Luangmanis Estate conduct training on HIRARC requirement and risk control for work during rain to field staffs on 06/02/2023. 3. Based on training record, Luangmanis Estate conduct training on 'Penggunaan Standard Pendedahan Bahan Kimia Bahaya kepada Kesihatan with referral to USECHH Regulation 2000 on re-labelling requirement on 16/03/2023. The training attended by 10 pax.

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	<p>4. Luangmanis Estate appoint field staff as person in-charge to check first aid kit with effect on 07/02/2023.</p> <p>5. Based on master list name of each item inside first aid box submitted, verified person in-charge will checks includes 17 items, total items in the box and expiry dated. Latest was updated on 31/01/2023.</p> <p>6. Based on new flowchart established, IOI Group established First Aid Box Inspection flowchart with Doc. No.: IOI-OSH 3.3.4.3 dated on 15/02/2023. The flowchart submitted includes the process of checking first aid box by PIC, return the first aid box for monthly inspection, replenish items by EHA, distribution first aid box to PIC, PIC double check items, inspection record verified by Estate manager, EHA notify to HSE department and EHA report the status of first aid item in Safety and Health Committee meeting.</p> <p>Labuk Estate submitted the evidence of Major with documents includes correction as below.</p> <p>a) IOI Group through Sandakan Regional Office has sent letter to Senior Plantation Controller with ref. no.: IOI/SR/HSE/2023-039 with dated on 16/03/2023 with subject of Basic Occupational First Aid (BOFA) Training with 61 participants nominated from all mills, estates and etc.</p> <p>b) Luangmanis Estate appoint field staff as person in charge to check first aid kit with effect on 07/02/2023.</p> <p>c) Based on master list name of each item inside first aid box submitted, verified person in charge will checks includes 17 items, total items in the box and expiry dated. Latest was updated on 31/01/2023.</p> <p>d) Based on new flowchart established, IOI Group established First Aid Box Inspection flowchart with Doc. No.: IOI-OSH 3.3.4.3 dated on 15/02/2023. The flowchart submitted includes the process of checking first aid box by PIC, return the first aid box for monthly inspection, replenish items by EHA, distribution first aid box to PIC, PIC double check items, inspection record verified by Estate manager, EHA notify to HSE department and EHA report the status of first aid item in Safety and Health Committee meeting.</p> <p>The evidence submitted were found adequate and effectively implemented. The Major NC was closed on 11/04/2023.</p> <p>The implementation of the corrective actions will be verified during next assessment.</p>
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Non-Conformity Report			
NCR Ref #:	2302065-202301-M2	Issue Date:	03/02/2023
Due Date:	02/05/2023	Date of Closure:	11/04/2023
Area/Process:	Ladang Sabah POM	Clause & Category: (Major / Minor)	MSPO 2530 Part 4: 4.4.4.2 (e) Major
Requirements:	<p>The occupational safety and health plan shall cover the following:</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>		

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Statement of Nonconformity:	The occupational safety and health plan is not fully implemented.
Objective Evidence:	During site visit near Shovel parking area, it was found lubricant was stored in the container without any labelled. It was not in line with CHRA Recommendation on 17/07/2021 (3) To make sure labelling of the container is according to CLASS Regulation 2013 and USECHH Regulation 2000.
Corrections:	To refurbish and re-label all container as per USECHH Regulation 2000.
Root cause analysis:	Supervisor-in-charge was not aware on the requirement of USECHH Regulation on the re-labelling of container since the training regarding USECHH on re-labelling not yet conducted to him.
Corrective Actions:	<ol style="list-style-type: none"> To conduct training on the USECHH Regulation 2000 on re-labelling requirement. To continue conducting a workplace inspection to ensure all container is according to the USECHH Regulation
Assessment Conclusion:	<p>Major Non-conformity close out</p> <p>Evidence verified:</p> <p>Ladang Sabah POM submitted the evidence of Major with documents includes correction as below.</p> <ol style="list-style-type: none"> Based on training record, Ladang Sabah POM conduct training on 'Penggunaan Standard Pendedahan Bahan Kimia Bahaya kepada Kesihatan with referral to USECHH Regulation 2000 on re-labelling requirement on 16/03/2023. The training attended by 10 pax. Ladang Sabah POM adopt revise IOI Group's Monthly Workplace Inspection Checklist with doc. No.: IOI/OHSMS/FM/POM/005/00 dated 01/09/2022 which include the inspection for labelling at stores, workshop and laboratory. <p>The evidence submitted were found adequate and effectively implemented. The Major NC was closed on 11/04/2023.</p> <p>The implementation of the corrective actions will be verified during next assessment.</p>

Non-Conformity Report			
NCR Ref #:	2302065-202301-M3	Issue Date:	03/02/2023
Due Date:	02/05/2023	Date of Closure:	10/04/2023
Area/Process:	Bimbingan 2 Estate, Labuk Estate	Clause & Category: (Major / Minor)	MSPO 2530 Part 3: 4.6.4.4 Major
Requirements:	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.		
Statement of Nonconformity:	Monitoring on visiting medical officer's frequency was not effectively demonstrated.		
Objective Evidence:	Base on Contract of servicers between IOI Plantation Services Sdn Bhd and Berkat Polyclinic dated 17/01/2022 as visiting medical officer (V.M.O) clearly stated that.		

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	<p>a) V.M.O need to visits to respective operating center every fortnight on the specified day of the week at times and places to be arranged by the operating units’ head concerned.</p> <p>b) V.M.O need to provide a locum acceptable to the operating center. The locum will also make arrangement satisfactory to the operating units in respect of casual days off duty.</p> <p>Document review of V.M.O visit record for Bimbingan 2 Estate and Labuk Estate, sighted with last visit was recorded on 22/11/2022. However, from December 2022 and early of January 2023 sighted there is no advisory visit notes from the doctor sighted as evidence as at the audit. As per interview with estate hospital assistant (EHA) that she is aware that V.M.O unable to visit for that period. Sighted an email from V.M.O dated 12/01/2023 mentioned that he unable to visits due to health condition. It has been verified there is no records of monitoring and action taken by the management to resolve the issues as per contract agreement.</p>
<p>Corrections:</p>	<ol style="list-style-type: none"> 1. To have visit schedule for a year and acknowledge by estate management. 2. To issue out reminder letter to VMO for the failure to conduct the visit as per requirement stated in the agreement.
<p>Root cause analysis:</p>	<p>There is no visit schedule available in Estate to monitor VMO Visit, VMO liaise with EHA as when they will visit. However, VMO late to notify the EHA causing EHA late to inform estate management. Due to the delayed notification, management unable to refer the matter to related department on the unavailability of VMO as soon as possible for next course of action.</p>
<p>Corrective Actions:</p>	<ol style="list-style-type: none"> 1. To issue out addendum on additional clause for the VMO on providing replacement to visit the estate in case of he unable to conduct the visit to the estate himself. 2. To refer the visit schedule using the new template of visit schedule and to update by time of visit by EHA & Estate Management. 3. To ensure the VMO visit is according to requirement. EHA to inform estate management if any delay of visit by the VMO in the future and write in remarks column in new template of visit schedule. Estate Manager will escalate the information to Administration Department for further action.
<p>Assessment Conclusion:</p>	<p>Major Non-conformity close out Evidence verified: Bimbingan 2 Estate and Labuk Estate submitted the evidence of Major with documents includes correction as below.</p> <ol style="list-style-type: none"> 1. Based on ‘Surat Peringatan kepada VMO’ dated 08/02/2023, sighted Labuk Estate has issue out cause of affect to VMO on failure to provide replacement to visit the estate on his absence visit to estate. 2. Based on visit schedule ‘Jadual Lawatan Doktor Pelawat’ submitted has been updated by EHA & Estate Management for 12 months. Each of the month the visiting medical officer is scheduled to visit for two (2) or fortnight. 3. Based on evidence submitted, IOI Group established Visiting Medical Officer Flowchart with Doc. Ref.: Contract of Services – Visiting Medical Officer dated 15/02/2023 to address the VMO visit is according to requirement. From the flowchart VMO to notify OU on VMO visiting scheduled. The EHA to inform estate management on VMO visit scheduled. In any absence, VMO shall notify EHA immediately with sent his locum to OU for replacement. The VMO logbook will be prepared, and EHA will highlight any issues raised by VMO to management.

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	<p>The issues will be discussed and present in Safety and Health Committee meeting.</p> <p>The evidence submitted were found adequate and effectively implemented. The Major NC was closed on 10/04/2023.</p> <p>The implementation of the corrective actions will be verified during next assessment.</p>
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Opportunity For Improvement			
Ref:	Nil	Clause:	MSPO Part __:
Area/Process:	Nil		
Objective Evidence:	Nil		

Noteworthy Positive Comments	
1.	Good commitment from the management teams on the documentation and preparation of the audit.
2.	Good and comprehensive management plan
3.	Positive feedbacks from external stakeholders.
4.	Positive feedbacks from employee on handling internal issues.

3.3 Status of Nonconformities Previously Identified and OFI

Non-Conformity Report			
NCR Ref #:	2158163-202201-M1	Issue Date:	27/02/2022
Due Date:	26/05/2022	Date of Closure:	28/04/2022
Area/Process:	Luangmanis Estate, Laukin Estate	Clause & Category: (Major / Minor)	MSPO 2530 Part 3: 4.4.4.2 Major
Requirements:	<p>The occupational safety and health plan shall cover the following</p> <ul style="list-style-type: none"> h) Accident and emergency procedures shall exist, and instructions shall be clearly understood by all employees. i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite. j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals. 		
Statement of Nonconformity:	Monitoring of OSH management plan was not effectively implemented.		
Objective Evidence:	<p>a) At Luangmanis Estate, there was two (2) accidents recorded on 03/04/2021 with four (4) days medical leave given by doctor from 05/04/2021 until 08/04/2021. The incident/accident was not reported immediately to supervisors and the workers was not seeking immediate medical/treatment at the clinic.</p> <p>There was total of five (5) calendar days since the incident/accidents happened that causing the workers unable to do their routine works. However, there is no</p>		

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	<p>evidence that the accident has been reported to DOSH within 7 calendar days as per OSH (NADOPOD) Regs 2004 requirements.</p> <p>b) At Laukin Estate, the First Aid Kit checked during field visit was not properly monitored. Based on the usage record for manuring group, there was one (1) unit of eye drops were used and opened for more than 30 days. Furthermore, monthly first aid kit inspection was not effectively implemented.</p>
<p>Corrections:</p>	<p>Issue (a): Communication (training/briefing) to all level of employee on the accident reporting procedure.</p> <p>Issue (b):</p> <ol style="list-style-type: none"> 1. To inspect all the first aid box and ensure no expired first aid box item. 2. Reminder letter to be given to EHA, Staff and mandore on their negligence of duty to ensure the inspection of first aid kit in done on timely manner. <p>HSE Department to conduct meeting with estate management including EHA and mandore on the mandatory requirement of first aid kit inspection.</p>
<p>Root cause analysis:</p>	<p>Issue (a):</p> <ol style="list-style-type: none"> 1. Worker did not seek treatment at the clinic after the incident as he was not immediately affected and still felt alright after the incident. As such, he continued working. 2. The worker only seek treatment on the 5th April i.e on the third day after the incident. As such, estate management was only aware that the worker had an accident on 3rd April. One day medical leave was given on 5th April. Medical leave cannot be backdated to 4th April (Sunday) as treatment was sought on 5th April. On the 6th April, the worker was given another three days medical leave by a private clinic. Total medical leave given was four days only. As such, no JKPP 6 was submitted to DOSH. <p>Issue (b):</p> <p>The expired eyedrop was not monitored kept inside first aid box due to the negligence of mandore who did not send the first aid box to the estate clinic for due inspection. Besides, inadequate enforcement and monitoring by the field staff to ensure the mandore following management instruction on the submission construed to the negligence.</p>
<p>Corrective Actions:</p>	<p>Issue (a):</p> <ol style="list-style-type: none"> 1. HSE Department, Estate HOD and Assistant to continuously brief the Assistant/ Staff, EHA and Mandore on the immediate action to be taken after due incident/ accident occurrence. 2. EHA to immediately report to management when accident victim seek treatment at estate's clinic. <p>Issue (b):</p> <ol style="list-style-type: none"> 1. Estate management to establish a delivery schedule on the first of box submission in stages for due inspection at clinic which to be observed by mandore respectively. <p>Spot inspection to be conducted by HSE Department to verify on implementation/ practise.</p>
<p>Assessment Conclusion:</p>	<p>CAP has been accepted and evidence of CAP implementation was verified based on the documented evidence submitted as follows:</p>

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	<p>a. Estates has conducted accident reporting training on 12/03/2022, 14/03/2022, 18/03/2022 and 31/03/2022.</p> <p>b. HSE Inspection Report dated 08/04/2022 and First Aid Kit Inspection checklist has included the expiry date for each item. Thus, major NC was closed.</p>
Assessment Verification:	<p>Recertification assessment conducted found that all accidents happened in the sample estate has been reported to DOSH through JKPP 8 submission. Further verification made, two out of three sample estate has accidents resulting more than 4 days MC, the accidents was reported to DOSH through JKPP 6. All records of JKPP 6 submission were further reported to 2022 JKPP 8, which all sample estate has submitted the within the month of January 2023. Thus, this issue is closed.</p> <p>Based on onsite interview, onsite visit and documentation review, there are reoccurrence from the previous non-conformance. First aid box verification found in the sample estate found expired gauge at Labuk Estate, and expired eye pads at Luangmanis Estate. at Bimbingan 2 Estate, the Optrex and Antifalvine was labelled "Goncang Sebelum Minum" which are against the nature of medicine which are non-oral.</p> <p>Therefore, audit team decide to re-raise this non-conformity during this assessment.</p>

Non-Conformity Report			
NCR Ref #:	2158163-202201-N1	Issue Date:	27/02/2022
Due Date:	26/05/2022	Date of Closure:	03/02/2023
Area/Process:	Laukin Estate	Clause & Category (Major / Minor)	MSPO 2530 Part 3: 4.4.5.4 Minor
Requirements:	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.		
Statement of Nonconformity:	The mechanism to ensure employees of contractors are paid based on legal or industry minimum standards was not satisfactorily evident.		
Objective Evidence:	<p>Laukin Estate:</p> <p>Based on Dec 2021, a Contractor's worker (I/C No.: 920303-XX-XXXX), was found to have RM7.25 of his wage deducted as payment for employee's SOCSO contribution. However, based on the SOCSO's payment form submitted by his employer, only RM5.75 was paid to SOCSO.</p>		
Corrections:	The arrear payment to SOCSO by the contractor to be paid accordingly.		
Root cause analysis:	Inadequate verification by the estate management on the compliance of contractor towards statutory requirement.		
Corrective Actions:	<ol style="list-style-type: none"> To strengthen data compliance monitoring by adding in management verification acknowledgement of all the record given by the contractor. To conduct supplementary internal audit on the contractor compliance monitoring. 		
Assessment Conclusion:	The CAP has been reviewed and accepted. The effectiveness of the implementation will be verified during next assessment.		

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Assessment Verification:	Based on the evidence verification on sampled contractor's workers. The implementation of corrective action plan is at satisfactory and therefore, previous Minor NC closed on 03/02/2023.
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Non-Conformity Report			
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NCR Ref #:	2158163-202201-N2	Issue Date:	27/02/2022
Due Date:	26/05/2022	Date of Closure:	03/02/2023
Area/Process:	Laukin Estate	Clause & Category (Major / Minor)	MSPO 2530 Part 3: 4.4.5.10 Minor
Requirements:	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.		
Statement of Nonconformity:	The offer of social benefits was not adequately demonstrated.		
Objective Evidence:	Out of 8 sampled pay slips (Feb, May, & Dec 2021) at Laukin Estate, it was found that 1 female worker (passport no.: CXXX4833) has no SOCSO contribution from the employer.		
Corrections:	All arrear payment to SOCSO for the female worker (CXXX4833) to be paid accordingly.		
Root cause analysis:	SOCSO registration is delayed due to irregularity of the personnel information data in the worker's management data which was not adequately verified by the operating unit management.		
Corrective Actions:	<ol style="list-style-type: none"> 1. The estate management to validate all workers related information on SOCSO registration against workers data management. 2. Refresher training to be conducted to all estate personnel involved on the SOCSO registration process. 3. Supplementary internal audit to be conducted to verify on the due implementation/ practice. 		
Assessment Conclusion:	The CAP has been reviewed and accepted. The effectiveness of the implementation will be verified during next assessment.		
Assessment Verification:	Based on the evidence verification on sampled workers and training record. The implementation of corrective action plan is at accordingly. The implementation of corrective action plan is at satisfactory and therefore, previous Minor NC closed on 03/02/2023.		

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

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Assessment Verification:	<p>Verification has been made that the management has included the Bahasa Malaysia in all sampled SDS checked. List of samples as the following:</p> <ol style="list-style-type: none"> 1. CAT Transmission HYDO Advanced 30 2. Sodium Hydroxide Solution 3. Hexane 4. IPA (Isopropyl Alcohol) 5. Ammonia Buffer Solution 6. Poyttasium Iodate 0.0159N.
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Opportunity For Improvement			
Ref:	2158163-202201-I2	Clause:	MSPO 2530 Part 3: 4.4.4.2
Area/Process:	All Estates		
Objective Evidence:	Some of the Safety Data Sheet (SDS) for chemicals stored and used such as HyGard etc is available in English language. However, SDS in national language (Bahasa Malaysia) could be made available at the storage are for ease of understanding by workers as stated in OSH (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013 (CLASS Regulations).		
Assessment Verification:	Verification has been made that all sample chemicals found in the chemical store, lubricants store and diesel storage has been found have Malay language SDS copy, or dual language SDS.		

Opportunity For Improvement			
Ref:	2158163-202201-I3	Clause:	MSPO 2530 Part 3: 4.4.5.11
Area/Process:	All Estates		
Objective Evidence:	The follow up action by the estate’s managements on the issues reported by the hospital assistants during labour quarters inspection or any other monitoring methods can be further enhanced. Examples of the issues are unauthorized wiring, chicken coops, disposal of engine oil containers, used PPE, etc.		
Assessment Verification:	<p>Housing inspection by the medical assistants was also carried out on weekly basis which criteria is mainly focusing on cleanliness and safety. Records of inspection were well maintained for verification as follow.</p> <ol style="list-style-type: none"> 1. Luangmanis Estate keep the document with latest date from 26/12/2022, 4/01/2023, 11/01/2023, 18/01/2023, 25/01/2023. 		

Opportunity For Improvement			
Ref:	2158163-202201-I4	Clause:	MSPO 2530 Part 3: 4.4.5.6
Area/Process:	All Estates		
Objective Evidence:	The updating of information about the 15 days public holidays in the employment contract can be further improved to ensure consistency for all workers.		
Assessment Verification:	Document review of 15 sampled of workers contract employment, IOI Group has revised the public holiday to add to 15 days public holidays.		

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Opportunity For Improvement			
Ref:	2158163-202201-I5	Clause:	MSPO 2530 Part 3: 4.4.5.9
Area/Process:	Labuk Estate		
Objective Evidence:	The monitoring of working hours of the generator set operators at Labuk Estate can be further improved to ensure overtime is awarded accordingly.		
Assessment Verification:	Lungmanis Estate monitor working hours of the security worker in SAP system as monitoring of working hours to offer overtime before workers.		

3.4 Summary of the Nonconformities and Status

CAR Ref.	Clause & Category (Major / Minor)	Issued Date	Status & Date (Closure)
2302065-202301-M1	4.4.4.2 (d) (i) Part 3: Major	03/02/2023	11/04/2023
2302065-202301-M2	4.4.4.2 (e) Part 4: Major	03/02/2023	11/04/2023
2302065-202301-M3	4.6.4.4 Part 3: Major	03/02/2023	10/04/2023

3.5 Issues Raised by Stakeholders

IS #	Description
1	Issues: Neighbouring Estate (Cepat Wawasan Estate, Malsa Plantation Estate and Berkat Setia Estate) Interview with managers from Cepat Wawasan Estate, Malsa Plantation Estate and Berkat Setia Estate, informed they have good relationship with estates management. All matters related to boundary, palm diseases and field operations has regularly discussed between both parties. No serious issue with estate management and operations. They often joined both parties' community programme.
	Management Responses: Noted on the information.
	Audit Team Findings: No other issue.
2	Issues: Contractors, (Representative from DS Setia, P&W Warisan and Juita Baru) Three (3) contractors been invited and interviewed which are DS Setia and P&R Warisan (FFB Lorry Transporters) and Juita Baru (CPO & PK Tanker Transporter). Based on interview, the contractors agreed good relationship has been established between management and contractors. They were also mentioned that the payment paid within timeline as per terms and conditions. Contractors were being briefed regarding RSPO & MSPO during stakeholders meeting.
	Management Responses: Noted on the information.
	Audit Team Findings: No other issue.
3	Issues: Private School (HUMANA SCHOOL)


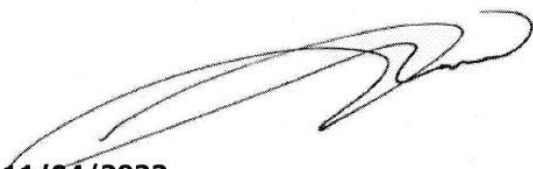
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	<p>Interview with teachers from Humana School (Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate, informed they have good relationship with estates management. All matters related to safety and health has regularly discussed between parties. No serious issue involved between schools and estates operations. They often joined both parties' community programme.</p>
	<p>Management Responses: Noted on the information.</p>
	<p>Audit Team Findings: No other issue.</p>

3.6 List of Stakeholders Contacted

<p>Government Officer: Teachers, HUMANA School</p>	<p>Community/neighbouring village: Cepat Wawasan Estate Berkat Setia Estate Malsa Plantation Estate</p>
<p>Suppliers/Contractors/Vendors: DS Setia (FFB Lorry Transporter) Juita Baru (FFB Lorry Transporter) P&R Warisan (CPO & PK Tanker Transporter)</p>	<p>Worker's Representative/Gender Committee: Local employee Foreigner employee (Indonesia)</p>

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
<p>Based on the findings during the assessment IOI Plantation Services Sdn Bhd - Ladang Sabah POM and Supply Bases Certification Unit complies with the MS 2530-3:2013 or MS 2530-4:2013. It is recommended that the certification of IOI Plantation Services Sdn Bhd - Ladang Sabah POM & Supply Base Certification Unit is approved approved and/or continued.</p>	
Acknowledgement of Assessment Findings	Report Prepared by
<p>Name: R. Kumaresh</p>	<p>Name: Mohd Nur Amin Bin Mohd Halim</p>
<p>Company name: IOI Plantation Services Sdn. Bhd</p>	<p>Company name: BSI Services Malaysia Sdn Bhd</p>
<p>Title: Senior Plantation Controller</p>	<p>Title: Client Manager</p>
<p>Signature:</p>  <p>Date: 14/04/2023</p> <p><i>R. KUMARESH SR. PLANTATION CONTROLLER SANDAKAN REGION</i></p>	<p>Signature:</p>  <p>Date: 11/04/2023</p>

Appendix A: Summary of the findings by Principles and Criteria

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

Criterion / Indicator	Assessment Findings	Compliance	
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	<p>A policy for the implementation of MSPO shall be established.</p> <p>- Major compliance -</p>	<p>IOI Group established Sustainable Palm Oil Policy (SPOP) signed by Group Chief Executive Officer and Group Head of Sustainability.</p> <p>The policy was last revised in October 2020. The policy emphasizes on the following commitments:</p> <ol style="list-style-type: none"> 1. Compliance with all applicable legislation and codes of practice 2. Implementation of sustainability standards laid out in the policy of environmental, human rights, community development and social impacts 3. Contribution to the United Nations Sustainable Development Goals (“UN SDGs”) 4. Building traceable supply chain such that all suppliers are also in compliance with IOI’s Sustainability Policy 5. To strive the highest levels of transparency and stakeholder engagement. 	Complied
4.1.1.2	<p>The policy shall also emphasize commitment to continual improvement.</p> <p>- Major compliance -</p>	<p>The commitment towards sustainable production of palm oil and its continuous improvement as outlined in the MSPO guidelines and RSPO Principle and Criteria is stated in the IOI Group Sustainable Palm Oil Policy.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance												
Criterion 4.1.2 – Internal Audit															
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	IOI Group established the internal audit plan at the beginning of the year. The actual internal audits were conducted by an independent unit i.e. 'Sustainable Oil Palm Department'. Document review, sighted internal audit plan submitted to all operating units through email on 10/11/2022.	Complied												
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	The internal audits were conducted guided by the company's Standard Operation Procedure for MSPO Internal Audit Procedure (Ref. No.: MSPO/SOP/IA/2, revision no: 02, dated 01/11/2018) by the Sustainability Palm Oil Department. The recent internal audits for the sampled estates were conducted as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Estate</th> <th>Date of audit</th> <th>Findings</th> </tr> </thead> <tbody> <tr> <td>Bimbingan 2</td> <td>11/11/2022</td> <td>4 major & 2 minor NCR</td> </tr> <tr> <td>Labuk</td> <td>24/11/2022</td> <td>5 major & 2 minor NCR</td> </tr> <tr> <td>Luangmanis</td> <td>01/12/2022</td> <td>2 major NCR</td> </tr> </tbody> </table> The root-causes of the NCR have been identified and recorded in the corrective action plan. All estates have submitted the Corrective Action Plan together with the NC Closure evidence to SPO Department. All NC raised in the Internal Audit has been closed.	Estate	Date of audit	Findings	Bimbingan 2	11/11/2022	4 major & 2 minor NCR	Labuk	24/11/2022	5 major & 2 minor NCR	Luangmanis	01/12/2022	2 major NCR	Complied
Estate	Date of audit	Findings													
Bimbingan 2	11/11/2022	4 major & 2 minor NCR													
Labuk	24/11/2022	5 major & 2 minor NCR													
Luangmanis	01/12/2022	2 major NCR													
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate kept internal audit reports and available as at audit to review. The report has the information about standards' requirements and findings. The results of the internal audits were also part of the agenda recorded in the management review meeting.	Complied												

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate conduct management review meeting and chaired by the respective estate managers. The meeting attended by the key personnel and among the agenda discussed and recorded in the minutes of meetings.</p> <p>Review on the agenda are as follows:</p> <ol style="list-style-type: none"> 1. Follow-up actions from previous management reviews (internal & external audit) remain closed. 2. Results of the internal audit (RSPO/MSPO P&C & SCCS Standard) as per indicator 4.1.2.2. 3. No stakeholder feedback, complaints & grievances as at the meeting conducted. 4. Status of preventive and corrective actions for (internal & external audit) already closed as at the meeting conducted. 5. No changes that could affect the management system, only for MSPO Certification Standard that yet to be announced by MPOCC. 6. Recommendation for improvement discuss after the internal and external audit result closed 7. Improvement of the effectiveness of the management system and its process are implemented as per recommendation. 8. Resources needed with no additional. <p>The management review meetings were conducted at all the sampled estates as follow.</p> <ol style="list-style-type: none"> 1. Bimbingan 2 Estate conduct on 16/01/2023. 2. Labuk Estate conduct on 27/12/2022. 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		3. Luangmanis Estate conduct on 29/12/2022.	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. - Major compliance -	Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate established individual continual improvement plan for financial year 2022/2023 and available for review as at audit. Document review sighted the plan established based on the social and environmental impact together with safety and health.	Complied
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	Any new technology and/or innovation equipment is subject to approval by HQ. Document review and onsite interview informed management has no new technology adopted by the sampled estates for field operation since the last assessment.	Complied
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	Should there be any new technology adopted, training shall be provided to the related personnel.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSP0 requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.	Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate 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	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>of information was made mainly during stakeholder’s consultation meetings.</p> <p><u>Luangmanis Estate</u></p> <ol style="list-style-type: none"> 1. Engineering visit for energy emission requirement with latest dated on 06/01/2023. 2. DOSH Officer visit for safety & health requirement with latest dated on 09/05/2022. <p><u>Bimbingan 2 Estate</u></p> <ol style="list-style-type: none"> 1. DOSH Officer visit for safety & health equipment inspection with latest dated on 18/04/2022. <p><u>Labuk Estate</u></p> <ol style="list-style-type: none"> 1. Labour Department Officer visit for ‘Permohonan Lesen untuk Menggaji Pekerja Bukan Pemastautin’ request relevant document which conducted on 24/07/2021. 	
4.2.1.2	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate maintain the management documents for publicly available include information that can be available as follow.</p> <ol style="list-style-type: none"> 1. Company’s policies 2. Occupational Safety and environmental management plans 3. Company’s annual report 4. MSPO/RSPO external audit reports 5. Continuous improvement plan 6. Complaint and grievance procedure 7. Land use rights 	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	IOI Group 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 as follow. 1. Grievance Submission - Submitted through Green Book, hotline or ECC immediately or within 24 hours 2. Preliminary Investigation - Investigate within 30 working days from grievance submission date 3. Further Investigation/Meeting with complainant - Meet up with complainant within 10 working days after preliminary investigation outcome	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	IOI Group have appointed representatives from estates to responsible person in handling the issues related to Indicator 1, i.e.: 1. Luangmanis Estate appointed assistant manager dated 24/10/2022. 2. Bimbingan 2 Estate appointed assistant manager dated 06/11/2020. 3. Labuk Estate appointed assistant manager dated 18/04/2022.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	IOI Group established list of stakeholders for each operating unit were last updated as follow. The list consists of various group of stakeholders such as government authorities, contractors/suppliers, NGOs, local communities, and also internal stakeholders such as workers and representatives. IOI Group conduct external stakeholders meeting which attended by managements, neighbouring companies' estates, HUMANA, contractors, schools, government agencies, retailers, canteen and transporters.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Document review on minutes of meeting, sighted management includes agenda discuss on company policies, company procedures, company guidelines, RSPO/MSPO principles, grievances procedures, sexual harassment procedures, reviewing impact on stakeholders’s feedback, discuss positive/negative impact and additional impact on roundtable assessment. The meeting attended by representative from Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate representatives as follow.</p> <ol style="list-style-type: none"> 1. Luangmanis Estate updated on 09/01/2023. 2. Labuk Estate updated on 02/11/2022. 3. Bimbingan 2 Estate updated on 01/12/2022. <p>IOI Group conduct internal stakeholders meeting which attended by managements, school representative, sundry shop and workers representatives.</p> <p>Document review on minutes of meeting, sighted management includes agenda discuss on RSPO/MSPO/ISCC, company policies, guidelines, ILO requirement, social matters, employment contract, children birth, children education etc.</p> <p>Below is the individual each estate kept minutes of meeting as follow.</p> <ol style="list-style-type: none"> 1. Luangmanis Estate conduct on 08/11/2022. 2. Bimbingan 2 Estate conduct on 31/10/2022. 3. Labuk Estate conduct on 07/11/2022. 	
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).	IOI Group established Management System and Traceability Control Procedures, Ref: MSPO/SOP/MST/01, rev.: 00 dated 31/10/2020 with no changes on the procedure as at the audit.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>The procedure established as guidelines to implement and maintain mill's traceability on palm oil products received and dispatched from IOI Group's operating units.</p> <p>The procedure describes company commitment to identify and recorded palm oil products from its respective sources or stations as required in the sustainable requirements.</p>	
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>IOI Group established Management System and Traceability Control Procedures, Ref: MSPO/SOP/MST/01, rev.: 00 dated 31/10/2020 with no changes on the procedure as at the audit.</p> <p>The procedure describes the responsibility of person in-charge at Critical Control Point (CCP). Inspection for traceability system was conducted on daily basis. The staffs would prepare all the documents and the assistant manager will check and verified the content. FFB delivery record from estate to mill was sighted and verified.</p>	Complied
4.2.3.3	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>IOI Group established Management System and Traceability Control Procedures, Ref: MSPO/SOP/MST/01, rev.: 00 dated 31/10/2020 with no changes on the procedure as at the audit.</p> <p>The procedure describes at section 3.1 of overall responsibility of head o department has an overall responsibility and authority over the implementation and maintenance of the sustainability requirements for every critical control point. The head of department shall be assisted by the assistant managers, weighbridge clerk and field staffs.</p> <p>IOI Group appointed MSPO officer for respective estate to be responsible on the implementation and maintaining the traceability system as follows.</p> <p>1. Luangmanis Estate – Mr. Sharylius Suar Apolinaris as per appointment letter dated 18/10/2022</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		2. Bimbingan 2 Estate – Mr. Menson Lidang, Assistant Manager as per appointment letter dated 06/11/2020 3. Labuk Estate – Mr. Imran Juhon, Assistant Manager as per appointment letter dated 18/04/2022.	
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	<p>IOI Group established Management System and Traceability Control Procedures, Ref: MSPO/SOP/MST/01, rev.: 00 dated 31/10/2020 with no changes on the procedure as at the audit.</p> <p>The procedure describes company commitment in section 3.2.4.4 on handling record keeping to all related records pertaining to MSPO requirement must be kept and maintained at minimum period of three (3) years.</p> <p>Record of sales, deliver or transportation of FFB were well kept by the estate management. Samples are as follows:</p> <ol style="list-style-type: none"> Luangmanis Estate WB Ticket No: FB23000882, dated 18/01/2023 Vehicle No: SSB7756F Nett Weight: 14.33 Mt Grading Chit No: 458156, DO No.: S11020, D/O No: 04035. Dated 18/01/2023 Bimbingan 2 Estate WB Ticket No: F23000055, dated 04/01/2023 Vehicle No: SWB7568 Nett Weight: 10.88 Mt Grading Chit: 457329, DO No: S0016919, D/O No: 00965. Dated 24/12/2023 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		3. Labuk Estate WB Ticket No: FB22018372, dated 24/12/2023 Vehicle No: SYP8636 Nett Weight: 11.09 Mt Grading Chit No: 456893, DO No.: S0428332, D/O No: 21849. Dated 24/12/2023	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	Compliance to applicable local, state, national and ratified international laws and regulations was monitored and updated in 'List of Permit and License'. The list of license sample is as follows: <u>Luangmanis Estate</u> 1. MPOB License, License No: 501728102000, Terms: Menjual Dan mengalih FFB, 2. Valid until 30/04/2023. 3. Permit Barang Kawalan Berjadual, Ref No: PPDNKK.SDK.15/2002(SK), Diesel EURO 2M – 44,000 liter 4. Lesen Berniaga, Ref No: BLN/2023/483, Expiry Date: 31/12/2023 5. Jabatan Tenaga Kerja Sabah, Permit Potongan Gaji Daripada Pekerja, Ref: JTKSBH/PMT/113/2022/0233, Valid from 12/09/2022 until 11/09/2023 6. Lesen Mengaji Pekerja Bukan Pemastautin, Ref: JTK.H.SDK.600-4/1/1/0126/003867, Valid until 08/11/2023. 7. JKKP - Perakuan Kelayakan No.: PMT-SB/2251870, Air Compressor	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>until 08/08/2023.</p> <p><u>Bimbingan 2 Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License, License No: 503278702000, Terms: Menjual Dan mengalih FFB valid until 31/12/2023. 2. Permit Barang Kawalan Berjadual, Ref No: PPDNKK.SDK.05/2002(SK), Diesel EURO 2M – 18,500 liter 3. Lesen Berniaga, Ref No: BLN/2023/481 valid until 31/12/2023. 4. Jabatan Tenaga Kerja Sabah, Permit Potongan Gaji Daripada Pekerja, Ref: JTKSBH/PMT/113/2022/0153 valid until 18/07/2024. 5. Lesen Mengaji Pekerja Bukan Pemastautin, Ref: JTK.H.SDK.600-4/1/1/01261/003856, valid until 20/10/2023. 6. Suruhanjaya Tenaga – Lesen Pemasangan Persendirian, License No: 2022/01130 valid until 13/04/2023. <p><u>Labuk Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License, License No: 501728102000, Terms: Menjual Dan mengalih FFB 2. valid until 30/04/2023. 3. Permit Barang Kawalan Berjadual, Ref No: PPDNKK.SDK.17/2002(SK), Diesel EURO 2M – 39,000 liter 4. Lesen Berniaga, Ref No: BLN/2023/483 valid until 31/12/2023. 5. Jabatan Tenaga Kerja Sabah, Permit Potongan Gaji Daripada Pekerja, Ref: JTKSBH/PMT/113/2022/0099 valid until 06/06/2024. 6. Lesen Mengaji Pekerja Bukan Pemastautin, Ref: JTK.H.SDK.600-4/1/1/01261/003867 valid until 08/11/2023. 7. Permit Pendahuluan Gaji, Ref: JTKSBH/PMT/102/2021/0017 valid until 06/09/2023. 	

Criterion / Indicator		Assessment Findings	Compliance
		8. Suruhanjaya Tenaga – Lesen Pemasangan Persendirian, Serial No: 56179 valid until 06/06/2023.	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>IOI Group identified applicable legal requirements the List of Laws, Covenants & Standards Applicable to Sabah Estate & Mill Operations, updated on 03/01/2023.</p> <p>The list established by SPO Department Sandakan Regional Office with list follow.</p> <ol style="list-style-type: none"> 1. Medical Act 1971 Act 50. 2. Private Employment Agency Act 246 1987 3. Minimum Retirement Age Act 2012 (Act 753) 4. Labour Ordinance (Sabah Cap 67). 5. Labour (Limitation of Overtime Work) Sabah Rules. 6. Drainage & Irrigation Ordinance 1956 (Sabah No. 15 of 1956). 7. Sabah Wildlife Conservation Enactment 199. 8. Sabah Water Resources Enactment 1998. 9. Environmental Quality Act 1974 10. Employees Providence Act 1991 11. Factories and Machinery Act 1967 12. Workmen’s Compensation Act 1952 13. Employee Minimum Standard of Housing, Accommodations and Amenities Regulations 2020 14. Pesticides Act 1974 15. Occupational Safety and Health Act 1994 16. Minimum Wages Order 2022 	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 -	SPO Department Sandakan Regional Office will keep the certification unit updated with the new laws or regulations or new amendments coming into force. Mechanism of Tracking Law Changes procedures was made available to the audit team. The legal register prepared by SPO Department Sandakan Regional Office, ref no: IOI/SR/SPO/MTLC/21-01, dated on 03/01/2022.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate appoint their MSP0 officer to taking care of the legal traceability systems. Document review sighted the appointment letter as follow. 1. Bimbingan 2 Estate appoint assistant manager dated 06/11/2020. 2. Labuk Estate appoint assistant manager dated 18/04/2022. 3. Luangmanis Estate appoint assistant manager dated 18/10/2022.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate’s oil palm cultivation activities do not diminish the land use rights of other users. The conditions stipulated in the land titles were adhered to.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	Luangmanis Estate, Bimbingan 2 Estate and Labuk Estates’ were able to show their legal ownership by having the following documents: 1. Bimbingan 2 Estate - land title [ref.: #CL085326790, leased to: Sri Bimbingan Sdn Bhd (Later changed to Palmco Plantations (Sabah) Sdn Bhd dated 30/10/1995 (subsidiary of IOI), 3,893 Ha, lease period: 31/12/2083] 2. Labuk Estate - land title [ref.: #CL085322612, leased to: Ladang	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Sabah Sdn Bhd (subsidiary of IOI), 2,668.50 Ha, lease period: 01/01/1989 to 31/02/2087]</p> <p>3. Luangmanis Estate - land title [ref.: #CL085317497, leased to: Ladang Sabah Sdn Bhd (subsidiary of IOI), 6,766 Ha, lease period: 01/01/1984 to 31/12/2082]. The land title is shared with Moynod Estate.</p>	
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	Onsite visit sighted the legal perimeter boundary marker is available with boundary markers were installed at various points at the boundary areas.	Complied
4.3.2.4	<p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).</p> <p>- Minor compliance -</p>	There was no land dispute at all the sampled estates. The company has the legal ownership documents as demonstrated by possessing land titles.	Not applicable
Criterion 4.3.3 – Customary rights			
4.3.3.1	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- Major compliance -</p>	Not applicable since there is no customary rights. Land has been legally owned by the company and has been verified by the land title.	Not applicable
4.3.3.2	<p>Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.</p> <p>- Minor compliance -</p>	Not applicable since there is no customary rights. Land has been legally owned by the company and has been verified by the land title.	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	Not applicable since there is no customary rights. Land has been legally owned by the company and has been verified by the land title.	Not applicable
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	<p>IOI Group established Group Social Impact Assessment & Management Plans, Guidance Document: Period 2019 – 2024.</p> <p>IOI Group established SIA Report and management plan been reviewed by appointed Social Liaison Officers at individual estate below follow.</p> <ol style="list-style-type: none"> 1. Luangmanis Estate review the management plan on 21/01/2023. 2. Bimbingan 2 Estate review the management plan on 10/01/2023. <p>SIA report established based method to identify the social impacts from feedback in WEC meeting, JCC meeting, internal and external stakeholder meeting.</p> <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 & grievances and socio-economic impact on surrounding communities.</p> <p>Ladang Sabah Complex conduct social impact assessment meeting on 05/01/2023 at Training Hall (LSR Club).</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	IOI Group established Grievance Procedure [doc. No. IOI/P/GP/001, rev. 1, dated 20/01/2020] which outlined the system for dealing with complaints and grievance.	Complied
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. - Major compliance -	Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate adopt the HQ format of grievance procedure to record complaints or requests from the stakeholders. Based on the records, all the complaints were lodged by internal stakeholders and generally about defects of housing facility, and request of facility (e.g., transport to town, extension of electricity supply) There was no complaint or grievance lodged by external stakeholder since the last assessment. Verification of the records of complaints lodged the actions taken by the management were found to be appropriate and timely manner.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	The complaint forms were available at the operating unit’s office, where the stakeholders can easily access should it be needed. Among the information available in the form is name of requestor/complainant, date of request, details of complaint/grievance, details of action taken including dates and acknowledgement signature of the requestor.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Employees and the surrounding communities were made aware that complaints or suggestions can be made any time through various meetings such as morning muster, training/briefing, and stakeholder consultation. Based on interview with the stakeholders, it was noted that they were aware of the complaint’s procedure.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Ladang Sabah complex conduct briefing on Whistleblowing Policy been briefed to workers during muster morning at each operating units as follow.</p> <ol style="list-style-type: none"> 1. Luangmanis Estate conduct briefing on 06/12/2022. 2. Bimbingan Estate conduct briefing on 12/12/2022. 3. Labuk Estate conduct briefing on 07/12/2022. 	
4.4.2.5	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate maintained complaints and resolutions record over the past 24 months (i.e. from January 2020) and all the records are available as at audit.</p>	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	<p>Growers should contribute to local development in consultation with the local communities.</p> <p>- Minor compliance -</p>	<p>IOI Group established Sustainability Report 2021 which has reported the IOI as whole group for contribute to local community through Tan Sri Lee Sin Ching Foundation. The Foundation functioned as main player to deliver the contribute related to educations.</p> <p>Since the last assessment, there have been less activities by the local communities due to MCO. Nonetheless, the estates continued to provide support the HUMANA initiative especially in term of maintaining school building and facilities.</p>	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>IOI Group established and maintained the Occupational Safety, health & Hygiene Policy approved by the Plantation Director in January 2023. The policy was communicated via briefing, training and displayed at</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
	estates notice board and implemented throughout the estates operations.	
<p>4.4.4.2 The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. 	<p>Safety Management Plans are available at each estate has cover the OSH Program, compliance with safety regulations, legal requirement, risk assessment, training, PPE, Chemical Safety, ERP and etc. (e.g. Laukin Estate – dated 08/01/2022)</p> <ul style="list-style-type: none"> a) Safety & health policy has been communicated and implemented to the estate operation. Records of communication was sighted on 16/01/2023 for Luangmanis Estate, and 10/01/2023 at Labuk Estate. b) Risk of all operations has been identified in the HIRARC Form (e.g. Labuk Estate for Chemical Spraying Ref No: IOI-OHS-HIRARC-LBK-3.3.4-010 dated 03/01/2023 & Harvesting Ref No: IOI-OHS-HIRARC-LBK-3.3.4-001 dated 03/01/2023). <p>Noise Risk Assessment was conducted at Bimbangan 2 Estate on 11/11/2020 (Report Ref No: DABOH/1120/064) and CHRA for Bimbangan 2 Estate was conducted on 17/01/2022 (Ref No: HQ/11/ASS/00/298-2022/261). Action Plan for CHRA was review on 16/12/2022. Medical surveillance was conducted 10/06/2022 (12 sprayers) and 05/08/2022 (1 worker). Audiometric test for Bimbangan 2 Estate was conducted on 04/03/2022, found that the 5 abnormal audiogram was verified, further checking found that 1 mixed hearing loss was found. JKPP7 was raised.</p> <p>CHRA for Labuk Estate was conducted on 05/01/2022 (Report Ref No: HQ/11/ASS/00/298-2022/262). Medical surveillance was conducted in 2022 for all the affected workers with no abnormal result reported. CHRA Action Plan prepared based on the CHRA conducted on 06/01/2023 was found satisfactory.</p> <p>CHRA for Luangmanis Estate was conducted on 06/01/2022 and</p>	<p>Major Non-Conformity</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>report acknowledged by Estate Manager. (Report Ref No: HQ/11/SS/00/298-2022/265). Medical Surveillance was conducted in 2022 verified that all workers are fit to work.</p> <p>NRA for Luangmanis Estate was conducted on 05/11/2020 involved Tractor operation, workshop, genset, grader, compactor and chainsaw. Audiometric test was conducted on 07/02/2022 to affected workers. Six workers identified with abnormal result (conductive hearing loss and mixed hearing loss). Further verification with OHD found that one (1) worker have hearing impairment and JKPP7 was raised.</p> <p>NRA for Labuk Estate was conducted on 03/11/2020 (Ref No: DABOH/1120/065) for Generator Set, Grass Cutter Operator and Grader Operator). Audiometric Test has been conducted for all affected workers On 06/02/2022, 29/06/2022 and 20/10/2022 (Driver, Mechanic and Grader with one (1) abnormality (hearing impairment) detected. Further checking with OHD was done 16/12/2022.</p> <p>c) Awareness and training programme have included employees exposed to pesticides (e.g., for Bimbingan 2 Estate was conducted on 12/12/2022 and 15/12/2022)</p> <p>d) PPE was provided by the estate management to all employees according to their scope of job. The estate management did not charge the employees for the PPE. PPE issuance recorded in 'Borang Pemberian Alat Pelindung Diri' Site visit at sample estate found that the workers are not wearing the PPE, such at at Luangmanis Estate – One bin operator was found not wearin safety helmet, and at Bimbingan 2 Estate, tractor driver were found not wearing the earplug. This is against the requirements in the SOP where tractor driver, and Bin operator shall wear earplug and safety helmet</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>respectively in each operation. Thus, Major NC is raised.</p> <p>e) The IOI Group has established the Standard Operating Procedure for handling the used chemical to ensure proper & safe handling, storage and disposal according to OSH (CLASS Regulations 2013 and OSH (USECHH) Regulations 2000. 'Prosedur Kerja Selamat Penyimpanan dan Pengurusan Stor bahan Kimia' (IOI-OSH 3.2.2 dated 01/08/2021) and procedure such as Chemical Handling Flowchart from supplier (Appendix E 1), Chemical Issue from Store (Appendix E2) was established.</p> <p>f) Estate manager was appointed as chairman for the OSH Committee and assisted by representatives from employer and employees.</p> <p>g) Safety and Health Committee meeting has been planned to be conducted quarterly as regular two-way communication with employees to discuss employee's health, safety and welfare such as:</p> <ol style="list-style-type: none"> 1. Bimbingan 2 Estate: 18/03/2022, 13/06/2022, 18/09/2022 & 06/12/2022 2. Labuk Estate: 30/03/2022, 30/06/2022, 30/09/2022 & 29/12/2022 <p>h) The estates have established emergency response team which is headed by estate managers. Accident reporting flowchart and 'Pelan Tindakan Kecemasan' for accident/injury, flood and fire with emergency contact number was displayed at the notice board. Fire Drill Training has been conducted at Bimbingan Estate 2 on 16/12/2022.</p> <p>i) Each estate sample have Estate Health Assistant station, and training has been conducted to mandore for first aider. Training records has been verified and interview with mandores station at workstation have been conducted. However, during onsite inspection at each</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>estate, found in the sample first aid there are expired item and labelled incorrectly. Bimbingan 2 Estate first aid box has been found that the item Optrex and Antiflavine has been labelled 'Goncang Sebelum Minum'. Luangmanis Estate – two unit of eye pads has been found expired and keep in the first aid box, and at Labuk Estate, two units of gauge is found expired and kept in the box. This is against the requirement of approved content in the first aid box; thus Major NC is raised.</p> <p>j) JKKP 8 for Labuk Estate – Ref No: JKKP 8/134846/2022 submitted on 20/01/2023 with 42 mandays loss.</p> <p>JKKP 6 has been sent to DOSH for two accidents. Refer SB/SKEM/22/01652 and SB/SKEM/22/01911. JKKP6 accident has been reported in the JKKP8.</p> <p>JKKP 8 for Luangmanis Estate – Ref No: JKKP 8/135051/2022 submitted on 28/01/2023.</p> <p>JKKP 6 has been sent to DOSH for three accidents. Refer SB/SKEM/22/01692, SB/SKEM/22/01762 and SB/SKEM/22/01797. JKKP6 accident has been reported in the JKKP8.</p> <p>JKKP 8 for Bimbingan 2 Estate – Ref No: JKKP 8/122703/2022 submitted on 11/01/2022.</p> <p>No JKKP6 was sent, as there is no accident that are above 4 days.</p> <p><u>Major Non-conformance (Major NC)</u></p> <p>Mitigation plans and procedures related Health and safety was not effectively implemented.</p> <p><u>Bimbingan 2 Estate</u></p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>During site visit at P19, it was found that tractor driver was not wearing earplug as their PPE. It was not in line with NRA Recommendation Section 8.0 dated 11/11/2020, Recommended control measure: Recommended to wear PHP during work.</p> <p>In addition, Document verification on workplace inspection dated 28/12/2022 found that for Tractor section, Ear Plug was not included as required PPE to be wear. PPE inspection record dated 12/2022 found that ear plug was not included as PPE required. Refer SOP Tractor dated 01/08/2022 stated required PPE were Safety Helmet, Safety Shoes, Respirator (Spray and Manuring Operation) and Ear Plug.</p> <p>During inspection at first aid box spraying area, it was found that medicine Optrex and Antiflavine were labeled with 'Goncang Sebelum Minum'.</p> <p><u>Luangmanis Estate</u></p> <p>During site visit at Harvesting area P17, it was found that 1 Bin Attendant worker was not wearing safety helmet as their PPE while loaded the FFB into the Bin. It was not in line with HIRARC dated 10/01/2023 FFB Loading and collection at field, Existing control: PPE: Gloves, Safety helmet, Ear plug.</p> <p>During site visit at EFB Mulching area, the weather condition was light rainy however based on inspection and verification, there is no raincoat was provided for respective workers. It was not in line with Recommended control measures HIRARC dated 10/01/2023, To provide raincoat.</p> <p>During inspection at first aid box main office, it was found that 2 units of eye pad was expired on 30/08/2022</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Labuk Estate</u></p> <p>During inspection at first aid box main office, it was found that 2 units of gauge was expired in May 2019.</p> <p>It was not in line with SOP Emergency Prevention, Preparedness and Response dated 01/08/2012 Section 3(vii) The Hospital Assistant or a designated person shall be made responsible for maintaining all first aid boxes. The contents of the box must be checked periodically and replenished.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>Policy on good social practices regarding human rights is addressed in the IOI Group Sustainable Palm Oil Policy (SPOP) signed by Group Chief Executive Officer and Group Head of Sustainability. The policy was last revised in October 2020.</p> <p>Ladang Sabah complex conduct briefing on Sustainability Palm Oil Policy been briefed to workers during muster morning at each operating units as follow.</p> <ol style="list-style-type: none"> 1. Luangmanis Estate conduct briefing on 05/12/2022. 2. Bimbingan 2 Estate conduct briefing on 13/12/2022. 3. Labuk Estate conduct briefing on 29/10/2022. 	Complied
4.4.5.2	<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>The company is committed to ensure all the employees are treated equally regardless of race, nationality religion, gender, age, and other political opinions in line with its SPOP. There was no evidence of any form of discriminatory practice.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>- Major compliance -</p>	<p>Ladang Sabah complex conduct briefing on foreign worker Recruitment Guideline & Procedure in Malaysia been briefed to workers during muster morning at each operating units as follow.</p> <ol style="list-style-type: none"> 1. Luangmanis Estate conduct briefing on 30/11/2022. 2. Bimbingan 2 Estate conduct briefing on 22/11/2022. 3. Labuk Estate conduct briefing on 25/02/2022. <p>IOI Group established foreign worker recruitment & legalization flowchart with latest updated on 05/02/2020. Flowchart describes the process of new workers registration request, work pass application, passport book application, apply for quota from immigration department, medical check process, SOCSO registration lending pass application, levy payment and work pass sticker.</p> <p>Sampled:</p> <p>Bimbingan 2 Estate</p> <ul style="list-style-type: none"> • Employee Master request form, ERF/BB2/004/Sept/2022, date request: 24/10/2022. • New Assistant Manager: Menson Lidang • Estate workers recruitment, dated: 24/10/2022. 	
<p>4.4.5.3 Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>IOI Group 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.</p> <p>Based on sampled pay slips, it was found that the wages were paid in line with the Minimum Wage Order 2020. Sampled workers ID number whose payslips for the months of February, June, September and December 2022 were verified are as follows:</p> <ol style="list-style-type: none"> 1. <u>Luangmanis Estate</u> 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings				Compliance	
		No.	Employee ID	Passport/ IC No.	Nationality	Work/ task	
		1.	0711/5855	AS37xxxx	Indonesia	Harvester	
		2.	0315/5871	P108xxxxB	Philippines	FFB Checker	
		3.	0615/5888	C734xxxx	Indonesia	Manurer	
		4.	0718/5920	AU26xxxx	Indonesia	Driver	
		5.	0918/6097	AU41xxxx	Indonesia	Sprayer	
		6.	1018/6129	AU41xxxx	Indonesia	Sprayer	
		7.	0322/32454	971029-xx-xxxx	Malaysia	Security	
		8.	0322/32456	970919-xx-xxxx	Malaysia	Security	
		JD	Harvester	Sprayer	FFB Checker		
		Originality	Indonesia	Indonesia	Philippines		
		Passport/ IC No	AS37xxxx	AU41xxxx	P108xxxxB		
		Day Rate/ Piece Rate	71.03 (Piece Rate)	MYR 57.70 (Daily Rate)	MYR 57.70 (Daily Rate)		
		Overtime	-	21 hours	41 hours		
		Working day	24	25	25		
		Deduction	MYR 10.45 (Income Tax)	MYR 0	MYR 0		
		Employer Contribution	MYR 43.10 (SOC SO)	MYR 29.40 (SOC SO)	MYR 38.10 (SOC SO)		
		2. <u>Bimbingan 2 Estate</u>					
		No.	Employee ID	Passport/ IC No.	Nationality	Work/ task	
		1.	0308/27413	C761xxxx	Indonesia	Field Maintenance	
2.	0322/34080	031209-xx-xxxx	Malaysian	FFB Checker			
3.	0322/34181	C761xxxx	Indonesia	Security			

Criterion / Indicator		Assessment Findings				Compliance		
		4.	0210/04513	C655xxxx	Indonesia	Cleaner		
		5.	0210/4013	950807-xx-xxxx	Malaysian	Driver		
		6.	0322/00049	960422-xx-xxxx	Malaysian	Attendant		
		7.	0308/4016	AU11xxxx	Indonesia	Harvester		
		8.	0308/4481	C761xxxx	Indonesia	General Worker		
		JD	Cleaner	FFB Checker	General Worker			
		Originality	Indonesia	Malaysian	Indonesia			
		Passport/ IC No	C655xxxx	031209-xx-xxxx	C761xxxx			
		Day Rate/ Piece Rate	MYR 57.70 (Piece Rate)	MYR 57.70 (Daily Rate)	MYR 57.70 (Daily Rate)			
		Overtime	-	38 hours	-			
		Working day	24	23	25			
		Deduction	MYR 0	MYR 160.88 (EPF, SOCSO, SIP insurance)	MYR 0			
		Employer Contribution	MYR 19.40 (SOCSO)	MYR 211.05, (EPF, SOCSO, SIP insurance)	MYR 20.80 (SOCSO)			
		3. <u>Labuk Estate:</u>						
		No.	Employee ID	Passport/ IC No.	Nationality	Work/ task		
1.	0718/4775	P379xxxxB	Philippines	Harvester				
2.	0719/27198	AU29xxxx	Indonesian	Harvester				
3.	1214/4861	P381xxxxB	Philippines	General Worker				
4.	1222/39117	920228-xx-xxxx	Malaysian	Security				
5.	1108/4866	AS38xxxx	Indonesian	Manurer				

Criterion / Indicator		Assessment Findings				Compliance	
		6.	0707/4753	C761xxxx	Indonesian	Sprayer	
		7.	0411/4718	P1120xxxxB	Philippines	General Worker	
		JD	Security	Sprayer	Manurer		
		Originality	Malaysian	Indonesian	Indonesia		
		Passport/ IC No	920228-xx-xxxx	C761xxxx	AS38xxxx		
		Day Rate/ Piece Rate	MYR 57.70 (Daily Rate)	MYR 57.70 (Piece Rate)	MYR 57.70 (Daily Rate)		
		Overtime	6 hours	-	2 hours		
		Working day	18	26	26		
		Deduction	MYR 133.95	MYR 0	MYR 0		
		Employer Contribution	MYR 379.05 (EPF, SOCSO, SIP Insurance)	MYR 29.40 (SOCSO)	MYR 31.90 (SOCSO)		
		<p>Ladang Sabah complex conduct briefing on Minimum Wage and Leave Pay Guidelines been briefed to workers during muster morning at each operating units as follow.</p> <ol style="list-style-type: none"> 1. Luangmanis Estate conduct briefing on 30/11/2022. 2. Bimbingan 2 Estate conduct briefing on 31/12/2022. 3. Labuk Estate conduct briefing on 22/09/2022. 					
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>To ensure employees of contractors are paid based on legal or industry minimum standards, the management requests payslips from the contractors. Payslips of employees from several contractors of the sampled estates were available for verification. Generally, the pays were found to be meeting the minimum standard requirements.</p> <p>Document review of sample contractor’s payslip at Labuk Estate for December 2022 as follow.</p>				Complied	

Criterion / Indicator		Assessment Findings	Compliance
		1. Driver (I/C No.: 891016-xx-xxxx) 2. Driver (I/C No.: 720103-xx-xxxx) Employees' SOCSO contribution sighted been deducted from workers' payslip at MYR24.75 and MYR16.75.	
4.4.5.5	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. - Major compliance -	Employee data base is kept and maintained in a computer software (SAP). All the required information such as names, gender, date of birth, date of entry, job description, and ID number was available in the data base.	Complied
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. - Major compliance -	IOI Group established employment contract with signed by both parties and provided with copy to employee for reference. Document review sighted the terms and conditions stipulated in the employment contract and written in Bahasa Malaysia, is in-line with the legal requirements. IOI Group has made initiative to update of information on 15 days public holidays in the employment contract. Document review of 25 sampled of workers contract employment, IOI Group has revised the public holiday to add to 15 days public holidays.	Complied
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	IOI Group using Electronic Plantation Mobile System (EPMS) as its method to record working hours and overtime. The data will then be transferred to the SAP system for wages calculation. Employees can be transparently provided with the information in the EPMS.	Complied
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be	The working hour and break time have been clearly stated in the Employment Contract.	Complied

Criterion / Indicator		Assessment Findings	Compliance																																								
	mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	Document review on checkroll and payslips sighted the overtime paid consistent with the time recording and legal requirements.																																									
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	<p>Document review on checkroll and payslips sighted the overtime paid consistent with the time recording and legal requirements.</p> <p>Sampled workers' payslips as follows:</p> <p>Based on sampled pay slips, it was found that the wages were paid in line with the Minimum Wage Order 2020. Sampled workers ID number whose payslips for the months of February, June, September and December 2022 were verified are as follows:</p> <p>1. <u>Luangmanis Estate</u></p> <table border="1"> <tr> <td>JD</td> <td>Harvester</td> <td>Sprayer</td> <td>FFB Checker</td> </tr> <tr> <td>Originality</td> <td>Indonesia</td> <td>Indonesia</td> <td>Philippines</td> </tr> <tr> <td>Passport/ IC No</td> <td>AS37xxxx</td> <td>AU41xxxx</td> <td>P108xxxxB</td> </tr> <tr> <td>Day Rate/ Piece Rate</td> <td>MYR 71.03 (Piece Rate)</td> <td>MYR 57.70 (Daily Rate)</td> <td>MYR 57.70 (Daily Rate)</td> </tr> <tr> <td>Overtime</td> <td>-</td> <td>21 hours</td> <td>41 hours</td> </tr> <tr> <td>Working day</td> <td>24</td> <td>25</td> <td>25</td> </tr> <tr> <td>Deduction</td> <td>MYR 10.45 (Income Tax)</td> <td>MYR 0</td> <td>MYR 0</td> </tr> <tr> <td>Employer Contribution</td> <td>MYR 43.10 (SOCSCO)</td> <td>MYR 29.40 (SOCSCO)</td> <td>MYR 38.10 (SOCSCO)</td> </tr> </table> <p>2. <u>Bimbingan 2 Estate</u></p> <table border="1"> <tr> <td>JD</td> <td>Cleaner</td> <td>FFB Checker</td> <td>General Worker</td> </tr> <tr> <td>Originality</td> <td>Indonesia</td> <td>Malaysian</td> <td>Indonesia</td> </tr> </table>	JD	Harvester	Sprayer	FFB Checker	Originality	Indonesia	Indonesia	Philippines	Passport/ IC No	AS37xxxx	AU41xxxx	P108xxxxB	Day Rate/ Piece Rate	MYR 71.03 (Piece Rate)	MYR 57.70 (Daily Rate)	MYR 57.70 (Daily Rate)	Overtime	-	21 hours	41 hours	Working day	24	25	25	Deduction	MYR 10.45 (Income Tax)	MYR 0	MYR 0	Employer Contribution	MYR 43.10 (SOCSCO)	MYR 29.40 (SOCSCO)	MYR 38.10 (SOCSCO)	JD	Cleaner	FFB Checker	General Worker	Originality	Indonesia	Malaysian	Indonesia	Complied
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Criterion / Indicator		Assessment Findings				Compliance
		Passport/ IC No	C655xxxx	031209-xx-xxxx	C761xxxx	
		Day Rate/ Piece Rate	MYR 57.70 (Piece Rate)	MYR 57.70 (Daily Rate)	MYR 57.70 (Daily Rate)	
		Overtime	-	38 hours	-	
		Working day	24	23	25	
		Deduction	MYR 0	MYR 160.88 (EPF, SOCSO, SIP insurance)	MYR 0	
		Employer Contribution	MYR 19.40 (SOCSO)	MYR 211.05, (EPF, SOCSO, SIP insurance)	MYR 20.80 (SOCSO)	
		3. <u>Labuk Estate</u>				
		JD	Security	Sprayer	Manurer	
		Originality	Malaysian	Indonesian	Indonesia	
		Passport/ IC No	920228-xx-xxxx	C761xxxx	AS38xxxx	
		Day Rate/ Piece Rate	MYR 57.70 (Daily Rate)	MYR 57.70 (Piece Rate)	MYR 57.70 (Daily Rate)	
		Overtime	6 hours	-	2 hours	
		Working day	18	26	26	
		Deduction	MYR 133.95	MYR 0	MYR 0	
		Employer Contribution	MYR 379.05 (EPF, SOCSO, SIP Insurance)	MYR 29.40 (SOCSO)	MYR 31.90 (SOCSO)	

Criterion / Indicator		Assessment Findings	Compliance
		Lungmanis Estate, Bimbingan 2 Estate and Labuk Estate monitor working hours of workers in SAP system as monitoring of overtime offered.	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	<p>Among the other forms of social benefits provided by the company are:</p> <ol style="list-style-type: none"> 1. Annual production bonus 2. Turn-out incentive 3. EPF & SOCSO 4. Inhouse dispensary <p>Ladang Sabah complex conduct briefing on Foreign Worker’s Passport Handling Guidelines been briefed to workers during muster morning at each operating units as follow.</p> <ol style="list-style-type: none"> 1. Lungmanis Estate conduct briefing on 19/12/2022. 2. Bimbingan 2 Estate conduct briefing on 21/12/2022. 3. Labuk Estate conduct briefing on 25/02/2022. <p>Ladang Sabah complex conduct the assessment of new mother from each estate and report is filled in form of Occupational Safety and Health management system, Doc. No.: IOI-OSH 3.3.4.3, Rev. no.: HSE/2020/Rev.01 as follow.</p> <ol style="list-style-type: none"> 1. Lungmanis Estate identified one (1) new mother (911225-xx-xxxx, with estimate delivery date on 29/01/2023). The assessment conduct on 28/06/2022. 2. Bimbingan 2 Estate identified one (1) new mother (941022-xx-xxxx, with delivery date on 16/04/2022. The assessment conduct on 28/06/2022. 	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>3. Labuk Estate identified one (1) pregnant mother (950811-xx-xxxx, with estimate delivery date on 22/04/2023. The assessment conduct on 28/06/2022.</p>	
<p>4.4.5.11</p>	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p> <p>IOI Group established Reproductive Health Guidelines, Doc. No.: IOI/G/SE/002, rev. No.: 01 dated 15/01/2020. The guideline describes the company commitment in ensuring workers health productive in plantation especially female workers for pregnancy and child breastfeed is protected and right responsibility is clear. This guideline is applicable to all workers in IOI Plantation (estate, mill, refinery and research center) throughout Malaysia and Indonesia. Applicable requirement not limited to Work Act 1955, Labor Ordinance (Sabah & Sarawak), Safety Act 1994, Immigration Act 1959/63 etc.</p> <p>IOI Group provide to workers 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 focusing on cleanliness and safety. Records of inspection were well maintained for verification as follow.</p> <ol style="list-style-type: none"> 1. Luangmanis Estate keep the document with latest date from 26/12/2022, 04/01/2023, 11/01/2023, 18/01/2023, 25/01/2023 2. Bimbingan 2 Estate for Division 1 and Division 2 keep the document with latest date from 07/01/2023, 14/01/2023, 21/01/2023, 28/01/2023 <p>Visiting medical officer were conducted at each of individual estate by Dr. R Devendran (MBBS MMC. 39749), Dr. Chia Sia Cheng (NIOSH, HQ/13/DOC/00/315) and Dr. Keshminder Singh (NIOSH, HQ/19/DOC/00/00477) as follow.</p> <ol style="list-style-type: none"> 1. Luangmanis Estate keep the document with latest date from 01/11/2022, 22/11/2022, 01/12/2022, 14/12/2022, 04/01/2023 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		2. Bimbingan 2 Estate keep the document with latest date from 22/11/2022. 3. Labuk Estate keep document with latest date from 18/01/2023. Ladang Sabah complex conduct briefing on Guideline on Reproductive Health been briefed to workers during muster morning at each operating units as follow. 1. Luangmanis Estate conduct briefing on 16/12/2022. 2. Bimbingan 2 Estate conduct briefing on 17/12/2022. 3. Labuk Estate conduct briefing on 12/10/2022.	
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	IOI Group established guidelines for Handling Harassment at Workplace, Doc. No.: IOI/G/SE/004, rev.02, dated 26/11/2020. Ladang Sabah complex conduct briefing with topic on Guideline for Handling Harassment at Workplace to workers during muster morning at each operating units as follow. 1. Luangmanis Estate conduct briefing on 16/12/2022. 2. Bimbingan 2 Estate conduct briefing on 22/12/2022. 3. Labuk Estate conduct briefing on 24/03/2022. Ladang Sabah complex conduct Gender committee meeting and attended by female workers and staffs as follow. 1. Luangmanis Estate conduct on 10/06/2022 and 09/12/2022. 2. Bimbingan 2 Estate conduct on 15/06/2022 and 14/12/2022. 3. Labuk Estate conduct on 05/06/2022 and 03/12/2022.	Complied
4.4.5.13	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	Apart from the SPOP, this is also 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,	Complied

Criterion / Indicator		Assessment Findings	Compliance										
	<p>accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>employees are not restricted to join any trade union, and this was also confirmed by the interviewed workers.</p> <p>Ladang Sabah complex conduct briefing on Equal Opportunity Employment and Freedom of Associations Policies been briefed to workers during muster morning at each operating units as follow.</p> <ol style="list-style-type: none"> 1. Luangmanis Estate conduct briefing on 12/12/2022. 2. Bimbingan 2 Estate conduct briefing on 02/12/2022. 3. Labuk Estate conduct briefing on 15/02/2022 											
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Document review on workers' data base extracted from the SAP system, sighted with no children and young persons recruited at Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate.</p> <p>Onsite interviewed with workers informed they are no children working with age less than 18 years old.</p>	Complied										
Criterion 4.4.6: Training and competency													
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>IOI Group conducted training as per the training programs established in each respective operating unit.</p> <p>Document review of training record at Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate as follows.</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td><u>Luangmanis Estate</u></td> <td></td> </tr> <tr> <td>MSP0 Policy Briefing</td> <td>12/01/2023</td> </tr> <tr> <td>Safety Policy Briefing</td> <td>16/01/2023</td> </tr> <tr> <td><u>Bimbingan 2 Estate</u></td> <td></td> </tr> </tbody> </table>	Training	Date	<u>Luangmanis Estate</u>		MSP0 Policy Briefing	12/01/2023	Safety Policy Briefing	16/01/2023	<u>Bimbingan 2 Estate</u>		Complied
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MSP0 Policy Briefing	12/01/2023												
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<u>Bimbingan 2 Estate</u>													

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Criterion / Indicator		Assessment Findings		Compliance
		First Aid Training	20/01/2023	
		Chemical Handling Training	12/12/2022	
		Safe Work Procedure – Manuring with machine	15/12/2022	
		Fire Drill Training	16/12/2022	
		Labuk Estate		
		Policy Briefing	10/01/2023	
4.4.6.2	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. - Major compliance -	Training needs for individual employees was identified and documented. Sighted the training need analysis is available at Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate.		Complied
4.4.6.3	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. - Minor compliance -	Annual Training Programme for 2023 is available with training topic to be conducted for each month was identified. Training covers all aspect of safety, environment, social, as well as working procedure.		Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services				
Criterion 4.5.1: Environmental Management Plan				
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	IOI Group established Sustainable Palm Oil Policy on October 2020 and Zero Burning Policy on May 2021. Both policies have no changes as at audit and were approved by the Group Managing Director. Ladang Sabah Complex conduct regular briefing on the policies to the workers during the muster call meeting.		Complied

Criterion / Indicator		Assessment Findings	Compliance						
		<p>SPO Department prepared the environment impact assessment, management action plans and continuous improvement plans for Lungmanis Estate, Bimbingan 2 Estate and Labuk Estate, reviewed in January 2023.</p> <p>Among the environment management plans listed in the assessment are as follow:</p> <ol style="list-style-type: none"> 1. Waste Products Management Plan. 2. Potential Pollutant Source Management Plan. 3. GHG Reduction Plan. 4. Integrated Pest Management Plan 5. Water Management Plan. 6. Environmental Hazard Management Plan. 							
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ol style="list-style-type: none"> a) An environmental policy and objectives. b) The aspects and impacts analysis of all operations. <p>- Major compliance -</p>	<p>Lungmanis Estate, Bimbingan 2 Estate and Labuk Estate have established individual Environmental Impact Assessment for all workstations.</p> <p>The assessment was reviewed on annually basis. Base on the EIA conducted, all sampled estates have identified activities with significant impact to the environment and has established the Environmental Improvement Plan. In the management plan stated the environmental impact, measurement/explanation, possible improvement, actions, time scale, person responsible and implementation status.</p>	Complied						
4.5.1.3	<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>- Major compliance -</p>	<p>Plan to mitigate negative impacts is documented in the management plan. Sighted as follow:</p> <table border="1" data-bbox="1070 1281 1904 1316"> <thead> <tr> <th>Pollutants</th> <th>Impacts</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Pollutants	Impacts	Action Plan				Complied
Pollutants	Impacts	Action Plan							

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Criterion / Indicator		Assessment Findings			Compliance
		Clinical waste	Infection, abusing clinical waste.	To keep clinical waste in the yellow bin. To dispose clinical waste to Sedafiat (licensed contractor for clinical waste disposal).	
		Diesel tank	Spillage to water course. Accidental fire Smoke emission	To bund diesel (110%). Containment trap constructed equipped with valve. Preparing rags at diesel storage. To record the usage of diesel by vehicles.	
		Generator	GHG emission.	Regular schedule maintenance for fuel efficacy. To have maintenance schedule for generator.	
		Landfill	Contamination of ground. Spread of diseases	Collection of domestic waste twice a week. Separation of recyclable waste.	
		Genset maintenance conducted every 250 hours of running. Document review, latest maintenance was on 14/11/2022 for engine oil, fuel filters and water filters replacement.			
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Program to promote activities with positive impacts to the environment were established in several management plan such as continuous improvement plan, environmental improvement plan, waste and pollution management plan and water management plan.			Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the	Each operating unit had conducted related training and briefing to their workforce. Training records were sighted and verified as follow:			Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.</p> <p>- Major compliance -</p>	<p><u>Luangmanis Estate</u></p> <ol style="list-style-type: none"> Briefing on the company’s policies, conducted on 01/06/2022. SOP for chemical sprayer training, conducted on 07/06/2022. Riparian zone briefing, conducted on 03/06/2022. Recycling program briefing, conducted on 21/09/2022. <p><u>Bimbingan 2 Estate</u></p> <ol style="list-style-type: none"> Buffer zone training, conducted on 10/02/2022. IPM planting training, conducted on 12/05/2022. SOP Chemical storage training, conducted on 10/02/2022. SW Handling procedure training, conducted on 17/06/2022. <p><u>Labuk Estate</u></p> <ol style="list-style-type: none"> Anti-pollution training (oil trap maintenance/cleaning, used rag, use of drip tray), conducted on 07/04/2022. Recycle training, conducted on 22/03/2022. Buffer zone training, conducted on 15/03/2022. Chemical spraying & fertilizer application training, conducted on 15/03/2022. 	
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate have established individual Environmental Impact Assessment for all workstations.</p> <p>Environmental issues based on assessment been discussed during a meeting conducted concurrently with the Joint Consultative Committee meeting.</p> <p>Document review on meeting of minutes were available at each operating unit as at audit.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance																																																
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																																		
<p>4.5.2.1</p> <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>- Major compliance -</p>	<p><u>Luangmanis Estate</u></p> <p>Consumption on non-renewable was closely monitored by each estate with baseline values and observed within appropriate time frame.</p> <table border="1" data-bbox="1070 619 1906 810"> <thead> <tr> <th>Years</th> <th>FY 17/18</th> <th>FY 18/19</th> <th>FY 19/20</th> <th>FY 20/21</th> <th>FY 21/22</th> </tr> </thead> <tbody> <tr> <td>FFB (Mt)</td> <td>61,823.00</td> <td>50,290.00</td> <td>45,057.00</td> <td>36,188.00</td> <td>32,575.00</td> </tr> <tr> <td>Diesel (L)</td> <td>143,229.00</td> <td>586,368.00</td> <td>739,889.00</td> <td>892,918.00</td> <td>668,931.00</td> </tr> <tr> <td>Baseline Mt/L</td> <td>2.32</td> <td>11.66</td> <td>16.42</td> <td>24.67</td> <td>20.54</td> </tr> </tbody> </table> <p>High diesel consumption due to Luangmanis Estate provide diesel for road team machinery and vehicle, however from FY 20/21 to FY 21/22 downtrend was observed on diesel consumption due to electrical supply comes from biogas plant.</p> <p><u>Bimbingan 2 Estate</u></p> <table border="1" data-bbox="1070 995 1906 1235"> <thead> <tr> <th>Years</th> <th>FY 17/18</th> <th>FY 18/19</th> <th>FY 19/20</th> <th>FY 20/21</th> <th>FY 21/22</th> </tr> </thead> <tbody> <tr> <td>FFB (Mt)</td> <td>34,586.00</td> <td>30,781.00</td> <td>1,901.00</td> <td>12,809.00</td> <td>10,280.00</td> </tr> <tr> <td>Diesel (L)</td> <td>269,012.00</td> <td>342,878.00</td> <td>369,289.00</td> <td>412,265.00</td> <td>303,931.00</td> </tr> <tr> <td>Baseline Mt/L</td> <td>0.13</td> <td>0.09</td> <td>0.01</td> <td>0.03</td> <td>0.003</td> </tr> </tbody> </table> <p>Downtrend of diesoline usage since the estate was having long range replanting program since 2019. As of 2023, mature field area for Bimbingan 2 Estate is 411 ha.</p> <p><u>Labuk Estate</u></p>	Years	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FFB (Mt)	61,823.00	50,290.00	45,057.00	36,188.00	32,575.00	Diesel (L)	143,229.00	586,368.00	739,889.00	892,918.00	668,931.00	Baseline Mt/L	2.32	11.66	16.42	24.67	20.54	Years	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FFB (Mt)	34,586.00	30,781.00	1,901.00	12,809.00	10,280.00	Diesel (L)	269,012.00	342,878.00	369,289.00	412,265.00	303,931.00	Baseline Mt/L	0.13	0.09	0.01	0.03	0.003	<p>Complied</p>
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Criterion / Indicator		Assessment Findings					Compliance	
		Years	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	
		FFB (Mt)	-	65,783.00	56,020.00	52,197.00	50,584.00	
		Diesel (L)	-	477,384.00	444,968.00	364,558.00	193,127.00	
		Baseline Mt/L	-	0.14	0.13	0.14	0.26	
		Diesel usage decreased since FY 18/19 due to the contractor getting the diesel supply from outside the estate.						
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. Data is being compiled for comparison and control for future improvement. Diesel utilisation is recorded at ratio vs the Mt FFB. Graph is tabulated to see the trend of performance. The annual diesel and electricity estimates are provided in the annual budget					Complied	
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Electrical supply for Luangmanis Estate is from Ladang Sabah POM's biogas plant and generator set. As for Bimbingan 2 Estate and Labuk Estate, both were using generator set.					Complied	
Criterion 4.5.3: Waste management and disposal								
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate established a Waste Management and Reduction Plan which includes the identification of waste products and pollutants, Waste Generation, Action Plan & Monitoring, Documents to be Reviewed, Management Review and time bound and Person In-Charge. Among the Waste Management and Reduction Plan sampled were as follows:					Complied	

Criterion / Indicator		Assessment Findings	Compliance									
		1. Waste Management and Reduction Plan Line site; Domestic Waste, Sewage, Garden Residue, Recycle items, Motor Lube Containers, Motor Lube Spillage, Electrical Fitting. 2. Waste Management and Reduction Plan for scrap iron; store or office upgrading, old trailers, old wheelbarrows.										
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products - Major compliance -	The identification of waste and monitoring plan integrated in the Environmental Impact Aspect Document. <table border="1"> <thead> <tr> <th>Type of Waste</th> <th>Source of Waste</th> <th>Action & Monitoring Plan</th> </tr> </thead> <tbody> <tr> <td>Scheduled waste</td> <td>Used battery (SW102), used lubricant (SW305), used hydraulic oil (SW306), used chemical container (SW409), used electrical/electronic (SW110), mercury (SW109), discarded chemicals or off spec (SW429)</td> <td>To properly store, label, monitor and dispose of scheduled waste according to Environment Quality Act 1974. Lubricant and spent oil separately stored in bunded storage. The empty chemical containers to be triple rinsed and punctured.</td> </tr> <tr> <td>Clinical waste</td> <td>Biohazard waste from clinic.</td> <td>To store the clinical waste at the Clinical Waste Store before disposing it to the Sedafiat via Hospital Beluran. To ensure the disposal of one-time use item such as syringe, from the clinic</td> </tr> </tbody> </table>	Type of Waste	Source of Waste	Action & Monitoring Plan	Scheduled waste	Used battery (SW102), used lubricant (SW305), used hydraulic oil (SW306), used chemical container (SW409), used electrical/electronic (SW110), mercury (SW109), discarded chemicals or off spec (SW429)	To properly store, label, monitor and dispose of scheduled waste according to Environment Quality Act 1974. Lubricant and spent oil separately stored in bunded storage. The empty chemical containers to be triple rinsed and punctured.	Clinical waste	Biohazard waste from clinic.	To store the clinical waste at the Clinical Waste Store before disposing it to the Sedafiat via Hospital Beluran. To ensure the disposal of one-time use item such as syringe, from the clinic	Complied
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Criterion / Indicator		Assessment Findings			Compliance
				<p>issue record tally with the clinical waste received record. To monitor the expiry date of the medicine in the clinic.</p>	
		Domestic Waste	Building and field block within estate,	<p>Systematic collection of garbage or domestic waste. Schedule for sewage tank cleaning at periodic interval. Segregation of plastics, glass, paper, tin etc.</p>	
		Scrap iron	Residue from vehicle maintenance.	<p>Scrap iron accumulated at the workshop to be sold to contractor. Reusable metal parts will be stored in estate at appropriate place.</p>	
		<p>Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate established waste management and disposal plan. The plan been implemented as required. Segregation of wastes (domestic & scheduled waste) observed to be satisfactory at sampled estates. Scheduled waste collection and disposal is centralized at Ladang Sabah POM and disposed to an approved contractor with DOE licensed.</p>			
4.5.3.3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and	<p>IOI Group established Chemical Storage & Management, Doc. No.: IOI-OSH 3.2.2, dated on 01/08/2012 and Scheduled Waste Management System, Doc. No.: IOI/SRO/HSE/SW/01, dated on 01/01/2015. The</p>			Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>procedures' objective as guideline on handling wastes at the estates, mills and other operating units.</p> <p>IOI Sandakan Region obtained permission from DOE to gather, and storage scheduled waste for centralized collection center located at Ladang Sabah POM with letter dated 23/01/2018. For SW 404 (clinical waste), Klinik Luangmanis is the centralized collection center.</p> <p>Latest movement of SW sampled estate to Ladang Sabah POM as follow.</p> <ol style="list-style-type: none"> 1. Luangmanis Estate dispatched on 16/12/2022 (SW102, 104, 305, 409 & 410) 2. Bimbingan 2 Estate dispatched on 16/12/2022 (SW305 & SW409). 	
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>IOI Group established Chemical Storage & Management, Doc. No.: IOI-OSH 3.2.2, dated on 01/08/2012 and Scheduled Waste Management System, Doc. No.: IOI/SRO/HSE/SW/01, dated on 01/01/2015. The procedures' objective as guideline on handling wastes at the estates, mills and other operating units.</p>	Complied
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>Onsite visit to designated landfill at sampled estates observed the location are away from residential area and waterways.</p> <p>The locations as follows.</p> <ol style="list-style-type: none"> 1. Luangmanis Estate's landfill located at Block PR22. 2. Bimbingan 2 Estate's landfill located at Block 97Y. 3. Labuk Estate's landfill located at Block 07C. 	Complied
<p>Criterion 4.5.4: Reduction of pollution and emission</p>			

Criterion / Indicator		Assessment Findings	Compliance									
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	IOI Group established Sustainable Palm Oil Policy on October 2020 and Zero Burning Policy on May 2021. Both policies have no changes as at audit and were approved by the Group Managing Director. SPO Department prepared the environment impact assessment, management action plans and continuous improvement plans for Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate, reviewed in January 2023. The plan will be assessed once in every 5 years. In between, estates' management will review the plan individually based on operations activities on annually basis.	Complied									
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	SPO Department prepared the environment impact assessment, management action plans and continuous improvement plans for Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate, reviewed in January 2023. Details of the action plan as follow. <table border="1" data-bbox="1064 933 1904 1324"> <thead> <tr> <th>Aspect</th> <th>Impact</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Fertilizer</td> <td>GHG emission from field application. Volatilization of ammonia if nitrogen fertilizers and alkaline fertilizers were applied in close sequence.</td> <td>To follow fertilizer recommendation rate provided by agronomist. To exercise calibration before applying fertilizer. To monitor EFB application to minimize usage or inorganic fertilizers.</td> </tr> <tr> <td>Diesel</td> <td>GHG emission thru usage of vehicle and generator set.</td> <td>To conduct regular maintenance for vehicle and generator.</td> </tr> </tbody> </table>	Aspect	Impact	Action Plan	Fertilizer	GHG emission from field application. Volatilization of ammonia if nitrogen fertilizers and alkaline fertilizers were applied in close sequence.	To follow fertilizer recommendation rate provided by agronomist. To exercise calibration before applying fertilizer. To monitor EFB application to minimize usage or inorganic fertilizers.	Diesel	GHG emission thru usage of vehicle and generator set.	To conduct regular maintenance for vehicle and generator.	Complied
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			Spillage effect which contaminated ground and water course.																											
		<p>1. Estates received fertilizer recommendation from agronomist with memo dated 17/01/2023 with details as follow.</p> <ul style="list-style-type: none"> EFB application was applied in Bimbingan 2 Estate at Block 97J (44.38 Mt) and Block 97F (41.61 Mt). <p>Generator set was maintained on timely manner. Latest oil engine service was conducted on 10/01/2023 (for Bimbingan 2 Estate) – 16 liters of lubricants.</p>																												
Criterion 4.5.5: Natural water resources																														
4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a. Assessment of water usage and sources of supply.</p> <p>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</p> <p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones</p>	<p>Water Management Plan been established for all estates with latest review in 2023. The plan stated the source from the followings:</p> <p>a. Water supply for Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate is from water catchment. Water usage are as follow.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Luangmanis</th> <th>Bimbingan 2</th> <th>Labuk</th> </tr> </thead> <tbody> <tr> <td>Water used (M3)</td> <td>41,873.79</td> <td>4,411.00</td> <td>41,213.00</td> </tr> </tbody> </table> <p>Average domestic water usage per capita is 191.43 liters and still at optimal access.</p> <p>Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate sent for drinking water analysis at every 6 months with latest result for November 2022 as follow.</p> <table border="1"> <thead> <tr> <th>Parameter</th> <th>Luangmanis</th> <th>Bimbingan 2</th> <th>Labuk</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>8.5</td> <td>7.5</td> <td>7.3</td> </tr> <tr> <td>Turbidity</td> <td>0.05</td> <td>5.9</td> <td>2.0</td> </tr> <tr> <td>E. coli</td> <td>ND</td> <td>ND</td> <td>ND</td> </tr> </tbody> </table>				Estate	Luangmanis	Bimbingan 2	Labuk	Water used (M3)	41,873.79	4,411.00	41,213.00	Parameter	Luangmanis	Bimbingan 2	Labuk	pH	8.5	7.5	7.3	Turbidity	0.05	5.9	2.0	E. coli	ND	ND	ND	Complied
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<p>at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>Results for water drinking analysis were satisfactorily good for all estates.</p> <p>b. Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate monitor the outgoing water every 4 month for all estates, conducted by Kiwiheng Woods & Environments Consultants. Latest water analysis in December 2022 but the results were yet completed.</p> <table border="1" data-bbox="1111 647 1901 850"> <thead> <tr> <th>Parameter</th> <th>Luangmanis</th> <th>Bimbingan 2</th> <th>Labuk</th> </tr> </thead> <tbody> <tr> <td>T. S. Solid</td> <td>94</td> <td>-</td> <td>38</td> </tr> <tr> <td>Oil & Grease</td> <td><1</td> <td>-</td> <td>1</td> </tr> <tr> <td>Nitrate</td> <td>3</td> <td>-</td> <td>2</td> </tr> <tr> <td>Phosphate</td> <td>0.16</td> <td>-</td> <td>0.11</td> </tr> <tr> <td>Turbidity</td> <td>112</td> <td>-</td> <td>30.2</td> </tr> </tbody> </table> <p>High TSS and Turbidity level were suspected due to sediment runoff caused by rain which poured continuously including the day of water sampling.</p> <p>No water analysis conducted in Bimbingan 2 Estate as it was not accessible due to heavy rain and flood incident in the estate.</p> <p>c. Regular monitoring conducted by sampled estates management on piping system. Pruned fronds were stacked between each palm oil row, where it will be composed and provide nutrients to palm oil. Document review, sighted EFB application records is available for Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate.</p> <p>d. Fronds stacked in parallel along the stream to retain soil from runoff. Peg is erected to prevent the fronds from going into the stream during flood/heavy rain.</p> <p>e. Plan to restore removed vegetative along the riparian zone been documented into riparian zone action plan and available for review.</p>	Parameter	Luangmanis	Bimbingan 2	Labuk	T. S. Solid	94	-	38	Oil & Grease	<1	-	1	Nitrate	3	-	2	Phosphate	0.16	-	0.11	Turbidity	112	-	30.2	
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Criterion / Indicator		Assessment Findings	Compliance						
		f. Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate have no bore well for water supply, therefore, the level of the ground water unable to demonstrate.							
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate have no construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	Complied						
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate construct road-side drains. Onsite visit to sampled estates sighted the practice is demonstrated.	Complied						
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value									
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - Major compliance -	IOI Group established Sustainable Palm Oil Policy on October 2020 and Zero Burning Policy on May 2021. Both policies have no changes as at audit and were approved by the Group Managing Director. SPO Department prepared HCV Conservation Value & Conservation Area Assessment for Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate, reviewed in January 2023. The plan will be assessed once in every 5 years. In between, SPO estates' management will review the plan in annually basis. This assessment consists of methodology of conducting assessment, identification & justification of HCV area, wildlife monitoring records and management action plan as follow. <table border="1" data-bbox="1064 1273 1906 1377"> <thead> <tr> <th>Estate</th> <th>HCV Area</th> </tr> </thead> <tbody> <tr> <td>Luangmanis</td> <td>-</td> </tr> <tr> <td>Bimbingan 2</td> <td>-</td> </tr> </tbody> </table>	Estate	HCV Area	Luangmanis	-	Bimbingan 2	-	Complied
Estate	HCV Area								
Luangmanis	-								
Bimbingan 2	-								

Criterion / Indicator		Assessment Findings		Compliance									
		Labuk	85.97 (Steep Hill – HCV 4)										
4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate established management plan to identified and assessed Rare, Threatened and Endangered Species (RTE). Document review on assessment report describes mechanism for monitoring, reporting and awareness on RTE species.</p> <p>SPO Department established management plan for all estates as follow:</p> <table border="1"> <thead> <tr> <th>HCV Area</th> <th>Threat</th> <th>Management Plan</th> </tr> </thead> <tbody> <tr> <td>Forest Reserve</td> <td>Illegal poaching. Wildlife encroachment. Wildlife and human conflict.</td> <td>Erecting warning signage to encourage poaching and illegal hunting. Patrolling especially at the boundary. To appoint Honorary Forest Ranger and Honorary Wildlife Warden to enhance knowledge in protection of forest.</td> </tr> <tr> <td>River & Riparian Zone</td> <td>Overplanted of oil palm too close to the riverbank. Chemical exposure will affect the riverine ecosystem. Workers tend to develop open land for small farm for cash crop.</td> <td>To provide riparian buffer zone according to DID guideline. To conduct regular patrolling. To demarcate the buffer zone area. To erect signboard of prohibited activity.</td> </tr> </tbody> </table>		HCV Area	Threat	Management Plan	Forest Reserve	Illegal poaching. Wildlife encroachment. Wildlife and human conflict.	Erecting warning signage to encourage poaching and illegal hunting. Patrolling especially at the boundary. To appoint Honorary Forest Ranger and Honorary Wildlife Warden to enhance knowledge in protection of forest.	River & Riparian Zone	Overplanted of oil palm too close to the riverbank. Chemical exposure will affect the riverine ecosystem. Workers tend to develop open land for small farm for cash crop.	To provide riparian buffer zone according to DID guideline. To conduct regular patrolling. To demarcate the buffer zone area. To erect signboard of prohibited activity.	Complied
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Criterion / Indicator		Assessment Findings	Compliance
		<p>a. SPO Department become member as the Honorary Wildlife Warden 05/01/2021 due to collaboration with Sabah Wildlife Department.</p> <p>b. Onsite visit, signage for prohibit to encourage, illegal hunting or poaching were sighted at the erected riparian zone.</p> <p>Document review on HCV monitoring record, Bimbingan 2 Estate been encroached by elephant on 03/11/2018. Due to safety purpose, management get assistance from Sabah Wildlife Rescue Unit and relocate the elephant to Gunung Rara Luasong Forest Reserve Tawau, Sabah.</p>	
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate established management plan to identified and assessed Rare, Threatened and Endangered Species (RTE). The plan identified and described method to protect the RTE species within the estate includes:</p> <ol style="list-style-type: none"> 1. To educate the workforce regarding animals, aquatic fauna and birds that are protected and listed as RTE under IUCN RED list and penalties for hunting without license. 2. To ensure there are no forms of hunting, trapping collecting and fishing of RTE species being carried out within the operating centre. 3. To ensure constant monitoring is conducted. Sightings of RTE to be reported to related authorities and to obtain report from them. 4. To ensure RTE species is not caged or kept anywhere in the estate. 	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p>	<p>IOI Group established Sustainable Palm Oil Policy on October 2020 and Zero Burning Policy on May 2021. Both policies have no changes as at audit and were approved by the Group Managing Director.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	The policies described company commitment to the sustainable management of its oil palm plantations and to the implementation of responsible, global oil supply chains. Onsite visit, observed with no sign of burning being practiced in estates. For replanting land preparation, palms are felled, chipped and windrowed as required in the company's procedure.	
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	No areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. Therefore, not required treatment by burning method.	Not Applicable
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	There is no controlled burning carried out in preparation of replanting in Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate. There are no infected oil palms observed at field operations that required treatment by burning method. There is no application for approval of controlled burning.	Not Applicable
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	Noted based on the records on the land clearing for the replanting at Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate, were felled, shredded, and left to decompose. There was no evidence that fire had been used to prepare land for replanting in the estate. No fire was used for waste disposal.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.1.1 Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>IOI Group established Standard Operating Procedures for palm oil estates, Doc. No.: IOI/SOP/A/01, issued: 02, updated 2022.</p> <p>The procedures as follow.</p> <ol style="list-style-type: none"> 1. Planting density. 2. Nursery. 3. Land clearing & preparation. 4. Planting techniques. 5. Tidal gates. 6. Manuring 7. Pest & Disease. 8. Harvesting. 9. Weeding. 10. Road maintenance. 11. Workshop. 12. Buffalo healthcare. 13. Foliar sampling & soil sampling. 14. Management and monitoring of existing cultivation of palm oil on peat. 	<p>Complied</p>
<p>4.6.1.2 Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate construct terraces at slope area of more than 6 degrees.</p> <p>Onsite visit to fields area as follow.</p> <ol style="list-style-type: none"> 1. Observed the planting of cover crop are made to retain the soil structure and conservation. 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		2. Observed road-side pits were constructed to divert water at slope areas to prevent road erosion and surface damage. 3. Observed terraces were constructed inclined towards the terrace wall.	
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate's fields been identified, and field info were established. Onsite visit, observed sampled estates established field information consist of year planting, field number and field total hectare on stencilled and displayed at field's boundary/corners.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate established five (5) Years Business Plan. Document review sighted the plan revised by management on annually basis includes as follow. <ol style="list-style-type: none"> 1. Area statement 2. Crop (ffb) by year planting 3. Crop (ffb) monthly breakdown 4. 10 years replanting programme 5. Summary replanting programme by fields 6. Detail replanting programme by field 7. Executive/staff & workers requirement 8. General charges statement 9. Mature oil palm costing statement 10. Capital expenditure statement 	Complied

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		11. Summary replanting cost to maturity. <table border="1"> <thead> <tr> <th rowspan="2">Estate (Mt)</th> <th colspan="5">Year</th> </tr> <tr> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> </tr> </thead> <tbody> <tr> <td>Luangmanis</td> <td>32,575</td> <td>37,440</td> <td>36,744</td> <td>32,280</td> <td>24,456</td> </tr> <tr> <td>Bimbingan 2</td> <td>5,355</td> <td>3,110</td> <td>7,130</td> <td>9,130</td> <td>11,630</td> </tr> <tr> <td>Labuk</td> <td>50,583</td> <td>51,920</td> <td>51,371</td> <td>51,441</td> <td>51,906</td> </tr> <tr> <td>Cost/Mt (MYR)</td> <td>452.00</td> <td>480.00</td> <td>821.00</td> <td>378.00</td> <td>255.00</td> </tr> <tr> <td>FFB Price (MYR)</td> <td>800.00</td> <td>800.00</td> <td>800.00</td> <td>800.00</td> <td>800.00</td> </tr> </tbody> </table>	Estate (Mt)	Year					2022	2023	2024	2025	2026	Luangmanis	32,575	37,440	36,744	32,280	24,456	Bimbingan 2	5,355	3,110	7,130	9,130	11,630	Labuk	50,583	51,920	51,371	51,441	51,906	Cost/Mt (MYR)	452.00	480.00	821.00	378.00	255.00	FFB Price (MYR)	800.00	800.00	800.00	800.00	800.00	
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Cost/Mt (MYR)	452.00	480.00	821.00	378.00	255.00																																							
FFB Price (MYR)	800.00	800.00	800.00	800.00	800.00																																							
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate Long range replanting program was provided to the audit team. Sighted the documents as follow: <table border="1"> <thead> <tr> <th rowspan="2">Estate (Ha)</th> <th colspan="5">Year</th> </tr> <tr> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> </tr> </thead> <tbody> <tr> <td>Luangmanis</td> <td>152</td> <td>152</td> <td>330</td> <td>296</td> <td>384</td> </tr> <tr> <td>Bimbingan 2</td> <td>0</td> <td>656</td> <td>754</td> <td>263</td> <td>0</td> </tr> <tr> <td>Labuk</td> <td>88</td> <td>299</td> <td>105</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Estate (Ha)	Year					2022	2023	2024	2025	2026	Luangmanis	152	152	330	296	384	Bimbingan 2	0	656	754	263	0	Labuk	88	299	105	0	0	Complied												
Estate (Ha)	Year																																											
	2022	2023	2024	2025	2026																																							
Luangmanis	152	152	330	296	384																																							
Bimbingan 2	0	656	754	263	0																																							
Labuk	88	299	105	0	0																																							
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment - Major compliance -	Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate established generic template for financial budget. Document review, the budget includes three (3) years financial forecast plan allocated with categories as follow. <ol style="list-style-type: none"> Crop yielding area Mature cost General charges/upkeep/collection/depreciation Cost/ha & cost/ Mt FFB CAPEX 	Complied																																									

Criterion / Indicator	Assessment Findings	Compliance	
4.6.2.4	<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>- Major compliance -</p>	<p>Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate performance will be review in monthly progress report.</p> <p>Document review, sampled estates has identified with details on the actual performance against with budget / forecast which includes crop production, fixed and direct cost therein. Mechanism on monitoring was adopted operation procedures as follow.</p> <ol style="list-style-type: none"> 1. Plantation inspectorate visit. 2. Internal audit by sustainability unit. 3. Task force visits. 4. Monthly and weekly ad-hoc meeting. 5. Daily / monthly production & financial report. 6. Daily supervision by the field staffs / executives. 	<p>Complied</p>
<p>Criterion 4.6.3: Transparent and fair price dealing</p>			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>IOI Group established agreement contract with contractors based on services provided to all estate operations.</p> <p>Document review and onsite interview with sampled contractors informed, Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate adopted IOI Group contract with pricing mechanisms for services. The monitoring is effectively implemented.</p>	<p>Complied</p>
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>IOI Group established agreement contract with contractors based on services provided to all estate operations.</p> <p>Document review on the sampled contract, sighted sampled estates made payments with agreed terms and timely manner. Follows are the sampled.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 1. Agreement contract between Luangmanis Estate and DS Enterprise with payment terms 30 days. Invoice issued dated 30/11/2022 for FFB transport. Payment to contractor on 19/12/2022. 2. Agreement contract between Bimbingan 2 Estate and Perniagaan Sinar Harapan with payment terms 30 days. Invoice issued dated 30/11/2022 for FFB transport. Payment to contractor on 15/12/2022. 3. Agreement contract between Labuk Estate and DS Enterprise with payment terms 30 days. Invoice issued dated 31/12/2022 for FFB transport. Payment to contractor on 17/01/2023. 	
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>IOI Group established agreement contract with contractors based on services provided to all estate operations.</p> <p>Document review sampled estates provide additional requirement attached with agreement contract to contractors and services providers. The attached describes contractors /service providers to ensure is aware and comply with all applicable local, national and ratified international laws and regulations include RSPO, MSPO, and ISCC standards.</p> <p>Ladang Sabah Complex conduct social impact assessment meeting on 05/01/2023 at Training Hall (LSR Club). The meeting conduct to brief on agenda includes with topic on RSPO, ISCC and MSPO standards requirements to external stakeholder consist of contractors and service providers.</p>	Complied
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>IOI Group established agreement contract with contractors based on services provided to all estate operations.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Document review sampled estates provide additional requirement attached with agreement contract to contractors and services providers. The attached describes contractors /service providers to ensure is aware and comply with all applicable local, national and ratified international laws and regulations include RSPO, MSPO, and ISCC standards.	
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	IOI Group established agreement contract with contractors based on services provided to all estate operations. Document review on the contract for sampled service providers and contractors sighted signature by both parties on the agreement of terms and conditions required. Below are sampled of agreement contract endorsed. 1. Agreement contract between Luangmanis Estate and DS Enterprise endorsed on 01/01/2022. 2. Agreement contract between Bimbingan 2 Estate and Perniagaan Sinar Harapan was endorsed 01/07/2022. 3. Agreement contract between Labuk Estate and DS Enterprise was endorsed on 01/05/2022.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	IOI Group established agreement contract with contractors based on services provided to all estate operations. Document review sampled estates provide additional requirement attached with agreement contract to contractors and services providers. The attached describes contractors /service providers to ensure is aware and comply with all applicable local, national and ratified international laws and regulations include RSPO, MSPO, and ISCC standards. Luangmanis Estate, Bimbingan 2 Estate and Labuk Estate monitored the productivity of the contractors' workers through the monthly actual	Major Non-Conformity

Criterion / Indicator	Assessment Findings	Compliance
	<p>distribution and work progress book before the actual payment is invoiced.</p> <p><u>Major Non-conformity (Major NC)</u></p> <p>Monitoring on visiting medical officer's frequency was not effectively demonstrated.</p> <p>Base on Contract of servicers between IOI Plantation Services Sdn Bhd and Berkat Polyclinic dated 17/01/2022 as visiting medical officer (V.M.O) clearly stated that.</p> <ul style="list-style-type: none"> a) V.M.O need to visits to respective operating center every fortnight on the specified day of the week at times and places to be arranged by the operating units' head concerned. b) V.M.O need to provide a locum acceptable to the operating center. The locum will also make arrangement satisfactory to the operating units in respect of casual days off duty. <p>Document review of V.M.O visit record for Bimbingan 2 Estate and Labuk Estate, sighted with last visit was recorded on 22/11/2022. However, from December 2022 and early of January 2023 sighted there is no advisory visit notes from the doctor sighted as evidence as at the audit. As per interview with estate hospital assistant (EHA) that she is aware that V.M.O unable to visit for that period. Sighted an email from V.M.O dated 12/01/2023 mentioned that he unable to visits due to health condition. It has been verified there is no records of monitoring and action taken by the management to resolve the issues as per contract agreement.</p>	

4.7 Principle 7: Development of new planting

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable

Criterion / Indicator		Assessment Findings	Compliance
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	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. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	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. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	IOI Group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not Applicable

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	IOI Group established Sustainable Palm Oil Policy (SPOP) signed by Group Chief Executive Officer and Group Head of Sustainability. The policy was last revised in October 2020. The policy emphasizes on the following commitments: 1. Compliance with all applicable legislation and codes of practice 2. Implementation of sustainability standards laid out in the policy of environmental, human rights, community development and social impacts 3. Contribution to the United Nations Sustainable Development Goals (“UN SDGs”) 4. Building traceable supply chain such that all suppliers are also in compliance with IOI’s Sustainability Policy 5. To strive the highest levels of transparency and stakeholder engagement.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The commitment towards sustainable production of palm oil and its continuous improvement as outlined in the MSPO guidelines and RSPO Principle and Criteria is stated in the IOI Group Sustainable Palm Oil Policy.	Complied
Criterion 4.1.2 – Internal Audit			

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Criterion / Indicator		Assessment Findings	Compliance						
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	IOI Group established the internal audit plan at the beginning of the year. The actual internal audits were conducted by an independent unit i.e. 'Sustainable Oil Palm Department'. Document review, sighted internal audit plan submitted to all operating units through email on 10/11/2022.	Complied						
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	The internal audits were conducted guided by the company's Standard Operation Procedure for MSP0 Internal Audit Procedure (Ref. No.: MSP0/SOP/IA/2, revision no: 02, dated 01/11/2018) by the Sustainability Palm Oil Department. The recent internal audits for the sampled estates were conducted as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Mill</th> <th style="width: 30%;">Date of audit</th> <th style="width: 40%;">Findings</th> </tr> </thead> <tbody> <tr> <td>Ladang Sabah</td> <td>22/11/2022</td> <td>Nil</td> </tr> </tbody> </table> There are no findings raised for Internal Audit conducted at Mill.	Mill	Date of audit	Findings	Ladang Sabah	22/11/2022	Nil	Complied
Mill	Date of audit	Findings							
Ladang Sabah	22/11/2022	Nil							
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Ladang Sabah POM kept internal audit reports and available as at audit to review. The report has the information about standards' requirements and findings. The results of the internal audits were also part of the agenda recorded in the management review meeting.	Complied						
Criterion 4.1.3 – Management Review									
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSP0 and decide on any changes, improvement and modification. - Major compliance -	Ladang Sabah POM conduct management review meeting on 27/01/2023 and chaired by the respective estate managers. The meeting attended by the key personnel and among the agenda discussed and recorded in the minutes of meetings are as follows: <ol style="list-style-type: none"> 1. Review on the agenda are as follows: 2. Follow-up actions from previous management reviews (internal & 	Complied						

Criterion / Indicator		Assessment Findings	Compliance
		<p>external audit) remain closed.</p> <p>3. Results of the internal audit (RSPO/MSPO P&C & SCCS Standard) as per indicator 4.1.2.2.</p> <p>4. No stakeholder feedback, complaints & grievances as at the meeting conducted.</p> <p>5. Status of preventive and corrective actions for (internal & external audit) already closed as at the meeting conducted.</p> <p>6. No changes that could affect the management system, only for MSPO Certification Standard that yet to be announced by MPOCC.</p> <p>7. Recommendation for improvement discuss after the internal and external audit result closed</p> <p>8. Improvement of the effectiveness of the management system and its process are implemented as per recommendation.</p> <p>9. Resources needed with no additional.</p>	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>Ladang Sabah POM established individual continual improvement plan for financial year 2022/2023 and available for review as at audit.</p> <p>Document review sighted the plan established based on the social and environmental impact together with safety and health.</p>	Complied
4.1.4.2	<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>- Major compliance -</p>	<p>Any new technology and/or innovation equipment is subject to approval by HQ. Document review and onsite interview informed management has no new technology adopted by the sampled estates for field operation since the last assessment.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	Ladang Sabah POM is transparent and open to communicate its information on environmental, social and legal issues related to sustainability practice to its stakeholders. The awareness among the stakeholders about the request of information was made mainly during stakeholders’ consultation meetings.	Complied
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Ladang Sabah POM maintain the management documents for publicly available include information that can be available as follow. 1. Company’s policies 2. Occupational Safety and environmental management plans 3. Company’s annual report 4. MSPO/RSPO external audit reports 5. Continuous improvement plan 6. Complaint and grievance procedure 7. Land use rights Ladang Sabah POM conduct briefing on company policies during muster on 25/01/2023 and 26/01/2023 attended by 69 workers and 61 workers.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	IOI Group established Grievance Procedure indicated in the Group Social Impact Assessment & Management Action Plans Guidance Document (For Period 2019-2024), revised on Oct 2021.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>There are three stages of handling grievance as follow.</p> <ol style="list-style-type: none"> 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 <p>Further Investigation/ Meeting with complainant - Meet up with complainant within 10 working days after preliminary investigation outcome</p>	
4.2.2.2	<p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p> <p>- Minor compliance -</p>	<p>IOI Group have appointed representatives from mill to responsible person in handling the issues related to Indicator 1, Ladang Sabah POM has appointed assistant manager dated 26/10/2020.</p>	Complied
4.2.2.3	<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>- Major compliance -</p>	<p>IOI Group established list of stakeholders for each operating unit were last updated as follow. The list consists of various group of stakeholders such as government authorities, contractors/suppliers, NGOs, local communities, and also internal stakeholders such as workers and representatives.</p> <p>IOI Group conduct external stakeholders meeting which attended by managements, neighboring companies' estates, HUMANA, contractors, schools, government agencies, retailers, canteen and transporters. Document review on minutes of meeting, sighted management includes agenda discuss on company policies, company procedures, company guidelines, RSPO/MSPO principles, grievances procedures, sexual harassment procedures, reviewing impact on stakeholder's feedback, discuss positive/negative impact and additional impact on roundtable assessment. The meeting attended by representative from Ladang Sabah POM representatives with minutes of meeting recorded dates on 20/09/2017.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Feedback forms were distributed to obtain information about the positive/negative impacts, and level of understanding/awareness about IOI's sustainability management system.</p> <p>IOI Group conducted internal stakeholders meeting which was attended by managements, school representative, sundry shop and workers representatives.</p> <p>Document review on minutes of meeting, sighted management includes agenda discuss on RSPO/MSPO/ISCC, company policies, guidelines, ILO requirement, social matters, employment contract, children birth, children education etc, with minutes for meeting dated on 25/10/2022.</p>	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>IOI Group established Management System and Traceability Control Procedures, Ref: MSPO/SOP/MST/01, rev.: 00 dated 31/10/2020 with no changes on the procedure as at the audit.</p> <p>The procedure established as guidelines to implement and maintain mill's traceability on palm oil products received and dispatched from IOI Group's operating units.</p> <p>The procedure describes company commitment to identify and record palm oil products from its respective sources or stations as required in the sustainable requirements.</p>	Complied
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>IOI Group established Management System and Traceability Control Procedures, Ref: MSPO/SOP/MST/01, rev.: 00 dated 31/10/2020 with no changes on the procedure as at the audit.</p> <p>The procedure describes the responsibility of person in charge at Critical Control Point (CCP) includes security, weighbridge, laboratory and</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		office. Ladang Sabah POM conduct inspection for traceability system on daily basis.	
4.2.3.3	The management shall identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	IOI Group established Management System and Traceability Control Procedures, Ref: MSPO/SOP/MST/01, rev.: 00 dated 31/10/2020 with no changes on the procedure as at the audit. The procedure describes at section 3.1 of overall responsibility of head o department has an overall responsibility and authority over the implementation and maintenance of the sustainability requirements for every critical control point. The head of department shall be assisted by the assistant mill managers, engineers and technical executive. Ladang Sabah POM has appointed MSPO Officer which is responsible for traceability system (Mr. Zulkiflee Yappi as per appointment letter dated 13/01/2022 approved by Mill Manager).	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	IOI Group established Management System and Traceability Control Procedures, Ref: MSPO/SOP/MST/01, rev.: 00 dated 31/10/2020 with no changes on the procedure as at the audit. The procedure describes company commitment in section 3.2.4.4 on handling record keeping to all related records pertaining to MSPO requirement must be kept and maintained at minimum period of three (3) years. Record of storage, sales, delivery of palm oil products are well maintained by the mill management. 1. FFB Supplier: Luangmanis Estate WB Ticket No: FB23000882 dated 18/01/2023 Vehicle No: SSB7756F Nett Weight: 14.33 Mt Grading Chit No: 458156, DO No.: S11020, D/O No: 04035. dated	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>18/01/2023</p> <p>2. PK buyer: IOI Edible Oils Sdn Bhd WB Ticket No: PK23000023 dated 27/01/2023 Vehicle No: SS4339T, T/S153 WB Nett Weight: 35.15 Mt Transporter: Juita Baru Sdn Bhd, Transporter PO No: 100145 Vehicle No: SS43397 PK Dispatch Chit: 15036, dated: 27/01/2023 Chit 1st Weight: 21.66 Mt. Gate Pass: SN 202200, dated: 27/01/2023</p> <p>3. CPO buyer: IOI Edible Oils Sdn Bhd WB Ticket No: CP23000083 dated 28/01/2023 Vehicle No: SS6001P, SS6579M WB Nett Weight: 35.15 Mt Transporter: Juita Baru Sdn Bhd, Transporter PO No: 100208 Vehicle No: SS6001P, SS6579M PK Dispatch Chit: 33735, dated: 28/01/2023 Chit 1st Weight: 18.26 Mt. Gate Pass: SN 202281, dated: 28/01/2023 MPOB Job Assignment No.: Q359580, dated: 28/01/2023 MPOB form: MPOB L3, No.: G14/527</p>	
<p>4.3 Principle 3: Compliance to legal requirements</p>		

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	Ladang Sabah POM has monitored the compliance with applicable local, state, national and ratified international laws and regulations as follows: <ol style="list-style-type: none"> 1. MPOB License No: 500264104000 valid until 30/06/2023 2. DOE License No: 003445 valid until 30/06/2023 3. DOE Approval (Lesen Pelanggaran (Udara Bersih) 2014 valid until 30/12/2022 – In Renewal Process – Sighted the renewal documents has been submitted, and currently the mill is in progress to obtain the approval. 4. JTK License <ol style="list-style-type: none"> i. Permit Pemetongan Gaji, Ref No: JTKSBH/PMT/113/2022/0119 valid until 26/06/2024. ii. Permit Pendahuluan Gaji, Ref No: JTKSBH/PMT/102/2021/0018 valid until 06/09/2023. iii. Permit Sekatan Kerja Lebih Masa, Ref No:600-1/2/8/320/08/SDK/2020-0063 valid until 08/11/2023. iv. Lesen untuk Menggaji Pekerja Bukan Pemastautin Ref No: JTK.H.SDK.600-4/1/01261/003867 valid until 08/11/2023 5. Permit Barang Kawalan Berjadual, Ref No: KPDNHEP.SDK.16/2002SK, Diesel Storage EURO 2M - 40,000 liters valid until 09/12/2023 6. Suruhanjaya Tenaga - Lesen Pemasangan Persendirian, Serial No: LP/12/1/9/1818 valid until 06/06/2026 7. Certificate of Fitness for Machinery – All machineries were inspected, and permit are valid. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>IOI Group identified applicable legal requirements the List of Laws, Covenants & Standards Applicable to Sabah Estate & Mill Operations, updated on 03/01/2023.</p> <p>The list established by SPO Department Sandakan Regional Office with list follow.</p> <ol style="list-style-type: none"> 1. Environmental Quality Act 1974 2. Employees Providence Act 1991 3. Factories and Machinery Act 1967 4. Workmen’s Compensation Act 1952 5. Employee Minimum Standard of Housing, Accommodations and Amenities Regulations 2020 6. Pesticides Act 1974 7. Occupational Safety and Health Act 1994 8. Minimum Wages Order 2022 	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>SPO Department Sandakan Regional Office will keep the certification unit updated with the new laws or regulations or new amendments coming into force.</p> <p>Mechanism of Tracking Law Changes procedures was made available to the audit team.</p> <p>The legal register prepared by SPO Department Sandakan Regional Office, ref no: IOI/SR/SPO/MTLC/21-01, dated on 03/01/2022.</p>	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>Ladang Sabah POM appoint their MSPO Officer to monitor compliance and track update the changes in regulatory requirements.</p> <p>Document review sighted appointment letter the MSPO Officer dated 01/12/2022.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Monitoring on compliance was conducted regularly to ensure the validity of license and permit. Changes in regulatory requirements were identified from relevant authority during visit, inspection, and website.	
Criterion 4.3.2 – Lands use rights			
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 -	Ladang Sabah POM activities do not diminish the land use rights of other users. The conditions stipulated in the land titles were adhered to.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Ladang Sabah POM was able to show their legal ownership. Document review, sighted mill is located inside Moynod Estate Land area which is in land lot no. 1. Based on land title review, the document number is CL 085317497 with total area of 5,766 Ha. The land is leased to Ladang Sabah Sdn Bhd, from 01/01/1984 until 31/12/2082. The actual mill occupied approximately 32.25 ha of the area excluding effluent ponds.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Onsite visit sighted the legal perimeter for Mill boundaries were demarcated with fences around mill compound.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There was no land dispute at all the sampled estates. The company has the legal ownership documents as demonstrated by possessing land titles.	Not applicable

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	Not applicable since there is no customary rights. Land has been legally owned by the company and has been verified by the land title.	Not applicable
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	Not applicable since there is no customary rights. Land has been legally owned by the company and has been verified by the land title.	Not applicable
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	Not applicable since there is no customary rights. Land has been legally owned by the company and has been verified by the land title.	Not applicable
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	IOI Group established Group Social Impact Assessment & Management Plans, Guidance Document: Period 2019 – 2024. Ladang Sabah POM reviewed their SIA report on 06/01/2023 by the appointed Social Liaison Officers together with Sustainable Palm Oil Team, Sandakan Region. SIA report established based method to identify the social impacts from feedback in WEC meeting, JCC meeting, internal and external stakeholder meeting. Among the group of stakeholders outreach by the governmental organization, gender representatives, NGO, neighbouring estates,	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>religious representatives, employees, contractors, suppliers, and village representatives. Generally, among the impacts identified were those related to compliance with legal requirements, workers welfare, handling of complaints & grievances and socio-economic impact on surrounding communities.</p> <p>Ladang Sabah Complex conduct social impact assessment meeting on 05/01/2023 at Training Hall (LSR Club).</p> <p>Ladang Sabah Complex conduct social impact assessment meeting on 05/01/2023 at Training Hall (LSR Club).</p>	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>IOI Group established Grievance Procedure [doc. No. IOI/P/GP/001, rev. 1, dated 20/01/2020] which outlined the system for dealing with complaints and grievance.</p>	Complied
4.4.2.2	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Ladang Sabah POM adopt the HQ format of grievance procedure to record complaints or requests from the stakeholders.</p> <p>Based on the records, all the complaints were lodged by internal stakeholders and generally about defects of housing facility, and request of facility (e.g. transport to town, extension of electricity supply)</p> <p>There was no complaint or grievance lodged by external stakeholder since the last assessment. Verification of the records of complaints lodged the actions taken by the management were found to be appropriate and timely manner.</p>	Complied
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p>	<p>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</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	of request, details of complaint/grievance, details of action taken including dates and acknowledgement signature of the requestor.	
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Employees and the surrounding communities were made aware that complaints or suggestions can be made any time through various meetings such as morning muster, training/briefing and stakeholder consultation. Based on interview with the stakeholders, it was noted that they were aware of the complaint's procedure. Ladang Sabah POM conduct briefing on Whistleblowing Policy been briefed to workers during muster morning on 28/12/2022.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	Ladang Sabah POM maintained complaints and resolutions for the past 24 months (i.e. from January 2020) were well maintained by the mill and available u as at audit.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	IOI Group established Sustainability Report 2021 which has reported the IOI as whole group for contribute to local community through Tan Sri Lee Sin Ching Foundation. The Foundation functioned as main player to deliver the contribute related to educations. Since the last assessment, there have been less activities by the local communities due to MCO. Nonetheless, the estates continued to provide support the HUMANA initiative especially in term of maintaining school building and facilities.	Complied
Criterion 4.4.4: Employees safety and health			

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.4.1 An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>IOI Group established and maintained the Occupational Safety, health & Hygiene Policy approved by the Plantation Director in January 2023. The policy was communicated via briefing, training and displayed at estates notice board and implemented throughout the estates operations.</p>	<p>Complied</p>
<p>4.4.4.2 The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) 	<p>Safety Management Plans are available at Ladang Sabah POM has cover the OSH Program, compliance with safety regulations, legal requirement, risk assessment, training, PPE.</p> <ul style="list-style-type: none"> a) The Occupational, Health Safety and Hygiene Policy approved by Plantation Director in January 2023 was communicated through regular briefing, displayed at notice boards within POM and training. In addition, there were also briefings at mill being as refresher program for the employees. Safety procedures adherence are emphasized to the employees as part of the work culture. Content includes among others to priorities safety, execute work safely, and adhere all safety rules and regulations and to target zero accident b) Risk of all operations were assessed and documented in HIRARC Form (e.g., Process: Workshop, IOI-OSH-HIRARC-LSPOM 3.3.4-019 reviewed on 29/10/2021 and Process: Lubricating Store, IOI-OSH-HIRARC-LSPOM 3.3.4-026 dated 20/01/2022). Other assessment conducted by 3rd parties are available such as CHRA, NRA and LEV Testing (Report No: IHT(II)/2021/0301/LSPOM dated 23/03/2021) & monthly LEV inspection was recorded in 'Senarai Semak Bagi Pemeriksaan Local Exhaust Ventilation System'. <p>CHRA and NRA Action Plan 2022 were prepared and reviewed by mill manager. The action plan has no changes from previous assessment</p>	<p>Major Non-Conformity</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>Training on HIRARC was conducted on 15/01/2023 and attended by 12 personnel and Confined Space training was conducted on 22/01/2023 attended by 5 personnel.</p> <p>c) Awareness and training programme especially for employees exposed to chemicals used for POM operations was conducted on 28/07/2022 and attended by 12 personnel.</p> <p>d) Mill management has provided PPE to workers based on the risk assessment conducted for free of charge. PPE issuance records is available for verification as per 'Rekod Pemberian Alat Perlindungan Diri'. The management has established the PPE matrix for ach workstation. All PPE issued has been given as per the matrix, which are developed from the risk assessments conducted.</p> <p>e) Mill management has established procedures for storage, and handling of hazardous chemical as per OSH (CLASS) Regulations 2013 and OSH (USECHH) Regulations 2000. Register of Chemical Hazardous to Health updated on 01/01/2022 such as Sulphuric Acid, Sodium Hydroxide, Chlorine, Soda Ash, NALCO 214/ NALCO3273.</p> <p>f) The mill manager which is the chairman of the OSH Committee assisted by secretary and committee members which is employer and employee's representative is responsible for worker's safety and health. Mill Assistant Manager appointment letter as Secretary of OSH Committee dated 19/12/2022 is available for verification.</p> <p>g) Mill management has conducted quarterly OSH Committee meeting to discuss safety, health and welfare issues. Any issues raised and its action plan was recorded in the meeting minutes. Meeting for Y2022 was conducted on 26/03/2022, 23/06/2022, 30/09/2022 and 05/12/2022.</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>h) Emergency response procedure was established with emergency situations identified such as fire and damage, theft and robbery, riots and strike, road accident, workplace accident etc. Emergency flowchart with contact numbers were displayed at notice board. Fire Drill at POM was conducted on 14/01/2022 and participated by 94 personnel.</p> <p>i) Eight (8) trained first aiders are available at Ladang Sabah POM. 16 units of First Aid Box is available at each worksite (e.g., store, Laboratory, FFB Grading, Water Treatment Plant etc.) and checked on monthly basis. First aid box equipped with basic items such as Eye drops, eye pad, gauze, roller bandage etc. First Aid training were conducted 27/04/2022 to all workers and staff.</p> <p>j) Annual accident records were submitted to DOSH via MyKKP portal (JKKP 8) on 25/01/2023 (Ref No: JKKP 8/130914/2022) with total of 15 accidents recorded (4 major accidents). JJKP 6 was submitted for the accident with 4 days or more. Four (4) accidents were reported to DOSH through JKKP 6 submission. Chemical Safety, ERP etc.</p> <p><u>Major Non-conformity (Major NC)</u> The occupational safety and health plan is not fully implemented. During site visit near Shovel parking area, it was found lubricant was stored in the container without any labelled. It was not in line with CHRA Recommendation on 17/07/2021 (3) To make sure labelling of the container is according to CLASS Regulation 2013 and USECHH Regulation 2000.</p>	
<p>Criterion 4.4.5: Employment conditions</p>		

Criterion / Indicator		Assessment Findings	Compliance																				
4.4.5.1	<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>- Major compliance -</p>	<p>Policy on good social practices regarding human rights is addressed in the IOI Group Sustainable Palm Oil Policy (SPOP) signed by Group Chief Executive Officer and Group Head of Sustainability. The policy was last revised in October 2020.</p> <p>Ladang Sabah POM conduct social media policy during muster morning on 26/07/2022 attended by 34 workers.</p>	Complied																				
4.4.5.2	<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>- Major compliance -</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 in line with its SPOP. There was no evidence of any form of discriminatory practice.</p> <p>IOI Group established foreign worker recruitment & legalization flowchart with latest updated on 05/02/2020. Flowchart describes the process of new workers registration request, work pass application, passport book application, apply for quota from immigration department, medical check process, SOCSO registration lending pass application, levy payment and work pass sticker.</p>	Complied																				
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>IOI Group 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.</p> <p>Based on sampled pay slips, it was found that the wages were paid in line with the Minimum Wage Order 2020. Sampled workers ID number whose payslips for the months of February, June and December 2022 were verified are as follows:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Employee ID</th> <th>Passport / IC No.</th> <th>Nationality</th> <th>Work / task</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>1116/9002</td> <td>690804-xx-xxxx</td> <td>Malaysian</td> <td>Security</td> </tr> <tr> <td>2.</td> <td>0717/9039</td> <td>751221-xx-xxxx</td> <td>Malaysian</td> <td>Security</td> </tr> <tr> <td>3.</td> <td>0222/31829</td> <td>960629-xx-xxxx</td> <td>Malaysian</td> <td>Boilerman</td> </tr> </tbody> </table>	No.	Employee ID	Passport / IC No.	Nationality	Work / task	1.	1116/9002	690804-xx-xxxx	Malaysian	Security	2.	0717/9039	751221-xx-xxxx	Malaysian	Security	3.	0222/31829	960629-xx-xxxx	Malaysian	Boilerman	Complied
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Criterion / Indicator		Assessment Findings				Compliance	
		4.	0822/35743	991001-xx-xxxx	Malaysian	Boilerman	
		5.	0220/11554	920329-xx-xxxx	Malaysian	Weighbridge	
		6.	1011/9010	AU12xxxx	Indonesia	FFB Grader	
		7.	0911/9022	C734xxxx	Indonesia	Press Station	
		8.	0811/9026	C655xxxx	Indonesia	Kernel Bunker	
		9.	0700/9032	C761xxxx	Indonesia	Kernel Plant	
		JD	Security	Boilerman	FFB Grader		
		Originality	Malaysian	Malaysian	Indonesia		
		Passport/ IC No	751221-xx-xxxx	991001-xx-xxxx	AU12xxxx		
		Day Rate/ Piece Rate	MYR 57.70 (Daily Rate)	MYR 57.70 (Daily Rate)	MYR 57.70 (Daily Rate)		
		Overtime	80 hours	98 hours	51 hours		
		Working day	25	25	24		
		Deduction	MYR 170.45 (EPF, SOCSO, SIP Insurance)	MYR 178.85 (EPF, SOCSO, SIP Insurance)	MYR 105.00 (Medical)		
		Employer Contribution	MYR 210.40 (EPF, SOCSO, SIP Insurance)	MYR 214.40 (EPF, SOCSO, SIP Insurance)	MYR 29.40 (SOCSO)		
		Ladang Sabah POM conduct briefing on minimum wages, leave wages and wages calculation to workers during muster morning dated 13/10/2022 attended by 23 workers.					
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>To ensure employees of contractors are paid based on legal or industry minimum standards, the management requests payslips from the contractors. Payslips of employees from several contractors of the sampled estates were available for verification. Generally, the pays were found to be meeting the minimum standard requirements.</p>				Complied	

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.5	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. - Major compliance -	Employee data base is kept and maintained in a computer software (SAP). All the required information such as names, gender, date of birth, date of entry, job description, and ID number was available in the data base.	Complied
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records. - Major compliance -	IOI Group established employment contract with signed by both parties and provided with copy to employee for reference. Document review sighted the terms and conditions stipulated in the employment contract and written in Bahasa Malaysia, is in-line with the legal requirements. IOI Group has made initiative to update of information on 15 days public holidays in the employment contract. Document review of 8 sampled of workers contract employment, IOI Group has revised the public holiday to add to 15 days public holidays.	Complied
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	IOI Group using Electronic Plantation Mobile System (EPMS) as its method to record working hours and overtime. The data will then be transferred to the SAP system for wages calculation. Employees can be transparently provided with the information in the EPMS.	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	The working hour and break time have been clearly stated in the Employment Contract. Document review on checkroll and payslips sighted the overtime paid consistent with the time recording and legal requirements.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	Document review on checkroll and payslips sighted the overtime paid consistent with the time recording and legal requirements.	Complied

Criterion / Indicator		Assessment Findings	Compliance																																
	- Major compliance -	<p>Sampled workers' payslips as follows:</p> <p>Based on sampled pay slips, it was found that the wages were paid in line with the Minimum Wage Order 2020. Sampled workers ID number whose payslips for the months of February, June, September and December 2022 were verified are as follows:</p> <table border="1"> <thead> <tr> <th>JD</th> <th>Security</th> <th>Boilerman</th> <th>FFB Grader</th> </tr> </thead> <tbody> <tr> <td>Originality</td> <td>Malaysian</td> <td>Malaysian</td> <td>Indonesia</td> </tr> <tr> <td>Passport/ IC No</td> <td>751221-xx-xxxx</td> <td>991001-xx-xxxx</td> <td>AU12xxxx</td> </tr> <tr> <td>Day Rate/ Piece Rate</td> <td>MYR 57.70 (Daily Rate)</td> <td>MYR 57.70 (Daily Rate)</td> <td>MYR 57.70 (Daily Rate)</td> </tr> <tr> <td>Overtime</td> <td>80 hours</td> <td>98 hours</td> <td>51 hours</td> </tr> <tr> <td>Working day</td> <td>25</td> <td>25</td> <td>24</td> </tr> <tr> <td>Deduction</td> <td>MYR 170.45 (EPF, SOCSO, SIP Insurance)</td> <td>MYR 178.85 (EFP, SOCSO, SIP Insurance)</td> <td>MYR 105.00 (Medical)</td> </tr> <tr> <td>Employer Contribution</td> <td>MYR 210.40 (EPF, SOCSO, SIP Insurance)</td> <td>MYR 214.40 (EPF, SOCSO, SIP Insurance)</td> <td>MYR 29.40 (SOCSO)</td> </tr> </tbody> </table> <p>Ladang Sabah POM monitor working hours of workers in SAP system as monitoring of overtime offered.</p>	JD	Security	Boilerman	FFB Grader	Originality	Malaysian	Malaysian	Indonesia	Passport/ IC No	751221-xx-xxxx	991001-xx-xxxx	AU12xxxx	Day Rate/ Piece Rate	MYR 57.70 (Daily Rate)	MYR 57.70 (Daily Rate)	MYR 57.70 (Daily Rate)	Overtime	80 hours	98 hours	51 hours	Working day	25	25	24	Deduction	MYR 170.45 (EPF, SOCSO, SIP Insurance)	MYR 178.85 (EFP, SOCSO, SIP Insurance)	MYR 105.00 (Medical)	Employer Contribution	MYR 210.40 (EPF, SOCSO, SIP Insurance)	MYR 214.40 (EPF, SOCSO, SIP Insurance)	MYR 29.40 (SOCSO)	
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4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>Among the other forms of social benefits provided by the company are:</p> <ol style="list-style-type: none"> 1. Annual production bonus 2. Turn-out incentive 3. EPF & SOCSO 4. Inhouse dispensary <p>Ladang Sabah POM conduct briefing on foreign worker recruitment guideline and procedure in Malaysia to workers during muster morning</p>	Complied																																

Criterion / Indicator		Assessment Findings	Compliance
		on 25/08/2021. Ladang Sabah POM conduct briefing on foreign worker's passport handling guidelines to workers during muster morning on 19/03/2022.	
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	IOI Group established Reproductive Health Guidelines, Doc. No.: IOI/G/SE/002, rev. No.: 01 dated 15/01/2020. The guideline describes the company commitment in ensuring workers health productive in plantation especially female workers for pregnancy and child breastfeed is protected and right responsibility is clear. This guideline is applicable to all workers in IOI Plantation (estate, mill, refinery and research center) throughout Malaysia and Indonesia. Applicable requirement not limited to Work Act 1955, Labor Ordinance (Sabah & Sarawak), Safety Act 1994, Immigration Act 1959/63 etc. IOI Group provide to 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
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	IOI Group established guidelines for Handling Harassment at Workplace, Doc. No.: IOI/G/SE/004, rev.02, dated 26/11/2020. Ladang Sabah POM conduct briefing with topic on Guideline for Handling Harassment at Workplace to workers during muster morning on 23/10/2022. Ladang Sabah POM conduct Gender committee meeting and attended by female workers and staffs on 19/03/2022 and 24/09/2022.	Complied
4.4.5.13	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	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,	Complied

Criterion / Indicator		Assessment Findings	Compliance								
	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. - Major compliance -	employees are not restricted to join any trade union, and this was also confirmed by the interviewed workers. Ladang Sabah POM conduct briefing with topic on Equal Opportunity Employment and Freedom of Associations Policies to workers during muster morning on 23/10/2022.									
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance -	Document review on workers' data base extracted from the SAP system, sighted with no children and young persons recruited Ladang Sabah POM. Onsite interviewed with workers informed they are no children working with age less than 18 years old.	Complied								
Criterion 4.4.6: Training and competency											
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - Major compliance -	IOI Group conducted training as per the training programs established in each respective operating unit. Document review, Ladang Sabah POM adopt the plan and maintained include with Safety and Health Program FY 2022. The plan prepared based on the training need analysis reviewed annually as follows. <table border="1" data-bbox="1070 1114 1908 1252"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Boiler SOP</td> <td>07/09/2022</td> </tr> <tr> <td>Water treatment SOP</td> <td>17/05/2022</td> </tr> <tr> <td>Chemical Chloride Test – Laboratory SOP</td> <td>28/07/2022</td> </tr> </tbody> </table>	Training	Date	Boiler SOP	07/09/2022	Water treatment SOP	17/05/2022	Chemical Chloride Test – Laboratory SOP	28/07/2022	Complied
Training	Date										
Boiler SOP	07/09/2022										
Water treatment SOP	17/05/2022										
Chemical Chloride Test – Laboratory SOP	28/07/2022										
4.4.6.2	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.	Training need analysis 2023 for individual employees identified to determine the training requirement for the management, employee and contractors on annually basis.	Complied								

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>Ladang Sabah POM established Annual Training Programme for 2023 which includes topics on mill operation, biogas and social to be conducted each month was identified. Training covers all aspects of awareness and competency trainings based on the reviewed training needs analysis on annually basis.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>IOI Group established Sustainable Palm Oil Policy on October 2020 and Zero Burning Policy on May 2021. Both policies have no changes as at audit and were approved by the Group Managing Director. The policies describe IOI Group commitment to ensure its oil palm plantation and mill were managed in a sustainable way.</p> <p>Ladang Sabah POM conduct regular briefing on the policies to the workers during the muster call meeting.</p> <p>SPO Department prepared the environment impact assessment, management action plans and continuous improvement plans for Ladang Sabah POM reviewed in January 2023.</p> <p>Among the environment management plans listed in the assessment are as follow:</p> <ol style="list-style-type: none"> 1. Waste Products Management Plan. 2. Potential Pollutant Source Management Plan. 3. GHG Emission & GHG Reduction Plan. 4. Water Management Plan. 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		5. Identification of byproducts. Implementation of the action plan is demonstrated in the indicator below.	
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations - Major compliance -	Ladang Sabah POM established individual Environmental Impact Assessment for all workstations. The assessment was reviewed on annually basis. Based on the EIA conducted, the mill has identified activities with significant impact to the environment and has established the Environmental Improvement Plan. The objective is to mitigate and monitor the identified significant activities that give impacts on environment. Specific persons in charged have been identified to do the monitoring to ensure the plan is effectively implemented. The following programmes have been identified: 1. To reduce boiler dark smoke emission with even distribution of burning fuels into furnace and reduce usage of wet shell. 2. To reduce boiler smoke emission by installing new air pollution control system (APCS) that remove fine particles and smoke before release to environment. 3. Scheduled wastes generation – Mitigation: to be handled in accordance with EQ (Scheduled Wastes) Regulations 2005	Complied
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	Mitigation measure is established based on identified significant aspect from the environmental aspect and impact evaluation. The mitigation measures were incorporated through various mechanism such as implementation of standard and/or safe operating procedure, implementation of emergency response plan, water management plan, wastes management plan, biodiversity management plan, implementation of 3R to name a few.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Environmental impact assessment (EIA) and management plan is documented under Environmental Impact Assessment Management Plans and CIP dated January 2022. Negative and positive impacts for operation have been reviewed and identified.	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Program to promote positive impacts is incorporated in continuous improvement plan.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	Trainings and briefing were conducted on regular basis to the workforce. Sighted as follow: <ol style="list-style-type: none"> 1. 3R (reuse, recycle & reduce) training, conducted on 04/07/2022. 2. SOP oil trap training, conducted on 27/09/2022. 3. GHG & climate change training, conducted on 24/05/2022. 4. Scheduled waste management training, conducted on 29/04/2022. 5. Chemical handling training, conducted on 10/05/2022. 6. SDS training, conducted on 28/06/2022. 	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	Environmental issues based on assessment been discussed during Environment Performance Monitoring Committee meeting. Document review, Ladang Sabah POM conducted the meeting to discuss the environment issues and its impact with minutes as follow. <ol style="list-style-type: none"> 1. 01/2022 on 25/04/2022 2. 02/2022 on 27/07/2022 3. 03/2022 on 09/09/2022 4. 04/2022 on 28/12/2022. 	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			

Criterion / Indicator		Assessment Findings	Compliance						
4.5.2.1 Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within 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 - Major compliance -	Plan for improving efficiency of fossil fuel was spelt out in Environmental Impact Assessment, Management Action Plans & CIP. The mill using diesel as the main source for energy to supply electricity to housing and processing area.	Complied							
				Item	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
				FFB	385,776.00	342,430.00	301,605.00	247,133.00	215,451.00
				CPO	79,514.00	69,782.00	62,461.00	50,081.00	44,868.00
				Diesel	264,632.00	244,659.00	248,608.00	350,729.00	477,752.00
				Baseline	0.686	0.714	0.824	1.419	2.217
4.5.2.2 Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. - Major compliance -	Ladang Sabah POM estimated the direct usage of non-renewable energy at 600,000 liters of diesel per year. This is documented in the mill annual budget.	Complied							
4.5.2.3 The use of renewable energy should be applied where possible. - Minor compliance -	Biogas was used as the source of electric supply for Sandakan Region Office (Ladang Sabah POM, Luangmanis Estate, Terusan Estate and Moynod Estate).	Complied							
Criterion 4.5.3: Waste management and disposal									
4.5.3.1 All waste products and sources of pollution shall be identified and documented. - Major compliance -	Ladang Sabah POM established a Waste Management and Reduction Plan which includes the identification of waste products and pollutants, Waste Generation, Action Plan & Monitoring, Documents to be Reviewed, Management Review and time bound and Person In-Charge.	Complied							

Criterion / Indicator		Assessment Findings	Compliance																				
		Waste management plan was made available to the audit team, prepared on January 2023. The mill had identified the source of pollution and scheduled waste generated in the mill compound.																					
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>- Major compliance -</p>	<p>The identification of waste and monitoring plan integrated in the Environmental Impact Aspect Document.</p> <table border="1"> <thead> <tr> <th>Type of Waste</th> <th>Source of Impacts</th> <th>Action & Monitoring Plan</th> </tr> </thead> <tbody> <tr> <td>Scheduled waste</td> <td>Spillage. Pollution to environment. Hazardous to workers.</td> <td>To provide proper storing, labelling, monitoring and disposal of SW according to DOE. Use spill kit and drip trays in the schedule waste store for clean-up. To consult with company's competent person from time to time. Disposal to licensed contractor on regular basis.</td> </tr> </tbody> </table> <p>Mill by products were recycled and reused as a nutrient supplement for palm oil.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>EFB (Mt)</th> </tr> </thead> <tbody> <tr> <td>Terusan Baru</td> <td>237.90</td> </tr> <tr> <td>Moynod</td> <td>621.90</td> </tr> <tr> <td>Luangmanis</td> <td>58.14</td> </tr> <tr> <td>Labuk</td> <td>32.68</td> </tr> <tr> <td>Sg. Sapi</td> <td>55.78</td> </tr> <tr> <td>Laukin</td> <td>30.81</td> </tr> </tbody> </table>	Type of Waste	Source of Impacts	Action & Monitoring Plan	Scheduled waste	Spillage. Pollution to environment. Hazardous to workers.	To provide proper storing, labelling, monitoring and disposal of SW according to DOE. Use spill kit and drip trays in the schedule waste store for clean-up. To consult with company's competent person from time to time. Disposal to licensed contractor on regular basis.	Estate	EFB (Mt)	Terusan Baru	237.90	Moynod	621.90	Luangmanis	58.14	Labuk	32.68	Sg. Sapi	55.78	Laukin	30.81	Complied
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Criterion / Indicator		Assessment Findings		Compliance
		Bimbingan 1	19.91	
4.5.3.3	<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>- Major compliance -</p>	<p>IOI Group established SOP for Safe Working Procedure: Storage, Chemical Mixing and Managing Chemical, Doc No: IOI-OSH 3.2.2, effective date on 01/08/2012. The procedures' objective as guideline on handling wastes at mills and other operating units.</p> <p>IOI Sandakan Region obtained permission from DOE to gather, and storage scheduled waste for centralized collection center located at Ladang Sabah POM with letter dated 23/01/2018.</p> <p>Latest scheduled waste disposal was done to Lagenda Bumimas Sdn Bhd, on 28/12/2022.</p> <p>Sighted the waste disposed as follow:</p> <ol style="list-style-type: none"> 1. SW102 (used batteries – 22 units) 2. SW10 (used welding rod – 0.028 Mt) 3. SW109 (used lighting bulb – 0.036 Mt) 4. SW305 (spent lubricant oil – 3.57 Mt) 5. SW409 (empty chemical container – 0.69Mt) 6. SW409 (used fertilizer bag – 0.89 Mt) 7. SW409 (contaminated polybags – 0.4 Mt) 8. SW410 (used filter oil – 0.46 Mt) 9. SW410 (used rags && damaged PPE – 1.27 Mt) 10. SW417 (used cartridge – 0.022 Mt) 11. SW29 (discarded chemical – 0.31 Mt). 		Complied
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>Onsite visit to designated landfill at sampled estates observed the location are away from residential area, waterways and with signage indicate the date for open and close.</p>		Complied

Criterion / Indicator		Assessment Findings	Compliance									
		The location is at Block 97E inside Moynod Estate’s field.										
Criterion 4.5.4: Reduction of pollution and emission including greenhouse gas												
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	IOI Group established Sustainable Palm Oil Policy on October 2020 and Zero Burning Policy on May 2021. Both policies have no changes as at audit and were approved by the Group Managing Director. SPO Department prepared the environment impact assessment, management action plans and continuous improvement plans for Ladang Sabah POM, reviewed in January 2023. The plan will be assessed once in every 5 years. In between, mill management will review the plan individually based on operation activities on annually basis.	Complied									
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	SPO Department prepared the environment impact assessment, management action plans and continuous improvement plans for Ladang Sabah POM, reviewed in January 2023. Details of the action plan as follow. <table border="1" data-bbox="1064 1010 1910 1335"> <thead> <tr> <th>Aspect</th> <th>Impacts</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>POME</td> <td>Release of methane lead to air pollution.</td> <td>Capturing methane thru biogas plant.</td> </tr> <tr> <td>Diesel</td> <td>Air pollution.</td> <td>Only buy first grade diesel. Monitoring the effectiveness of diesel usage. To conduct regular maintenance of vehicles. To maintain biogas engine in good condition.</td> </tr> </tbody> </table>	Aspect	Impacts	Action Plan	POME	Release of methane lead to air pollution.	Capturing methane thru biogas plant.	Diesel	Air pollution.	Only buy first grade diesel. Monitoring the effectiveness of diesel usage. To conduct regular maintenance of vehicles. To maintain biogas engine in good condition.	Complied
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Criterion / Indicator		Assessment Findings			Compliance
		Generator set	GHG emission from gen set room.	To conduct regular maintenance of gen set.	
		Electricity	High electricity use lead to high diesel consumption, thus high GHG.	Conversion to energy saving equipment. Use of biogas plant as main electric supply. To install solar streetlight at labor quarters.	
		<p>Ladang Sabah POM conducted daily inspection to ensure the machineries were in a good condition. Sighted the inspection records for generator set (Cummins), shovel (Caterpillar) and tractor.</p> <p>Among the items inspected were machinery condition during idle time, diesel tank, engine level oil, battery water level, exhaust system, oil leakage, air filter and running hours.</p>			
4.5.4.3	<p>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.</p> <p>- Major compliance -</p>	<p>Document review, Ladang Sabah POM is permitted to discharged effluent with approval compliance schedule by DOE.</p> <p>Ladang Sabah POM has taken appropriated action to gradually phase it out.</p>			Complied
Criterion 4.5.5: Natural water resources					
4.5.5.1	The management shall establish water management plans to maintain the quality and availability of natural water resources	Ladang Sabah POM established water management plans to monitor the quality and availability of natural water resources. The plan includes with assessment of outgoing water.			Complied

Criterion / Indicator		Assessment Findings	Compliance																												
	<p>(surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<ul style="list-style-type: none"> a. Water source is from water catchment located at Block 17K (Div1), Moynod Estate. As of 2022, Ladang Sabah POM utilized 3,551.00 m3 of water for FFB processing and 109,918.00 m3 for domestic usage. b. Ladang Sabah POM conducted water sampling analysis on monthly basis with latest on 10/01/2023. <table border="1"> <thead> <tr> <th>Parameter</th> <th>Hulu Sg Muanad</th> <th>Hilir Sg Muanad</th> <th>Final Discharged</th> </tr> </thead> <tbody> <tr> <td>pH Value</td> <td>7.2</td> <td>6.6</td> <td>8.3</td> </tr> <tr> <td>BOD</td> <td>2</td> <td>2.4</td> <td>13.8</td> </tr> <tr> <td>COD</td> <td>16</td> <td>18</td> <td>391</td> </tr> <tr> <td>Oil & Grease</td> <td>ND < 2</td> <td>ND < 2</td> <td>ND < 2</td> </tr> <tr> <td>TSS</td> <td>51</td> <td>48</td> <td>ND < 2</td> </tr> <tr> <td>Total Solid</td> <td>110</td> <td>110</td> <td>3000</td> </tr> </tbody> </table> <p>Overall result from the water analysis is according to the permitted level by DOE. Total solid reading was high due to the high rainfall during November – December 2022.</p> <ul style="list-style-type: none"> c. Regular monitoring conducted by the Person Incharge to ensure the pipe system is at good condition. Any leakage will be recorded and repaired in timely manner. 	Parameter	Hulu Sg Muanad	Hilir Sg Muanad	Final Discharged	pH Value	7.2	6.6	8.3	BOD	2	2.4	13.8	COD	16	18	391	Oil & Grease	ND < 2	ND < 2	ND < 2	TSS	51	48	ND < 2	Total Solid	110	110	3000	
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4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>No open discharged of POME into water course permitted for Ladang Sabah POM.</p>	Complied																												
4.6 Principle 6: Best Practices																															

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.6.1: Mill Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	IOI Group established Standard Operating Procedures for palm oil estates, Doc. No.: IOI/SOP/A/01, issued: 02, updated 2022. Document review, Ladang Sabah POM adopt Group Standard Operating Procedures (SOPs) for Palm Oil Mill, Doc. No.: IOI/SOP/A, issue:2 dated 01/08/2018 with guided the safety practices and collaborated with guided procedure established IOI Group (Plantation Division) Occupational Safety and Management System dated 01/08/2012.	Complied
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	Ladang Sabah POM been regular visited by Mill Controller to inspect on the mill operation with reports on the visit. Latest visit by Mill Controller dated 26/10/2021. Document review on the report, Ladang Sabah POM received comments with issues highlight as follow. <ol style="list-style-type: none"> 1. FFB quality 2. Production report 3. Washing plant project 4. Boiler operation 5. Safety aspects 6. Capex discussion 7. Worker's reduction plan 	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	Ladang Sabah POM established five (5) years production, expenditure, and profit/loss projection 2022/2023 – 2028 which is no changes during this audit.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Document review sighted the plan is a guidance for management to conduct the daily operation and expenditure as follow.</p> <ol style="list-style-type: none"> 1. Hectare statement 2. FFB yield/ha and Total Production by age 3. FFB Production and FFB purchase (FFB, CPO, PK, OER, KER) 4. Production cost 5. Cost/ha and Cost/tons 6. Dispatch (CPO and PK) <p>The capital expenditure was documented in Financial Year Proposed Capital Expenditure (CAPEX).</p>	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>IOI Group established agreement contract with contractors based on services provided to mill operation guided by a procurement procedure, which is normally through tendering process.</p> <p>Document review and onsite interview with sampled contractors informed, Ladang Sabah POM adopted IOI Group contract with pricing mechanisms for services. The monitoring is effectively implemented.</p>	Complied
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>IOI Group established agreement contract with contractors based on services provided to mill operation guided by a procurement procedure, which is normally through tendering process.</p> <p>Document review on the sampled contract, sighted Ladang Sabah POM made payments with agreed terms and timely manner as follows sampled.</p> <ol style="list-style-type: none"> 1. Juita Baru Sdn Bhd 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		2. Pengangkutan Ya Hen Sdn Bhd 3. K.K. Fong Sdn Bhd 4. Pengangkutan Dagang Tera Sdn Bhd 5. Uniharvest Sdn Bhd 6. Syt Perniagaan Piqrusyahliajaya Based on verification of sampled payment vouchers, the payment was made on timely manner by the Head Quarter after received invoice from the contractor. Sample Payment to Juita Baru Sdn Bhd – Receipt No: RV22/12/027 Date: 16/12/2022, Invoice No: T22/12/065 Dated: 31/12/2022	
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	IOI Group established agreement contract with contractors based on services provided to mill operation. Document review Ladang Sabah POM provide additional requirement attached with agreement contract to contractors and services providers. The attached describes contractors /service providers to ensure is aware and comply with all applicable local, national and ratified international laws and regulations include RSPO, MSPO, and ISCC standards. Ladang Sabah Complex conduct social impact assessment meeting on 05/01/2023 at Training Hall (LSR Club). The meeting conduct to brief on agenda includes with topic on RSPO, ISCC and MSPO standards requirements to external stakeholder consist of contractors and service providers.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	IOI Group established agreement contract with contractors based on services provided to mill operation.	Complied

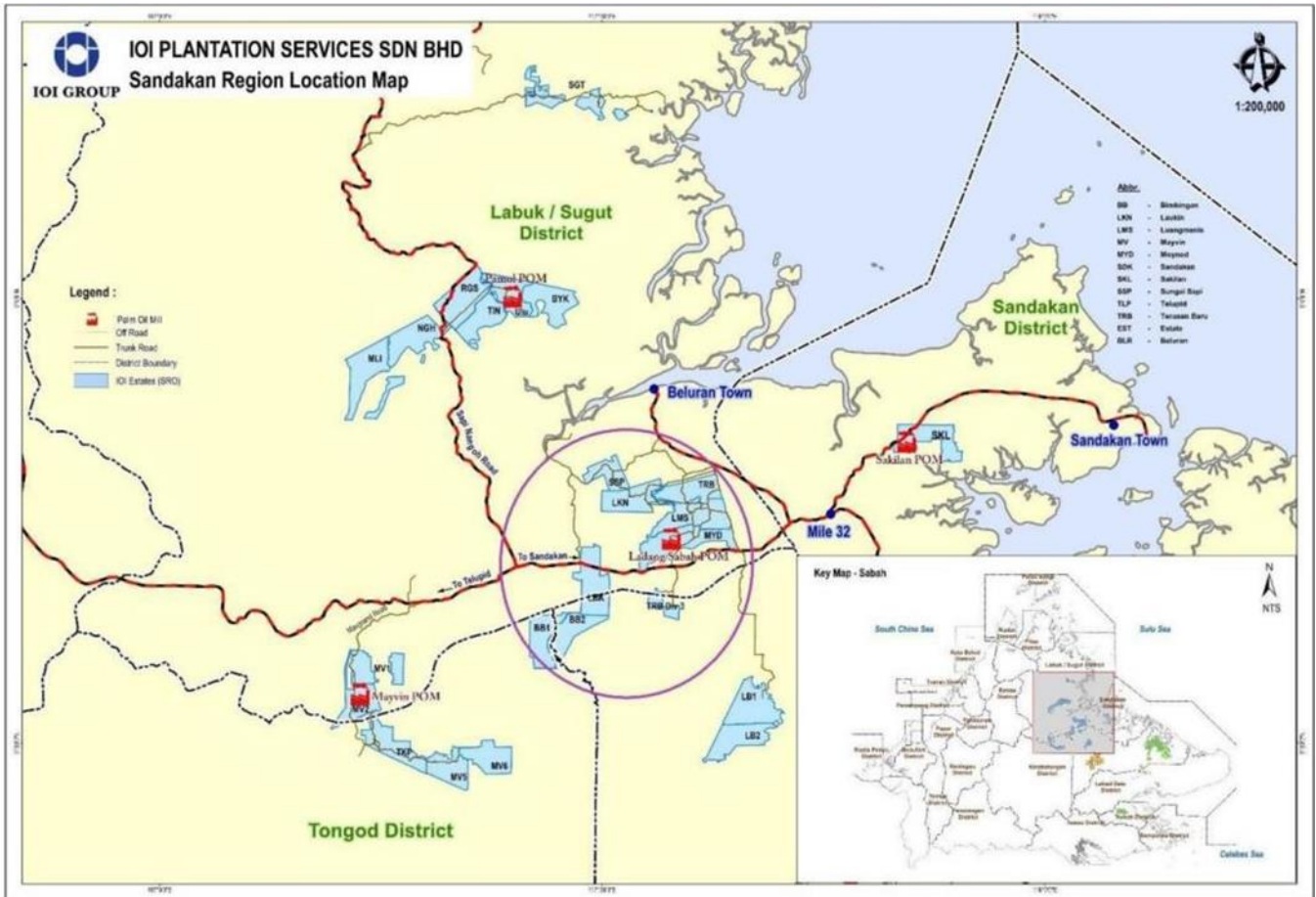
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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	Document review Ladang Sabah POM provide additional requirement attached with agreement contract to contractors and services providers. The attached describes contractors /service providers to ensure is aware and comply with all applicable local, national and ratified international laws and regulations include RSPO, MSPO, and ISCC standards.	
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	IOI Group established agreement contract with contractors based on services provided to mill operations. Document review on the contract for sampled service providers and contractors sighted signature by both parties on the agreement of terms and conditions required. Below are sampled of agreement contract endorsed. <ol style="list-style-type: none"> 1. Juita Baru Sdn Bhd 2. Pengangkutan Ya Hen Sdn Bhd 3. K.K. Fong Sdn Bhd 4. Pengangkutan Dagang Tera Sdn Bhd 5. Uniharvest Sdn Bhd 6. Syt Perniagaan Piqrusyahliajaya 	Complied

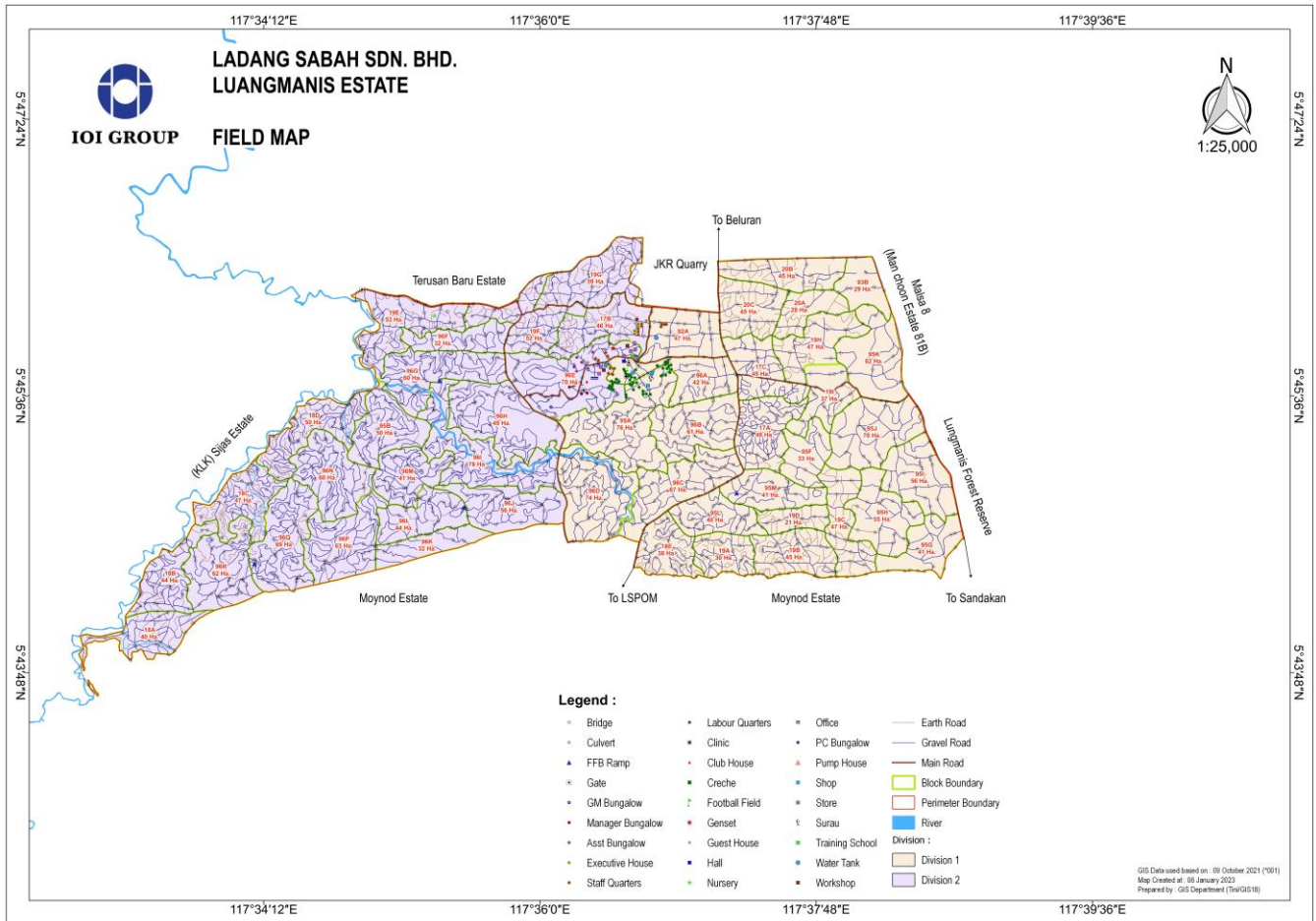
Appendix B: Smallholder Member Details

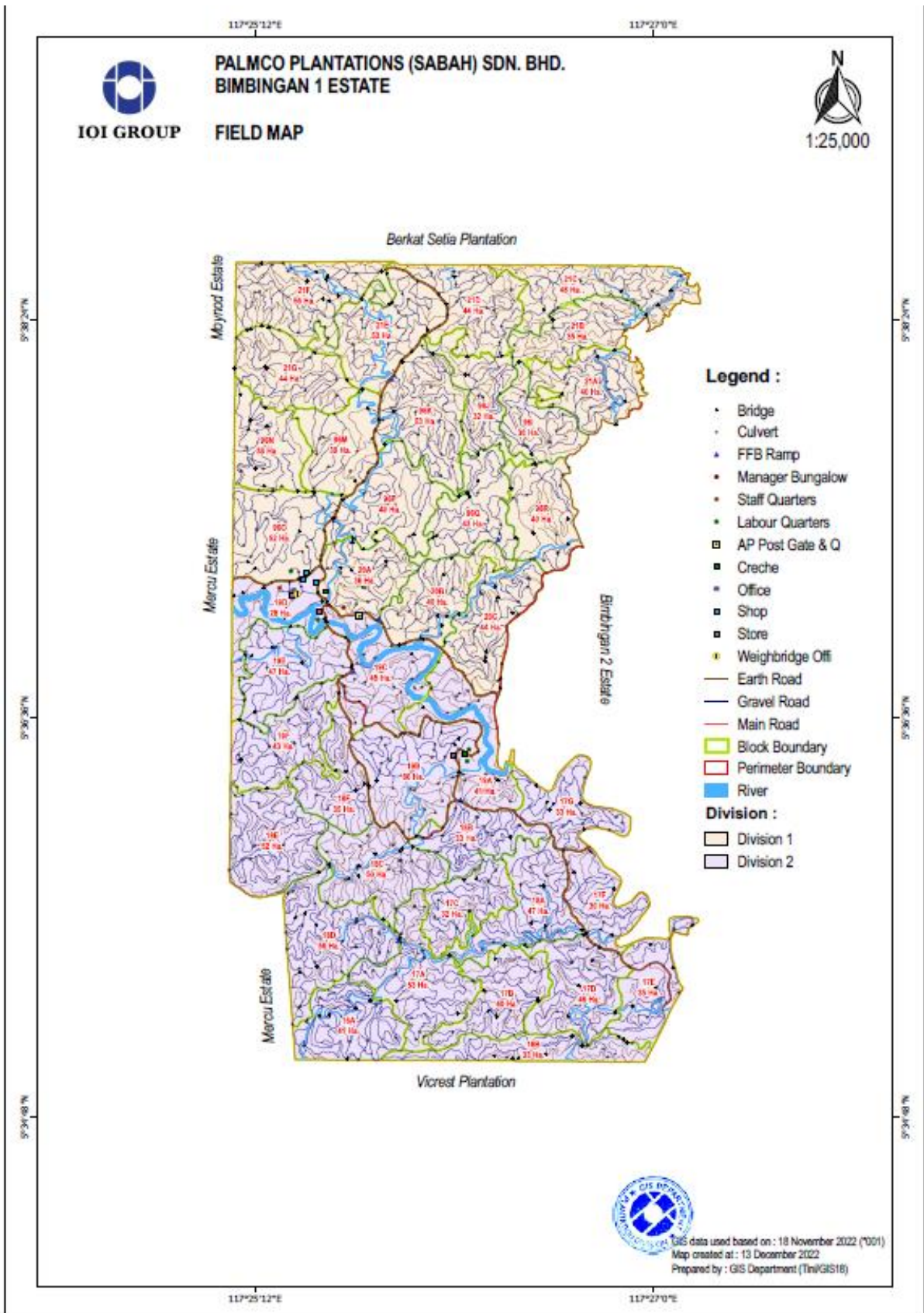
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates		Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number		Latitude	Longitude		
	Not Applicable						

Appendix C: Location and Field Map

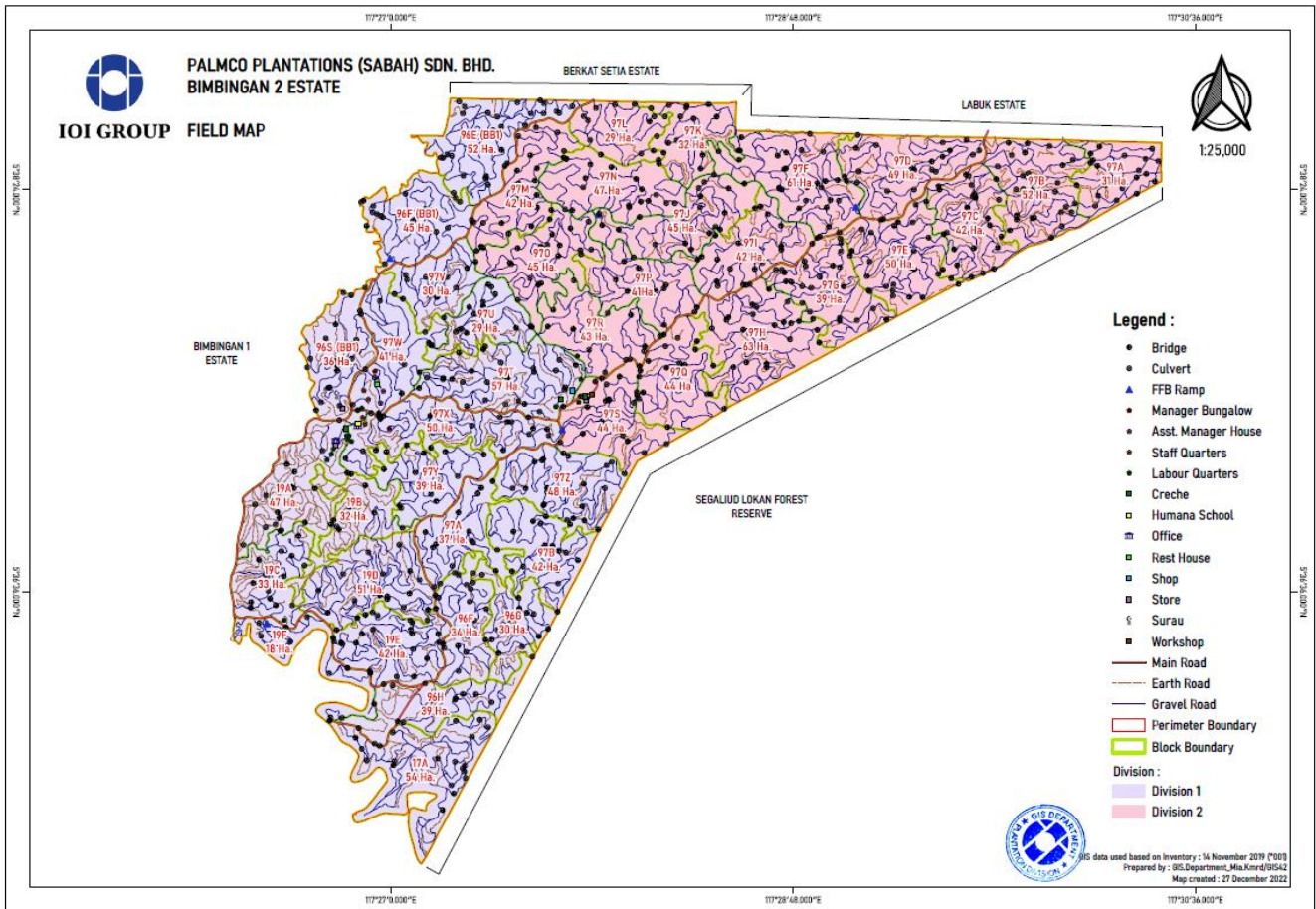


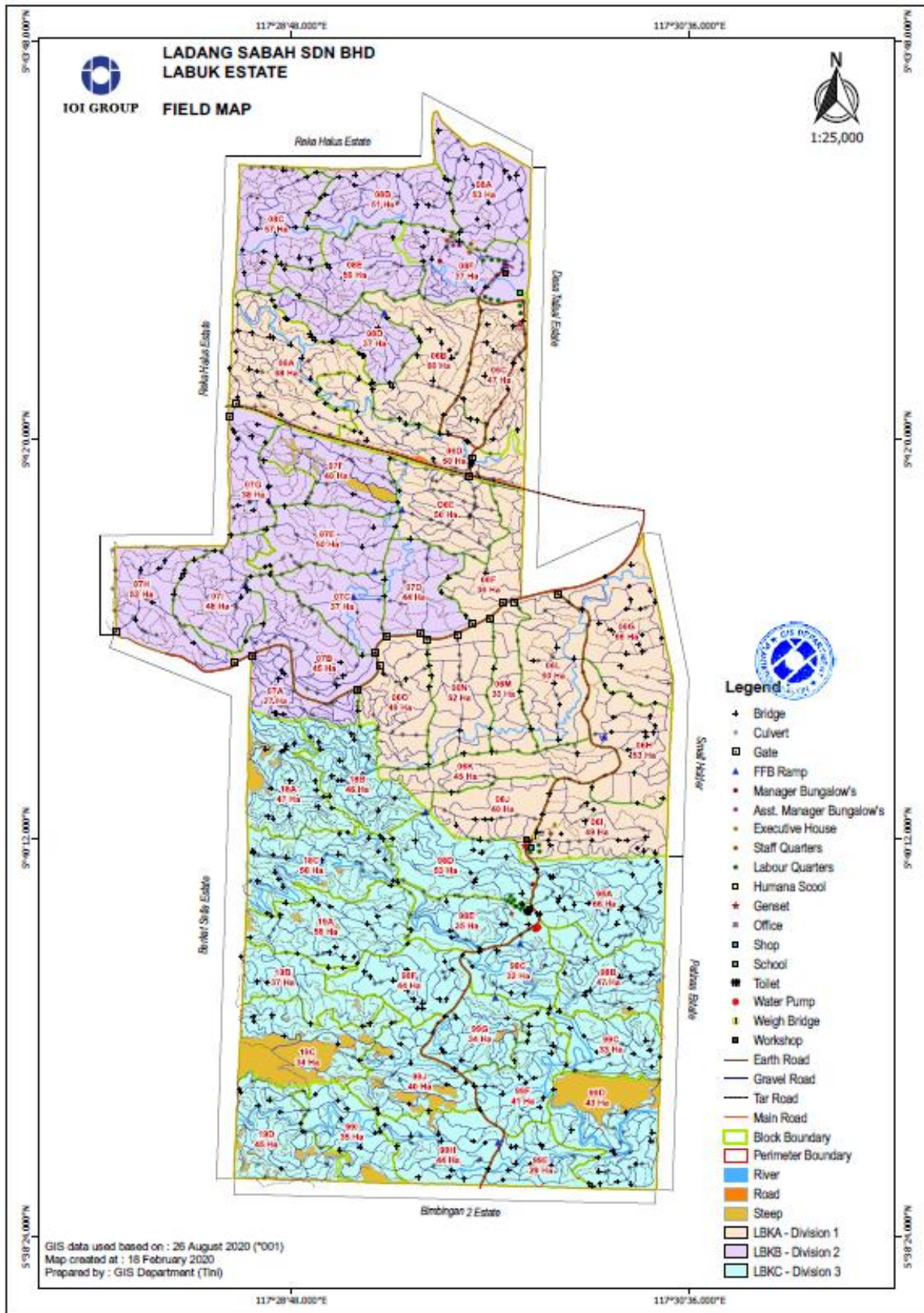
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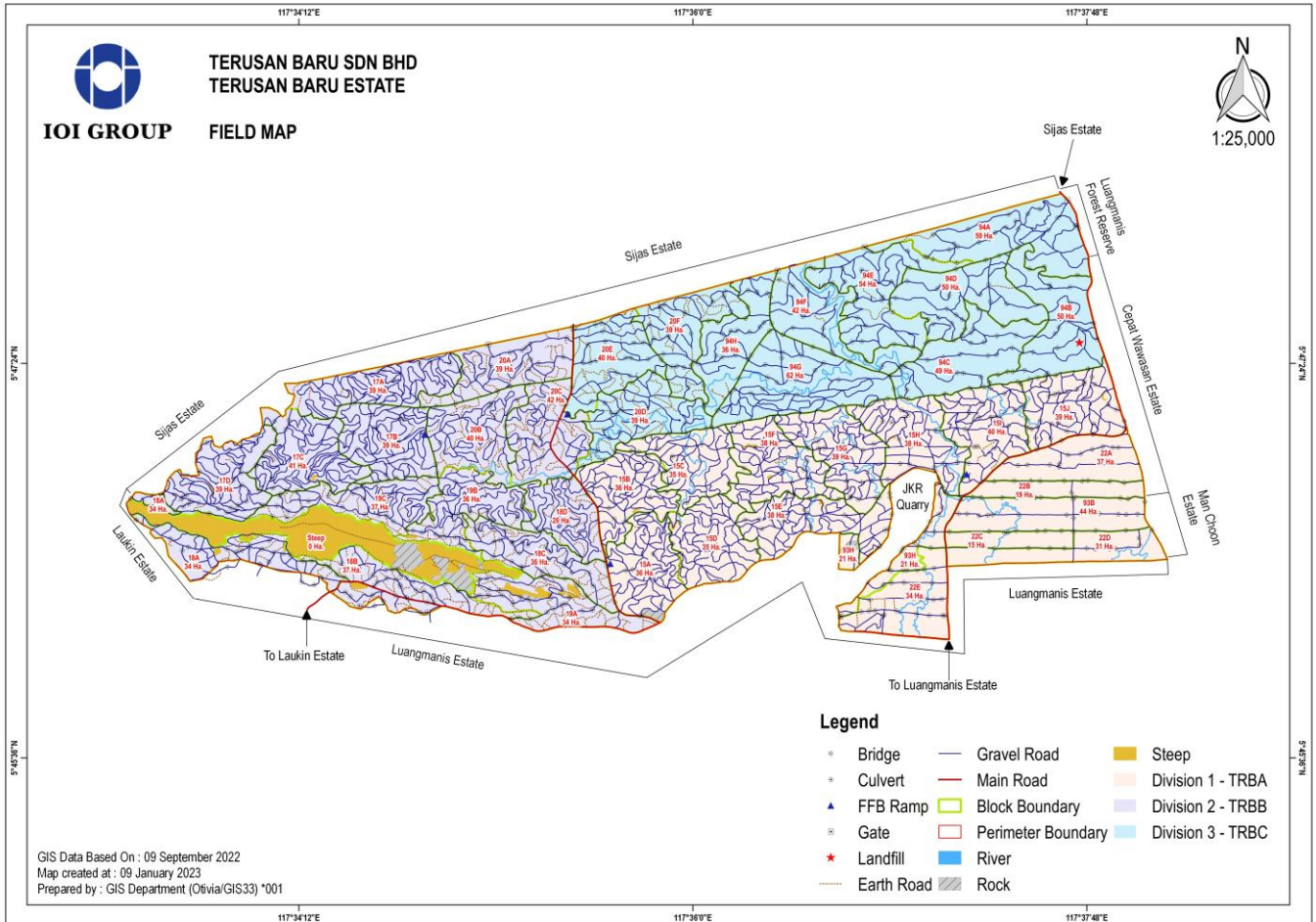




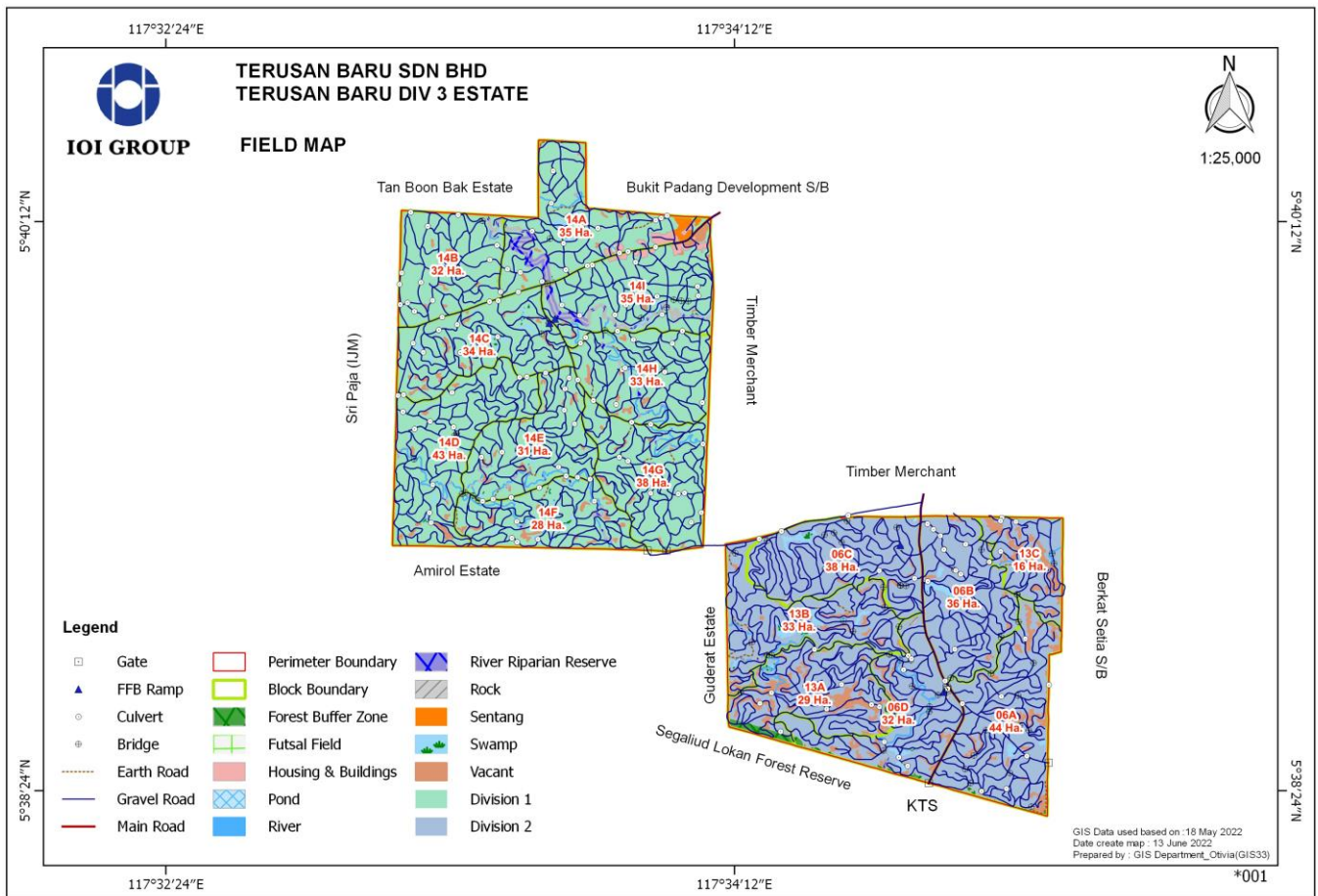
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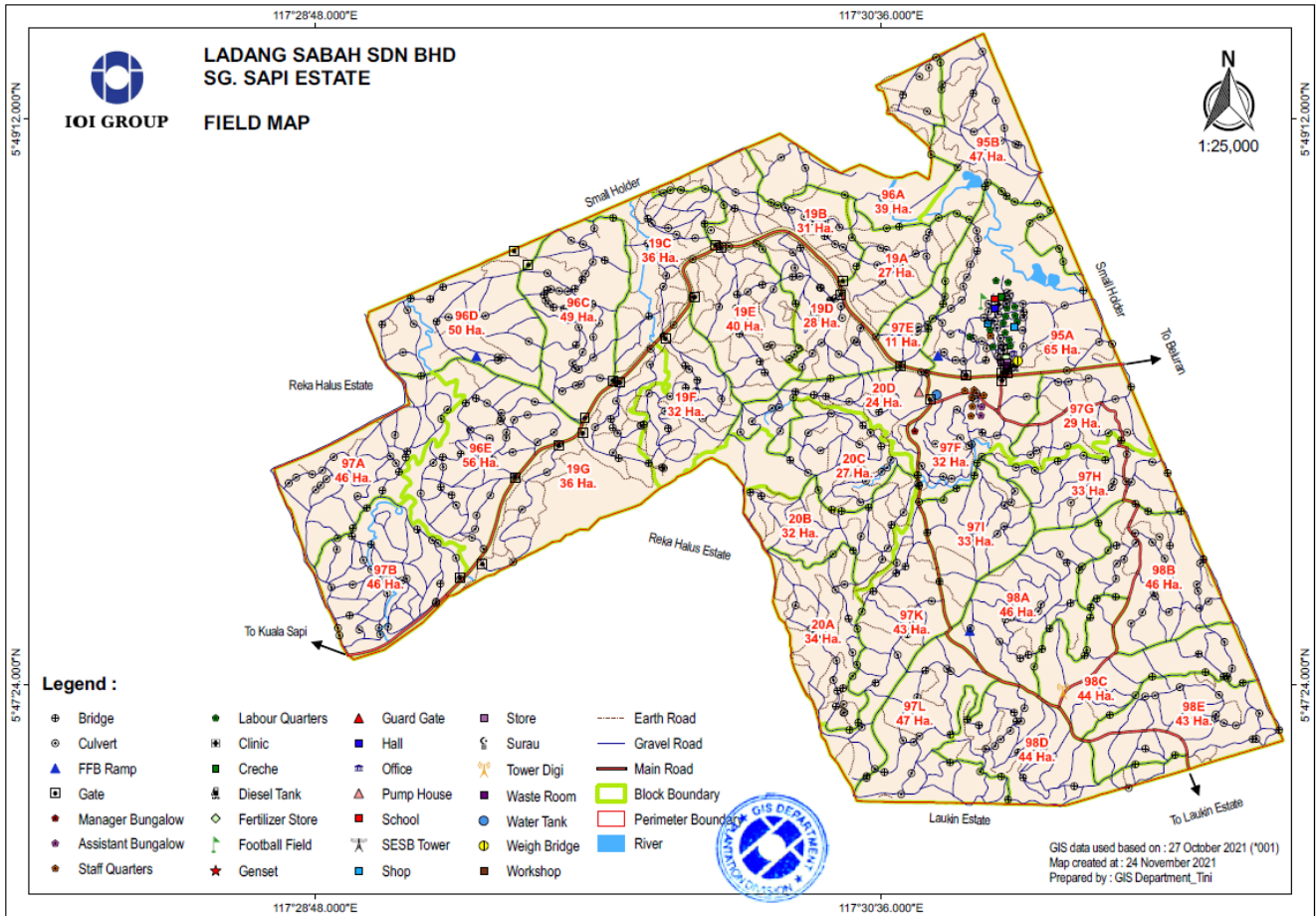




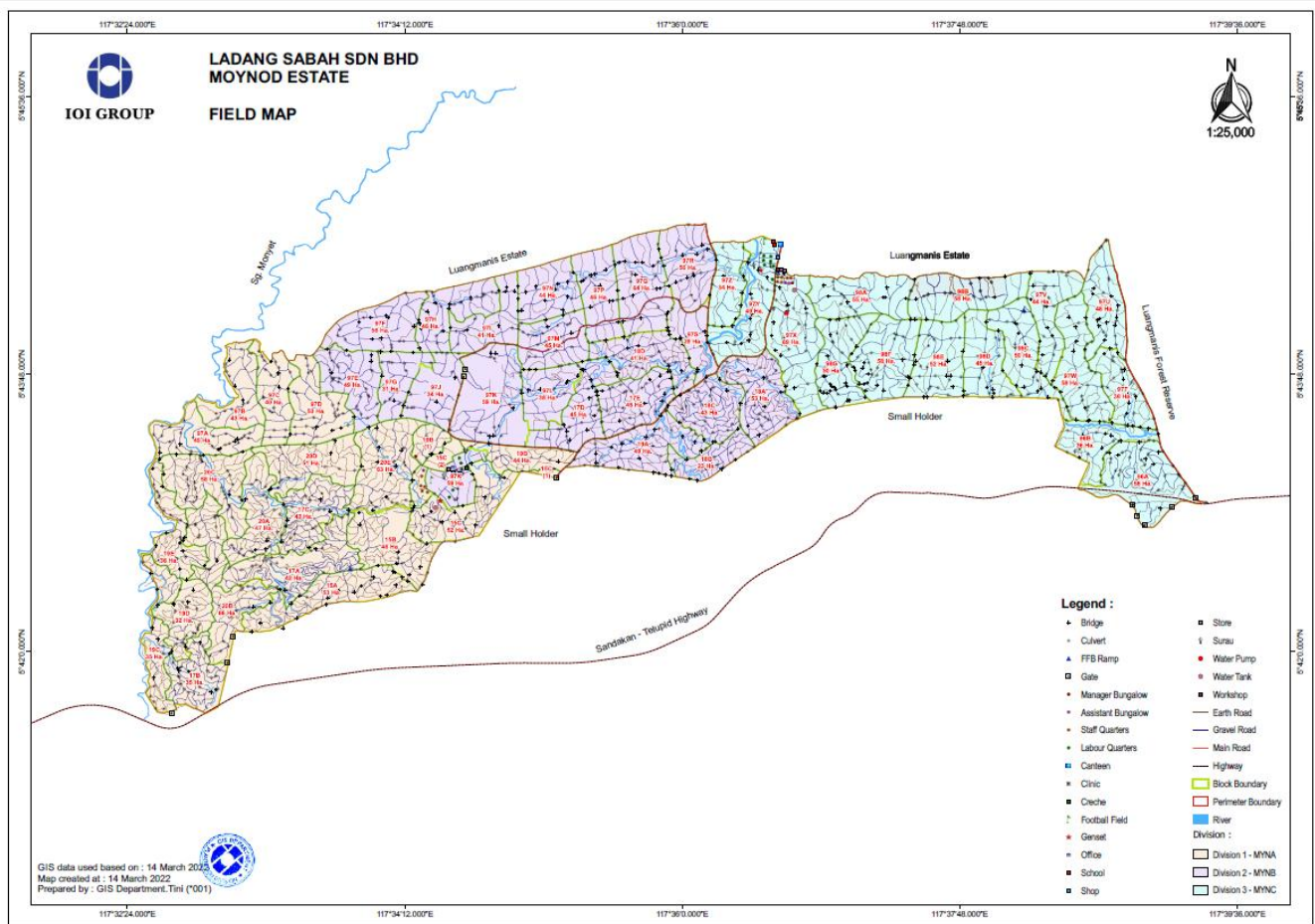
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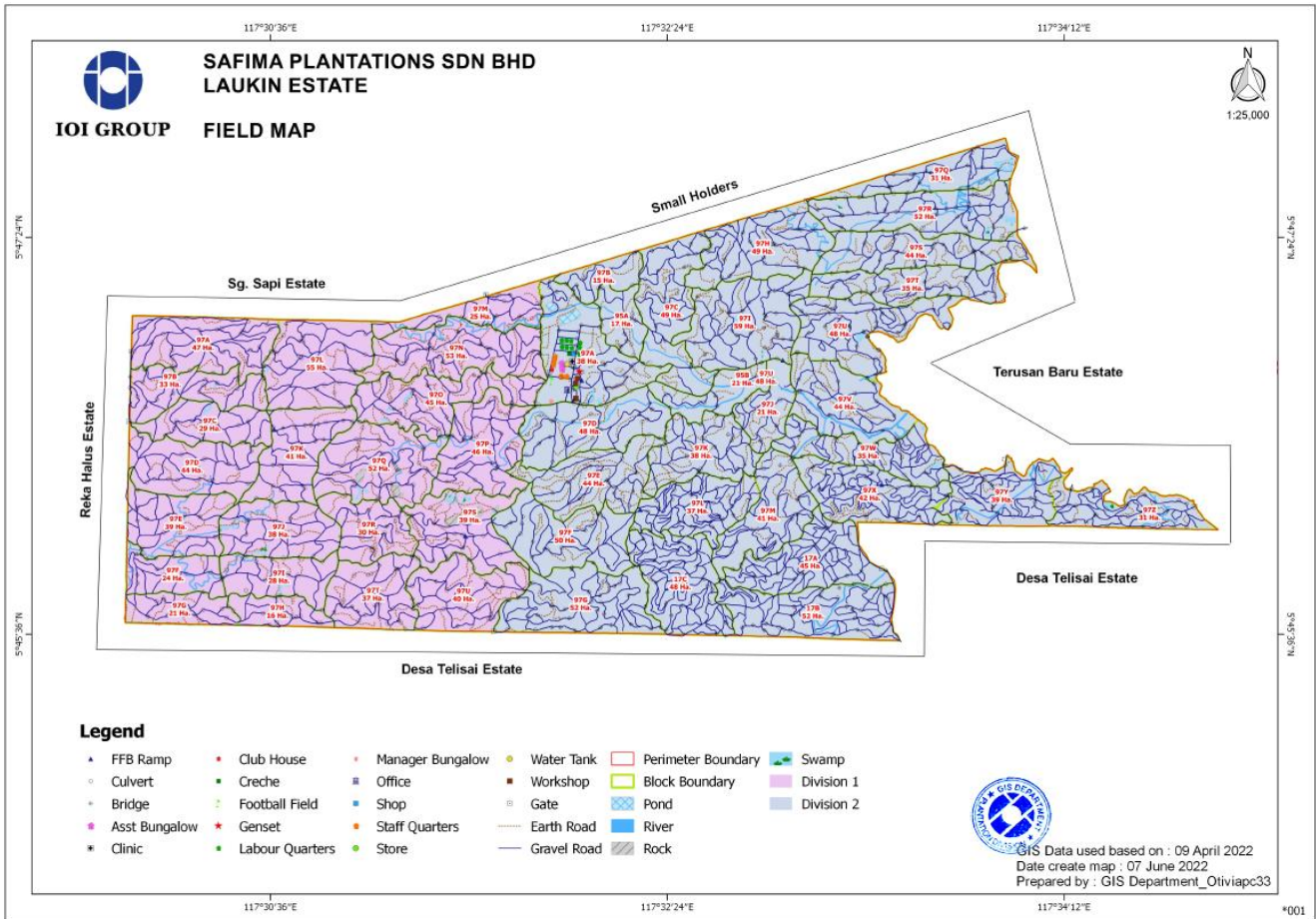
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Appendix D: List of Abbreviations

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