

**RSPO PRINCIPLE AND CRITERIA
PUBLIC SUMMARY REPORT**

- Initial Assessment
- Annual Surveillance Assessment (2_2)
- Recertification Assessment (Choose an item.)
- Extension of Scope

| |
|---|
| Client Company name (Parent Company): IOI Corporation Berhad |
| Client company Address: IOI City Tower 2, Lebuhr IRC, IOI Resort City 62502 Putrajaya, Malaysia |
| Certification Unit: Halusah Ladang Sdn Bhd – Sakilan Palm Oil Mill |
| Location of Certification Unit: Mile 22, Sandakan/ Telupid Road, W.D.T 164, 90009, Sandakan, Sabah |
| Date of Final Report: 16/04/2022 |

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Section 1: Scope of the Assessment

| 1. Company Details | | | |
|--|--|---------------------------------|--|
| Parent Company | IOI Corporation Berhad | | |
| RSPO Membership Number | 2-0002-04-000-00 | Membership Approval Date | 17/05/2004 |
| Address | IOI City Tower 2, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Malaysia. | | |
| Palm Oil Mill / Group Manager / Estate (Certification Unit) | Halusah Ladang Sdn Bhd – Sakilan Palm Oil Mill | | |
| Location / Address | Mile 22, Sandakan/ Telupid Road, W.D.T 164, 90009, Sandakan, Sabah | | |
| Website | www.ioigroup.com | | |
| Management Representative | William Siow Kar Dat (Sustainability Manager, Plantation Division, IOI HQ) | E-mail | william.siow@ioigroup.com |
| Telephone | +603-89478888 (Head Office) | Facsimile | +603-89432266 (Head Office) |

| 2. Certification Information | | | |
|---|---|--------------------------------|------------|
| Certificate Number | RSPO 543161 | Certificate Start Date | 08/03/2020 |
| Date of First Certification | 08/03/2010 | Certificate Expiry Date | 07/03/2025 |
| Scope of Certification | Production of Palm Oil and Palm Kernel | | |
| Visit Objectives | The objective of the assessment was to conduct an annual surveillance assessment 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 organisation's management system. | | |
| Assessment Cycle | <input type="checkbox"/> Pre Assessment (Choose an item.) <input type="checkbox"/> Initial Assessment <input checked="" type="checkbox"/> Annual Surveillance Assessment (ASA 2_2) <input type="checkbox"/> Recertification Assessment (Choose an item.) <input type="checkbox"/> Scope Extension | | |
| Applicable Standards / Normative Reference | RSPO Certification System for P&C and RSPO ISH 2020 <input type="checkbox"/> RSPO P&C 2018 for the Production of Sustainable Palm Oil <input checked="" type="checkbox"/> Malaysia National Interpretation 2019 for RSPO P&C 2018 for the Production of Sustainable Palm Oil | | |
| Supply Chain Module | <input checked="" type="checkbox"/> Identity Preserved; <input type="checkbox"/> Mass Balance | Mill Capacity | 40 mt/hr |
| ISH certification Phase | <input type="checkbox"/> Eligibility <input type="checkbox"/> Milestone A <input type="checkbox"/> Milestone B <input checked="" type="checkbox"/> Not Applicable | | |

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| 3. Other Certifications | | | |
|--------------------------------|--|-------------------------------|--------------------|
| Certificate Number | Standard(s) | Certificate Issued by | Expiry Date |
| MSPO 720886 | MS 2530-3: 2013 PART 3: GENERAL PRINCIPLES FOR OIL PALM PLANTATIONS AND ORGANISED SMALLHOLDERS | BSI Services Malaysia Sdn Bhd | 25/01/2023 |
| MSPO 720885 | MS 2530-4:2013 PART 4: GENERAL PRINCIPLES FOR PALM OILS MILLS | BSI Services Malaysia Sdn Bhd | 25/01/2023 |
| MSPO 720888 | MSPO Supply Chain Certification Standard, dated 1 October 2018 | BSI Services Malaysia Sdn Bhd | 02/02/2025 |

| 4. Location(s) of Mill & Supply Bases | | | |
|---|--|------------------------|------------------|
| Name (Mill / Supply Base / Group Manager / Smallholders) | Location | GPS Coordinates | |
| | | Latitude | Longitude |
| Sakilan Palm Oil Mill | Mile 22, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah | 05°50'21.74"N | 117°50'37.77" E |
| Sakilan Estate | Mile 22, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah | 05°50'49.11" N | 117°53'15.61" E |
| Linbar 1 Estate | Mile 45, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah | 05°32'58.63" N | 117°40'53.42" E |
| Linbar 2 Estate | Mile 45, Sandakan/ Telupid Road, WDT 164, 90009, Sandakan, Sabah | 05°30'8.31" N | 117°38'42.87" E |

| 5. Description of Supply Base | | | | | |
|--------------------------------------|--|---------------------|--|----------------------------|-------------------------|
| New Planting Development | <input checked="" type="checkbox"/> No (no change in total planted area) | | <input type="checkbox"/> Yes (please refer to Principle 7 for details) | | |
| Estate / Smallholders | Total Planted (Mature + Immature) (ha) | HCV (ha) | Infrastructure & Other (ha) | Total Area (ha) | % of Planted |
| Sakilan Estate | 2,094 | 0 | 202.37 | 2,296.37 | 91.19 |
| Linbar 1 Estate | 2,315 | 7.24 | 305.93 | 2,628.17 | 88.08 |
| Linbar 2 Estate | 1,933 | 0 | 278.83 | 2,211.83 | 87.39 |
| Total | 6,342 | 7.24 | 787.13 | 7,136.37 | 88.87 |

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| 6. Plantings & Cycle | | | | | | | |
|-----------------------|--------------|--------------|------------|--------------|------------|--------------|--------------|
| Estate / Smallholders | Age (Years) | | | | | Mature | Immature |
| | 0 - 3 | 4 - 10 | 11 - 20 | 21 - 25 | 26 - 30 | | |
| Sakilan Estate | 326 | 0 | 0 | 1,768 | 0 | 1,768 | 326 |
| Linbar 1 Estate | 100 | 1,822 | 393 | 0 | 0 | 2,215 | 100 |
| Linbar 2 Estate | 726 | 934 | 0 | 82 | 191 | 1,207 | 726 |
| Total (ha) | 1,152 | 2,756 | 393 | 1,850 | 191 | 5,190 | 1,152 |

| 7. Summary of Certified Tonnage of FFB (Own Certified Scope) | | | | |
|--|----------------------------------|--|---|---------------------------------|
| Estate / Smallholders | Tonnage / year | | | |
| | Estimated (Mar 2021 – Feb 22) | Actual (Nov 20 – Oct 21) | | Forecast (Mar 2022 – Feb 23) |
| | | Previous license period (Nov 20 – Feb 21) | Current license period (Mar 21 – Oct 21) | |
| Sakilan Estate | 34,783 | 11,588.55 | 25,451.51 | 31,606 |
| Linbar 1 Estate | 62,211 | 13,028.07 | 28,743.29 | 64,030 |
| Linbar 2 Estate | 18,771 | 4,090.76 | 10,835.64 | 23,259 |
| Total | 115,765 | 93,737.82 | | 118,895 |

| 8. Summary of Certified Tonnage of FFB (from other certified unit(s)) | | | | |
|---|----------------------------------|--|---|---------------------------------|
| Estate / Smallholders | Tonnage / year | | | |
| | Estimated (Mar 2021 – Feb 22) | Actual (Nov 20 – Oct 21) | | Forecast (Mar 2022 – Feb 23) |
| | | Previous license period (Nov 20 – Feb 21) | Current license period (Mar 21 – Oct 21) | |
| Terusan Baru Estate | | - | 1,331.07 | |
| Laukin Estate | | - | 624.09 | |
| Moynod Estate | | - | 371.94 | |
| Sungai Sapi Estate | | - | 286.90 | |
| Luangmanis Estate | | - | 534.11 | |
| Total | | 3,148.11 | | |

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| 9. Summary of Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) | | | | |
|---|-------------------------------|---|--|------------------------------|
| Out growers / smallholders | Tonnage / year | | | |
| | Estimated (Mar 2021 – Feb 22) | Actual (Nov 20 – Oct 21) | | Forecast (Mar 2022 – Feb 23) |
| | | Previous license period (Nov 20 – Feb 21) | Current license period (Mar 21 – Oct 21) | |
| Nil | | | | |
| Total | N/A | N/A | | N/A |

| 9A. Monthly Records of Certified and Uncertified FFB Received since the last audit | | | | |
|--|--------------|---|---|----------------------|
| No. | Month - Year | Volume of FFB from certified supply base (mt) | Volume of FFB from uncertified supply base (mt) | Total FFB/Month (mt) |
| 1 | Nov 20 | 7,246.680 | 0 | 7,246.680 |
| 2 | Dec 20 | 6,976.720 | 0 | 6,976.720 |
| 3 | Jan 21 | 6,004.000 | 0 | 6,004.000 |
| 4 | Feb 21 | 2,340.880 | 0 | 2,340.880 |
| 5 | Mar 21 | 6,139.100 | 0 | 6,139.100 |
| 6 | Apr 21 | 8,676.660 | 0 | 8,676.660 |
| 7 | May 21 | 10,459.130 | 0 | 10,459.130 |
| 8 | June 21 | 11,262.900 | 0 | 11,262.900 |
| 9 | July 21 | 9,492.670 | 0 | 9,492.670 |
| 10 | Aug 21 | 6,854.750 | 0 | 6,854.750 |
| 11 | Sept 21 | 11,231.110 | 0 | 11,231.110 |
| 12 | Oct 21 | 10,201.330 | 0 | 10,201.330 |
| | TOTAL | 96,885.93 | 0 | 96,885.93 |

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| 10. Summary of Certified Tonnage (not applicable for ISS) | | | |
|--|--|---|---|
| Estimated (Mar 2021 – Feb 22) | Actual (Nov 20 – Oct 21) | | Forecast (Mar 2022 – Feb 23) |
| | Previous license period (Nov 20 – Feb 21) | Current license period (Mar 21 – Oct 21) | |
| FFB | FFB | | FFB |
| 115,765 mt | 28,707.38 mt | 68,178.55 mt | 118,895 mt |
| | 96,885.93 mt | | |
| CPO (OER: 22.50 %) | CPO (OER: 22.20 %) | | CPO (OER: 22.00 %) |
| 26,048 mt | 6,219.44 mt | 15,285.98 mt | 26,152 mt |
| | 21,505.42 mt | | |
| PK (KER: 5.00 %) | PK (KER: 4.15 %) | | PK (KER: 4.00 %) |
| 5,788 mt | 1,108.03 mt | 2,916.51 mt | 4,803 mt |
| | 4,024.54 mt | | |

| 10A. Monthly Records of Certified CPO & PK since the last audit | | | |
|--|---------------------|---------------------------|--------------------------|
| No. | Month - Year | Certified CPO (mt) | Certified PK (mt) |
| 1 | Nov 20 | 1,617.50 | 282.32 |
| 2 | Dec 20 | 1,558.32 | 249.88 |
| 3 | Jan 21 | 1,222.54 | 229.49 |
| 4 | Feb 21 | 494.85 | 91.51 |
| 5 | Mar 21 | 1,326.23 | 254.83 |
| 6 | Apr 21 | 1,941.31 | 353.05 |
| 7 | May 21 | 2,348.12 | 438.40 |
| 8 | June 21 | 2,559.00 | 407.95 |
| 9 | July 21 | 2,062.75 | 379.56 |
| 10 | Aug 21 | 1,382.71 | 377.97 |
| 11 | Sept 21 | 2,584.94 | 505.02 |
| 12 | Oct 21 | 2,407.15 | 454.56 |
| | TOTAL | 21,505.42 | 4,024.54 |

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| 11. Summary of Actual Volume sold | | | | | |
|--|----------------|-------------------------|--------|--------------|-----------|
| Current License period (Mar 21 – Oct 21) | | | | | |
| | RSPO Certified | Other Schemes Certified | | Conventional | Total |
| | | ISCC | Others | | |
| CPO (MT) | 11,721.58 | - | - | - | 11,721.58 |
| PK (MT) | 2,561.38 | - | - | - | 2,561.38 |
| Credits | - | - | - | - | - |
| Previous License period (Nov 20 – Feb 21) | | | | | |
| CPO (MT) | 5,803.67 | - | - | - | 5,803.67 |
| PK (MT) | 919.46 | - | - | - | 919.46 |
| Credits | - | - | - | - | - |

Note:
 Conventional is RSPO certified material but sold as non-RSPO.

| 11A. Records of Certified CPO & PK Sold under PalmTrace since the last audit (if any) | | | | |
|--|-------------------------------|----------------------------------|-------------------------|------------------------|
| No. | Buyers Name | Palmtrace Trading License Number | Certified CPO Sold (mt) | Certified PK Sold (mt) |
| 1 | IOI Commodity Trading Sdn Bhd | RSPO_PO1000003601 | 17,525.25 | 3,480.84 |
| TOTAL | | | 17,525.25 | 3,480.84 |

| 11B. Records of CPO & PK Sold under other schemes since the last audit (if any) | | | | |
|--|-------------|-------------|---------------|--------------|
| No. | Buyers Name | Scheme Name | CPO Sold (mt) | PK Sold (mt) |
| | Nil | | | |
| TOTAL | | | N/A | N/A |

| 11C. Records of CPO & PK Sold as conventional since the last audit (if any) | | | |
|--|-------------|---------------|--------------|
| No. | Buyers Name | CPO Sold (mt) | PK Sold (mt) |
| | Nil | | |
| TOTAL | | N/A | N/A |

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| 11D. Records of Certified CPO Sold under RSPO Credits since the last audit (if any) | | | |
|---|-------------|----------------------------------|---|
| No. | Buyers Name | PalmTrace Trading License Number | RSPO Credits of Certified CPO Sold (mt) |
| | Nil | | |
| TOTAL | | | N/A |

| 12. Independent Smallholders Certified Tonnage / Volume | | | | | | | | | |
|---|---|------|------|----------------------------------|------|------|------------------------------------|------|------|
| Phase | Estimated last year <i>(key in period)</i> | | | Actual <i>(key in period)</i> | | | Forecast <i>(key in period)</i> | | |
| | Eligibility | MS A | MS B | Eligibility | MS A | MS B | Eligibility | MS A | MS B |
| | 40% | 70% | 100% | 40% | 70% | 100% | 40% | 70% | 100% |
| FFB | | | | | | | | | |
| IS-CSPO | | | | | | | | | |
| IS-CSPKO | | | | | | | | | |
| IS-CSPKE | | | | | | | | | |

| 13. Independent Smallholders Actual Sold Tonnage / Volume | | | | | | |
|---|-----|------------------|-------------------|---------|---------|----------|
| | FFB | FFB Conventional | FFB Other schemes | IS-CSPO | IS-CSPK | IS-CSPKE |
| Current License period (<i>key in period</i>) | | | | | | |
| Credits | | | | | | |
| Physical | | | | | | |

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn. Bhd. (ASI Accreditation Number: ASI-ACC-067)
Suite 29.01 Level 29, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.
Tel +60 (3) 9212 9638 Fax +60 (3) 9212 9639
Representative: Nicholas Cheong (Nicholas.Cheong@bsigroup.com)
Website: www.bsigroup.com

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 is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia.

2.1 Assessment Methodology, Programme, Site Visits

The on-site assessment was conducted on **15-18/11/2021**. The audit programme is included as Section 2.3.

The approach to the audit was to treat the mill and supply base as an RSPO Certification Unit. A range of occupational health and safety, environmental, best practice management, and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas, local communities engagement and workers welfare and safety.

The Critical NC close out on-site assessment was conducted on **4/2/2022**. The audit programs are included in Section 2.3.

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. Malaysia National Interpretation 2019 of the RSPO P&C 2018 was used as the normative reference to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula $N = (\sqrt{y}) \times (z)$ where y is the number of estates and where z is the multiplier defined by risk assessment. While, the sampling of smallholders were based on the formula $(\sqrt{y}) \times (z)$; where y is total number of group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix E.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO 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 3.4.

The non-conformities for this audit are detailed in Section 3.3 and unless it is stated in this section, all previous nonconformities including minor nonconformities are remains closed.

This report is structured to provide a summary of assessment finding as provided in Appendix A. The assessment was conducted based on risk based approach sampling and therefore nonconformities may exist.

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For Initial, Re-certification and Extension of Scope assessment, the report was externally reviewed by approved external peer reviewer prior to certification 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 / Supply Base) | Year 1 (Certification) | Year 2 (ASA 2_1) | Year 3 (ASA 2_2) | Year 4 (ASA 2_3) | Year 5 (ASA 2_4) |
| Sakilan POM | √ | √ | √ | √ | √ |
| Sakilan Estate | √ | √ | √ | √ | √ |
| Linbar I Estate | √ | √ | √ | √ | √ |
| Linbar 2 Estate | √ | √ | √ | √ | √ |

Tentative Date of Next Visit: November 14, 2022 - November 17, 2022

Total Number of Mandays: 12 man days

2.2 BSI Assessment Team

| Name | Role | Competency |
|----------------------------------|-------------|--|
| Mohamed Hidir Zainal Abidin (MH) | Team Leader | <p>Education: Holds a Bachelor Degree in Chemical Engineering from National University of Malaysia.</p> <p>Work Experience: He has 10 years working and auditing experience in palm oil industry specifically on palm oil milling for 5 years.</p> <p>Training attended: Completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course, Endorsed RSPO P&C Lead Auditor Course, MSPO Awareness Training and Endorsed RSPO SCCS Lead Auditor Course. Attended HCV and HCS requirement training and SMETA requirement training.</p> <p>Aspect covered in this audit: Economic management plan, mill best practices, estate best practices, natural and biodiversity conservation, Waste management, GHG and HCV. Supply Chain, General Custody of Chain, Rules on Market Communications & Claims.</p> <p>Language proficiency: Fluent in English and Bahasa Malaysia</p> |
| Amir Bahari (AB) | Team Member | <p>Education: Holds a Bachelor Degree in Science (Hons) Chemistry from USM & Diploma in Palm Oil Milling Tech/Management from MPOB.</p> <p>Work Experience: He has 30 years been experience in the plantations industry including managing rubber factories, palm oil mills and estates. During the tenure of employment he has been trained as an auditor in ISO 9001, ISO 14001, OHSAS 18001 & also RSPO. He has accumulated 38 mandays in the auditing profession after ending career in the plantation industry.</p> <p>Training attended: Completed the ISO 14001 Lead Auditor Course and Endorsed RSPO P&C Lead Auditor Course. He also attended HCV Awareness for RSPO/MSPO auditors and RSPO HCV Audit Guidelines on April 2021.</p> |

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| | | |
|-----------------------|-------------|--|
| | | <p>Aspect covered in this audit: Occupation Health Safety requirement, HIRARC, Environment responsibility, training, environment impact assessment and management plan.</p> <p>Language proficiency: Fluent in Bahasa Malaysia and English.</p> |
| Rahayu Zul kifli (RZ) | Team Member | <p>Education: Holds a Law Degree from John Moores University, Liverpool, United Kingdom in 1988.</p> <p>Work Experience: She was a practicing lawyer before she joined several public listed companies as Head of Legal Department. In 2003 she joined an environmental NGO as a turtle conservationist, and in 2014 joined RSPO as Dispute Settlement Facility Manager. Rahayu is now a freelance auditor specializing in social aspects of the RSPO and MSPO standards, with audit experiences in Malaysia, Indonesia and Ghana. Additionally, she also assists in HCV assessments (in particular HCV 5 & 6), as well as carry out Social Impact Assessments. Rahayu is also a trained and certified Mediator.</p> <p>Training attended: RSPO-endorsed Lead Auditor course, ISO 14001 Lead Auditor course, MSPO Awareness Training in 2016, and RSPO-endorsed Lead Auditor Refresher course.</p> <p>Aspect covered in this audit: During this assessment, she assessed on the aspects of legal, social and stakeholder engagement.</p> <p>Language proficiency: Able to communicate in Bahasa Malaysia and English.</p> |

Accompanying Persons: Nil

1.3 Assessment Plan

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

| Date | Time | Subjects | MH | RZ | AB |
|--|--------------------------|--|----|----|----|
| Sunday 14/11/2021 | PM | Audit team travel to Sandakan via AK5194. Check in at Pavilion Hotel, Labuk | √ | √ | √ |
| Monday 15/11/2021 Sakilan POM | 0730 0830 0900 | Audit team travel to Sakilan POM Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). • Verification on previous audit findings | √ | √ | √ |

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| | | | | | |
|---|-------------|--|---|---|---|
| | 0830 - 1200 | <p>Sakilan POM Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc. Visit to laboratory, weighbridge and palm product storage area.</p> <p>RSPO Supply chain requirements for mill</p> <ul style="list-style-type: none"> - Identity Preserved Module - Internal Audit - Outsourcing activities - Purchasing and Goods In - Sales and Goods Out - Outsourcing Activities - Record keeping - Extraction Rate - Processing - Registration of transaction - Claims | √ | √ | √ |
| | | | √ | - | - |
| | 1230 - 1330 | Meeting with stakeholders (Government, village rep, smallholders, workers representative, contractor etc.) | - | √ | - |
| | 1230 - 1330 | Lunch | √ | √ | √ |
| | 1330 - 1630 | <p>Sakilan POM Document Review P1 – P7: SOPs. Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc</p> | √ | √ | √ |
| | 1630 - 1700 | Interim Closing Briefing | √ | √ | √ |
| Tuesday 16/11/2021 Linbar 2 Estate | 0730 | Audit team travel to Linbar 2 estate | √ | √ | √ |
| | 0830 - 1200 | Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc. | | | |
| | 1000 - 1230 | Meeting with stakeholders (Government, village rep, smallholders, workers representative, contractor etc.) | - | √ | - |
| Wednesday 17/11/2021 Linbar 1 Estate | 0730 | Travel to Linbar 1 Estate | √ | √ | √ |
| | 0830 - 1200 | Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc. | | | |

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| | | | | | |
|------------------------|-------------|--|---|---|---|
| | 1000 - 1230 | Meeting with stakeholders (Government, village rep, smallholders, workers representative, contractor etc.) | - | √ | - |
| | 1230 - 1330 | Lunch break | √ | √ | √ |
| | 1330 - 1630 | Linbar 1 Estate Document review P1 – P7: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc). | √ | √ | √ |
| | 1630 - 1700 | Interim Closing Briefing | √ | √ | √ |
| Thursday 18/11/2021 | 0730 | Travel to Sakilan Estate | √ | √ | √ |
| Sakilan Estate | 0830 - 1200 | Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc. | | | |
| | 1000 - 1230 | Meeting with stakeholders (Government, village rep, smallholders, workers representative, contractor etc.) | - | √ | - |
| | 1230 - 1330 | Lunch break | √ | √ | √ |
| | 1330 - 1630 | Sakilan Estate Document review P1 – P7: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc). | √ | √ | √ |
| | 1630 - 1700 | Presentation of finding and closing meeting | √ | √ | √ |
| Friday 19/11/2021 | AM | Audit team travel back to KL via AK 5193 | √ | √ | √ |

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Major NC close out verification

| Time | Subjects | Mohd Hidhir |
|--|---|-------------|
| Thursday 3/2/2022 | Audit team travel to Sandakan via AK5196 ETA 1805. Check-in at Pavilion Hotel, Sandakan | √ |
| Friday 4/2/2022 08.30 – 09.15 Sakilan Estate | Opening Meeting <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Briefing on verification plan | √ |
| 09.15 – 10.30 | Sakilan Estate – Verification on previous Major NC. Site observation (if required), worker’s interview (individual and group session) Document review – implemented evidence | √ |
| 11.30 – 12.00 | Closing meeting (conclusion and recommendation). Audit travel to Sandakan | √ |
| PM | Audit team travel back via AK5195 ETD 1615. | |

Section 3: Assessment Findings

3.1 Multiple Management Units and Time Bound Plan

| Requirement | Assessment | Compliance |
|---|---|------------|
| Does the time bound plan include all current subsidiaries, estates and mills that is under the control and/or minor shareholding of the holding company? | Yes. Refer to IOI Corporation Berhad Time Bound Plan updated as of 31 st December 2021 | Complied. |
| Have all the estates and mills certified within five (5) years after obtaining RSPO membership? | No. Refer to IOI Corporation Berhad Time Bound Plan updated as of 31 st December 2021 and IOI ACOP 2020 under Time Bound Plan section (Section 4.2.1) which was submitted to RSPO. The ACOP Report states that IOI Corporation Berhad plans to achieve 100% RSPO Certification for all estates and mill by 2023. https://www.rspo.org/members/62/IOI-Group | Complied |
| Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three (3) years from the date of acquisition. Certification plan for the new acquisition shall be available. | No new acquisition as to date. | Complied |
| Any deviations from the maximum periods requires approval by the RSPO Secretariat. | No deviations | Complied |
| Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting? | There has been no any changes to the time bound plan since the last audit. Refer to IOI Corporation Berhad Time Bound Plan updated as of 31 st December 2021. This is consistent with the ACOP Reporting last submitted for 2020. | Complied |
| Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised | No. Refer to IOI Corporation Berhad Time Bound Plan updated as of 31 st December 2021 and IOI ACOP 20202 under Time Bound Plan section (Section 4.2.1) which was submitted to RSPO. There has not been any isolated lapses in implementation of the plan. | Complied |
| Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a Major non-compliance shall be raised | No. Refer to IOI Corporation Berhad Time Bound Plan updated as of 31 st December 2021 and IOI ACOP 2020 under Time Bound Plan section (Section 4.2.1) which was submitted to RSPO. There has not been any isolated lapses in implementation of the plan. | Complied |
| Un-Certified Units or Holdings | | |
| No replacement of primary forest or any area required to maintain or enhance HCVs and HCS in accordance with RSPO P&C criterion 7.12. | No replacement of primary forest or any area required to maintain or enhance HCVs and HCS in accordance with RSPO P&C criterion 7.12. | Complied |
| Any new plantings since January 1 st 2010 shall comply with the RSPO New Plantings Procedure. | The concession in Indonesia PT. KPAM had undergone the NPP process prior to any new planting. RSPO has approved PT.KPAM NPP | Complied |

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| | | |
|--|--|-----------------|
| | <p>Summary Report and was published in RSPO website for public notification on 13 April 2018.</p> <p>The NPP public notification could be assessed through the link below: https://rspo.org/certification/new-planting-procedure/public-consultations/page/2?</p> <p>HCSA Peer Review Assessment completed on 14 May 2018. The HCSA Peer Review Report and Summary Report could be assessed through the link below: http://highcarbonstock.org/wp-content/uploads/2018/05/PRR-PT.-KPAM.pdf</p> | |
| <p>Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8.</p> | <p>Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility as per the link below: https://askrspo.force.com/Complaint/s/case/50090000028ErzqAAC/detail</p> <p>This is further check in the website: https://www.rspo.org/certification/remediation-and-compensation/racp-tracker.</p> <p>Only 1 (one) management unit identified with potential liability and require concept note and remediation plan as reported in case tracker.</p> <p>Further information on the current progress is currently available in IOI Corporation Berhad's Website: https://www.ioigroup.com/Content/S/S_Progress</p> | <p>Complied</p> |
| <p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2</p> | <p>The were no labour dispute reported</p> | <p>Complied</p> |
| <p>Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1</p> | <p>There was no legal non-compliance reported.</p> | <p>Complied</p> |
| <p>Did the company conduct internal audit for those uncertified estates against the uncertified management units requirement and covering the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12? If yes, a positive assurance statement shall be available and justified.</p> | <p>Yes. Internal audit was carried out for IOI Pelita Plantation Sdn Bhd (Sejap and Tegai Estate) and SNA Group on November 2020. Positive assurance statement was made based on the audit results.</p> | <p>Complied</p> |
| <p>Are there any Critical (Major) non-compliance raised against any of the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12 during the last internal audit of the uncertified estates? If yes is the NC(s) actively addressed with RSPO?</p> | <p>No non-compliance raised against any of the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12 during the last internal audit of the uncertified estates</p> | <p>Complied</p> |

| | | |
|---|----------------------------------|----------|
| Have there been any stakeholder (including NGO) consultation conducted? | No stakeholder comments recorded | Complied |
|---|----------------------------------|----------|

3.2 Progress of scheme smallholders and/or outgrowers

| Progress of scheme smallholders or outgrowers towards compliance with relevant standards | | |
|---|----------------|-------------------|
| Requirement | Remarks | Compliance |
| <p>Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?</p> <p>OFI shall be raised if after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met after three years.</p> | Not Applicable | Complied |

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Approved Time Bound Plan

Details of IOI Corporation Berhad Time Bound Plan updated as of 31st December 2021

| No | PMU | Supply Bases (Estate Name) | Main Assessment | Certification Status | Status | Updated Information on Minimum Requirements for Multiple Management Units, Clause 4.5.1 RSPO Certification Systems for Principles & Criteria |
|----|--------------------------|--|-----------------|-------------------------------|--|--|
| 1. | Pamol (Sabah) POM, Sabah | Meliau, Nangoh, Rungus, Tindakon, Ulu, Sugut & Bayok | May 2008 | Re-Certified in November 2016 | Recertification audit : 30% remote audit done in Aug'21. Pending for follow-up onsite audit. | No outstanding issues |
| 2. | Sakilan POM | Sakilan, Linbar 1 and Linbar 2 | Nov 2008 | Re-Certified in Mar 2020 | ASA-02: audit completed in November 2021 | No outstanding issues |
| 3. | Pamol Kluang POM | Pamol Timur, Pamol Barat, Mamor, Unijaya, Kahang and Swee Lam | Mar 2009 | Re-Certified in Apr 2020 | ASA-02 audit completed in November 2021 | No outstanding issues |
| 4. | Gomali POM | Gomali, Paya Lang, Bahau, Bertam, Bukit Dinding, Kuala Jelai, Tambang, Regent, Sagil, and Jasin Lalang | Aug 2009 | Re-Certified in Oct 2020 | ASA-01 audit completed in July 2021 | No outstanding issues |
| 5. | Baturong POM | Baturong 1, Baturong 2, Baturong 3 and Cantawan | Sept 2009 | Re-Certified in Oct 2020 | ASA-01: 30% remote audit done in July'21. 70% onsite audit completed in November 2021. | No outstanding issues |
| 6. | Bukit Leelau POM | Bukit Leelau, Detas, Merchong, Mekassar, Leepang A and Laukin A | Apr 2010 | Re-Certified in Nov 2015 | ASA-01: completed in September 2021 | No outstanding issues |
| 7. | Mayvin POM | Mayvin 1, Mayvin 2, Mayvin 5, Mayvin 6 and Tangkulap | Aug 2010 | Re-Certified in Dec 2015 | ASA-01: 30% remote audit done in Oct'21. Pending for follow-up onsite audit. | No outstanding issues |

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|-----|---------------------|--|-----------------|-------------------------------|---|--|
| 8. | Pukin POM, Pahang | Pukin, Shahzan 1, Shahzan 2, Segamat and Bukit Serampang | Dec 2010 | Re-certified in June 2016 | Recertification audit completed in March 2021 | No outstanding issues |
| 9. | Leepang (Sabah) POM | Morisem 5, Leepang 1, Leepang 5, Permodalan 1, Permodalan 2, Permodalan 3, and Permodalan 4 | Aug 2012 | Re-certified in December 2018 | ASA-03: 30% remote audit done in Aug'21. 70% onsite audit completed in November 2021. | No outstanding issues. |
| 10. | Syarimo POM | Syarimo 1, Syarimo 2, Syarimo 3, Syarimo 4, Syarimo 5, Syarimo 6, Syarimo 7, Syarimo 8 and Syarimo 9 | Sept 2012 | Re-certified in Mar 2018 | ASA-03: 30 % remote audit conducted in January 2021. 70% onsite audit completed in April 2021. | No outstanding issues |
| 11. | Ladang Sabah POM | Moynod, Luangmanis, Terusan Baru, Sungai Sapi, Laukin, Labuk, Bimbingan 1, and Bimbingan 2 | Oct 2012 | Re-certified in July 2018 | ASA-03: 30 % remote audit conducted in February 2021. 70% onsite audit completed in March 2021. | No outstanding issues |
| 12. | Morisem POM, Sabah | Morisem 1, Morisem 2, Morisem 3, Morisem 4, Leepang 2, Leepang 3, and Leepang 4 | Sept 2013 | Re-certified in December 2018 | ASA-03: audit completed in November 2021 | No outstanding issues |
| 13. | Unico POM-1, Sabah | Unico 6, Ladang Asas (Tas & Halusah), 31 (Outgrowers & Smallholders) | Planned - 2018 | Certified in July 2018 | ASA-03 audit completed in April 2021. | No outstanding issues Outgrowers and Smallholders are not part of the certified area |

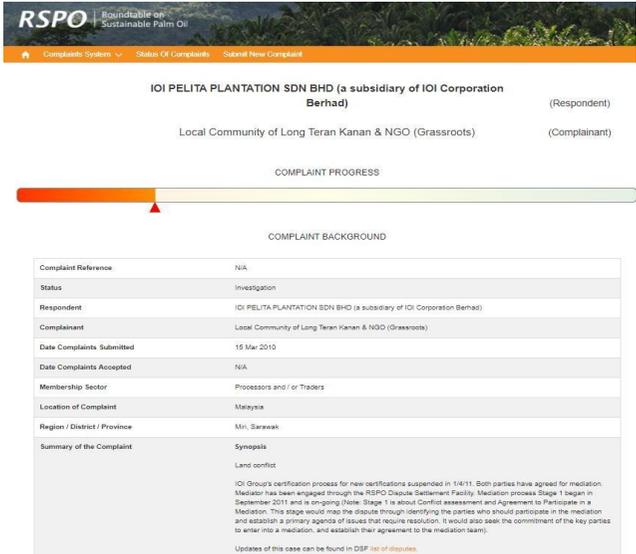
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|-----|-------------------------|--|--|-------------------------|---|---|
| 14. | Unico Desa POM-2, Sabah | Unico 1, Unico 2, Unico 3, Unico 4, Unico 5 and 17 (Outgrowers & Smallholders) | Dec 2017 | Certified in May 2018 | ASA-03 audit completed in March 2021. | No outstanding issues Outgrowers and Smallholders are not part of the certified area |
| 15. | IOI – Pelita, Sarawak | Sejap and Tegai | Planned – TBC as it is under the resolution process | Uncertified Unit | IOI – Pelita (Sarawak) is in the resolution process (under RSPO CP) | <p><u>Stage 3: Negotiations for Final Settlement</u></p> <p>As soon as the Movement Control Order (MCO) was lifted, IOI Pelita held the second round of negotiations with all eight communities, one at a time, on 23-25 September 2021. Similar to the first round of negotiations, the meetings were observed by RSPO and other relevant stakeholders such as the Sarawak State government representatives. Due to Covid-19 travel restrictions some participants had opted to join the process via Zoom. The meetings were videotaped and recorded.</p> <p>All eight communities provided their response to IOI Pelita’s settlement offers.</p> <p>Long Jegan community made two requests for the Sarawak State Government:</p> <ul style="list-style-type: none"> To provide reassurance that the excised land will not be given to anyone else but the 8 community groups participating in the resolution process, and To appointment of facilitator for the process of dividing the excised land among the community groups. <p>The eight community, LTKB, asked IOI Pelita to excise 300 ha of IOI Pelita planted land (the land IOI Pelita keeps) and return it back to LTKB. This, however, is legally impossible. IOI Pelita is a leaseholder and it can only surrender the land to the Sarawak State Government. This fact was explained to the LTKB community but the community stood firmly by its demand.</p> <p>As soon as the 2nd round of negotiations ended on Saturday, September 25th, IOI Pelita, Dr Ramy Bulan, and all government agencies participating in</p> |

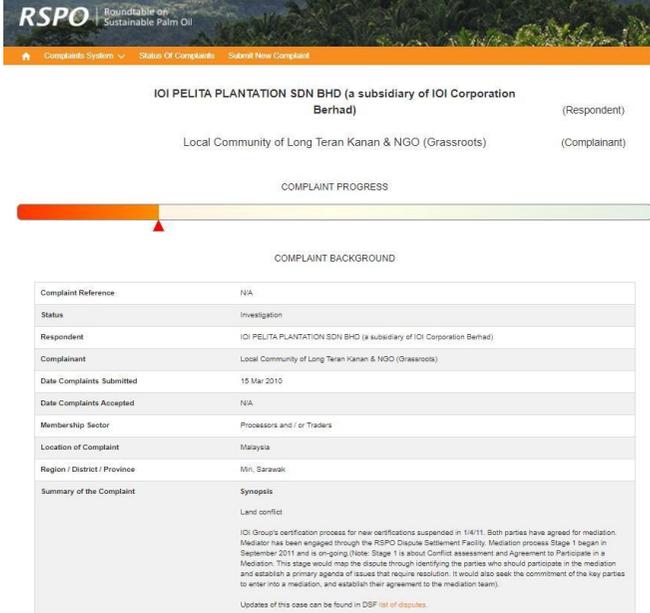
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|----|-----|----------------------------|-----------------|----------------------|--------|--|
| | | | | | | <p>the negotiations recognized the need to address Long Jegan’s concerns and came up with a detailed action plan aimed at providing all communities with more clarity and reassurance as to how the Sarawak State Government will handle the question of land titling and which agency will play a facilitation role and help communities divide the excised land among themselves.</p> <p>In October 2021, IOI Pelita held several meetings with the Sarawak State Government representatives to address communities’ remaining concerns regarding the status of the 4,615 hectares of land that IOI Pelita agreed to surrender.</p> <p>An inter-governmental meeting held on 2 December 2021 decided that Resident of Miri Office, acting on behalf of the Sarawak State Government, will meet each affected community to:</p> <ul style="list-style-type: none"> Inform them that the land surrendered by IOI Pelita will be gazetted as communal land under Section 6 of the Land Code, with all 8 communities as trustees, Ask for communities’ consent to allow a licensed surveyor to conduct a survey of the excised land as it is the necessary step for publishing the gazette, Reassure them that the survey will take into account the results of the Community Participatory Mapping conducted by CICOM, explain that it will be entirely up to the communities how they divide the gazetted land among themselves. <p><u>Progress on Stage 2: Community Participatory Mapping</u></p> |

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|----|-----|----------------------------|-----------------|----------------------|--------|---|
| | | | | | | <p>Handing over of the ex-gratia payment ceremony has been conducted on 5th September 2019 in Miri involving members from 4 main communities respectively. Second stage of the Resolution Plan, 3D Community Participatory Mapping, started in August 2019. Technical assistance to the affected communities is being provided by CICOM. By mid-March 2020, six out of nine affected communities had their surveys done. Unfortunately, at that point, the coronavirus outbreak reached Sarawak and the government issued Movement Control Order. The Community Participatory Mapping had to be put on hold.</p>  |

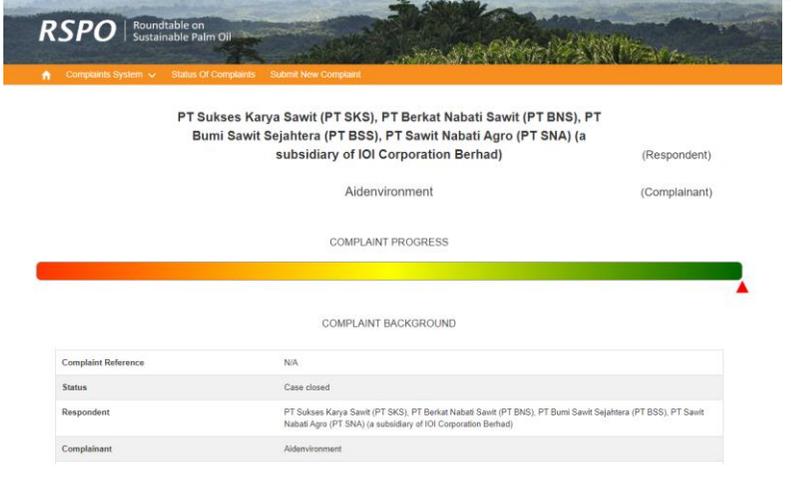
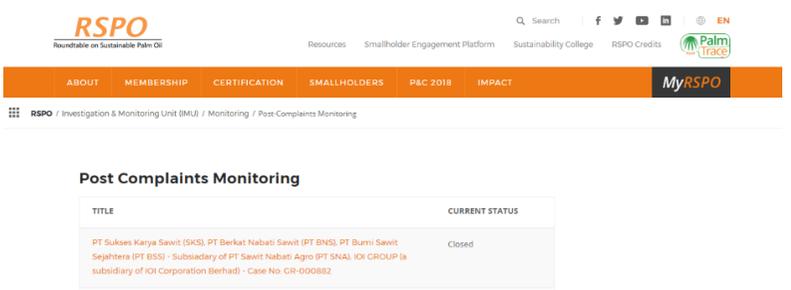
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|----|-----|----------------------------|-----------------|----------------------|--------|--|
| | | | | | |  <p>Further and updated progress of this issue could be access through the link below;</p> <p>IOI Pelita Land Dispute Resolution Plan Current progress on IOI Pelita Land Dispute Resolution Process https://www.ioigroup.com/Content/MEDIA/M_Media?Category=7 RSPO Case Tracker – IOI Pelita Status of Complaints IOI Pelita & Stakeholders Reaching a Breakthrough</p> <p>Internal audit for Sejap Estate have been completed in November2020</p> |

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|-----|-------------------|----------------------------|-----------------------|-------------------------|---|--|
| 16. | PT SKS, Indonesia | SKS 1, SKS 2, and SKS 3 | Planned - 2022 | Uncertified Unit | RSPO Stage 1 was conducted in September 2019. | <p>RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018. IOI will continue to work with the RSPO Investigate and Monitoring Unit on the implementation of its Action Plans to ensure continuous sustainable development. First and Second quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigate and Monitoring Unit in December 2018 and February 2019 respectively.</p> <p>On 15th April 2019, RSPO's official announced "that the monitoring of the implementation of the Complaints Panel directives for "PT Sukses Karya Sawit (SKS), PT Berkat Nabati Sawit (PT BNS), PT Bumi Sawit Sejahtera (PT BSS) - Subsidiary of PT Sawit Nabati Agro (PT SNA), IOI GROUP (a subsidiary of IOI Corporation Berhad) - Case No: GR-000882 " is now officially closed."</p> <p>IOI received an email from RSPO that "the Investigation & Monitoring Unit (IMU) of the RSPO Secretariat had finalized the internal review of the action plan and progress reports submitted by IOI against the Complaints Panel's directives and the IMU concluded that IOI has successfully met all the requirements set by the Complaints Panel."</p> <p>Further and updated progress of this issue could be access through the link below;</p> <p>(a) RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS</p> <p>(b) RSPO Case Tracker – PT BSS, PT SKS & PT. BNS Status of Complaints</p> |

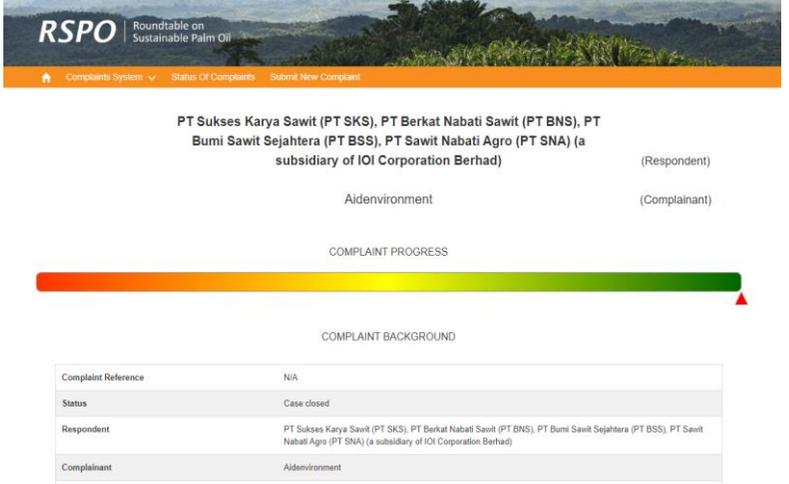
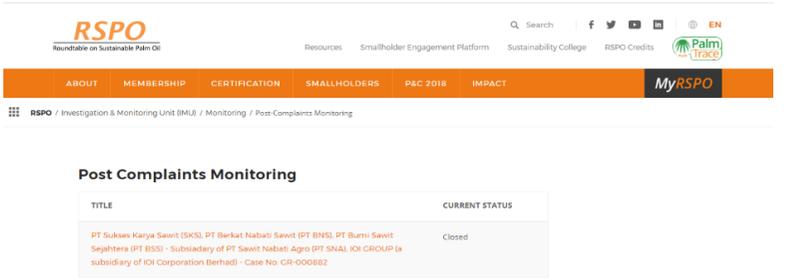
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| No | PMU | Supply Bases (Estate Name) | Main Assessment | Certification Status | Status | <p>Updated Information on Minimum Requirements for Multiple Management Units, Clause 4.5.1 RSPO Certification Systems for Principles & Criteria</p>  <p>(c) RSPO Post-Complaints Monitoring</p>  <p>The Stage 1 of RSPO P&C audit was conducted on 9th – 12th September 2019 by BSI</p> |
|----|-----|----------------------------|-----------------|----------------------|--------|--|
| | | | | | | |

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|-----|-------------------|-------------------------------|-----------------------|-------------------------|--|--|
| | | | | | | <p>Due to the pandemic issue, certification preparation was affected such HGU process and as well as on ground preparation. Hence, the main assessment audit expected to be conducted in year 2021. The postponement of the main assessment have been communicated and approved by RSPO. In November 2020, PT. SKS internal audit have been conducted.</p> <p>Date of RSPO main assessment audit have been proposed to CB to be conducted in Mid 2022</p> |
| 17. | PT BNS, Indonesia | BNS 1, BNS 2, BNS 3 and BNS 4 | Planned - 2022 | Uncertified Unit | RSPO Stage 1 audit was conducted in September 2019 | <p>RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018. IOI will continue to work with the RSPO Investigate and Monitoring Unit on the implementation of its Action Plans to ensure continuous sustainable development. First and Second quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigate and Monitoring Unit in December 2018 and February 2019 respectively.</p> <p>On 15th April 2019, RSPO's official announced "that the monitoring of the implementation of the Complaints Panel directives for "PT Sukses Karya Sawit (SKS), PT Berkat Nabati Sawit (PT BNS), PT Bumi Sawit Sejahtera (PT BSS) - Subsidiary of PT Sawit Nabati Agro (PT SNA), IOI GROUP (a subsidiary of IOI Corporation Berhad) - Case No: GR-000882 " is now officially closed."</p> <p>IOI received an email from RSPO that "the Investigation & Monitoring Unit (IMU) of the RSPO Secretariat had finalized the internal review of the action plan and progress reports submitted by IOI against the Complaints Panel's directives and the IMU concluded that IOI has successfully met all the requirements set by the Complaints Panel."</p> <p>Further and updated progress of this issue could be access through the link below; (a) RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS</p> |

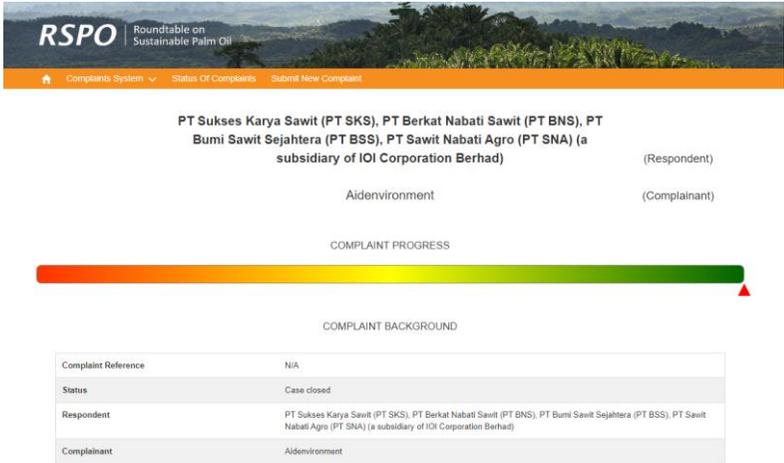
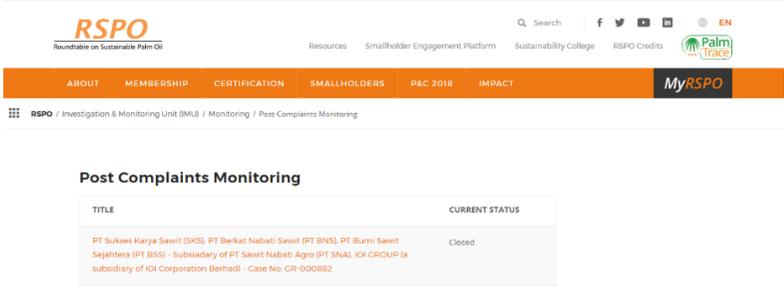
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|----|-----|----------------------------|-----------------|----------------------|--------|---|
| | | | | | | <p>(b) RSPO Case Tracker – PT BSS, PT SKS & PT. BNS Status of Complaints</p>  <p>(c) RSPO Post-Complaints Monitoring</p>  |

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|-----|-------------------|-------------------------------|---------------------|-------------------------|--|--|
| | | | | | | <p>The Stage 1 of RSPO P&C audit was conducted on 9th – 12th September 2019 by BSI</p> <p>Due to the pandemic issue, certification preparation was affected such as HGU process and as well as on ground preparation. Hence, the main assessment audit expected to be conducted in year 2021. The postponement of the main assessment have been communicated and approved by RSPO. In November 2020, PT. BNS internal audit have been conducted.</p> <p>Date of RSPO main assessment audit have been proposed to CB to be conducted in Mid 2022</p> |
| 18. | PT BSS, Indonesia | BSS 1, BSS 2, BSS 3 and BSS 4 | Planned 2022 | Uncertified Unit | RSPO Stage 1 was conducted in September 2019 | <p>RSPO Complaints Panel (CP) has officially closed the complaint case on 12 October 2018. IOI will continue to work with the RSPO Investigate and Monitoring Unit on the implementation of its Action Plans to ensure continuous sustainable development. First and Second quarterly update for the action plan on PT. SKS, PT. BNS and PT. BSS was submitted to RSPO Investigate and Monitoring Unit in December 2018 and February 2019 respectively.</p> <p>On 15th April 2019, RSPO's official announced "that the monitoring of the implementation of the Complaints Panel directives for "PT Sukses Karya Sawit (SKS), PT Berkat Nabati Sawit (PT BNS), PT Bumi Sawit Sejahtera (PT BSS) - Subsidiary of PT Sawit Nabati Agro (PT SNA), IOI GROUP (a subsidiary of IOI Corporation Berhad) - Case No: GR-000882 " is now officially closed."</p> <p>IOI received an email from RSPO that "the Investigation & Monitoring Unit (IMU) of the RSPO Secretariat had finalized the internal review of the action plan and progress reports submitted by IOI against the Complaints Panel's directives and the IMU concluded that IOI has successfully met all the requirements set by the Complaints Panel."</p> <p>Further and updated progress of this issue could be access through the link below;</p> |

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|----|-----|----------------------------|-----------------|----------------------|--------|---|
| | | | | | | <p>(a) RSPO Ketapang Complaint for PT BSS, PT SKS & PT BNS (b) RSPO Case Tracker – PT BSS, PT SKS & PT. BNS Status of Complaints</p>  <p>(c) RSPO Post-Complaints Monitoring</p>  |

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| No | PMU | Supply Bases (Estate Name) | Main Assessment | Certification Status | Status | Updated Information on Minimum Requirements for Multiple Management Units, Clause 4.5.1 RSPO Certification Systems for Principles & Criteria |
|-----|--------------------|----------------------------|-----------------|----------------------|---|---|
| | | | | | | <p>The Stage 1 of RSPO P&C audit was conducted on 9th – 12th September 2019 by BSI.</p> <p>Due to the pandemic issue, certification preparation was affected such as HGU process and as well as on ground preparation. Hence, the main assessment audit expected to be conducted in year 2021. The postponement of the main assessment has been communicated and approved by RSPO. In November 2020, PT. BSS internal audit has been conducted.</p> <p>Date of RSPO main assessment audit has been proposed to CB to be conducted in Mid 2022</p> |
| 19. | PT KPAM, Indonesia | Under Development | Planned - 2023 | Uncertified Unit | NPP and HCSA was approved in April 2018. Currently under development. | <p>RSPO has approved PT.KPAM NPP Summary Report and was published in RSPO website for public notification on 13 April 2018. The NPP public notification could be assessed through the link below:</p> <p>https://rspo.org/certification/new-planting-procedure/public-consultations/page/2?</p> <p>HCSA Peer Review Assessment completed on 14 May 2018. The HCSA Peer Review Report and Summary Report could be assessed through the link below:</p> |

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|----|-----|----------------------------|-----------------|----------------------|--------|---|
| | | | | | | http://highcarbonstock.org/wp-content/uploads/2018/05/PRR-PT.-KPAM.pdf |

3.3 Details of Nonconformities

The nonconformities are listed below. The findings summary of the assessment by criteria are listed in Appendix A. During this Assessment there were 1 Critical; 1 Minor nonconformities and 0 Opportunity For Improvement raised. The *Halusah Ladang Sdn Bhd – Sakilan Palm Oil Mill* Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

| Non-conformity | | | |
|---|--|--------------------------------------|------------|
| NCR Ref # | 2130106-202111-M1 | Date Issued | 18/11/2021 |
| Due Date | 15/2/2022 | Date of nonconformity Closure | 9/2/2022 |
| Clause & Category (Critical / Minor) | 3.4.3 (Critical) | | |
| Statement of Nonconformity: | Sakilan Estate’s SIA and Management Action Plans and Continuous Improvements Plan prepared on 10 Nov 2021 had not been reviewed and updated in a participatory way. | | |
| Requirement Reference: | The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way. | | |
| Objective Evidence: | <p>In preparation for the Sakilan Estate JCC meeting of 30 June 2021, a worker had written of his observations on the Borang Cadangan Agenda as follows:</p> <ul style="list-style-type: none"> • He had often seen parent(s) bringing children to the field. • The worker also requested that management took stern action. <p>1) None of the issue raised by the worker was recorded in any of the minutes of the JCC meetings of 30 June 2021, 28 October 2021, and 4 November 2021.</p> <p>2) This issue was also not adequately identified in Sakilan Estate’s SIA and Management Action Plans and Continuous Improvements Plan prepared on 10 November 2021.</p> <p>Therefore, Sakilan Estate could not demonstrate that it has kept the worker informed of the progress and outcome of the grievance he had raised.</p> | | |
| Corrections: | <ol style="list-style-type: none"> 1. Reminder letter for the minute taker of the minute meeting for taking irresponsible action to exclude the discussed issue during meeting. 2. To conduct meeting with the ECC and JCC representative to discuss on the child labour issue and prevention. 3. Revision of the JCC meeting to include the child labour issues discussed during meeting and after informative collection form was found. 4. SPO department to conduct verification on the issue raised during the JCC meeting and to revise the SIA partially to include the assessment of child labour in Sakilan Estate. | | |
| Root Cause Analysis: | According to the interview inputs with the Estate Manager, the issue was being discussed during the meeting and action plan was provided. However, the issue | | |

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| | <p>was unintentionally excluded from the minutes by the minute taker and the management was unaware of such act. This exclusion was due to the unavailability of informative collection form with child labour statement during the establishment of the minutes record which usually the minute taker will use to refer to establish the written minutes. The informative collection form was only found after the documentation housekeeping conducted and the form was being attached without any due checking in the minutes. Due to this incident, the subsequent correspondence related to this issue is absent in the meeting record and further not captured in the reviewed SIA accordingly</p> |
| Corrective Actions: | <ol style="list-style-type: none"> 1. The ECC Chairman together with the Social Liaison Officer to check and review all meeting minutes prior being verified and finalized by the estate manager to ensure all issue as discussed during meeting has been recorded accordingly. 2. SPO and Estate Management shall conduct the SIA revision to ensure all issue are correctly represent the site situation. 3. To brief on the flow of meeting ethics to ECC and JCC committee to ensure the process and correspondence is in accordance. 4. To conduct periodic spot inspection to workplace and house census against the list of registered school students to ensure there were no child labour in the workplace vicinity. |
| Assessment Conclusion: | <p>Major NC close out verification:</p> <ol style="list-style-type: none"> i. Reminder letter for the minute taker was verified. Letter dated 21/1/22 to the JCC secretary is referred to. ii. Latest ECC and JCC meeting was carried out on 20/12/21 and 30/1/2022 were verified. iii. SPO department verification was done on 3/2/2022. Refer to report, IOI/SR/SPO/2022/G-04/IR-001. SIA management plan revision dated 3/2/2022 (appendices 16.0) was verified. Issue related child labour and safety incorporated in the register related impacts and management plan were updated in the said document. iv. Review process of meeting minutes by ECC chairman and social liaison officer was done on 20/12/2022. Evidence of review was sighted in the minute of meeting. v. SIA management plan review process was done during management review meeting. Special meeting dated 31/1/22 was carried out for the SIA management plan review. vi. Briefing on the flow of meeting ethics to ECC and JCC committee was carried out on 30/1/2022. Guideline on implementation of ECC and JCC, doc. ref.: IOI/G/SE/016 rev: 0 dated 14/9/21 was further briefed to all ECC and JCC representative. vii. Periodic review was done by SPO and management team to ensure child safety and no child labour in place. House census was done based the latest report dated 4/1/22. Humana census (H067) for January 2022 was sighted with the total 48 student headcount. Workplace inspection was done on (daily/monthly) basis and recorded using staff logbook and checklist. Based on latest records, there was no child observed at field area. viii. A meeting session with ECC committee was done on 4/2/2022. Based on the interview, they have mentioned that no child labour and child safety issue occurred in the estate. All issues related to worker's welfare have been |

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| | <p>discussed and recorded in the meeting minute. They also able to explain on the meeting flow for ECC and JCC meeting. In conclusion, improvement was seen on the engagement process and no unresolved issue so far based on the interview.</p> <p>The major NC was closed effectively with sufficient evidence of implementation on 9/2/2022. Continuous implementation will be further verified in the next surveillance assessment.</p> |
|--|---|

| Non-conformity | | | |
|---|---|--------------------------------------|------------|
| NCR Ref # | 2130106-202111-N1 | Date Issued | 18/11/2021 |
| Due Date | Next annual surveillance assessment | Date of nonconformity Closure | Open |
| Clause & Category (Critical / Minor) | 4.2.3 (Minor) | | |
| Statement of Nonconformity: | A worker who raised a grievance at the ECC level has not been kept informed of the progress of the grievance he had raised | | |
| Requirement Reference: | The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders. | | |
| Objective Evidence: | <p>Sometime in June 2021, a worker had documented his observation about other worker(s) bringing in children to the field despite prohibitions from the management. He raised this grievance in the <i>Borang Cadangan Agenda</i> of the ECC meeting at Sakilan Estate.</p> <p>Subsequent JCC meeting were held on 30 June 2021, 28 October 2021, and 4 November 2021. It was found during the audit that:</p> <ul style="list-style-type: none"> a) None of the minutes of the JCC meetings recorded this grievance. b) There was no record that this grievance was discussed in any of the subsequent JCC meetings. c) There was no record that the worker who raised the grievance had been kept informed of the progress of the grievance he had raised. | | |
| Corrections: | <ol style="list-style-type: none"> 1. Revision of the JCC meeting to include the discussed child labour issued. 2. Reassess the issue and include the management action plan during the next JCC meeting should the issue has yet settled. | | |
| Root Cause Analysis: | The grievance raised by the worker had been accidentally excluded from the meeting minutes record. The worker himself did not raised the issue back in the subsequent JCC meeting as he had been informed on due action made by the management during the meeting he raised the issue. | | |
| Corrective Actions: | <ol style="list-style-type: none"> 1. The ECC Chairman together with the Social Liaison Officer will constantly conduct the check and review on all the meeting minutes prior being verified and finalized by the estate manager in order to ensure all issue as discussed during meeting has been recorded accordingly. | | |

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| | 2. The finalized management action plan on issues discussed during JCC meeting shall be socialized to workers via communication channel available at estate (eg. Muster briefing, notification board, Whatsapp etc but not limited to). |
| Assessment Conclusion: | The corrective action is accepted. Effectiveness of corrective action taken will be further verified in the next assessment. |

| Opportunity for Improvements | |
|-------------------------------------|-------------|
| OFI # | Description |
| OFI 1 | Nil |

| Positive Findings | |
|--------------------------|---|
| PF # | Description |
| PF 1 | Good cooperation with the sustainability and management team. |
| PF 2 | Good retrieval of records and documents |
| PF 3 | Maturity of the system can be seen during assessment |

3.3.1 Status of Nonconformities Previously Identified and Observations

| Non-conformity | | | |
|---|--|--------------------------------------|------------|
| NCR Ref # | 2037587-202103-N1 | Date Issued | 22/3/2021 |
| Due Date | 21/3/2022 | Date of nonconformity Closure | 18/11/2021 |
| Clause & Category (Critical / Minor) | 7.11.3 (minor) | | |
| Statement of Nonconformity: | No evidence of the operating units' engagement on fire prevention and control measures with the adjacent stakeholders | | |
| Requirement Reference: | The unit of certification engages with adjacent stakeholders on fire prevention and control measures | | |
| Objective Evidence: | The estates visited engagement with the adjacent stakeholders during stakeholders' consultation meeting. In the meeting, the estate brief the stakeholders on the IOI group policies, environmental and social issue. However, there is no evidence of the operating units' engagement on fire prevention and control measures with the adjacent stakeholders. | | |
| Corrections: | The commitment from the new guidelines will be extracted and conversed to the adjacent stakeholders via other method of communication such as digital communication. | | |
| Root Cause Analysis: | The engagement on fire prevention and control measures with adjacent stakeholders is usually conducted once a year during the external stakeholder consultation and inclusive of inputs communication given following the Emergency Response Plan measure in which the new commitment as mentioned in the new | | |

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| | guideline dated 8/1/2021 has yet being incorporated. Adding in, the guideline had just been newly distributed towards end February 2021 by IOI Sustainability HQ |
| Corrective Actions: | <p>Apart of having the communication digitally conversed, the commitment from the new guidelines will also be communicated during the annual stakeholder consultation and as when the needs arise.</p> <p>To appoint person in charge for fire prevention and control measure and ensure to update and engages with adjacent stakeholders on fire prevention and control measures if any update from the management.</p> |
| Assessment Conclusion: | <p>ASA 2_2 verification:</p> <p>IOI Corporation Berhad has established specific guidelines pertaining to fire management under IOI Group Fire Management Guidelines, ref: IOI/G/EV/012, rev: 0 dated 8/1/21. HOD at specific management units have been appointed to update and engages with adjacent stakeholders on fire prevention and control measures. Engagement process with the neighboring stakeholders have been done via online/email/WhatsApp on fire prevention and control measures on 21/10/21. Relevant adjacent stakeholders were informed during stakeholder engagement process. Thus, the previous NC is closed effectively on 18/11/21 with no recurrence of issues observed. Continuous implementation will be further verified in the next assessment.</p> |

| Opportunity for Improvement | |
|-----------------------------|--|
| OFI# | Description |
| OFI 1 | <p>OFI Statement: Nil</p> <p>Verification / Follow-up actions:</p> |

3.3.2 Summary of the Nonconformities and Status

| CAR Ref. | Category (Critical / Minor) | P&C Indicator | Issued Date | Status & Date (Closure) |
|-------------------|-----------------------------|----------------------|-------------|-------------------------|
| 1853946-201911-M1 | Major | Indicator 4.1.1 | 22/11/2019 | 19/02/2020 (Close) |
| 1853946-201911-M2 | Major | RSPO SCCS 5.4 (E4.1) | 22/11/2019 | 19/02/2020 (Close) |
| 1853946-201911-N1 | Minor | Indicator 4.2.3 | 22/11/2019 | 17/11/2020 (Close) |
| 2037587-202103-N1 | Minor | Indicator 7.11.3 | 22/3/2021 | Close out on 18/11/2021 |
| 2130106-202111-M1 | Major (critical) | 3.4.3 | 18/11/2021 | 9/2/2022 |
| 2130106-202111-N1 | Minor | 4.2.3 | 18/11/2021 | Open |

3.4 Stakeholders and previous land owner / user consultation

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss *Halusah Ladang Sdn Bhd – Sakilan Palm Oil Mill* Certification Unit's environmental and social performance, legal and any known dispute issues.

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO 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 later was verified with the management team. Any comment which is not complying to the RSPO P&C requirements have been incorporated as an assessment finding.

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 below.

| Stakeholders contacted | | |
|---|---------------------------------|--|
| Type of Stakeholder (e.g. Internal, Union, Contractor, Governmental Department, NGO, External, Communities) | Stakeholder name / organization | Means of communication (e.g. face to face interview, email, phone interview, comment from public notice) |
| Contractor | JS Enterprise | Face to face |
| Communities | Kg Pahu & Kg Luangmanis | Face to face |
| Contractor | Pengangkutan Hidayah | Face to face |
| Contractor | Rico Enterprise | Face to face |

| Stakeholders comment | |
|----------------------|---|
| 1 | <p>Feedbacks: FFB transporter at Linbar 1 and Linbar 2 Estates confirmed good relationship with the certification units. Contracts are available and all terms of the contract are understood. The terms of the contract are fair, and the contract sum was freely negotiated. Payments are received on time, i.e., paid one month after issuance of invoice. Recently the contractor was contacted by the certification unit via email. The email also attached documents on the Company's policies, procedures, and comments were invited. Contractor provided his responses on price of EFB and POME which he felt should be higher. The Company then contacted him via telephone to discuss the matter. Although the price that the Company finally agreed to increase is not what he had asked for, he is appreciative of the Company's effort in contacting and responding to him. He also understands it is a commercial decision and he accepts the decision. Contractor is also aware of the Company policies such as not employing child labour, sexual harassment, no bribery and conflict of interest. The Contractor also provides</p> <p>Audit Team verification and response: Noted on the comments.</p> <ol style="list-style-type: none"> 1. Verified the Timebound Action Plan External Stakeholder 2021 which contains the comments provided by the Contractor, Company's comment, the action plan, and timeframe for implementation. 2. Verified email sent to stakeholders in lieu of physical stakeholder meeting. 3. Sighted the contract between Contractor and Estates, due diligence assessment carried out on the Contractor, invoice and payment vouchers. |
| 2 | <p>Feedbacks: Villagers of Kg Pahu and Kg Lungmanis. Affirmed the good relationship both villagers have with Linbar1 and Linbar 2 Estates. Among the contributions which the villagers benefit from are:</p> |

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| | <p>a. Free bus transportation for children of Kg Pahu to attend SK Lungmanis.</p> <p>b. Repair access roads passing through their village.</p> <p>c. Allows access for villagers to use estate road to go to their farms and fruit orchards.</p> <p>Stakeholders interviewed confirmed that there is no social issue caused by estate workers and they co-exist harmoniously.</p> |
| | <p>Audit Team verification and response: Noted on the comments. No further issue.</p> |
| 3 | <p>Feedbacks: A CPO transporter for the Mill confirmed that relationship with the Mill is good. The contract signed was fair and the transporter company understood the contents of the agreement. Payment is also made within one month of invoice. Prior to the Covid-19 lockdown, the transporter was invited to attend stakeholder meetings. Recently the Mill sent an email with copies of policies, SOPs in lieu of the stakeholder meeting that could not be held physically.</p> |
| | <p>Audit Team verification and response: Noted on the comments. No further issue.</p> |
| 4 | <p>Feedbacks: A contractor who provides transportation services from the ramp to the Sakilan POM confirmed that there is good relationship with the Mill. The rates offered are reasonable. The contractor also confirmed that before it was offered the contract, the Company had conducted due diligence by asking for the submission of several documents such licences and permits. Prior to the Covid-19 lockdown, the transporter was invited to attend stakeholder meetings. Recently the Mill sent an email with copies of policies, SOPs in lieu of the stakeholder meeting that could not be held physically.</p> |
| | <p>Audit Team verification and response:. Noted on the comments. No further issue.</p> |

| List of land owner / user contacted | | | | | |
|---|---------------------------|----------------|----------------------|---------------------------------|--|
| Name | Years of ownership / used | Land area (ha) | Agreement (Yes / No) | Agreement base on FPIC (Yes/No) | Compliance on the agreement terms and conditions |
| <i>Not applicable. IOI Sakilan legal area (country lease or freehold) were acquired directly from Sabah State government. All estates under IOI Sakilan POM certification units had underwent 2nd cycle of replanting.</i> | | | | | |

| Previous land owner / user comment – not applicable | |
|---|--|
| | Feedbacks: |
| | Audit Team verification and response: |

3.5 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. *(Lead auditor is required to provide details if there was such circumstances or pressure and provide details of the reporting to the local C&R and BSI Services Malaysia Sdn Bhd).*

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Formal Signing-off of Assessment Conclusion and Recommendation

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| <p>The audit objectives have been achieved and the certificate scope is appropriate. Based on the results of this audit, it is concluded that IOI Sakilan POM certification unit has complied with the Malaysia National Interpretation 2019 of the RSPO P&C 2018 and audit criteria identified within the audit report. It is deemed that the management system has achieved its intended outcomes. Therefore, it is recommended that IOI Sakilan POM certification unit is remain certified.</p> | |
| Report prepared by | Acceptance of Assessment Conclusion |
| Name: Mohamed Hidhir Bin Zainal Abidin | Name: R. Kumaresh |
| Company Name: BSI Services (M) Sdn Bhd | Company Name: IOI Plantation Services Sdn Bhd |
| Title: Lead Auditor | Title: Senior Plantation Controller |
| <p>Signature:</p>  | <p>Signature:</p> <p><i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i></p>  <p>R. KUMARESH SR. PLANTATION CONTROLLER SANDAKAN REGION</p> |
| Date: 16th February 2022 | Date: 15th March 2022 |

Appendix A: Summary of Findings

| Criterion / Indicator | Assessment Findings | Compliance |
|---|--|------------|
| Principle 1: Behave ethically and transparently | | |
| Criterion 1.1: The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making. | | |
| 1.1.1 | <p>(C) Documents that are specified in the RSPO P&C are made available to the public.</p> <p>- Critical (Major) compliance -</p> <p>The CU was able to demonstrate that stakeholders were informed via documents circulated. Due to Covid-19, no face-to-face meeting was allowed. This stakeholder meeting was held online to follow Covid-19 restrictions imposed by the Sabah State Government.</p> <p>The awareness documents were shared online during stakeholder meetings which were attended by stakeholders of Sakilan POM, Linbar 1, Linbar 2 and Sakilan Estates. The documents that are available for public viewing include the following:</p> <ul style="list-style-type: none"> • RSPO, MSPO and ISCC principles • Grievance procedure on land matters • Complaints book • Replanting program • Employment opportunities • Sustainable Palm Oil Policy • Zero Burning Policy • Environmental Impact Assessment, Management Action Plan • Social Impact Assessment, Management Action Plan • Continuous Improvement Plan • Negotiation procedure for land issues | Complied |

| | | | |
|-------|---|---|----------|
| | | <ul style="list-style-type: none"> • Whistleblowing policy • Stakeholder complaint procedure • Land use compensation procedure • Stakeholder request procedure • Details of complaints and grievances • Negotiation procedures <p>Additional information is also available via the Company website https://ioigroup.com</p> | |
| 1.1.2 | Information is provided in appropriate languages and accessible to relevant stakeholders. - Minor compliance - | The documents are provided in English and Bahasa Malaysia, and are available at the Estate and Mill offices, and are accessible to the stakeholders. Additional information provided to the stakeholders, were given verbally in Bahasa Malaysia. | Complied |
| 1.1.3 | (C) Records of requests for information and responses are maintained. - Critical (Major) compliance - | There is evidence that records for request for information and responses are maintained. The Request for Information Books are available at all units. Among the requests for information sighted were requests from HUMANA Child Aid Society Sabah for the estates to pay the school fees. Sampled at Linbar 1 Estate was the letter dated 15 October 2021 from HUMANA. Additionally, there were also requests from stakeholders for donations, and workers' requests for house repairs. Records of responses were maintained where the repair work done and date of completion were recorded. Sampled during the audit were records of requests from workers dated 1 Nov 2021 and 25 October 2021 with responses provided on 5 Nov 2021 and 26 October 2021, respectively. Similarly, a request to extended electricity supply on 31 August 2021 was responded on the same day. | Complied |

| | | | |
|-------|--|--|----------|
| 1.1.4 | <p>(C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.</p> <p>- Critical (Major) compliance -</p> | <p>The consultation and communication procedures are documented under the IOI Group Plantation Division Group Social Impact Assessment & Management Action Plans (Guidance Document) for period 2019 – 2024, and approved by the Plantation Director dated March 2019. This procedure was disclosed and made available to stakeholders as evidenced by the handout materials emailed to the relevant stakeholders by Linbar 2 Estate (9 November 2021), and by Linbar Estate 2 (22 October 2021). The previous method of explaining the procedure during annual stakeholder meetings could not be held due to the Covid-19 restrictions imposed by the Sabah State Government. This alternative method was therefore used to communicate to the stakeholders. Interviews held with stakeholders confirmed that they received the email with the attached documents.</p> <p>This document is also displayed at the main notice boards throughout Sakilan POM and Estate premises.</p> <p>The implementation of this procedures can be verified from minutes of meetings, consultations and communications held with internal and external stakeholders.</p> | Complied |
| 1.1.5 | <p>There is a current list of contact and details of stakeholders and their nominated representatives.</p> <p>- Minor compliance -</p> | <p>Each unit within Sakilan POM and its supply base has its own list of stakeholders. The stakeholders comprise relevant government agencies such as the Labour Department, Immigration Department, Department of Environment, Department of Safety and Health, Philippines Embassy and Indonesian Consulates/High Commission. Also included are neighbouring estates and smallholders, neighbouring villages, schools, canteen/shop operators, suppliers, contractors, etc. Contact details for each stakeholder and their nominated representatives are also available.</p> | Complied |

Criterion 1.2: The unit of certification commits to ethical conduct in all business operations and transactions.

| | | | |
|--------------|---|--|-----------------|
| <p>1.2.1</p> | <p>A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.</p> <p>- Minor compliance -</p> | <p>A Policy known as 'Code of Business Conduct & Ethics' June 2020 is available which was sighted and verified during the audit. Among others, this Policy calls for:</p> <ul style="list-style-type: none"> • Dealing fairly with customers, suppliers, contractors, competitors and other employees; • Avoid situations of conflict of interests between personal interest and interests of the Company; • Not to be influenced by receiving favours, and not to influence by giving favours; • Not to accept any kinds of bribes or kickbacks or other unlawful or unethical benefits. <p>This Policy is available on the IOI Plantation website (www.ioigroup.com) and shared with external stakeholders. Socialisation of the Policy was done via posters publicly displayed within the Sakilan POM and its supply base, as well as via emails sent to stakeholders in lieu of holding an annual stakeholder meeting.</p> <p>Briefings on the Policy were given to workers as follows:</p> <ol style="list-style-type: none"> a. At Sakilan POM: 10 Oct 2021 & 14 Oct 2021 b. Linbar 1 Estate: 14 July 2021 & 27 Sept 2021 c. Linbar 2 Estate: 12 April 2021 & 10 March 2021 <p>Additionally, the following new recruits were also briefed on the Policy, and they were SPO supervisor for Linbar 2 Estate on 15 October 2021, and Assistant Mill Manager Sakilan POM on 1 Feb 2021. Workers and contractors interviewed confirmed their awareness of this Policy.</p> | <p>Complied</p> |
| <p>1.2.2</p> | <p>A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.</p> | <p>Among the system in place include annual internal audits, briefing by the Human Resources Department on Anti-Bribery and</p> | <p>Complied</p> |

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| | <p>- Minor compliance -</p> | <p>Corruption which was given on 12 & 13 December 2019 to all executives and staff from the Sandakan Region. Additionally, all tenders are centralised at the Headquarters in Sandakan and decisions are made by a Tender Committee which comprise the Marketing Manager, Operations Manager, and Senior Manager Purchasing.</p> | |
| <p>Principle 2: Operate legally and respect rights</p> | | | |
| <p>Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.</p> | | | |
| <p>2.1.1</p> | <p>(C) The Unit of Certification complies with legal requirements - Critical (Major) compliance -</p> | <p><u>Sakilan POM</u></p> <p>i) Environment Quality Act 1974, under section 18(1), Sakilan Palm Oil Mill's Compliance schedule, no. license 003460 (no. file ASSH(B)31/152/000/091 valid from 1/7/21 – 30/6/2021</p> <ul style="list-style-type: none"> - Discharge method: waterway - Processing limit: 40 mt/hr - Limit for final discharge: BOD3 < 50 mg/l, Suspended Solid (SS) < 200 mg/l, Oil and Grease < 20 mg/l, Ammonical Nitrogen < 150 mg/l, Total Nitrogen < 200 mg/l, pH > 5 & < 9, temperature (45 °C) - River water sampling, upstream and downstream of final discharge point (monthly) - 3rd party audit (minimum of twice per year) by DOE's registered environmental auditor. <p>ii) Contravene of license (CL), under section 22(1) of EQA 1974, Clean Air Regulation 2014, ref: ASSH (B) 31/152/000/091 Jld. 9 (13) dated 18/8/2020, license no. 005168. The license is valid from 29/8/20 – 29/8/21. Renewal of CL was initiated in April 2021, (4 months before expiry) and still pending for approval.</p> | <p>Complied</p> |

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| | | <p>Sighted payment voucher, ref. no. 3400001293 dated 6/5/2021 to DOE Sandakan.</p> <p>iii) Clause 23 of compliance schedule, no. license 003460 for 3rd party audit (minimum of twice per year) by DOE’s registered environmental auditor. Appointment of 3rd party consultant under Borneo Practical Engineering dated 1/10/21 was made available for verification. Compliance audit has yet to be carried out for the new license period. This will be further verified in the next audit.</p> <p><u>Sakilan Estate</u></p> <p>i) Section 12E(1), Environmental Protection Enactment 2002 for Environmental Impact Assessment, for project entitled Proposed Replanting of 2,104 Hectares Oil Palm Plantation at Sakilan Estate (Division 1 and 2) on CL075471242 and CL075471260, district of Sandakan, Sabah dated 31/3/2019.</p> <p>ii) Agreement on Environmental Conditions (AEC) @ <i>Aku Janji</i> , ref: JPAS/PP/SDK/600-1/11/1/324 dated 5th September 2019. Environmental Compliance Report to be submitted every 6 months.</p> <p>iii) Compliance report: EIA compliance monitoring, ECR carried out every 6 months as required under AEC, JPAS/PP/SDK/600-1/11/1/324 dated 10/9/19. Latest ECR report, inspection date 12th March 2021 (1st report for 2021) was made available for verification.</p> <p>No non-compliance issue raised by the assessor.</p> <p>Electrical installation license, serial no. 49921, license no. 2021/01160 for 109 kW installation. License valid until 12/6/2022.</p> | |
|--|--|---|--|

| | | | |
|--|--|--|--|
| | | <p>MPOB license, no. license 503335002000 dated 31/7/2022 for licensed activity <i>menjual dan mengalih</i> FFB</p> <p><u>Linbar 2 Estate</u></p> <p>Section 12E(1), Environmental Protection Enactment 2002 for Environmental Impact Assessment, for project entitled Proposed Replanting of 4,300 Hectares Oil Palm Plantation within Right Purpose Sdn Bhd Planation Areas (Linbar I and LInbar II Estates) Beluran District Sabah dated 8/12/2009.</p> <p>Agreement on Environmental Conditions (AEC) @ <i>Aku Janji</i> , ref: JPAS/PP/02/600-1/11/1/81 dated 27th January 2010. Environmental Compliance Report to be submitted every 4 months.</p> <p><u>Linbar 1 Estate</u></p> <ul style="list-style-type: none"> i) Section 12E(1), Environmental Protection Enactment 2002 for Environmental Impact Assessment, for project entitled Proposed Replanting of 4,300 Hectares Oil Palm Plantation within Right Purpose Sdn Bhd Planation Areas (Linbar I and LInbar II Estates) Beluran District Sabah dated 8/12/2009. ii) Agreement on Environmental Conditions (AEC) @ <i>Aku Janji</i> , ref: JPAS/PP/02/600-1/11/1/81 dated 27th January 2010. Environmental Compliance Report to be submitted every 4 months. iii) Diesel permit, serial no. P: S003536, ref: PPDNKK.SDK.04/2002(SK), capacity: 30,000 litre, valid until 28/6/2024 iv) Electrical installation license, serial no. 01368, license no. 2021/01719 for 200 kW installation. License valid until 8/7/2022. | |
|--|--|--|--|

| | | | |
|-------|---|---|----------|
| | | v) iv) MPOB license, no. license 502435102000 dated 31/8/22 for licensed activity <i>menjual dan mengalih</i> FFB | |
| 2.1.2 | <p>A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.</p> <p>- Minor compliance -</p> | <p>The mechanism used for tracking changes in laws/regulations is made through the following methods among others;</p> <ul style="list-style-type: none"> a) Subscribed to Lexis-Nexis Malaysia b) News release through daily newspaper. c) Law change tracked by book publisher (MDC Book Publications). d) Circulars from relevant association (eg. MPOA, MPOB, MAPA) e) Internet (e-federal gazette, www.lawnet.com.my, www.e-warta.com.my) <p>The IOI Legal Department from headquarters alerts all operating units on legal updates via email and also through management meetings. The Legal Requirement Register was established to cover all legal Acts, Regulations and other requirement related to the POM and supply base. The Legal Requirements Register which was reviewed by SPO Department on 01/05/2021 comprises of the following among others;</p> <ul style="list-style-type: none"> a) Environmental Quality Act 1974 and its Regulations, b) Factories and Machinery Act 1967 and its Regulations, c) Occupational Safety and Health Act 1994 and its Regulations, d) Pesticides Act, 1974, e) Worker’s Minimum Standards Housing & Amenities Act, 1990. f) Wildlife conservation Act 2010 g) Malaysian Palm Oil Board 1998 h) Holiday Act 1951 i) Land Ordinance (Amended Ordinance) j) Forest Enactment 1968 (Sabah No 2 of 1968) | Complied |

| | | <ul style="list-style-type: none"> k) Native Courts Ordinance 1992 l) Passport Act 1966 / Workers Union Act 1959 m) Estate Hospital Assistants (Registration) Act 1965 n) Petroleum (safety Measures) Act 1984 o) Fire Services Act 1984 / p) Sales Tax Act 1972 – Sabah No 9 of 1972. q) Uniform Building By Laws 1986 r) Weights And Measures Act 1972 (Act 71) (Amendment 1981) s) Minimum Wages Order 2020 t) Drainage and Irrigation Ordinance 1956 u) Sabah water resources enactment 2002 v) EIA Order 2005 / Wildlife Conservation Enactment 1997 w) Employment Insurance Scheme Act 2017 x) Sabah Labour Ordinance Cap 67, 1950 y) Akta Pencegahan/Pengawalan Penyakit Berjangkit z) Perintah Kawalan Pergerakan 2020 | | | | | | | | | | | | | |
|-------|--|--|-----------------------|--------|----------|-----------------------|---|---------|------|--------------------|---|---------|------|-------------|----------|
| 2.1.3 | <p>Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.</p> <p>- Minor compliance -</p> | <p>The estates have maps showing the locations of boundary stones that have been physically located and marked. Inspection of boundary stones/markers/trenching at the estates, during the field inspection confirmed that they were clearly marked and maintained. All the physical markers/boundary stones along the legal boundaries between were visibly available</p> <table border="1" data-bbox="1137 1246 1895 1382"> <thead> <tr> <th></th> <th>Estate</th> <th>Boundary</th> <th>Neighbouring property</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Sakilan</td> <td>P97W</td> <td>IJM Plantation Bhd</td> </tr> <tr> <td>2</td> <td>Sakilan</td> <td>P97A</td> <td>Smallholder</td> </tr> </tbody> </table> | | Estate | Boundary | Neighbouring property | 1 | Sakilan | P97W | IJM Plantation Bhd | 2 | Sakilan | P97A | Smallholder | Complied |
| | Estate | Boundary | Neighbouring property | | | | | | | | | | | | |
| 1 | Sakilan | P97W | IJM Plantation Bhd | | | | | | | | | | | | |
| 2 | Sakilan | P97A | Smallholder | | | | | | | | | | | | |

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|---|---|--|----------|---------------|-----------------------|----------|
| | | 3 | Sakilan | P97C | Malsa Corporation | |
| | | 4 | Linbar 1 | P91LB & P16LA | Segaliud Lokan Forest | |
| | | 5 | Linbar 1 | P12G | Kg Pauh | |
| | | 6 | Linbar 2 | P91LB | Hutan Simpan Lokam | |
| | | 7 | Linbar 2 | P16CA | Hutan Simpan Lokam | |
| Criterion 2.2: All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements. | | | | | | |
| 2.2.1 | A list of contracted parties is maintained. - Minor compliance - | List of contracted parties are available and duly maintained. The list contains names and contact details of the contractors and this information are available in the stakeholders' list. | | | | Complied |
| 2.2.2 | All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available. - Minor compliance - | All contracts sampled during the audit contain a clause that commits to compliance with legal requirements. Clauses 5 and 6 of each contract commits to compliance with legal requirements such as having valid road taxes, insurance policies, drivers possessing valid driving licences, compliance with the Malaysian Occupational, Safety and Health Act 1994, Factory & Machinery Act 1967, Environmental Laws, etc. Clause 1 of the Additional Requirements for Contractors and Service Providers confirms that the contractors are aware and comply with applicable local, national, international laws and regulations, legal requirements such as valid passports, work permits, identity cards for locals. This also includes signing of employment contracts with their worker, paying minimum wages, employing workers 18 years and above, no sexual harassment, no contract substitution, payment of insurance coverage, etc. Sighted during the audit were the following contracts: | | | | Complied |

| | | | |
|-------|---|---|----------|
| | | <ul style="list-style-type: none"> a. Agreement between Halusah Ladang Sdn Bhd (Sakilan Palm Oil Mill) and Syarikat Pengangkutan Budie Bersaudara dated 1 Aug 2019 valid from 1 Aug 2019 to 31 July 2022. b. Agreement between Halusah Ladang Sdn Bhd (Sakilan Palm Oil Mill) and Rico Enterprise dated 1 Aug 2019 valid from 1 Aug 2019 to 31 July 2022. c. Agreement Transportation contract between Linbar 1 & 2 Estates and J.S. Enterprise dated 1 July 2020 valid until 30 June 2022. d. Agreement between Sakilan Estate and Pengangkutan Hidayah Enterprise dated 1 Aug 2019 valid form 1 Aug 2019 to 31 July 2022 <p>Also verified was the evidence of legal due diligence which was carried out by the Company on the contractors. The contractors were required to submit copies of their trading licences, registration certificates as a form of ensuring legitimate business operations. The contractors are also required to submit copies of their workers' employment contracts, payslips, proof of statutory payments for their workers such as SOCSO, EPF, EIS. Sighted during the audit were diligence analysis carried out on 15 July 2021 on FFB transporter J.S. Enterprise and Rico Enterprise.</p> | |
| 2.2.3 | <p>All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.</p> <p>- Minor compliance -</p> | <p>All sampled contracts with contractors contain a provision that contractors and service providers are aware and will not engage in child, forced and trafficked labour. This provision is available under Clause 1(d) of Additional Requirements for Contractors which was signed and acknowledged by the respective contractors. The sampled contracts were as follows:</p> <ul style="list-style-type: none"> a. Agreement between Halusah Ladang Sdn Bhd (Sakilan Palm Oil Mill) and Syarikat Pengangkutan Budie Bersaudara dated 1 Aug 2019 valid from 1 Aug 2019 to 31 July 2022. | Complied |

| | | | |
|--|--|--|----------------|
| | | <p>b. Agreement between Halusah Ladang Sdn Bhd (Sakilan Palm Oil Mill) and Rico Enterprise dated 1 Aug 2019 valid from 1 Aug 2019 to 31 July 2022</p> <p>c. Agreement Transportation contract between Linbar 1 & 2 Estates and J.S. Enterprise dated 1 July 2020 valid until 30 June 2022.</p> <p>d. Agreement between Sakilan Estate and Pengangkutan Hidayah Enterprise dated 1 Aug 2019 valid form 1 Aug 2019 to 31 July 2022</p> | |
| Criterion 2.3: All FFB supplies from outside the unit of certification are from legal sources. | | | |
| 2.3.1 | <p>(C) For all directly sourced FFB, the mill requires:</p> <ul style="list-style-type: none"> Information on geo-location of FFB origins Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder One or more supporting documents for claims Valid MPOB license <p>- Critical (Major) compliance -</p> | <p>Sakilan Palm Oil Mill is an Identity Preserved Supply Chain Module as confirmed by Certificate No. RSPO 543161 valid from 8 March 2020 to 7 March 2025. The Mill processes only FFB from its own estates namely Sakilan, Linbar 1 and Linbar 2 Estates. Sakilan Mill does not source FFB from other third parties either directly or indirectly. Therefore, this indicator is not applicable.</p> | Not Applicable |
| 2.3.2 | <p>For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator2.3.1.</p> <p>- Minor compliance -</p> | <p>Sakilan Palm Oil Mill is an Identity Preserved Supply Chain Module as confirmed by Certificate No. RSPO 543161 valid from 8 March 2020 to 7 March 2025. The Mill processes only FFB from its own estates namely Sakilan, Linbar 1 and Linbar 2 Estates. Sakilan Mill does not source FFB from other third parties, either directly or indirectly. Therefore, this indicator is not applicable.</p> | Not Applicable |
| Principle 3: Optimise productivity, efficiency, positive impacts and resilience | | | |
| Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability. | | | |

| | | | |
|--------------|---|---|-----------------|
| <p>3.1.1</p> | <p>(C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders. - Critical (Major) compliance -</p> | <p>Sakilan POM and supply base have established and implemented its commitment to a long term sustainability and financial viability through an operating expenditure /capital expenditure planning. The mill has a budget for financial year July-June comprises of the following components;</p> <ul style="list-style-type: none"> a) Crop processed with anticipated extraction ratios including a 5-year forecast. b) Cost components include the following <ul style="list-style-type: none"> i) <i>General charges statement</i> <ul style="list-style-type: none"> - General charges - Cost of supervision - Cost of labour - Cost of other - Cost of RSPO/MSPO & Other Management system ii) <i>Capital expenditure statement</i> <ul style="list-style-type: none"> - Building, utilities, welfare - Plant & machinery - Office equipment - Furniture & fittings - Electrical installation iii) Plant /Mill inclusive of processing /dispatch cost <p>The five years planning horizon 2020/21-2024/25 is available. Similarly, all the estates audited possessed a similar budget format. Inclusive there is also a 5-year budget/forecast financial plan 2020/21-2024/25 allocating categories among others;</p> <ul style="list-style-type: none"> a) Crop yielding area b) Mature cost | <p>Complied</p> |
|--------------|---|---|-----------------|

- c) General charges/upkeep/collection/depreciation
- d) Cost/ha & cost /mt FFB
- e) CAPEX

Separately the cost of immature areas is also shown which among others comprises of the following items;

- a) Labour statement / Allocation of wages / Labour benefit summary
- b) Yield statement oil palm
- c) Summary of vehicle and running schedule / Job allocation for vehicles
- d) Summary of workshop running schedule
- e) Summary of budget
- f) Summary of general charges
- g) CAPEX

The main key areas of the projections are as follows. Figures were excluded for reason of confidentiality.

| Estates | 2020/21 | 21/22 | 22/23 | 23/24 | 2024/25 |
|------------------|---------|-------|-------|-------|---------|
| Mature Ha | - | - | - | - | - |
| Immature Ha | - | - | - | - | - |
| FFB Tons | - | - | - | - | - |
| Yld/Ha | - | - | - | - | - |
| Cost FFB (RM/mt) | - | - | - | - | - |
| Cost (RM/ha) | - | - | - | - | - |

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| | | <table border="1"> <thead> <tr> <th>Sakilan POM</th> <th>2020/21</th> <th>21/22</th> <th>22/23</th> <th>23/24</th> <th>2024/25</th> </tr> </thead> <tbody> <tr> <td>Unit Cost RM/CPO</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Operating Cost</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total Gen Charges</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Grand total</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>FFB (mt)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>CPO (mt)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> | Sakilan POM | 2020/21 | 21/22 | 22/23 | 23/24 | 2024/25 | Unit Cost RM/CPO | - | - | - | - | - | Operating Cost | - | - | - | - | - | Total Gen Charges | - | - | - | - | - | Grand total | - | - | - | - | - | FFB (mt) | - | - | - | - | - | CPO (mt) | - | - | - | - | - | |
|-------------------|---|---|-------------|---------|---------|---------|-------|---------|------------------|---|---------|-----|-----|-----|----------------|-----|---|----------|---|---|-------------------|---|---|---|----------|---|-------------|---|---|---|----------|---|----------|---|---|---|---|---|----------|---|---|---|---|---|--|
| Sakilan POM | 2020/21 | 21/22 | 22/23 | 23/24 | 2024/25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Unit Cost RM/CPO | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operating Cost | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Gen Charges | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand total | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FFB (mt) | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CPO (mt) | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.1.2 | <p>An annual replanting programme projected for a minimum of five years with yearly review, is available.</p> <p>- Minor compliance -</p> | <p>The replanting programs until 2024/25 were sighted for the estates. This program is reviewed once a year (latest being Jan 2021 and is incorporated in their annual financial budget. The replanting program until year 2024/25 is as follows: All figures in ha otherwise stated.</p> <table border="1"> <thead> <tr> <th></th> <th>Estate</th> <th>2020/21</th> <th>21/22</th> <th>22/23</th> <th>23/24</th> <th>2024/25</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Sakilan</td> <td>326</td> <td>230</td> <td>232</td> <td>232</td> <td>241</td> </tr> <tr> <td>2</td> <td>Linbar 1</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>3</td> <td>Linbar 2</td> <td>0</td> <td>273</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> | | Estate | 2020/21 | 21/22 | 22/23 | 23/24 | 2024/25 | 1 | Sakilan | 326 | 230 | 232 | 232 | 241 | 2 | Linbar 1 | 0 | 0 | 0 | 0 | 0 | 3 | Linbar 2 | 0 | 273 | 0 | 0 | 0 | Complied | | | | | | | | | | | | | | |
| | Estate | 2020/21 | 21/22 | 22/23 | 23/24 | 2024/25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Sakilan | 326 | 230 | 232 | 232 | 241 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Linbar 1 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Linbar 2 | 0 | 273 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| 3.1.3 | <p>The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake.</p> <p>- Minor compliance -</p> | <p>There were meetings to discuss on issues related to sustainability status and compliance held by the estates and the mill. The minutes of meeting was established for all relevant meeting. Among others the agenda discussed were:</p> <ul style="list-style-type: none"> a) Internal audit findings b) Stakeholders feedback, c) complaint and grievance d) Status of preventive and corrective actions e) Changes that could affect the management system f) Recommendation for improvement <table border="1" data-bbox="1144 751 1776 986"> <thead> <tr> <th></th> <th>Estate/Mill</th> <th>Date of meeting</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Sakilan POM</td> <td>22/10/2021</td> <td>17</td> </tr> <tr> <td>2</td> <td>Sakilan Estate</td> <td>06/11/2021</td> <td>10</td> </tr> <tr> <td>3</td> <td>Linbar 1 Estate</td> <td>02/11/2021</td> <td>12</td> </tr> <tr> <td>4</td> <td>Linbar 2 Estate</td> <td>02/11/2021</td> <td>13</td> </tr> </tbody> </table> | | Estate/Mill | Date of meeting | Attendees | 1 | Sakilan POM | 22/10/2021 | 17 | 2 | Sakilan Estate | 06/11/2021 | 10 | 3 | Linbar 1 Estate | 02/11/2021 | 12 | 4 | Linbar 2 Estate | 02/11/2021 | 13 | Complied |
|---|---|--|-----------|-------------|-----------------|-----------|---|-------------|------------|----|---|----------------|------------|----|---|-----------------|------------|----|---|-----------------|------------|----|----------|
| | Estate/Mill | Date of meeting | Attendees | | | | | | | | | | | | | | | | | | | | |
| 1 | Sakilan POM | 22/10/2021 | 17 | | | | | | | | | | | | | | | | | | | | |
| 2 | Sakilan Estate | 06/11/2021 | 10 | | | | | | | | | | | | | | | | | | | | |
| 3 | Linbar 1 Estate | 02/11/2021 | 12 | | | | | | | | | | | | | | | | | | | | |
| 4 | Linbar 2 Estate | 02/11/2021 | 13 | | | | | | | | | | | | | | | | | | | | |
| <p>Criterion 3.2: The unit of Certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable Continuous improvement in key operations.</p> | | | | | | | | | | | | | | | | | | | | | | | |
| 3.2.1 | <p>(C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.</p> <p>- Critical (Major) compliance -</p> | <p>Continuous improvement plans for all operating units for financial year 2021/2021 were documented under Environmental impact assessment management action plans and continuous improvement plans available at all visited operating units. Social and environmental were among pertinent elements covered in the action plan. On top of the established plan, allocation of capital expenditure (CAPEX) for process improvement, social and environmental components were also sighted. Among approved CAPEX for Sakilan POM:</p> | Complied | | | | | | | | | | | | | | | | | | | | |

| | | | |
|-------|---|--|----------|
| | | <ul style="list-style-type: none"> i) Process improvement – Replacement of horizontal EFB conveyor (104 ft) ii) Process/safety/work environment improvement – Roofing for press and threshing station (14,500 ft²) iii) Process/safety/work environment improvement – NIR spectrometer (elimination of n-Hexane) <p>CAPEX for Linbar 2 estate:</p> <ul style="list-style-type: none"> i) Social & wellbeing – 6 units labour quarters ii) Heavy machinery – backhoe 580N x 1 unit <p>CAPEX for Sakilan Estate:</p> <ul style="list-style-type: none"> i) Social & wellbeing – new permanent HUMANA school ii) Social & wellbeing – new community hall iii) Social & wellbeing – new <i>surau</i> <p>CAPEX for Linbar 1 estate:</p> <ul style="list-style-type: none"> i) Social & wellbeing – 6 units labour quarters ii) Heavy machinery – backhoe 580N x 1 unit, Cummins genset (200 kVA) iii) Infrastructure – new road 1999.84 chain | |
| 3.2.2 | <p>As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the [RSPO metrics template].</p> <p>PROCEDURAL NOTE:</p> | <p>RSPO metric template version 2.1 is used for the reporting of IOI Sakilan POM certification unit's metrics (economic, social and environment). Data reporting period is January to December 2020 for (social and environment metrics) and economic metrics from October 2020 – September 2021 (counting back from audit</p> | Complied |

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| | <p>The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed. Until such metrics is agreed and developed, companies will carry on with existing reporting e.g. PalmGHG, Annual Communication of Progress (ACOP) reporting, and information provided to Certification Body and feedback via RSPO Secretariat is required.</p> <p>- Minor Compliance -</p> | <p>month). Based on verification with input data, no discrepancies of data reported for the said period for all metrics.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---------------------------|----------------------|--|----------------------|---|-------------|----|--------------|---|-----------------------|----|-----------|---|--------------|----|-----------------------|---|------------|----|--------|---|-------|----|---------------------------|---|----------------|----|------------|---|---------------|----|----------|---|------------------|----|---------------|---|----------|----|--------------------------|-----------------|
| <p>Criterion 3.3: Operating procedures are Appropriately documented, consistently implemented and monitored.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>3.3.1</p> | <p>(C) Standard Operating Procedures (SOPs) for the unit of certification are in place.</p> <p>- Critical (Major) compliance -</p> | <p>The Mill adopted the following manual and SOP for the day-to-day operations; Group Standard Operating Procedures for Palm Oil Mill dated Mac 2012 thereafter revised to include new work methods etc. The latest revision on Jan 2021 to include to work process in the Boiler and Oil Room. The SOP Master list for the Mill among others covered the following operations and activities:</p> <table border="1" data-bbox="1153 855 1926 1378"> <thead> <tr> <th></th> <th>Operation / Stations</th> <th></th> <th>Operation / Stations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Weighbridge</td> <td>10</td> <td>Kernel Plant</td> </tr> <tr> <td>2</td> <td>FFB Reception/Grading</td> <td>11</td> <td>EFB Press</td> </tr> <tr> <td>3</td> <td>Loading Ramp</td> <td>12</td> <td>Water Treatment Plant</td> </tr> <tr> <td>4</td> <td>Sterilizer</td> <td>13</td> <td>Boiler</td> </tr> <tr> <td>5</td> <td>Winch</td> <td>14</td> <td>Power Plant (Engine Room)</td> </tr> <tr> <td>6</td> <td>Hoisting Crane</td> <td>15</td> <td>Laboratory</td> </tr> <tr> <td>7</td> <td>Thresher Drum</td> <td>16</td> <td>Workshop</td> </tr> <tr> <td>8</td> <td>Digester & Press</td> <td>17</td> <td>Effluent Pond</td> </tr> <tr> <td>9</td> <td>Oil room</td> <td>18</td> <td>SC management procedures</td> </tr> </tbody> </table> | | Operation / Stations | | Operation / Stations | 1 | Weighbridge | 10 | Kernel Plant | 2 | FFB Reception/Grading | 11 | EFB Press | 3 | Loading Ramp | 12 | Water Treatment Plant | 4 | Sterilizer | 13 | Boiler | 5 | Winch | 14 | Power Plant (Engine Room) | 6 | Hoisting Crane | 15 | Laboratory | 7 | Thresher Drum | 16 | Workshop | 8 | Digester & Press | 17 | Effluent Pond | 9 | Oil room | 18 | SC management procedures | <p>Complied</p> |
| | Operation / Stations | | Operation / Stations | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Weighbridge | 10 | Kernel Plant | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | FFB Reception/Grading | 11 | EFB Press | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Loading Ramp | 12 | Water Treatment Plant | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Sterilizer | 13 | Boiler | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Winch | 14 | Power Plant (Engine Room) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Hoisting Crane | 15 | Laboratory | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Thresher Drum | 16 | Workshop | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Digester & Press | 17 | Effluent Pond | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Oil room | 18 | SC management procedures | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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Similarly the estates possessed the following SOP for the guidance to the operations held. Among others the master list for the Estates possessed the following SOP under the best management practices/procedures:

| | Operation / Activities | | Operation / Activities |
|----|---|----|--------------------------------------|
| 1 | Chemical Handling | 12 | FronD Stacking |
| 2 | Chemical Storage | 13 | Scheduled Waste Management |
| 3 | Oil Palm Replanting | 14 | Riparian Management |
| 4 | Annual Medical Surveillance | 15 | Waterway Sedimentation Prevention |
| 5 | Training Programme | 16 | Culvert Placement |
| 6 | Fertilizer Application | 17 | Water Quality Monitoring |
| 7 | Occupational Safety Health Management | 18 | Accident Reporting and Investigation |
| 8 | Soil Management | 19 | Road Maintenance |
| 9 | Managing Soil | 20 | Water Resources |
| 10 | Continual Improvement Management System | 21 | Terrace and Platform Construction |
| 11 | EFB Mulching | 22 | Water Quality Monitoring |

In addition there were procedures established for the listed operations and activities.

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| | Operation / Stations | | Operation / Stations |
|---|---|----|---|
| 1 | Procedure on Environment | 9 | Procedure on Application of Fertilizer |
| 2 | Procedure on Chemical / fertilizer Management | 10 | Procedure on Lifting of Fertilizer Bags |
| 3 | Procedure on Storage of Petrol, Diesel/Lubricants | 11 | Procedure Storage Disposal Used Chemical Containers |
| 4 | Procedure on Preparation and Mixing of Pesticides | 12 | Procedure on Disposal of Used Lubricants |
| 5 | Procedure for Tractor & Lorry Drivers | 13 | Procedure on Handling & Disposal of Domestic Waste |
| 6 | Procedure Loading of FFB | 14 | Procedure on Diesel Pump |
| 7 | Procedure for the Spraying of Pesticides | 15 | Procedure on disposal of Domestic Waste |
| 8 | Procedure Harvesting FFB | - | Pruning guidelines |

The SOP documented in English are dated accordingly and approved by the management. The latest copies of the SOP were available on-site. Copies of SOP were distributed and posted at site of operation in Bahasa Malaysia for easier understanding by the workers. SOP in the mill and all estates were laminated and made available in notice boards and work stations highly visible and

| | | | |
|--------------|--|---|-----------------|
| | | <p>easily accessible by all workers. Based on interviews conducted and training records sighted, it is evident that staff/ workers have understood the SOP.</p> | |
| <p>3.3.2</p> | <p>A mechanism to check consistent implementation of procedures is in place. - Minor Compliance -</p> | <p>Both the Estates and the Mill had an established mechanism to perform checking to ensure consistent implementation of procedures.</p> <p>Sakilan Palm Oil Mill</p> <ul style="list-style-type: none"> i. Daily Production Report (sighted 31/12/2020) providing details as follows; <ul style="list-style-type: none"> - FFB received / processed / balance - FFB certified non-certified quantity - Produce production / despatch / balance - Storage capacity/ status / laboratory results ii. Scheduled visits by SPO / Head Office personnel iii. Unscheduled Controller / Director/ CEO visit iv. Inspection visits by Government Agency/ Department <p>Estates Operations</p> <p>The monitoring of the SOP implementation was closely made by the all levels of the supervisory personnel with records maintained and checked. Among others the records maintained are;</p> <ul style="list-style-type: none"> i. Daily production/work records for the core activities at the estates ii. field cost book / chemical consumption record iii. mature/immature field work program <ul style="list-style-type: none"> - fertilizer application, - herbicide spraying, / rat baiting , | <p>Complied</p> |

| | | | |
|-------|--|--|----------|
| | | <ul style="list-style-type: none"> - Harvesting and collection of FFB. <p>All the above records were kept for a minimum period of 12 months. In addition the management adopted the following check and balances through visit of the following dept /superiors</p> <ul style="list-style-type: none"> i. Agronomic advisory report and fertilizer recommendation minimum 3 yearly respectively to monitor matters relating to; <ul style="list-style-type: none"> - nutrient deficiency, fertilizer program, - pest & disease ganoderma infection, rat and RB attack, - EFB mulching program for the year etc. ii. Director’s visit unscheduled visit performing assessment relating to; <ul style="list-style-type: none"> - land use, capital expenditure, general charges, - oil palm (mature & immature area) field condition - crop performance and cost - vehicles & equipment, amenities, - labour and security etc <p>Immature field activities at PR2019 & 2020 for Sakilan and Linbar 2 Estates PR2021</p> | |
| 3.3.3 | <p>Records of monitoring and any actions taken are maintained and available.</p> <p>- Minor Compliance -</p> | <p>The estates maintained relevant records on implementation and monitoring of SOP and manual etc at the CU. Among others the records sighted were</p> <ul style="list-style-type: none"> i. Program sheets, Field cost books, Plantation Controller reports, ii. Agronomic reports, Audits by Sustainability Department, iii. Harvesting Interval records, | Complied |

| | | | |
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| | | <p>Harvesting interval monitored through "Harvesting Interval" record/chart showed that the current harvesting rounds were 9 to 12 days in the estates.</p> <p>The pruning of palms and stacking of pruned fronds in areas visited during the visit in all estates was satisfactory and commendable.</p> <ul style="list-style-type: none"> iv. Rat baiting records, Fertilizer application records, v. Monthly Progressive Reports, <p>The main content are oil palm crop report and yield statistics extracted from database, upkeep & cultivation (mature and Immature), harvesting & collection, store balance and labour position. Bin cards have been used for monitoring stock inventory in the estates.</p> <ul style="list-style-type: none"> vi. scheduled wastes records, vii. PPE issuance and checklist etc. <p>The reports/records maintained for monitoring purposes include among others:</p> <ul style="list-style-type: none"> i. Controller / Agronomist report ii. RSPO internal audit iii. Workplace Inspection iv. Management review v. Monthly report on costing, yield, HR & management of immature fields. vi. Annual and monthly field work program. vii. Rainfall data / R&D census | |
|--|--|---|--|

| | | | |
|--|--|--|-----------------|
| | | <ul style="list-style-type: none"> viii. Budget for Crop and financial. ix. Field cost book indicating total <ul style="list-style-type: none"> • Man days, labour cost, material cost, • total cost, unit cost per ha <p>Similarly, Sakilan POM maintained records in relation to the daily processing. Data were compiled monthly and concluded annually for performance monitoring. The monitoring was guided via the established manuals IOI Plantation Group. The Mill Operations SOP is maintained in place for mill operation such as;</p> <ul style="list-style-type: none"> i. Daily production report i.e. FFB processed and balances ii. CPO / CPK produced and despatches and stocks iii. Machinery maintenance records iv. Labour out turn and productivity v. Quality system, document control, vi. Purchasing, process control, inspection and testing, vii. Inspection measuring and test equipment, inspection and test status, viii. Control of non-conforming product, complaint and failure investigation, ix. Handling, storage, packaging and delivery, x. Quality records, internal quality audits, xi. Training and statistical technique. | |
| <p>Criterion 3.4: A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.</p> | | | |
| 3.4.1 | <p>(C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected</p> | <p>No new planting within Sakilan POM certification unit.</p> | <p>Complied</p> |

| | | | |
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| | <p>stakeholders and including the impacts of any smallholder/out-grower scheme, is documented.</p> <p>- Critical (Major) compliance -</p> | <p>Latest Environmental Impact Assessment for all operating units visited was prepared in November 2021 and reviewed on annual basis. Document named Environmental impact assessment management action plans and continuous improvement plans, Sakilan Palm Oil Mill and estates, date review November 2021 prepared by IOI Plantation Services Sdn Bhd is referred to.</p> <p>Nevertheless, each unit has its own Social Impact Assessments done which have been prepared internally by the Sustainability Department. Details of the Social Impact Assessment are contained in Indicator 3.4.2 below.</p> | |
| <p>3.4.2</p> | <p>For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.</p> <p>- Minor Compliance -</p> | <p>Environmental impact assessment management action plans and continuous improvement plans, Sakilan Palm Oil Mill, date review November 2021 prepared by IOI Plantation Services Sdn Bhd.</p> <p>Identification and management plan of waste products, potential pollution source and potential sources of GHG emission covering all workstations such as:</p> <ul style="list-style-type: none"> i) Washing of floor lubricant, CPO from marshalling yards, ramp and mill compound ii) Smoke & noise emission iii) Scheduled waste and empty container iv) Clinical waste, domestic & recycle waste, sewage and garden residue v) Diesel, efficient usage of electricity and office paper vi) Workshop and vehicle bay vii) Landfill, generator, line site and scrap iron viii) New building and drainage, lubricant and chemical store ix) Constructing ESP for boiler x) Laboratory and water treatment | <p>Complied</p> |

| | | | |
|--|--|--|--|
| | | <ul style="list-style-type: none"> xi) Identification side-product/waste xii) POME, EFB and other by products (fibre/shell/boiler ash/decanter cake) xiii) Identification of potential source of GHG emission <p>For the estates, environmental impact assessment management action plans and continuous improvement plans date review November 2021 prepared by IOI Plantation Services Sdn Bhd.</p> <p>Identification and management plan of waste products, potential pollution source and potential sources of GHG emission covering all workstations such as:</p> <ul style="list-style-type: none"> i) Scheduled waste and empty container ii) Clinical waste, domestic & recycle waste, sewage and garden residue iii) Diesel, efficient usage of electricity and office paper iv) Empty chemical container store, scheduled waste store v) Generator house vi) Diesel skid tank vii) Landfill viii) Fertilizer store ix) Lubricant store x) Existing building, new building and drainage xi) Identification of potential source of GHG emission <p>Environmental aspect and impact review have been developed in participation of site management team to review current state of operation and its impact to the environment.</p> | |
|--|--|--|--|

| | | | |
|-------|---|--|-----------------------|
| | | <p>Evidence was available that the Social Impact Assessment (SIA) as well as Management Action Plans and Continuous Improvements Plan have been developed with participation of affected stakeholders such as external (local communities, contractors, suppliers, neighbouring entities, etc) and internal stakeholders (workers). These documents were prepared by each unit in collaboration with Sustainable Palm Oil Team, Sandakan Region. The stakeholders gave inputs on positive and negative impacts arising from Sakilan Certification Unit operations. Among them included business and job opportunities for local communities, education opportunities for workers' children, corporate social responsibility e.g., allowing access to local communities to pass through estate road to go to their farms and orchards, access damage to access road, etc.</p> | |
| 3.4.3 | <p>(C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way. - Critical (Major) compliance -</p> | <p>Management and monitoring plan for environmental documented under Environmental impact assessment management action plans and continuous improvement plans, Sakilan Palm Oil Mill, date review November 2021.</p> <ul style="list-style-type: none"> i) Smoke emission monitoring plan – 6 monthly iso-kinetic emission monitoring, CEMS (online & offline), ii) Scheduled waste and empty container monitoring plan – Storing, labelling, monitoring and disposal of scheduled waste according to EQA 1974, Scheduled Waste Regulation 2005. <p>For EIA compliance monitoring, ECR carried out every 4 months as required under AEC, JPAS/PP/02/600-1/11/1/81 dated 27/1/10. Latest ECR report dated 23rd April 2021 (2nd report for 2021) was made available for verification. EIA entitled Replanting of 4,300 ha Oil Palm Plantation Within Right Purpose Sdn Bhd Plantation Area (Linbar 1 and 2 Estate), Beluran Sabah.</p> | <p>Non-compliance</p> |

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| | | <p>The document used to monitor implementation of social management plan is known as Management Action Plans & Continuous Improvement Plan. Each Estate and Mill have their own document which are reviewed and updated annually. The reviews were done on 10 November 2021 for Sakilan, Linbar 1 and 2 Estates.</p> <p>During the review, inputs were obtained from internal stakeholders via internal stakeholder meetings, committee meetings and complaints record in the Green Book. Internal stakeholder meetings were held at Sakilan Mill on 22 October 2021 and at Linbar 2 Estate on 3 November 2021.</p> <p>For external stakeholders, inputs were obtained from stakeholders via written statements. Prior to the Covid-19 pandemic, external stakeholder inputs were obtained during annual stakeholder meetings. However, with the Movement Control Orders imposed by the Sabah State Government, no stakeholder meeting could be held, and as an alternative, this method of receiving stakeholder feedback was deployed. Sighted during the audit were inputs received from HUMANA and CLC teachers, contractors, FFB transporters, etc.</p> <p>However, Sakilan Estate’s SIA and Management Action Plans and Continuous Improvements Plan prepared on 10 Nov 2021 had not been reviewed and updated in a participatory way. In preparation for the Sakilan Estate JCC meeting of 30 June 2021, a worker had written of his observations on the Borang Cadangan Agenda that he had often seen parent(s) bringing children to the field, and had requested that management took stern action on the matter. It was found during the audit that:</p> | |
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|---|---|--|-----------------|
| | | <p>a) None of the issue raised by the worker was recorded in any of the minutes of the JCC meetings of 30 June 2021, 28 October 2021, and 4 November 2021.</p> <p>b) This issue was not adequately identified in Sakilan Estate’s SIA and Management Action Plans and Continuous Improvements Plan prepared on 10 November 2021.</p> <p>Based on the above, Sakilan Estate could not demonstrate that it’s SIA and Management Action Plans and Continuous Improvements Plan dated 10 November 2021 had been reviewed and updated in a participatory way.</p> <p>Therefore, a Major Non-Compliance was raised.</p> | |
| <p>Criterion 3.5: A system for managing human resources is in place.</p> | | | |
| <p>3.5.1</p> | <p>Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable.</p> <p>- Minor Compliance -</p> | <p>SOPs on the following procedures were available and sighted during the audit:</p> <p>a) Employment procedure for workers (recruitment, selection, hiring) dated 11 August 2020;</p> <p>b) Retirement procedure dated 21 July 2020;</p> <p>c) Termination procedure dated 11 August 2020;</p> <p>d) Absconded foreign workers procedure dated 8 Feb 2021</p> <p>e) Resignation and repatriation procedure dated 11 August 2020.</p> <p>Promotion procedure are available in the Employee Handbook. Each employee has a copy of the Employee Handbook for Estate/Mill & Research Centre Executive Staff. It states that promotion of executives is at the sole discretion of the company.</p> <p>The SOP on recruitment, selection, hiring, retirement and termination were socialised at Sakilan POM (on 27 Oct 2021), at Linbar 1 Estate (on 11 March 2021 and 9 April 2021).</p> | <p>Complied</p> |

| 3.5.2 | <p>Employment procedures are implemented, and records are maintained.</p> <p>- Minor Compliance -</p> | <p>There is evidence that the employment procedures for local and foreign workers enumerated under 3.5.1 are being implemented, and employment records are maintained. All local applications are preceded with a job application form, relevant qualifications and certificates, job interview, records of medical check-up, and the issuance of letter of job offer. There was evidence of medical examination, certificate of fitness for new recruitment, signing of employment contracts, and record of induction training attended.</p> <p>Records were sighted for workers at the Mill (boilermen, weighbridge attendant, security), and at the Estates (harvesters, field maintenance, creche ayah, drivers).</p> | Complied | | | | | | | | | | | | |
|---|---|--|-------------------------|------------------|--|-------------------|---|--------------------|----|-------------------------|---|----------------------------|----|------------------------|----------|
| Criterion 3.6: An occupational health and safety (H&S) plan is documented, effectively communicated and implemented. | | | | | | | | | | | | | | | |
| 3.6.1 | <p>(C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.</p> <p>- Critical (Major) compliance -</p> | <p>The estates had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. HIRARC is subject for a review in event of the following;</p> <ul style="list-style-type: none"> a) Change in work process b) Revision/changes in legislative requirement c) Occurrence of accidents <p>The estates had list of review on HIRARC dated Jan / Aug 2021.</p> <table border="1" data-bbox="1153 1182 1928 1358"> <thead> <tr> <th></th> <th>Areas/Activities</th> <th></th> <th>Areas /Activities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Palm /bunch census</td> <td>11</td> <td>Harvesting & collection</td> </tr> <tr> <td>2</td> <td>Circle /selective spraying</td> <td>12</td> <td>Transportation workers</td> </tr> </tbody> </table> | | Areas/Activities | | Areas /Activities | 1 | Palm /bunch census | 11 | Harvesting & collection | 2 | Circle /selective spraying | 12 | Transportation workers | Complied |
| | Areas/Activities | | Areas /Activities | | | | | | | | | | | | |
| 1 | Palm /bunch census | 11 | Harvesting & collection | | | | | | | | | | | | |
| 2 | Circle /selective spraying | 12 | Transportation workers | | | | | | | | | | | | |

| | | | |
|----|------------------------|----|------------------------|
| 3 | Confined space | 13 | Walking palm to palm |
| 4 | Drainage-machine | 14 | Loose fruit collection |
| 5 | Grass cutting | 15 | In field machine |
| 6 | Compound sanitation | 16 | Water catchment |
| 7 | Fertilizer application | 17 | Chemical mixing |
| 8 | Replanting | 18 | Nursery |
| 9 | Bridge maintenance | 19 | Workers quarters |
| 10 | Water treatment plant | 20 | Workshop operations |

HIRARC for the mill was formalized on in 2012 with review made annually. The significant and routine activities for mill were adequately covered with details as follows;

| | Areas/Activities (Mill) | | Areas /Activities |
|---|--------------------------|----|-------------------------|
| 1 | Reception –Weighbridge | 8 | Engine Room |
| 2 | Fruit Handling | 9 | Product storage |
| 3 | Sterilizer | 10 | Laboratory |
| 4 | Threshing | 11 | Water treatment |
| 5 | Clarification / Oil Room | 12 | Effluent Treatment Pond |
| 6 | Boiler House | 13 | Crop reception – Ramp |
| 7 | Confined space | 14 | Working at height |

| | | <p>There was no new activities in the mill hence no new HIRARC being incorporated in the list. The ESP construction is presently in progress anticipating completion in Jan 2022.</p> <p>Appropriate risk control measures were determined and implemented for the respective activities and operation. Most of the moving part and rotating machinery were installed with machine guarding and properly covered. Appropriate administrative controls such as safety signage were displayed at all work stations in the mill and estate offices and workshop. In general, the control measures were appropriate to the identified risks.</p> | | | | | | | | | | | |
|-------|---|--|----|------|----------|---|----------------------|--------------------------------------|---|-------------------------|--------------|------------|----------|
| 3.6.2 | <p>(C) The effectiveness of the H&S plan to address health and safety risks to people is monitored. - Critical (Major) compliance -</p> | <p>The Health and Safety Plan dated 07/12/2020 among others include the following:</p> <ul style="list-style-type: none"> a. zero accident case in major accident (class I & class II). b. to enhance OSH awareness through comprehensive c. ESH Training (target 70%). d. Reduce rate 10% e. 0.2% of man-hour is contributed to training f. To comply with noise risk assessment report <p>The implementation of OSH plan was monitored by internal audits conducted by Executives from HSE Department. The OSHA plan among others initiated by the estates/mill are as follows;</p> <table border="1" data-bbox="1153 1173 1921 1380"> <thead> <tr> <th>No</th> <th>Task</th> <th>Activity</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>OSH Legal Compliance</td> <td>Review all relevant legal compliance</td> </tr> <tr> <td rowspan="2">2</td> <td rowspan="2">Emergency Response Plan</td> <td>ERP Training</td> </tr> <tr> <td>Fire drill</td> </tr> </tbody> </table> | No | Task | Activity | 1 | OSH Legal Compliance | Review all relevant legal compliance | 2 | Emergency Response Plan | ERP Training | Fire drill | Complied |
| No | Task | Activity | | | | | | | | | | | |
| 1 | OSH Legal Compliance | Review all relevant legal compliance | | | | | | | | | | | |
| 2 | Emergency Response Plan | ERP Training | | | | | | | | | | | |
| | | Fire drill | | | | | | | | | | | |

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| | | | | | Enforcement Visit | | | | | | | | | | | | | |
|---|---|--|----------------------------------|------|--|-----------------------|----------|--|--|-----|-----|------|---|-----------------------|---|---|---|----------|
| | | 3 | OSH Management System | | Review documentation HIRARC review | | | | | | | | | | | | | |
| | | 4 | Risk Management | | Identify High Risk Area maintenance Hygiene Tech | | | | | | | | | | | | | |
| | | 5 | Accident Investigation/reporting | | Accident Investigation JKKP 8/6 submission Chemical Register | | | | | | | | | | | | | |
| Criterion 3.7: All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained. | | | | | | | | | | | | | | | | | | |
| 3.7.1 | <p>(C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and out-growers, taking into account gender-specific needs, and which covers applicable aspects of the RSPOP&C, in a form they understand, and which includes assessments of training.</p> <p>- Critical (Major) compliance -</p> | <p>The annual training program 2020/21 has been established and significantly covers all aspects of the RSPO requirements. There were also additional subjects including the estate operating procedures, parameters, vehicles maintenance etc. The training program also specified the target group of employees to be trained under the allocated subjects. The program mainly covers both requirement of the estates and mill in the CU. The subjects for the training are issued and assisted by the SPO personnel. The following topics included in the annual training program among others as follows;</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2" style="text-align: center;">(Estate/Mill) subject</th> <th colspan="3" style="text-align: center;">schedule</th> </tr> <tr> <th style="text-align: center;">1-4</th> <th style="text-align: center;">5-9</th> <th style="text-align: center;">9-12</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">Requirement RSPO MSPO</td> <td style="text-align: center;">/</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> | | | | (Estate/Mill) subject | schedule | | | 1-4 | 5-9 | 9-12 | 1 | Requirement RSPO MSPO | / | - | - | Complied |
| | (Estate/Mill) subject | schedule | | | | | | | | | | | | | | | | |
| | | 1-4 | 5-9 | 9-12 | | | | | | | | | | | | | | |
| 1 | Requirement RSPO MSPO | / | - | - | | | | | | | | | | | | | | |

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| | | | | | | |
|--|--|----|---------------------------------------|---|---|---|
| | | 2 | ESH objective, target & program | / | - | - |
| | | 3 | New FW – Induction Program | / | / | / |
| | | 4 | Duties of field staff | / | - | - |
| | | 5 | ESH role & function | / | - | - |
| | | 6 | Competency, training & awareness | / | - | - |
| | | 7 | ERP procedure and evacuation | - | / | - |
| | | 8 | Legal & other requirement | - | / | - |
| | | 9 | Permit - work / tools equipment | / | - | - |
| | | 10 | HIRARC & EAI | - | / | - |
| | | 11 | Non Conformity Corr/preventive action | - | / | - |
| | | 12 | Complaint & grievance procedure | - | / | - |
| | | 13 | SOP & ECP for individual procedure | - | / | - |
| | | 14 | PPE adherence | - | / | - |
| | | 15 | Scheduled waste management | - | - | / |
| | | 16 | Supplier selection & evaluation | - | / | - |
| | | 17 | Estates practices SOP | / | / | / |
| | | 18 | SDS understanding | / | / | - |
| | | 19 | Riparian Zone Management | / | - | - |
| | | 20 | Sexual Harassment | - | / | - |
| | | 21 | Safe driving technique | - | / | - |
| | | 22 | Accident investigation technique | - | - | - |

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| <p>3.7.2</p> | <p>Records of training are maintained. - Minor Compliance -</p> | <p>The estates and mill training are held/organized during the daily briefing prior to work commencement. Mainly the issues discussed/briefed were related to estate and mill operations, environmental and safety compliance. These training records are maintained and were sighted during the audit.</p> <table border="1" data-bbox="1153 566 1921 1347"> <thead> <tr> <th></th> <th>Subject</th> <th>Sakilan</th> <th>Linbar2</th> <th>Lindbar 1</th> </tr> </thead> <tbody> <tr><td>1</td><td>SOP Weeding / HIRARC</td><td>12/3/21</td><td>-</td><td>20/5/21</td></tr> <tr><td>2</td><td>Company Policies Briefing</td><td>27/10/21</td><td>05/2/21</td><td>10/3/21</td></tr> <tr><td>3</td><td>RSPO Briefing to employees</td><td>-</td><td>13/9/21</td><td>12/4/21</td></tr> <tr><td>4</td><td>Harvesting safety</td><td>03/4/21</td><td>-</td><td>03/9/21</td></tr> <tr><td>5</td><td>Tractors driving SOP</td><td>25/7/21</td><td>25/3/21</td><td>13/1/21</td></tr> <tr><td>6</td><td>Water treatment Plant</td><td>-</td><td>-</td><td>22/1/21</td></tr> <tr><td>7</td><td>Air compressor SOP</td><td>15/7/21</td><td>22/5/21</td><td>11/2/21</td></tr> <tr><td>8</td><td>RSPO MSPO awareness</td><td>27/10/21</td><td>12/2/21</td><td>22/9/21</td></tr> <tr><td>9</td><td>Fertilizer application</td><td>15/11/21</td><td>-</td><td>07/5/21</td></tr> <tr><td>10</td><td>Workshop management</td><td>15/7/21</td><td>22/5/21</td><td>03/9/21</td></tr> <tr><td>11</td><td>Spraying SOP /Buffer zone</td><td>13/3/21</td><td>22/1/21</td><td>13/2/21</td></tr> <tr><td>12</td><td>Nursery Operations</td><td>5/6/21</td><td>-</td><td>26/1/21</td></tr> <tr><td>13</td><td>FFB crop quality /Ramp</td><td>19/6/21</td><td>15/1/21</td><td>16/6/21</td></tr> <tr><td>14</td><td>Harvesting SOP</td><td>4/11/21</td><td>23/2/21</td><td>21/9/21</td></tr> <tr><td>15</td><td>Harvesting Safety</td><td>5/6/21</td><td>-</td><td>18/2/21</td></tr> <tr><td>16</td><td>Fire Drill - ERP</td><td>23/9/21</td><td>17/3/21</td><td>04/10/21</td></tr> </tbody> </table> | | Subject | Sakilan | Linbar2 | Lindbar 1 | 1 | SOP Weeding / HIRARC | 12/3/21 | - | 20/5/21 | 2 | Company Policies Briefing | 27/10/21 | 05/2/21 | 10/3/21 | 3 | RSPO Briefing to employees | - | 13/9/21 | 12/4/21 | 4 | Harvesting safety | 03/4/21 | - | 03/9/21 | 5 | Tractors driving SOP | 25/7/21 | 25/3/21 | 13/1/21 | 6 | Water treatment Plant | - | - | 22/1/21 | 7 | Air compressor SOP | 15/7/21 | 22/5/21 | 11/2/21 | 8 | RSPO MSPO awareness | 27/10/21 | 12/2/21 | 22/9/21 | 9 | Fertilizer application | 15/11/21 | - | 07/5/21 | 10 | Workshop management | 15/7/21 | 22/5/21 | 03/9/21 | 11 | Spraying SOP /Buffer zone | 13/3/21 | 22/1/21 | 13/2/21 | 12 | Nursery Operations | 5/6/21 | - | 26/1/21 | 13 | FFB crop quality /Ramp | 19/6/21 | 15/1/21 | 16/6/21 | 14 | Harvesting SOP | 4/11/21 | 23/2/21 | 21/9/21 | 15 | Harvesting Safety | 5/6/21 | - | 18/2/21 | 16 | Fire Drill - ERP | 23/9/21 | 17/3/21 | 04/10/21 | <p>Complied</p> |
|--------------|--|---|---------|-----------|---------|---------|-----------|---|----------------------|---------|---|---------|---|---------------------------|----------|---------|---------|---|----------------------------|---|---------|---------|---|-------------------|---------|---|---------|---|----------------------|---------|---------|---------|---|-----------------------|---|---|---------|---|--------------------|---------|---------|---------|---|---------------------|----------|---------|---------|---|------------------------|----------|---|---------|----|---------------------|---------|---------|---------|----|---------------------------|---------|---------|---------|----|--------------------|--------|---|---------|----|------------------------|---------|---------|---------|----|----------------|---------|---------|---------|----|-------------------|--------|---|---------|----|------------------|---------|---------|----------|-----------------|
| | Subject | Sakilan | Linbar2 | Lindbar 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | SOP Weeding / HIRARC | 12/3/21 | - | 20/5/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Company Policies Briefing | 27/10/21 | 05/2/21 | 10/3/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | RSPO Briefing to employees | - | 13/9/21 | 12/4/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Harvesting safety | 03/4/21 | - | 03/9/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Tractors driving SOP | 25/7/21 | 25/3/21 | 13/1/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Water treatment Plant | - | - | 22/1/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Air compressor SOP | 15/7/21 | 22/5/21 | 11/2/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | RSPO MSPO awareness | 27/10/21 | 12/2/21 | 22/9/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Fertilizer application | 15/11/21 | - | 07/5/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | Workshop management | 15/7/21 | 22/5/21 | 03/9/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | Spraying SOP /Buffer zone | 13/3/21 | 22/1/21 | 13/2/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | Nursery Operations | 5/6/21 | - | 26/1/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 | FFB crop quality /Ramp | 19/6/21 | 15/1/21 | 16/6/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | Harvesting SOP | 4/11/21 | 23/2/21 | 21/9/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | Harvesting Safety | 5/6/21 | - | 18/2/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | Fire Drill - ERP | 23/9/21 | 17/3/21 | 04/10/21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|--|--|----|--------------------------------|----------|---------|----------|--|
| | | 17 | Fire Drill | 9/11/21 | 08/9/21 | 21/10/21 | |
| | | 18 | Chemical spillage ERP | 12/3/21 | 29/3/21 | 11/1/21 | |
| | | 19 | First Aid - Refresher briefing | 6/8/21 | 17/9/21 | 18/10/21 | |
| | | 20 | FFB collection | 05/6/21 | - | 16/6/21 | |
| | | 21 | Rat Baiting | 3/3/21 | - | - | |
| | | 22 | Working at height | 12/6/21 | - | 28/6/21 | |
| | | 23 | ERP - Spill kit | 5/10/21 | 05/3/21 | 29/9/21 | |
| | | 24 | Harvesting SOP | 7/4/21 | 17/3/21 | 05/5/21 | |
| | | 25 | Gen set operations | 10/11/21 | 25/6/21 | 14/10/21 | |
| | | 26 | Pesticides Handling | 13/9/21 | 27/7/21 | 09/2/21 | |
| | | 27 | Chemical spraying | 16/11/21 | 07/5/21 | 12/10/21 | |
| | | 28 | Replanting | 6/10/21 | - | - | |
| | | 29 | First Aid Kit & ERP handling | 6/10/21 | 18/2/21 | 12/1/21 | |
| | | 30 | IPM management | 9/11/21 | 11/5/21 | 09/4/21 | |
| | | 31 | Working hours | 15/11/21 | 27/8/21 | 17/9/21 | |
| | | 32 | Protection HCV riparian zone | 10/9/21 | 26/1/21 | 03/3/21 | |
| | | 33 | fertilizer - application | 25/5/21 | 26/2/21 | 19/1/21 | |
| | | 34 | Harvesting activities SOP | 4/5/21 | 18/6/21 | 08/9/21 | |
| | | 35 | Work discipline SOP | 26/6/21 | 7/1/21 | 13/4/21 | |
| | | 36 | Driving SOP & PPE | 5/6/21 | 06/4/21 | 04/6/21 | |
| | | 37 | Line site hygiene | 16/11/21 | 22/3/21 | 20/9/21 | |
| | | 38 | PPE adherence / riding | 13/11/21 | - | 12/1/21 | |

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|--|--|----|--------------------------------|----------|--|--|
| | | 11 | Fire Drill | 04/11/21 | | |
| | | 12 | Hearing Protection Plan | 04/6/21 | | |
| | | 13 | Chemical spillage ERP | 04/11/21 | | |
| | | 14 | First Aid - Refresher briefing | 10/10/21 | | |
| | | 15 | FFB quality /Ramp | 22/2/21 | | |
| | | 16 | Transfer carriage - SOP | 27/1/21 | | |
| | | 17 | Working at height | 10/10/21 | | |
| | | 18 | Process safety & PPE | 07/4/21 | | |
| | | 19 | PPE - ERP | 25/1/21 | | |
| | | 20 | Gen set operations | 08/6/21 | | |
| | | 21 | Fiberizer Operations | 18/2/21 | | |
| | | 22 | SOP - Confined space | 12/3/21 | | |
| | | 23 | Effluent SOP / PPE | 04/1/21 | | |
| | | 24 | First Aid Kit & ERP handling | 04/11/21 | | |
| | | 25 | FFB grading | 10/2/21 | | |
| | | 26 | Working hours /grievance | 14/10/21 | | |
| | | 27 | Boiler operations | 08/6/21 | | |
| | | 28 | Weighbridge Operation | 10/2/21 | | |
| | | 29 | Press station - operations | 20/3/21 | | |
| | | 30 | Process SOP | 28/3/21 | | |
| | | 31 | Line site hygiene | 26/5/21 | | |
| | | 32 | PPE adherence | 16/6/21 | | |

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| | | <table border="1"> <tr><td>33</td><td>SW management</td><td>14/10/21</td></tr> <tr><td>34</td><td>Bolier operations</td><td>01/2/21</td></tr> <tr><td>35</td><td>Covid 19 reminders -MCO</td><td>19/8/21</td></tr> <tr><td>36</td><td>Sexual harassment / COBC</td><td>17/4/21</td></tr> <tr><td>37</td><td>Crehe management/guideline</td><td>22/2/21</td></tr> <tr><td>38</td><td>TKI induction program</td><td>29/1/21</td></tr> <tr><td>39</td><td>LOTO guidelines</td><td>10/10/21</td></tr> <tr><td>40</td><td>Laboratory</td><td>16/10/21</td></tr> </table> | 33 | SW management | 14/10/21 | 34 | Bolier operations | 01/2/21 | 35 | Covid 19 reminders -MCO | 19/8/21 | 36 | Sexual harassment / COBC | 17/4/21 | 37 | Crehe management/guideline | 22/2/21 | 38 | TKI induction program | 29/1/21 | 39 | LOTO guidelines | 10/10/21 | 40 | Laboratory | 16/10/21 | | |
|-------------------------|--|---|-------------------------|---------------|----------|---------------------|-------------------|--|----------|-------------------------|---|-------------|--------------------------|---|----|----------------------------|---------|----|-----------------------|---------|----|-----------------|----------|----|------------|----------|--|--|
| 33 | SW management | 14/10/21 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 34 | Bolier operations | 01/2/21 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 35 | Covid 19 reminders -MCO | 19/8/21 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 36 | Sexual harassment / COBC | 17/4/21 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 37 | Crehe management/guideline | 22/2/21 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 38 | TKI induction program | 29/1/21 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 39 | LOTO guidelines | 10/10/21 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 40 | Laboratory | 16/10/21 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>3.7.3</p> | <p>Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.</p> <p>- Minor Compliance -</p> | <p>Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard. A few training sessions were carried out as per the below summary:</p> <table border="1"> <thead> <tr> <th>Critical task personnel</th> <th>Training date</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Laboratory operator</td> <td>3/11/2021</td> <td>10 attendees (laboratory personnel) Trainer: Assistant Manager, SPO</td> </tr> <tr> <td>Security</td> <td>3/11/2021</td> <td>5 attendees (security personnel) Trainer: Assistant Manager, SPO</td> </tr> <tr> <td>Weighbridge</td> <td>2/11/2021</td> <td>3 attendees (weighbridge operator) Trainer: Assistant Manager, SPO</td> </tr> </tbody> </table> | Critical task personnel | Training date | Remarks | Laboratory operator | 3/11/2021 | 10 attendees (laboratory personnel) Trainer: Assistant Manager, SPO | Security | 3/11/2021 | 5 attendees (security personnel) Trainer: Assistant Manager, SPO | Weighbridge | 2/11/2021 | 3 attendees (weighbridge operator) Trainer: Assistant Manager, SPO | | <p>Complied</p> | | | | | | | | | | | | |
| Critical task personnel | Training date | Remarks | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Laboratory operator | 3/11/2021 | 10 attendees (laboratory personnel) Trainer: Assistant Manager, SPO | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Security | 3/11/2021 | 5 attendees (security personnel) Trainer: Assistant Manager, SPO | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Weighbridge | 2/11/2021 | 3 attendees (weighbridge operator) Trainer: Assistant Manager, SPO | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | Administration | 13/11/2021 | 6 attendees (clerk/general) Trainer: Assistant Manager, SPO | |
| Criterion 3.8: Supply chain requirement for mills (note: All supply chain requirements are considered as Critical (C) . However it will not contribute to suspension if there is more than 5 non-compliance within a principle) | | | | | |
| 3.8.1 | Identity Preserved Module A mill is deemed to be Identity Preserved (IP) if the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Mass Balance Module is applicable. | The mill only received certified FFB from its certified estates which belong to IOI Corporation Berhad. A procedure, RSPO Supply Chain – Identity Preserve (IP) [doc. No.: RSPOSC/SOP/IP/3, rev. 8, dated 31/10/2020] was developed to implement the IP supply chain system at the POM. The procedure is applicable for incoming FFB, outgoing CPO & PK at RSPO certified mills that operate IP supply chain system. The procedure has also covered the subjects of overproduction, handling of complaints and non-conformities product. | | | Complied |
| 3.8.2 | Mass Balance Module A mill is deemed to be Mass Balance (MB) if the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB. | Sakilan POM is under Identity Preserved. No 3 rd party crop received by the mill. Thus, this indicator is not applicable. | | | Not Applicable |
| 3.8.3 | The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage | The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in Table 10 of this public summary report. | | | Complied |

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| | produced shall then be recorded in each subsequent annual surveillance report. | | |
| 3.8.4 | The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform. | Registration of RSPO IT Platform for Sakilan POM as per the following: Commodity: Palm Oil PalmTrace member ID: PO10000000110 RSPO membership ID: 2-0002-04-000-00 Type of business: Oil Mill Supply chain model: Identity Preserved Palm trace license valid until 7/3/2022. Reporting requirements for supply chain verified through RSPO IT platform. Summary of transactions. | Complied |
| 3.8.5 | <p>Documented procedures</p> <p>The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the mill's procedures for the implementation of this standard. | <p>IOI Plantation Services Sdn Bhd has developed procedures to implement the elements of the applicable supply chain model as below:</p> <ul style="list-style-type: none"> RSPO Supply Chain – Identity Preserve (IP) [doc. No.: RSPOSC/SOP/IP/3, rev. 8, dated 31/10/2020] Internal Audit Procedure, Doc. No.: RSPOSC/SOP/IA/1, Rev. 02 dated 20/12/2018. <p>The Mill Manager has an overall responsibility and authority over the implementation of the procedure, requirements and compliances with all the applicable RSPO Supply Chain Certification Standard and assisted by Assistant Managers, Engineers and Technical Executives as per stated in its procedure.</p> <p>FFB were obtained from all IOI's certified estates only. There was no third party's crop nor non-certified FFB received by the mill.</p> | Complied |

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| | d) The mill shall have documented procedures for receiving and processing certified and non-certified FFBS including ensuring no contamination in the IP mill. | | |
| 3.8.6 | <p>Internal Audit</p> <p>i) The mill shall have a written procedure to conduct annual internal audit to determine whether the mill:</p> <p>a. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>b. Effectively implements and maintains the standard requirements within its organisation.</p> <p>ii) Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The mill shall maintain the internal audit records and reports.</p> | <p>IOI Plantation Services Sdn Bhd has developed Internal Audit Procedure, Doc. No.: RSPOSC/SOP/IA/1, Rev. 02 dated 20/12/2018 for conducting RSPO SCCS and RSPO Rules on Market Communications and Claims internal audit.</p> <p>The last internal audit was carried out on 6-11/10/2021 by the SPO Department Sandakan Region. The coverage of internal audit has included the General Chain of Custody Requirements for the Supply Chain and Module D: Identity Preserved. There were 2 non-conformities raised as a result of the internal audit.</p> | Complied |
| 3.8.7 | <p>Purchasing and Goods In</p> <p>i) The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBS received.</p> <p>ii) The mill shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <p>iii) The mill shall have a mechanism in place for handling non-conforming FFB and/or documents.</p> | <p>When FFB delivered to the mill from the estate, the transporters presented FFB despatch report to the mill weighbridge clerk in order the FFB to be received by the mill.</p> <p>E.g. of information available in the FFB despatch report is as follows:</p> <ul style="list-style-type: none"> • FFB despatch no. (S/N:03868) • Estate's names (Linbar 2 Estate) • Date of delivery (13/11/21) • Field No. (field 07, 09) • Lorry no. SS5226M • Weight (10.38 mt) • WB ticket: FB21010537 | Complied |

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| | | <ul style="list-style-type: none"> • FFB despatch no. (S/N:06966) • Estate's names (Linbar 1 Estate) • Date of delivery (13/11/21) • Field No. (field 009) • Lorry no. SS4593K • Weight (11.60 mt) • WB ticket: FB21010535 <ul style="list-style-type: none"> • FFB despatch no. (S/N:19504) • Estate's names (Sakilan Estate) • Date of delivery (30/08/21) • Field No. (field 97D, 97C) • Lorry no. SS5631K • Weight (4,8 mt) • WB ticket: FB21007630 <p>Traceability Identification: RSPO certified FFB (RSPO 543161)</p> <p>Diversion from other certified management unit, Ladang Sabah certification unit (RSPO 687135)</p> <ul style="list-style-type: none"> • FFB despatch no. (S/N:06158) • Estate's names (Terusan Baru Estate) • Date of delivery (17/8/21) • Field No. (field 14H, 14I) • Lorry no. SS8036K • Weight (10.58 mt) • WB ticket: FB21007391 | |
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| | | <ul style="list-style-type: none"> • FFB despatch no. (S/N:05130) • Estate's names (Luangmanis Estate) • Date of delivery (17/8/21) • Field No. (field 95G, 95I) • Lorry no. SS9477V • Weight (15.7 mt) • WB ticket: FB21007357 <ul style="list-style-type: none"> • FFB despatch no. (S/N:22652) • Estate's names (Moynod Estate) • Date of delivery (17/8/21) • Field No. (field 98C, 98D) • Lorry no. SS3009M • Weight (13.52 mt) • WB ticket: FB21007396 <p>Traceability Identification: RSPO certified FFB (RSPO 687135)</p> | |
| 3.8.8 | <p>Sales and Goods Out</p> <p>The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):</p> <ol style="list-style-type: none"> a) The name and address of the buyer; b) The name and address of the seller; c) The loading or shipment / delivery date; d) The date on which the documents were issued; e) RSPO certificate number; | <p>Sakilan POM ensured the required information is available in document form. Sampled of CPO contract: C20106/2106 dated 28/05/21, quantity 1,400 mt (delivery month – June 2021)</p> <ul style="list-style-type: none"> • The name and address of the buyer; XXX • The name and address of the seller: The loading or shipment/ delivery date; e.g. 29/6/21 • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); Crude Palm Oil (CPO) RSPO IP | Complied |

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| | <p>f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations);</p> <p>g) The quantity of the products delivered;</p> <p>h) Any related transport documentation;</p> <p>i) A unique identification number.</p> | <ul style="list-style-type: none"> • The quantity of the products delivered; e.g 36.24 mt • Any related transport documentation; e.g. Despatch note e.g. #CP21000301 • Supply chain certificate number of the seller; e.g. On weighbridge ticket e.g. RSPO 543161 • A unique identification number: palm trace no. TR-4b2d0eac-9a62 • Available in a few forms e.g. DN no., seal no., etc. <p>Sakilan POM ensured the required information is available in document form. Sampled of PK contract: C20158/2107 dated 28/6/21, quantity 400 mt (delivery month – July 2021)</p> <ul style="list-style-type: none"> • The name and address of the buyer; XXX • The name and address of the seller: Sakilan POM • The loading or shipment/ delivery date; e.g. 29/07/21 • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); Palm Kernel (PK) RSPO IP • The quantity of the products delivered; e.g. 23.43 mt • Any related transport documentation; e.g. Despatch note e.g. #PK21000089 • Supply chain certificate number of the seller; e.g. On weighbridge ticket e.g. RSPO 543161 | |
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| | | <ul style="list-style-type: none"> • A unique identification number: palm trace no. TR-a8290b43-58f0 • Available in a few forms e.g. DN no., seal no., etc. | |
| 3.8.9 | <p>Outsourcing Activities</p> <p>i) The mill shall not outsource its milling activities. In cases where he mill outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO Supply Chain Certification</p> <p>ii) The mill shall ensure the following:</p> <p>a) The mill has legal ownership of all input material to be included in outsourced processes</p> <p>b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary.</p> <p>c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p> <p>d) The mill shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and all information, when this is announced in advance.</p> | <p>Sakilan POM have updated procedure on handling, refer title RSPO Supply Chain -Identity Preserve (IP) RSPOSC/SOP/IP/3 Rev: 08 dated 31/10/2020.</p> <p>Outsourcing only applicable for CPO and PK despatch based on the delivered contract with buyers. Sighted the contract agreement as following;-</p> <p>CPO Transporter – Rico enterprise, valid until 31/7/22</p> <p>PK Transporter – Syarikat Pengangkutan Budi Bersaudara, valid until 31/7/22</p> <p>Under addendum contract (additional requirements for contractors and service providers) and transport policy/guideline in handling of certified sustainable CPO and PK, it has stipulated the independent third party complies with relevant requirements of this RSPO Supply Chain Certification.</p> | Complied |
| 3.8.10 | The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil palm products. | Sakilan POM has a record of all contact detail for transporter and updated. The record was stated under stakeholder list dated Jan 2021. | Complied |

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| 3.8.11 | The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products. | No new contractor appointed for the physical handling of RSPO certified oil palm products. | Complied |
| 3.8.12 | <p>Record keeping</p> <ul style="list-style-type: none"> i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements. ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock. iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. iv) For Mass Balance Module, the mill: <ul style="list-style-type: none"> a) Shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock. | <p>Sakilan POM has maintained the accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.</p> <p>As per the RSPO Supply Chain – Module: Identity Preserved (IP) procedure, the records retention for RSPO Supply Chain related records and reports to be retained for a minimum of 2 years’ period. Sampled records of FFB weighbridge tickets and daily production records for last 2 years were still in place for verification.</p> <p>The material and products movement on real-time basis is recorded in “Month End Production Report” for both CPO and PK. The data is summarised in “CPO/PK Mass Balance Calculation (Internal Process & Output for Financial Year XX/YY”. Among the information available in the format is date, FFB processed, OER, CPO amount [opening, produced and closing] and transferred CPO [mill weight, refinery weight].</p> | Complied |
| 3.8.13 | <p>Extraction Rate</p> <p>The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and</p> | Conversion factor of CPO and PK production is depending on the actual OER and KER. The previous actual OER & KER can be seen in Table 10 of this report. | Complied |

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| | PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently. | | |
| 3.8.14 | Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate. | As per Mill monthly production records, the record was updated and available for reviewed | Complied |
| 3.8.15 | Processing For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation. | The mill have updated procedure on handling, refer title RSPO Supply Chain -Identity Preserve (IP) RSPO SC/SOP/IP/3 Rev: 08 dated 31/10/2020. From the record verification no outsider FFB accepted in Sakilan POM. The FFB source only from supply base as per RSPO Sakilan certificate. | Complied |
| 3.8.16 | Registration of Transactions i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform. | The actor is a palm oil mill and its products are CPO and PK which are covered under Figure 2 and 3, Annex 1 of the RSPO SCCS Standard. Based on the downloaded transactions register from the certification unit's PalmTrace, the company was able to demonstrate that it has been registering its transactions in the PalmTrace accordingly. For the period of Nov 2019 to Oct 2020, there were 29 announcements made. | Complied |
| 3.8.17 | Claims The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims. | RSPO trademark was not use. Nonetheless, the facility is aware with the requirements of the RSPO Rules on Market Communications and Claims. IOI Corporation Berhad has obtained Trademark License from RSPO. The trademark license# is 2-0002-04-100-03 which is valid from 19/12/2019 to 18/12/2021 | Complied |

General corporate communications

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| 4.1 | A corporate communication is one made by any RSPO member that highlights its membership of the RSPO and/or its commitment to the principles of the RSPO. Corporate communication is an 'off-product' claim. | No off-product claim made by Sakilan POM and verified through document and site review (notice board, business card, shipping documentation, procurement/ purchasing document and promotional material etc). Thus, this indicator is not applicable | Complied |
| 4.2 | In corporate communications a member is allowed to: a. Display its RSPO membership status b. Display the RSPO web address (www.rspo.org) c. State that the member supports the work of the RSPO d. State the member's history with regard to the RSPO. e. Use the RSPO trademark to promote its membership of the RSPO. Additionally, where an RSPO member displays the RSPO trademark in digital format this must be accompanied by the text 'Check our progress at www.rspo.org' where the link must lead to the member's profile page. | No off-product claim made by Sakilan POM as to date. | Complied |
| 4.3 | In corporate communications RSPO members must not make any statement that may lead consumers to believe that RSPO membership by itself implies the selling of RSPO-certified oil palm products. | No off-product claim made by Sakilan POM as to date. | Complied |
| 4.4 | Members must ensure that all communication is consistent, clear and cannot mislead consumers or other stakeholders as to the certified content of oil palm products in the member's own products. | No off-product claim made by Sakilan POM as to date. | Complied |
| 4.5 | Members are not allowed to use the RSPO corporate logo as shown in the RSPO Rules on Market Communications & Claims document. This is for the sole use of the RSPO secretariat. | No evidence of RSPO corporate logo used by Sakilan POM as verified through documentations and websites. | Complied |
| Business to business communications | | | |
| 5.1 | Business to Business communication relates to RSPO members in the supply chain selling to and/or communicating with other organizations in the supply chain about the use of certified sustainable oil palm products. | Business to business communication is demonstrated via shipping documentation and invoices to the next supply chain actor or buyer. | Complied |

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| 5.2 | When confirming the sale of certified oil palm products, members must adhere to the requirements of the RSPO SCCS. This includes stating the supply chain model and certificate number under which the claim is being made. | Shipping documentation verified and conformance with the requirements of RSPO SCCS. In the weighbridge ticket, it stated that i.e product/commodity with SCC model (CPO/PK RSPO IP) and RSPO certificate number; RSPO 543161 | Complied |
| 5.3 | <p>Where a distributor or wholesaler takes title to products containing certified sustainable oil palm products, the requirements of the RSPO SCCS can follow either of two options:</p> <p>a. If the distributor or wholesaler holds only a Distributor license, it may only communicate RSPO-certified oil palm products by linking the product to the manufacturer using the manufacturer’s SCCS certificate number. This covers both brand and own brand products. However, in the case of own brand products it is essential that customers are aware that the product has been made on behalf of the distributor or wholesaler, with specific evidence either through on-pack claims or documentation.</p> <p>b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2.</p> | Sakilan POM is not under distributor or wholesaler category. Thus, this requirement is not applicable | Not Applicable |
| Business to consumer communication | | | |
| 6.1 | Only RSPO members that have supply chain certification are allowed to make business to consumer claims about the certified sustainable oil palm products contained within product(s), which are known as ‘product-specific’ claims. Product-specific claims are voluntary. | No business to consumer communication on product specific claim made by Sakilan POM and only producing crude and unfinished product. This is not applicable for Sakilan POM. | Not Applicable |
| 6.2 | Only RSPO members who have supply chain certification are authorised to use the RSPO trademark and/or RSPO label, with the exception of RSPO Credits and of retailers in accordance with 6.8 below. | No business to consumer communication on product specific claim made by Sakilan POM and only producing crude and unfinished product. This is not applicable for Sakilan POM. | Not Applicable |
| 6.3 | When on-pack claims on RSPO-certified sustainable oil palm products are used, the RSPO trademark and associated identification number must be present. | No business to consumer communication on product specific claim made by Sakilan POM and only producing crude and unfinished product. This is not applicable for Sakilan POM. | Not Applicable |

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| 6.4 | Business to consumer communication shall not include information about the claimant’s RSPO membership status. | No business to consumer communication on product specific claim made by Sakilan POM and only producing crude and unfinished product. This is not applicable for Sakilan POM. | Not Applicable |
| 6.5 | Members shall not communicate to consumers’ information about their suppliers’ RSPO membership status. | No business to consumer communication on product specific claim made by Sakilan POM and only producing crude and unfinished product. This is not applicable for Sakilan POM. | Not Applicable |
| 6.6 | Use of the RSPO trademark is restricted to claims about RSPO-certified sustainable palm oil products and it is not authorised for use in relation to any other ingredient. | No business to consumer communication on product specific claim made by Sakilan POM and only producing crude and unfinished product. This is not applicable for Sakilan POM. | Not Applicable |
| 6.7 | Use of any other trademark or logo to highlight the presence of RSPO-certified sustainable oil palm products is an unauthorised product-specific claim. | No business to consumer communication on product specific claim made by Sakilan POM and only producing crude and unfinished product. This is not applicable for Sakilan POM. | Not Applicable |
| 6.8 | RSPO members who are retailers or food service companies can apply for an RSPO trademark license for use in business to consumer communications, provided they can demonstrate the validity of these claims to an RSPO-accredited certification body (CB). This will be undertaken via a remote audit, prior to the trademark use, during which the retailer or food service company will need to demonstrate that the use of the trademark is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain. Any other palm oil claims, including those highlighting the absence of palm oil, must be highlighted to the CB during the audit to ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules applying to RSPO supply chain certified members. The guidance document for audits is available on www.rsपो.org . | No business to consumer communication on product specific claim made by Sakilan POM and only producing crude and unfinished product. This is not applicable for Sakilan POM. | Not Applicable |

| MODULE A – IDENTITY PRESERVED & SEGREGATED SPECIFIC RULES | | | |
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| Certified oil palm content (IP) | | | |
| | For IP, 95% or above of the oil palm content must be RSPO IP-certified. | Sakilan POM is producing crude palm product which contain 100% oil palm content | Complied |
| | For SG, 95% or above of the oil palm content must be SG, or a combination of SG and IP. | Sakilan POM is producing crude palm product which contain 100% oil palm content | Complied |
| | Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the volume of non-certified oil palm products must be covered by the purchase of RSPO Credits of equivalent volume. | Sakilan POM is producing crude palm product which contain 100% oil palm content | Complied |
| Labelling and trademark (IP) | | | |
| | <p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> • RSPO trademark which includes the tag 'CERTIFIED' or • RSPO trademark which includes the tag 'This product contains certified sustainable palm oil'. Wherever a RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the trademark or the 'statement'. Font must be Calibri, font size must be at least 4pt (1.4 mm or 0.06 inch). In on-pack communications, the RSPO trademark can be printed anywhere on the pack. | Sakilan POM is producing crude palm product and does not involved in any labelling of end product | Complied |
| Messaging (IP) | | | |
| | Messaging ALLOWED in storytelling in product-related communications may include some or all of the following elements: | Sakilan POM is producing crude palm product and does not involved in any labelling of end product | Complied |

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| | <ul style="list-style-type: none"> • The oil palm products contained in this product have been certified to come from RSPO sources. www.rspo.org • By choosing this product, you are sure it contains RSPO-certified palm oil. For more information: www.rspo.org • RSPO-certified sustainable oil palm products were kept apart from other oil palm products throughout the supply chain. www.rspo.org • Certified sustainable oil palm products can be traced back to RSPO-certified mills and plantations. www.rspo.org • The entire supply chain is monitored by independent, RSPO-accredited auditors. www.rspo.org • RSPO-certified sustainable palm oil has been produced to stringent environmental and social criteria. www.rspo.org • References to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown by company records. | | |
| <p>Principle 4: Respect community and human rights and deliver benefits</p> | | | |
| <p>Criterion 4.1: The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.</p> | | | |
| <p>4.1.1</p> | <p>(C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.</p> <p>- Critical (Major) compliance -</p> | <p>The Policy to respect human rights is contained in IOI Group’s Sustainable Palm Oil Policy revised in October 2020. This Policy states that the Company respects and uphold the rights of all workers, including contract, temporary and migrant workers as well as protecting human rights defenders against threats and retaliation in accordance with the following:</p> <ol style="list-style-type: none"> Universal Declaration of Human Rights International Labour Organization’s core conventions United Nations Guiding Principles on Business and Human Rights Principles of Free and Fair Labour in Palm Oil Production. | <p>Complied</p> |

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| | | <p>Since the Covid-19 pandemic, external stakeholders could not be briefed as no stakeholder meetings could be conducted. As an alternative, the Sustainable Palm Oil Policy was shared and communicated with external stakeholders via email. Sampled during the audit were emails sent to external stakeholders by Linbar 2 Estate (9 November 2021), and by Linbar Estate 2 (22 October 2021).</p> <p>The Policy was communicated to all workers during muster briefings. Sampled during the audit were records of muster briefings held at Sakilan Mill (10 Oct 2021 & 14 Oct 2021), Linbar 1 Estate: (14 July 2021 & 27 Sept 2021) and Linbar 2 Estate (12 April 2021 & 10 March 2021).</p> | |
| 4.1.2 | <p>The unit of certification does not instigate violence or use any form of harassment in their operations.</p> <p>- Minor compliance -</p> | <p>There is no evidence of any use of violence or the instigation of violence within the Sakilan POM and its supply base. This was further verified during interviews held with external stakeholders and security personnel.</p> | Complied |
| <p>Criterion 4.2: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties</p> | | | |
| 4.2.1 | <p>(C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.</p> <p>- Critical (Major) compliance -</p> | <p>Sakilan POM and its supply base are bound by the Company's Standard Operating Procedure known as "Grievance Procedure (Section 7.0)". The grievance procedure includes the mechanism of receiving, recording and addressing any complaints/grievances from affected parties. The procedure states that response would be given within 24 hours, which would be followed by preliminary investigation within 30 working days from grievance submission date. If the complaint remains unresolved, parties go to Stage 3 where further investigation/meeting with complainant would be held within 10 working days after preliminary investigation outcome. If matter remains unresolved, it would be escalated to the Group Head Sustainability.</p> | Complied |

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| | | <p>Every unit within the Sakilan POM and its supply base keep a Grievance/Complaints Book (also known as Green Book) which is readily accessible at the office and can be filled in by workers, staff and external stakeholders. Based on the entries in the Green Book, evidence was available that grievances were acted upon in a timely an appropriate manner. For example, at the Sakilan Mill, grievance lodged on 1 Nov 2021 and 25 October were acted upon on 5 Nov 2021 and 26 October 2021, respectively.</p> <p>IOI Group also adopts the United Nations Guiding Principles on Business and Human Rights and the principles of Free and Fair Labour in Palm Oil Production. Part of this document affirms that the legitimate and peaceful activities of Human Rights Defenders are not obstructed.</p> <p>Whistle blowers are protected under the IOI Group’s Whistle Blowing Policy (Revised October 2019). The Policy ensures anonymity of complainants or whistle blowers.</p> | |
| 4.2.2 | <p>Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.</p> <p>- Minor compliance -</p> | <p>Briefings on grievance procedures are given to ensure that the system is understood by affected parties where they were informed that any grievance or complaints can be made via the Green Book, HQ hotline, WhatsApp, SMS, or via the Employees Consultative Committee.</p> <p>To ensure understanding by illiterate parties, the briefings were given verbally, and when necessary, translators from among the workers (usually a worker representatives) are sought to translate documents including procedures for dealing with complaints and grievances. This was duly confirmed by the workers interviewed.</p> | Complied |
| 4.2.3 | <p>The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders.</p> | <p>Any complaints brought to the attention of respective unit is attended to promptly, often on the same day, or the next. This is based on the housing complaints records, which demonstrates that repair works were carried out promptly, sometimes on the same</p> | Non-compliance |

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| | <p>- Minor compliance -</p> | <p>day. Any delay due to, for example, non-availability of material, would be informed to the complainant accordingly.</p> <p>However, at Sakilan Estate it was found that a worker who raised a grievance at the ECC level has not been kept informed of the progress of the grievance he had raised. Sometime in June 2021, a worker had documented his observation about other worker(s) bringing in children to the field despite prohibitions from the management. He raised this grievance in the Borang Cadangan Agenda of the ECC meeting at Sakilan Estate. In the Borang Cadangan Agenda, the worker implored the estate management to take stern action.</p> <p>Subsequent JCC meeting were held on 30 June 2021, 28 October 2021, and 4 November 2021. It was found during the audit that:</p> <ul style="list-style-type: none"> a) None of the minutes of the JCC meetings recorded this grievance. b) There was no record that this grievance was discussed in any of the subsequent JCC meetings. c) There was no record that the worker who raised the grievance had been kept informed of the progress of the grievance he had raised. <p>Sakilan Estate could not demonstrate that it has kept the worker informed of the progress and outcome of the grievance he had raised.</p> <p>Therefore, a Minor Non-Compliance was raised.</p> | |
| 4.2.4 | <p>The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.</p> <p>- Minor compliance -</p> | <p>The conflict resolution mechanism is contained in IOI Corportion Berhad Grievance Procedure (Doc Ref.: IOI/P/GP/001 Rev No. 1 Rev Date 20 Jan 2020). This procedure allows aggrieved parties to have access to information, advice and expertise.</p> | Complied |

| Criterion 4.3: The unit of Certification contributes to local sustainable development as agreed by local communities. | | | | | | | | | | | | | | | | | | | |
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| 4.3.1 | Contributions to community development that are based on the results of consultation with local communities are demonstrated. - Minor compliance - | Contributions to community development are made following requests from the local communities. Among them include job opportunities for the local communities, provision of free school bus service to pupils from Kg Pahu to SK Kg Lungmanis, allowing access via estate road to villagers to access their fruit orchards and farms, providing free water and electricity to HUMANA, CLC and SK Sakilan Desa schools, repair of common road used by Linbar 1 and 2 estates and villagers of Kg Lungmanis and Kg Pahu | Complied | | | | | | | | | | | | | | | | |
| Criterion 4.4: Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent. | | | | | | | | | | | | | | | | | | | |
| 4.4.1 | (C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents Related to the history of land tenure and the actual legal or customary use of the land are available. - Critical (Major) compliance - | The land on which Sakilan certification unit operates are free of any encumbrances, has no land encroachments and conflicts. The details are as follows: <table border="1" data-bbox="1137 847 1930 1394"> <thead> <tr> <th>Estate</th> <th>Land details and ownership history</th> <th>Date title/lease period</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Sakilan</td> <td>CL 075471260 of 999.6 ha directly transferred by the Sabah State Govt to Sakilan Desa Sdn Bhd</td> <td>12 Nov 1997 A 1000-year lease valid from 5 July 1888 to 4 July 2887</td> <td>Signed between Govt of State of Sabah and Sakilan Desa Sdn Bhd on 18 dec 1997.</td> </tr> <tr> <td></td> <td>CL 075471288 of 1.974 ha directly transferred by the Sabah State Govt to Sakilan Desa Sdn Bhd</td> <td>12 Nov 1997 A 1000-year lease valid from 5 July 1888 to 4 July 2887</td> <td>Signed between Govt of State of Sabah and Sakilan Desa Sdn Bhd on 18 Dec 1997.</td> </tr> <tr> <td></td> <td>CL 075471242 of 1294.8 ha. First</td> <td></td> <td></td> </tr> </tbody> </table> | Estate | Land details and ownership history | Date title/lease period | Remarks | Sakilan | CL 075471260 of 999.6 ha directly transferred by the Sabah State Govt to Sakilan Desa Sdn Bhd | 12 Nov 1997 A 1000-year lease valid from 5 July 1888 to 4 July 2887 | Signed between Govt of State of Sabah and Sakilan Desa Sdn Bhd on 18 dec 1997. | | CL 075471288 of 1.974 ha directly transferred by the Sabah State Govt to Sakilan Desa Sdn Bhd | 12 Nov 1997 A 1000-year lease valid from 5 July 1888 to 4 July 2887 | Signed between Govt of State of Sabah and Sakilan Desa Sdn Bhd on 18 Dec 1997. | | CL 075471242 of 1294.8 ha. First | | | Complied |
| Estate | Land details and ownership history | Date title/lease period | Remarks | | | | | | | | | | | | | | | | |
| Sakilan | CL 075471260 of 999.6 ha directly transferred by the Sabah State Govt to Sakilan Desa Sdn Bhd | 12 Nov 1997 A 1000-year lease valid from 5 July 1888 to 4 July 2887 | Signed between Govt of State of Sabah and Sakilan Desa Sdn Bhd on 18 dec 1997. | | | | | | | | | | | | | | | | |
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| | | | <p>registered owner was The North Borneo Trading Co Ltd on 16 April 1953. Transferred on 12 Aug 1960 to 2nd registered owners Tay Chee Hiong Hock Teck Guan, Tan Kok Shiong, Lai Wing Yip. , and on 3 Sept 1964 transferred to 3rd registered owners Teck Ann Co Ltd. On 20 Aug 1973 it was transferred to 4th registered owner Teck Guan Co Sdn Bhd. On 20 Aug 197 it was transferred to 5th registered owner Gaya House Sdn Bhd. On 11 July 1979 it was transferred to the 6th owner Sakilan Desa Sdn Bhd.</p> | | | |
| | | <p>Linbar 1</p> | <p>CL 09511667 of 4,840 ha was directly transferred from Govt of the State of Sabah to</p> | <p>999 year lease from 1 Jan 1983 to 31 Dec 2981.</p> | <p>Signed between Govt of State of Sabah and Linbar Estate Sdn Bhd on 8</p> | |

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| | | | Linbar Estate Sdn Bhd for cultivation of oil palm. | | July 1983. IOI management then divided the land into Linbar 1 Estate (2628.17 ha) and Linbar 2 Estate (2211.83 ha). | |
| | | Linbar 2 | Details of land title are the same as for Linbar 1 Estate | | | |
| 4.4.2 | Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include: | There is no evidence of any use local community land that requires negotiations or agreements detailing FPIC processes. Details of the land historical ownership are as per Indicator 4.4.1 above. Therefore, this indicator is not applicable. | | | | Not Applicable |
| 4.4.2a | Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making. - Minor compliance - | There is no evidence of any local community land that requires discussions or with affected community groups. Details of the land historical ownership are as per Indicator 4.4.1 above. Therefore, this indicator is not applicable. | | | | Not Applicable |
| 4.4.2b | Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken. - Minor compliance - | There is no evidence of any local community land that requires discussions or involve consents of affected community groups. Details of the land historical ownership are as per Indicator 4.4.1 above. Therefore, this indicator is not applicable. | | | | Not Applicable |

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| 4.4.2c | Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land. - Minor compliance - | There is no evidence of any local community land that requires local communities' acceptance. Details of the land historical ownership are as per Indicator 4.4.1 above. Therefore, this indicator is not applicable. | Not Applicable |
| 4.4.3 | (C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Critical (Major) compliance - | There is no evidence of any local community land that requires maps of appropriate scale showing extent of recognised legal, customary or user rights affected local communities. Therefore, this indicator is not applicable. | Not Applicable |
| 4.4.4 | All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. - Minor compliance - | All available relevant documents are as per details in Indicator 4.4.1 above. There is no land conflict involved and no proposed benefit sharing nor legal arrangements. | Not Applicable |
| 4.4.5 | (C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose. - Critical (Major) compliance - | There is no evidence of any local community land involved and so this indicator is not applicable. | Not Applicable |
| 4.4.6 | There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties. - Minor compliance - | There is no evidence of any local community land involved and so this indicator is not applicable. | Not Applicable |
| Criterion 4.5: No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions. | | | |
| 4.5.1 | (C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available. | Evidence of rightful and legal land ownership are as per Indicator 4.4.1 above. No other legal, customary or user rights is available. | Complied |

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| | - Critical (Major) compliance - | | |
| 4.5.2 | <p>(C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.</p> <p>- Critical (Major) compliance -</p> | There is no new planting within Sakilan certification unit and therefore, this Indicator is not applicable. | Not Applicable |
| 4.5.3 | <p>Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.</p> <p>- Minor compliance -</p> | There is no new planting within Sakilan certification unit and therefore, this Indicator is not applicable. | Not Applicable |
| 4.5.4 | <p>To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.</p> <p>- Minor compliance -</p> | There is no new planting within Sakilan certification unit and therefore, this Indicator is not applicable. | Not Applicable |
| 4.5.5 | <p>Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p>- Minor compliance -</p> | There is no new planting within Sakilan certification unit and therefore, this Indicator is not applicable. | Not Applicable |

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| 4.5.6 | Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator. - Minor compliance - | There is no new planting within Sakilan certification unit and therefore, this Indicator is not applicable. | Not Applicable |
| 4.5.7 | New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations. - Minor compliance - | There is no new planting within Sakilan certification unit and therefore, this Indicator is not applicable. | Not Applicable |
| 4.5.8 | (C) New lands are not acquired in areas inhabited by communities in voluntary isolation. - Critical (Major) compliance - | There is no new planting within Sakilan certification unit and therefore, this Indicator is not applicable. | Not Applicable |
| Criterion 4.6: Any negotiations Concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. | | | |
| 4.6.1 | (C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place. - Critical (Major) compliance - | The procedure for identifying legal, customary or user rights, and procedure for identifying people entitled to compensation are available the Grievance Procedure For Land Owners. Based on documentation review and interviews conducted with local communities, there is no evidence of any land dispute. | Complied |
| 4.6.2 | (C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. - Critical (Major) compliance - | The procedure for calculating and distributing fair compensation (monetary or otherwise) is available the Grievance Procedure For Land Owners. Based on documentation review and interviews conducted with local communities, there is no evidence of any land dispute. | Complied |
| 4.6.3 | Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings. - Minor compliance - | Based on documentation review and interviews conducted with local communities, there is no evidence of any land dispute. Therefore, this Indicator is not applicable. | Not Applicable |

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| 4.6.4 | <p>The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them.</p> <p>- Minor compliance -</p> | <p>Based on documentation review and interviews conducted with local communities, there is no evidence of any land dispute. Therefore, this Indicator is not applicable.</p> | Not Applicable |
| <p>Criterion 4.7: Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.</p> | | | |
| 4.7.1 | <p>(C) A mutually agreed procedure for identifying people entitled to compensation is in place.</p> <p>- Critical (Major) compliance -</p> | <p>The procedure for identifying people entitled to compensation is available in the Grievance Procedure For Land Owners.</p> | Complied |
| 4.7.2 | <p>(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties.</p> <p>- Critical (Major) compliance -</p> | <p>The procedure for calculating and distributing fair compensation (monetary or otherwise) is available in the Grievance Procedure For Land Owners.</p> | Complied |
| 4.7.3 | <p>Communities that have lost access and rights to land for plantation expansion are given opportunities including employment and supply contracts to benefit from plantation development.</p> <p>- Minor compliance -</p> | <p>Based on documentation review and interviews conducted with local communities, there is no evidence of any land dispute. Therefore, this Indicator is not applicable.</p> | Not Applicable |
| <p>Criterion 4.8: The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.</p> | | | |
| 4.8.1 | <p>Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC.</p> <p>- Minor compliance -</p> | <p>Based on documentation review and interviews conducted with local communities, there is no evidence of any land dispute. Therefore, this Indicator is not applicable.</p> | Not Applicable |

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| 4.8.2 | <p>(C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms.</p> <p>- Critical (Major) compliance -</p> | Based on documentation review and interviews conducted with local communities, there is no evidence of any land dispute. Therefore, this Indicator is not applicable. | Not Applicable |
| 4.8.3 | <p>Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4)</p> <p>- Minor compliance -</p> | Based on documentation review and interviews conducted with local communities, there is no evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations. Therefore, this Indicator is not applicable. | Not Applicable |
| 4.8.4 | <p>For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).</p> <p>- Minor compliance -</p> | Based on documentation review and interviews conducted with local communities, there is no evidence of any land dispute. Therefore, this Indicator is not applicable. | Not Applicable |
| <p>Principle 5: Support smallholder inclusion</p> | | | |
| <p>Criterion 5.1: The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.</p> | | | |
| 5.1.1 | <p>Current and previous period prices paid for FFB are publicly available and accessible by smallholders.</p> <p>- Minor compliance -</p> | IOI Sakilan POM is an Identity Preserved Mill and has exclusively and strictly sourced FFB from its own group of estates. The Mill does not receive FFB from third parties including smallholders. Therefore, this Indicator is not applicable. | Not Applicable |
| 5.1.2 | <p>(C) Evidence is available that the unit of certification explains the FFB pricing to smallholders on request from individual smallholders (at least once a year or upon request).</p> <p>- Critical (Major) compliance -</p> | IOI Sakilan POM is an Identity Preserved Mill and has exclusively and strictly sourced FFB from its own group of estates. The Mill does not receive FFB from third parties including smallholders. Therefore, this Indicator is not applicable. | Not Applicable |

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| 5.1.3 | <p>(C) Fair pricing, calculated as a portion of the international CPO price less costs is provided to smallholders in the supply base and documented.</p> <p>- Critical (Major) compliance -</p> | <p>IOI Sakilan POM is an Identity Preserved Mill and has exclusively and strictly sourced FFB from its own group of estates. The Mill does not receive FFB from third parties including smallholders. Therefore, this Indicator is not applicable.</p> | Not Applicable |
| 5.1.4 | <p>(C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.</p> <p>- Critical (Major) compliance -</p> | <p>IOI Sakilan POM is an Identity Preserved Mill and has exclusively and strictly sourced FFB from its own group of estates. The Mill does not receive FFB from third parties including smallholders. Therefore, this Indicator is not applicable.</p> | Not Applicable |
| 5.1.5 | <p>Contracts are fair, legal and transparent and have an agreed timeframe.</p> <p>- Minor compliance -</p> | <p>Sakilan Mill and its supply base were able to demonstrate that contracts entered into with contractors are fair, legal and transparent and have an agreed timeframe. The contracts also contain description of the services provided by the contractor, the amount payable, timeframe for payment, termination clause, rights and obligations of both parties, etc. Interviews with sampled contractors also confirmed that the contracts are fair, legal and transparent. Sampled during the audit were the following:</p> <ol style="list-style-type: none"> a. Contract between Halusah Ladang (Sakilan Palm Oil Mill) and Syarikat Pengangkutan Budie Bersaudara dated 1 Aug 2019 valid from 1 Aug 2019 to 31 July 2022. b. Contract between Halusah Ladang Sdn Bhd (Sakilan Palm Oil Mill) and Rico Enterprise dated 1 Aug 2019 valid from 1 Aug 2019 to 31 July 2022. c. Transportation contract between Linbar 1 & 2 Estates and J.S. Enterprise dated 1 July 2020 valid until 30 June 2022. | Complied |

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| | | d. Contract between Sakilan Estate and Pengangkutan Hidayah Enterprise dated 1 Aug 2019 valid form 1 Aug 2019 to 31 July 2022 | |
| 5.1.6 | <p>(C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.</p> <p>- Critical (Major) compliance -</p> | <p>Based on the following invoices and payment vouchers, evidence was available that agreed payments have been made to contractors in a timely manner with details of amount paid given. Sampled were the following:</p> <p>a. Invoice issued by Pengangkutan Hidayah Enterprise dated 31 August 2021 for transportation of FFB from estate ramp to Sakilan Mill was paid on 9 September 2021.</p> <p>b. Invoice issued by Rico Enterprise dated 30 September 2021 was received on 20 October 2021. This amount was paid via payment voucher dated 8 November 2021.</p> <p>Audit interviews conducted with contractors also confirmed that agreed payments are made in a timely manner.</p> | Complied |
| 5.1.7 | <p>Weighbridges used for determining payment to smallholders are verified by an independent third party on a regular basis (this can be government).</p> <p>- Minor compliance -</p> | <p>Evidence was available that the two weighbridges at Sakilan Mill was calibrated by an independent third party, Metrology Corporation Malaysia Sdn Bhd annually. Details are as follows:</p> <p><u>Weighbridge 1:</u></p> <p>a. Calibration done on 9 July 2020 Certificate No. B1625012</p> <p>b. Calibration done on 19 July 2021 Certificate No. B082118</p> <p><u>Weighbridge 2:</u></p> <p>a. Calibration done on 13 May 2020 Certificate No. B1504937</p> <p>b. Calibration done on 2 March 2021 Certificate No. D081265</p> | Complied |
| 5.1.8 | <p>The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control</p> | <p>IOI Sakilan POM is an Identity Preserved Mill and has exclusively and strictly sourced FFB from its own group of estates. The Mill does</p> | Not Applicable |

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| | system (ICS), who holds the certificates, and who holds and sells the certified material. - Minor compliance - | not receive FFB from third parties including smallholders. Therefore, this Indicator is not applicable. | |
| 5.1.9 | (C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner. - Critical (Major) compliance - | IOI Sakilan POM is an Identity Preserved Mill and has exclusively and strictly sourced FFB from its own group of estates. The Mill does not receive FFB from third parties including smallholders. Therefore, this Indicator is not applicable. | Not Applicable |
| Criterion 5.2: The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains. | | | |
| 5.2.1 | The Company consults with interested smallholders (irrespective of type) within the Unit of Certification, including women or other partners in their supply base, to assess their needs for support to improve their livelihoods and their interest in RSPO certification. - Minor compliance - | Sakilan Palm Oil Mill is an Identity Preserved Supply Chain Module as confirmed by Certificate No. RSPO 543161 valid from 8 March 2020 to 7 March 2025. The Mill processes only FFB from its own estates namely Sakilan, Linbar 1 and Linbar 2 Estates. The certification unit does not have any smallholders within its supply base. Therefore, this indicator is not applicable. | Not Applicable |
| 5.2.2 | The unit of certification develops and implements smallholder support programme to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Independent Smallholder Standard or RISS). - Minor compliance - | Sakilan Palm Oil Mill is an Identity Preserved Supply Chain Module as confirmed by Certificate No. RSPO 543161 valid from 8 March 2020 to 7 March 2025.. The Mill processes only FFB from its own estates namely Sakilan, Linbar 1 and Linbar 2 Estates. The certification unit does not have any smallholders within its supply base. Therefore, this indicator is not applicable. | Not Applicable |
| 5.2.3 | Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. - Minor compliance - | Sakilan Palm Oil Mill is an Identity Preserved Supply Chain Module as confirmed by Certificate No. RSPO 543161 valid from 8 March 2020 to 7 March 2025.. The Mill processes only FFB from its own estates namely Sakilan, Linbar 1 and Linbar 2 Estates. The certification unit does not have any smallholders within its supply base. Therefore, this indicator is not applicable. | Not Applicable |
| 5.2.4 | (C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. | The mill receive only certified crop from the Group Estate with occasionally diversion from other IOI estates in event of any sister | Not Applicable |

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| | - Critical (Major) compliance - | mill annual maintenance. There is at current no association to any scheme smallholders with the Sakilan Palm Oil Mill. | |
| 5.2.5 | The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme. - Minor compliance - | The mill receive only certified crop from the Group Estate with occasionally diversion from other IOI estates in event of any sister mill annual maintenance. There is at current no association to any scheme smallholders with the Sakilan Palm Oil Mill. | Not Applicable |
| Principle 6: Respect workers' rights and conditions | | | |
| Criterion 6.1: Any form of discrimination is prohibited. | | | |
| 6.1.1 | (C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age. - Critical (Major) compliance - | A Policy entitled Equal Opportunity Employment and Freedom of Association Policies is available and displayed at the main notice boards and at the workers' housing. The Policy states that there will be no discrimination based on race, national origin, religion, gender, union membership and age. Interviews held with local and foreign workers (both male and female) at all units in Sakilan Mill and its supply base confirmed that there is no form of discrimination. All workers are given equal employment opportunities and are able to enjoy all the benefits and use of amenities accorded by the Company. | Complied |
| 6.1.2 | (C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for foreign workers. - Critical (Major) compliance - | Based on interviews with workers within Sakilan Mill and its supply base, documents sighted and observations made, there is no evidence that there has been any form of discrimination against any local or foreign employees. Review of pay checks and employment contracts also confirm that all workers irrespective of nationalities, gender, religion, etc are accorded the same employment terms and receive the same wages for the same scope of work. There is also no evidence of recruitment fee imposed on any of the workers sampled. | Complied |

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| 6.1.3 | <p>The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available.</p> <p>- Minor compliance -</p> | <p>Sakilan Mill and its supply base were able to demonstrate that the recruitment selection, hiring and access to training were based on skills, capabilities and medical fitness. Each worker filled up a job application form attaching copies of NRIC, qualification and previous work experience. The Manager then assessed their respective suitability to the job vacancy and recorded this in the application form. The workers also attended an orientation and induction training to familiarize them with their work in IOI. Sighted during the audit were recruitment records at Sakilan Mill (2 boilermen, 1 FFB grader), Sakilan Estate (3 field maintenance workers), Linbar 1 Estate (1 sprayer and 2 general workers), Linbar 2 Estate (2 cutters and 1 sprayer).</p> | Complied |
| 6.1.4 | <p>Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.</p> <p>- Minor compliance -</p> | <p>There was no evidence that pregnancy tests are being conducted as a discriminatory measure. Pregnancy tests were done in accordance with the Guidelines on Reproductive Health Doc No IOI/G/SE/002 Rev No. 02 dated 5 Oct 2020. Interviews with female workers confirmed that pregnancy tests are conducted only when it is legally mandated, i.e., on chemical handlers. Interviews conducted with the Estate Health Assistants confirmed that any pregnant workers would be re-assigned a lighter job as alternative equivalent employment. This was also confirmed by the members of the Women Empowerment Committee during audit interviews.</p> | Complied |
| 6.1.5 | <p>(C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</p> <p>- Critical (Major) compliance -</p> | <p>The gender committees at Sakilan Mill and its supply base is also known as the Women Empowerment Committees (WEC). The WEC consists of all female employees. The WEC also functions to communicate awareness to its members on sexual harassment, its grievance procedures and flowchart of complaints. Interviews held with workers confirmed their understanding of what constitutes sexual harassment, how complaints are lodged, and who to complaint to. Workers are also aware of the mechanism for lodging</p> | Complied |

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| | | an anonymous complaint. The WEC also discussed issues such as health and improvements for its members. | |
| 6.1.6 | There is evidence of equal pay for the same work scope. - Minor compliance - | All units within Sakilan Mill and its supply base were able to demonstrate evidence of equal pay for the same work scope. A memorandum dated 16 Jan 2020 sent by the Human Resources Manager to all operating centres contained revised wages for all IOI workers in accordance with minimum wages order 2020 of RM46.15 per day per person. The SOP for Minimum Wages for estate Field/General Worker and Harvesters has been fixed irrespective of gender and nationality. This was demonstrated by comparing sampled employment contracts and payslips of harvesters and sprayers which showed that the sampled workers receive equal pay for equal work | Complied |
| Criterion 6.2: Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW). | | | |
| 6.2.1 | (C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand. - Critical (Major) compliance - | Applicable labour laws and documentation of pay and conditions are available to the workers. These are in the form of employment contracts (for foreign workers) and letters of employment offer (for local workers). These documents were prepared in English and in another language that the workers understand e.g, in Hindi, Bengali or Bahasa as the case may be. The employment contract stipulates terms of conditions of service such position, period of employment, types of work, responsibilities of employer, responsibilities of employee, salary payable, working hours, annual leave, sick leave and public holidays, mutual termination of contract, facilities, etc. The sampled employment contracts were signed, and renewed accordingly. Sighted records of briefing given to the workers at Sakilan Mill on the contents of: | Complied |

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- a. Their employment contracts, working hours, procedure for permit renewals, and no recruitment fee on 14 October 2021; and
- b. Pay slips and passport, overtime, working hours, etc on 11 November 2021.

The documentation of pay is in the form of monthly pay slips which are also available to the workers showing breakdown of wages received, deductions, number of days offered, number of days worked, medical and annual leave taken, work on rest day, overtime, etc. Interviews conducted with the workers confirmed their understanding of the terms of the employment contract and their monthly pay slips. Number of samples taken are determined based on the formula of $\sqrt{n} \times 0.8$ (n= total number of wokers)

Employment contracts and payslips of the following workers were sighted during the audit:

| Estate/ Mill | Worker No (based on workers' lists) | Type of work | Nationality |
|---------------------|--|----------------------|--------------------|
| Sakilan Mill | D5 | Boilerman | Malaysian |
| | D7 | FFB Grader | Malaysian |
| | D17 | FFB Grader | Malaysian |
| | D34 | Weighbridge operator | Malaysian |
| | D13 | Nightwatchman | Indonesian |
| | D21 | Storekeeper | Indonesian |
| | D24 | Oil room operator | Indonesian |

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| | | | D27 | Workshop attendant | Indonesian |
| | | | D33 | Gardener | Indonesian |
| | | Sakilan Estate | 3 | Harvester | Indonesian |
| | | | 23 | Field maintenance | Indonesian |
| | | | 28 | Field maintenance | Indonesian |
| | | | 54 | Field maintenance | Indonesian |
| | | | 58 | Field maintenance | Indonesian |
| | | | 79 | Field maintenance | Indonesian |
| | | | 87 | FFB Loader | Indonesian |
| | | | 96 | Field maintenance | Indonesian |
| | | | 102 | FFB checker | Indonesian |
| | | | 121 | Field maintenance | Indonesian |
| | | Linbar 1 | 29 | Sprayer | Indonesian |
| | | | 41 | Sprayer | Indonesian |
| | | | 48 | Sprayer | Indonesian |
| | | | 56 | Sprayer | Indonesian |
| | | | 59 | Sprayer | Indonesian |
| | | | 61 | General worker | Indonesian |
| | | | 63 | General worker | Indonesian |
| | | | 81 | Creche worker | Indonesian |
| 82 | Mandore | | Indonesian | | |
| 93 | Sprayer | Indonesian | | | |

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|-------|--|---|----------|---------------------|------------|--|
| | | | 87 | Sprayer | Indonesian | |
| | | | 130 | Mandore | Indonesian | |
| | | Linbar 2 | 10 | General maintenance | Indonesian | |
| | | | 13 | Cutter | Indonesian | |
| | | | 14 | Sprayer | Indonesian | |
| | | | 15 | Cutter | Indonesian | |
| | | | 22 | Creche worker | Indonesian | |
| | | | 23 | General maintenance | Indonesian | |
| | | | 34 | Cutter | Indonesian | |
| | | | 51 | Cutter | Indonesian | |
| | | | 76 | Cutter | Indonesian | |
| | | | 85 | Cutter | Indonesian | |
| 6.2.2 | <p>(C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.</p> <p>- Critical (Major) compliance -</p> | <p>The employment contracts signed between the estate/mill management detail out terms of employment and payment. These include regular working hours, statutory deductions, duration of employment, wages payable, working hours, medical benefits including medical leave entitlement, annual leave entitlement, mutual termination of service, etc. All the contracts sampled were still current.</p> <p>The payroll document (payslips) give accurate information on compensation for all work performed. It contains the following information: employee name, IC/passport, gang, month of pay, pay description, (basic, price bonus, productivity incentive, allowances, deductions for SOCSO, EIS, KSWP, total income for the month, total deductions, net pay. None of the workes have family members working to help them with their work.</p> | Complied | | | |

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| | | The list of sampled workers' payslips and employment contracts are as per those indicated under Indicator 6.2.1 above. | |
| 6.2.3 | <p>(C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</p> <p>- Critical (Major) compliance -</p> | <p>There is evidence that workers observe regular working hours including overtime hours within the legal confines of the Sabah Labour Ordinance. They are also entitled to at least 30 minutes' rest after 5 hours of work. Similarly, workers with medical certificates are given a paid medical leave, and female employees are entitled to 2 months' maternity leave. This was verified from the mill workers' employment contracts, punch cards and interviews with the workers themselves.</p> <p>There is no evidence of termination, and so compliance with reasons for dismissal and period of notice could not be verified during this audit.</p> <p>Salary deductions are made for statutory deductions such as SOCSO, EPF, and EIS. Non-statutory deductions are made for dependants' passport renewals and permits. Such non-statutory deductions were made upon receipt of written approval from the Labour Office issued to IOI Plantations Services Sdn Bhd (Halusah Ladang Sdn Bhd) valid from 12 Jan 2021 to 11 Jan 2022.</p> <p>Based on the sampled payslips, there were no other wage deductions sighted.</p> <p>The list of sampled workers' payslips, employment contracts and interviews are as per those indicated under Indicator 6.2.1 above.</p> | Complied |
| 6.2.4 | <p>(C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the</p> | <p>Sakilan Mill and its supply base provide adequate housing to all its workers for free. All houses have its own sanitation facilities, electricity and water supplies. Treated water is supplied to all other estates from its own source and own generated electricity. Water and electricity are provided free of charge. Other welfare amenities available at the workers' housing include HUMANA and CLC schools, playing fields, futsal court, surau, creche, grocery shops and places</p> | Complied |

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| | <p>upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.</p> <p>- Critical (Major) compliance -</p> | <p>of worship (chapel and mosque). The management also provides Milo and powdered milk for use at the creche.</p> <p>Domestic water quality sampling were carried out by Dynakey Laboratories Sdn Bhd as follows:</p> <ul style="list-style-type: none"> a. Date of sample 21 Jan 2021, Lab ref No. W201230/018 Results: <i>E.Coli</i> and Total Coliform not detected. b. Date of sample reported 14 July 2021 Lab Ref No. W210616/118 Results: <i>E.Coli</i> and Total Coliform not detected. <p>Medical facilities are provided at all estates and managed by Estate Health Assistants (EHA). Treatment available are for cough and cold, minor cuts and injuries. Records of fortnightly visiting medical officer (VMO) visits were also sighted. The VMO from Klinik Ong, Sandakan visits Sakilan Estate clinic and also advices the EHA as needed, and conducts housing site inspections with the health assistants. For Linbar 2, the VMO is from Klinik Ung, Lahad Datu.</p> <p>Also sighted during the audit were weekly linesite inspection reports carried out by the health assistants as follows:</p> <ul style="list-style-type: none"> a. Sakilan Mill: 10 Nov 2021, 3 Nov 2021, 27 Oct 2021, 20 Oct 2021, 13 Oct 2021. b. Linbar 1: 1 Oct 2021, 3 Oct 2021, 9 Oct 2021, 16 Oct 2021, 20 Oct 2021. c. Linbar 2 estate: 11 Nov 2021, 2 Nov 2021, 28 Oct 2021, 25 Oct 2021, 20 Oct 2021. <p>Field visit to the Sakilan Mill, Linbar 1 and Linbar 2 linesites showed that the houses and the surrounding areas are generally well maintained and kept clean. Interviews conducted with workers also confirmed the same. Any requests for house repairs were carried out within reasonable timeframe. Sighted during the audit were extensions made to the Mill workers' houses. Sampled request from</p> | |
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| | | <p>workers in House No. 39 on 2 January 2020 and approved on 4 January 2020.</p> <p>At Linbar 1 Estate, the management’s request to build a monsoon drain at the linesite has been approved for FY 2021 and would be carried out in due course.</p> | |
| 6.2.5 | <p>The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p> | <p>Sakilan Mill and its supply base were able to demonstrate that efforts have been made to improve workers’ access to adequate, sufficient and affordable food by allowing food canteen sundry shops to operate near the workers’ housing. Workers are also allowed an area to plant vegetables to supplement their diet.</p> <p>Sighted during the audit was also meeting between Sakilan estate and Kedai Runcit Maju Jaya in September 2021. Price list of items sold was also reviewed and approved by the estate management.</p> <p>Visits made to the canteens and sundry shops confirmed that basic necessities such as cooking oil, flour, rice, coffee, tea, sugar, eggs, frozen fish and meat were sold and prices displayed.</p> | Complied |
| 6.2.6 | <p>A DLW is paid to all workers, including piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p>PROCEDURAL NOTE:</p> <p>STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE</p> <p>With reference to procedural note of indicator 6.2.6, the RSPO has published a guidance on the DLW calculation in June 2019. The RSPO Secretariat will endeavour to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist (As of September 2019, GLWC has developed national benchmarks in Bangladesh, Belize, Brazil, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Ethiopia, Ghana, Guatemala, India, Kenya, Malawi, Mexico, Nicaragua, Pakistan, South Africa, Sri Lanka, Uganda and Vietnam These benchmarks are developed based on banana, coffee, floriculture, textile, manufacturing, seafood processing and tea industry. The RSPO is in the process of commissioning benchmarks for Malaysia and Indonesia for the palm oil sector and will develop methods to</p> | <p>For Sakilan Mill and its supply base, the calculation of DLW took into account housing, medical, transportation and education. The amount is calculated as RM1,026.81. The minimum amount that the workers receive is RM1,100 per month, which is higher than the DLW calculated.</p> | Complied |

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| <p>calculate and/or define DLW applicability for all palm oil producing countries in which RSPO members operate).</p> <p><i>Where a GLWC living wage standard (benchmark), or one that fulfils the basic requirements of the RSPO-endorsed living wage methodology, has been established in the country or region of operation, the same should be used as benchmarks.</i></p> <p>In the absence of such benchmarks, the RSPO will collaborate with the GLWC and/or local experts on developing oil palm industry benchmarks (Benchmark in this context may include other approaches and/or methods to calculate the applicability of DLW in the country or region in accordance to the RSPO endorsed method for determining a DLW. Local applicability for benchmarks is important and it may differ based on the needs of each locality or country). These benchmarks will be developed in collaboration and consultation with relevant stakeholders such as palm oil industry members, workers' union, authorities and/or relevant organisations.</p> <p><i>For countries where no living wage standard is established, until such time that an RSPO endorsed benchmark for the country is in place, national minimum wages shall be paid to all workers. In addition to the payment of minimum wages, the Unit of Certification (UoC) shall conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage (RSPO Guidance for Implementing a Decent Living Wage. The RSPO will also develop further guidance and tools to calculate DLW in line with the RSPO endorsed methodology which may include independent studies by local experts in their respective region or country).</i></p> <p>Once these benchmarks are available, this procedural note is no longer applicable. UoC shall have an implementation plan towards the payment of a DLW with specific targets, and a phased implementation process including:</p> <ul style="list-style-type: none"> • Updated assessment on prevailing wages and in-kind benefits • There is annual progress on the implementation of living wages • Where a minimum wage, based on equivalent of baskets of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment • The UoC may choose to implement the living wage payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before eventual scale up of the living wage implementation. <p>- Minor compliance -</p> | | |
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| 6.2.7 | <p>Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p> <p>- Minor compliance -</p> | <p>All the estates and mill employ full-time employees, and based on records reviewed and interviews conducted, there are no casual, temporary and day labour employed within Sakilan Mill and its supply base.</p> | Complied |
| <p>Criterion 6.3: The unit of Certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p> | | | |
| 6.3.1 | <p>(C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.</p> <p>- Critical (Major) compliance -</p> | <p>The statement recognising freedom of association and the right to collective bargaining is available in the IOI's Sustainable Palm Oil Policy signed by the Group Managing Director/Chief Executive Officer and Group Head of Sustainability (revised in October 2020). In this document, IOI commits to uphold the rights to freedom of association and recognize the right to collective bargaining and allow trade unions to have access to all workers.</p> <p>This was explained to all workers during Policy trainings conducted at the Sakilan Mill and all its estates. The trainings were conducted as follows:</p> <ul style="list-style-type: none"> • Linbar 1 Estate: 14 July 2021 • Sakilan Estate: 5 October 2021 • Sakilan Mill: 10 & 14 October 2021 <p>This Policy has been demonstrably implemented based on records and observations as detailed out under Indicator 6.3.2 below.</p> | Complied |
| 6.3.2 | <p>Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request.</p> <p>- Minor compliance -</p> | <p>The JCCs comprise workers' representatives and management representatives. They discuss issues raised by the workers in a meeting called Employees' Consultative Committees (ECC). Evidence was available to show that the workers' representatives have been freely chosen by the workers themselves via an election process.</p> | Complied |

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| | | <p>Workers’ representatives have been chosen to represent their nationalities, as confirmed during audit interviews.</p> <p>Sampled during the audit were Joint Consultative Committees (JCCs) meeting minutes held at:</p> <ul style="list-style-type: none"> a. Linbar 2 Estate (15 Feb 2021, 8 April 2021, 7 July 2021) b. Sakilan Estate (26 Feb 2021, 27 April 2021, 30 June 2021, 19 Aug 2021) c. Linbar 1 Estate (15 Feb 2021, 6 April 2021 25 May 2021, 7 July 2021, 27 Aug 2021). <p>Among the issues discussed included calculation of overtime pay, explanation on pay slips, renewal of work permits, etc. Also sighted was the discussion on free election of workers’ representatives.</p> <p>The records of meeting are filed in the respective estate offices and are available upon request.</p> | |
| 6.3.3 | <p>Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers.</p> <p>- Minor compliance -</p> | <p>Workers are free to elect their own representatives to sit in the JCC. Evidence was available to show that the workers’ representatives have been freely chosen by the workers themselves via an election process and they represent their respective nationalities. This was evidenced in the meeting records of JCC meeting at Linbar 1 Estate which discussed the date of free election of workers’ representatives.</p> | Complied |
| Criterion 6.4: Children are not employed or exploited. | | | |
| 6.4.1 | <p>A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.</p> <p>- Minor compliance -</p> | <p>The Policy for the protection of children, including the prohibition against child labour is available in IOI’s Sustainable Palm Oil Policy. This Policy also pledges to eliminate all forms of child labour.</p> <p>Contracts signed between Sakilan Mill and the Estates contain an undertaking by the respective contractors that they shall not recruit any person below the age of 18. Clause d of the Additional</p> | Complied |

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| | | <p>Requirements For Contractors and Service Providers states that the contractors' workers must at least be 18 years old when employed. Sighted were contracts signed as follows:</p> <ul style="list-style-type: none"> a. Agreement between Halusah Ladang Sdn Bhd (Sakilan Palm Oil Mill) and Syarikat Pengangkutan Budie Bersaudara dated 1 Aug 2019 valid from 1 Aug 2019 to 31 July 2022. b. Agreement between Halusah Ladang Sdn Bhd (Sakilan Palm Oil Mill) and Rico Enterprise dated 1 Aug 2019 valid from 1 Aug 2019 to 31 July 2022. c. Agreement Transportation contract between Linbar 1 & 2 Estates and J.S. Enterprise dated 1 July 2020 valid until 30 June 2022. d. Agreement between Sakilan Estate and Pengangkutan Hidayah Enterprise dated 1 Aug 2019 valid form 1 Aug 2019 to 31 July 2022. | |
| 6.4.2 | <p>(C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.</p> <p>- Critical (Major) compliance -</p> | <p>Based on interviews, documentation review and observations in the field, evidence is available that minimum age requirements of 18 years old are met throughout Sakilan Mill and supply base. Personnel files contain copies of the workers' NRIC (for Malaysians) and passports (for non-Malaysians). These documents were used to screen age of the workers when they applied for the job. Visit to the linesite and field also did not reveal any persons under 18 years old working.</p> | Complied |
| 6.4.3 | <p>(C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.</p> <p>- Critical (Major) compliance -</p> | <p>There was no evidence that any young persons were employed in at Sakilan Mill and its supply base as evidenced from documentation review, field observations and interviews.</p> | Complied |
| 6.4.4 | <p>The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child</p> | <p>The IOI Sustainability Palm Oil Policy which pledges to eliminate all forms of child labour is displayed at prominent places near the office and workers' housing. Based on the documents sighted,</p> | Complied |

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| | <p>protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.</p> <p>- Minor compliance -</p> | <p>communication about its no child labour policy were communicated to all levels of employees as evidenced from training records held as follows:</p> <ul style="list-style-type: none"> • Linbar 1 Estate: 14 July 2021 • Sakilan Estate: 5 October 2021 • Sakilan Mill: 10 & 14 October 2021 | |
| <p>Criterion 6.5: There is no harassment or abuse in the workplace, and reproductive rights are protected.</p> | | | |
| <p>6.5.1</p> | <p>(C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.</p> <p>- Critical (Major) compliance -</p> | <p>A Policy to prevent sexual and other forms of harassment is contained in IOI’s Sustainable Palm Oil Policy signed by the Group Managing Director/Chief Executive Officer and Group Head of Sustainability (revised in October 2020). This document states that the Company will promote a safe and healthy working environment that is free from sexual harassment and other hazards. In addition, IOI also has a policy known as Guideline for Handling Harassment at Workplace. Based on interviews with members of the Women’s Empowerment Group and other workers, these Policies are being implemented and communicated to all levels of workforce during Policy trainings conducted as follows:</p> <ul style="list-style-type: none"> • Linbar 1 Estate: 14 July 2021 • Sakilan Estate: 5 October 2021 • Sakilan Mill: 17 March 2021, 10 & 14 October 2021 <p>The IOI Sustainability Palm Oil Policy is also displayed at prominent places near the office and workers’ housing.</p> | <p>Complied</p> |
| <p>6.5.2</p> | <p>(C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce.</p> <p>- Critical (Major) compliance -</p> | <p>A Policy to prevent sexual and other forms of harassment is contained in IOI’s Sustainable Palm Oil Policy signed by the Group Managing Director/Chief Executive Officer and Group Head of Sustainability (revised in October 2020). This document states that</p> | <p>Complied</p> |

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| | | <p>the Company will protect reproductive health of women employees. This Policy is being implemented based on interviews held with women employees who are not prohibited from planning their families, are entitled to 2 months paid maternity leave, and women employees who are exposed to chemicals would be re-assigned to another job once she is confirmed pregnant.</p> <p>A briefing on the SOP on Reproductive Health Doc Ref: IOI/G/SE/002 Rec No. 01 issued 15 Jan 2020 was given on 16 Oct 2020 with the objective of ensuring reproductive health of workers especially for pregnant and nursing mothers. This Policy were communicated during Policy trainings conducted as follows:</p> <ul style="list-style-type: none"> • Linbar 1 Estate: 14 July 2021 • Sakilan Estate: 5 October 2021 • Sakilan Mill: 17 March 2021, 10 & 14 October 2021 | |
| 6.5.3 | <p>Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified.</p> <p>- Minor compliance -</p> | <p>Evidence was available that needs of new mothers were assessed. Sighted during the audit were assessment form for a new mother at Sakilan Mill. The assessment was carried out on 23 March 2021.</p> <p>The assessments covered new mothers' needs such as post-natal, nursing, infant medical check-up, space required to express milk while at work, immunization for baby, and transportation needed for the purpose.</p> | Complied |
| 6.5.4 | <p>A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p> | <p>IOI Corporation Berhad has a Grievance Procedure dated 20 Jan 2020. Para 4 states that the Company commits to safeguard all stakeholders involved in the grievance process against potential threats, intimidation, violence or reprisals. Furthermore, the grievance mechanism support with Whistleblowing Policy revised on October 2019. Para 4.0 stated that the complainants may choose to remain anonymous when reporting on the particular grievance. This</p> | Complied |

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| | | <p>Policy were communicated during Policy trainings conducted as follows:</p> <ul style="list-style-type: none"> • Linbar 1 Estate: 14 July 2021 • Sakilan Estate: 5 October 2021 • Sakilan Mill: 17 March 2021, 10 & 14 October 2021 <p>The IOI Sustainability Policy is also displayed at prominent places near the office and workers' housing.</p> | |
| Criterion 6.6: No forms of forced or trafficked labour are used. | | | |
| 6.6.1 | <p>(C) All workers have entered into employment voluntarily and the following are prohibited:</p> <ul style="list-style-type: none"> • Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes) • Charging the workers for recruitment fees. • Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty for termination of employment • Debt bondage • Withholding of wages <p>- Critical (Major) compliance -</p> | <p>Based on interviews with the workers, and observations made, the following were found:</p> <ol style="list-style-type: none"> a. Retention of documents: All workers are free to keep their own passports. There is no retention of identity documents or passports unless these are needed for passport/work permit renewal. b. Charging of recruitment fee: Workers are not charged any recruitment fees. Workers employed at Sakilan Mill and its supply base are directly hired with no recruitment agents as intermediaries. c. Involuntary overtime: Based on interviews conducted with the workers, all overtime work were carried out on a voluntary basis. Workers are free decline any offers for overtime work. d. Lack of freedom to resign: Workers are free to resign as per stated in their employment contracts. e. Debt bondage: There is no evidence of any incidence of debt bondage. f. Withholding of wages: There is no evidence of withholding of wages. | Complied |

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| | | g. Contract substitution: There was no evidence of contract substitution. All workers were directly hired and knew what type of job they would be doing prior to signing their contracts. | | | | | | | |
| 6.6.2 | <p>(C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.</p> <p>- Critical (Major) compliance -</p> | <p>A specific labour policy and/or procedures for migrant workers are available in IOI Plantation Foreign Workers Recruitment Guideline and Procedure signed by the Plantation Director dated October 017 (Revised July 2018). This Guidelines and Procedure covers the following:</p> <ul style="list-style-type: none"> - No payment of recruitment fee - Pre-employment stages - Arrival of workers - Orientation and induction training - Health screening - Passport handling - Provision of basic items - Grievance mechanism - Contract renewal, etc. <p>Based on audit interviews and records sighted, Sakilan Mill and its supply base have demonstrated that the procedures are being implemented.</p> | Complied | | | | | | |
| <p>Criterion 6.7: The unit of certification ensures that the working environment under its control is safe and without undue risk to health.</p> | | | | | | | | | |
| 6.7.1 | <p>(C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>- Critical (Major) compliance -</p> | <p>Both the estates/mill management conduct regular two-way communication with their employees through the quarterly ESH meeting. The dates of meeting held are recorded below.</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td>No</td> <td>Mill/ Estate</td> <td>Ist</td> <td>2nd</td> <td>3rd</td> <td>4th</td> </tr> </table> | No | Mill/ Estate | Ist | 2nd | 3rd | 4th | Complied |
| No | Mill/ Estate | Ist | 2nd | 3rd | 4th | | | | |

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| 1 | SPOM | 28/9/21 | 28/6/21 | 26/3/21 | 24/12/20 |
| 2 | Sakilan | 04/11/21 | 29/6/21 | 30/3/21 | 17/12/20 |
| 3 | Linbar 1 | 18/10/21 | 08/7/21 | 05/3/21 | 16/11/20 |
| 4 | Linbar 2 | 18/10/21 | 24/6/21 | 16/4/21 | 29/12/20 |

Agenda discussed among others;

- a) Confirmation of minutes previous meeting
- b) Workplace inspection report
- c) Accident report
- d) Medical surveillance & Audio metric
- e) Status of Safety Program & Environmental
- f) First Aid Kit & Fire Extinguishers Report
- g) HIRARC/PPE/ERP
- h) Training / Safety Program
- i) Complaint from Employee/External Party.
- j) Other matters

Workplace inspections are made prior to the ESH meeting.

The respective Managers were appointed as ESH Chairman (PIC) . This is in line with the safety management plan dated 05/01/21 stating that Managers of respective units is automatically appointed as ESH Chairman under clause 1.3.4. All correspondence were sighted and verified.

| No | Estate/Mill | Chairman | Date |
|----|-----------------|----------|------------|
| 1 | Sakilan POM | Manager | 05/01/2021 |
| 2 | Sakilan Estate | Manager | 05/01/2021 |
| 3 | Linbar 1 Estate | Manager | 05/01/2021 |

| | | 4 | Linbar 2 Estate | Manager | 05/01/2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------|--|--|-----------------|---------|------------|----------|---------------------|------|--------|---|------|---|---|---|--------------|---|---|---|-------------------|---|---|---|-------------------|---|---|---|-------|---|---|---|------------------------|---|---|--|
| 6.7.2 | <p>Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</p> <p>- Minor compliance -</p> | <p>The procedures for accident and emergencies has been established. There is formation of ERP Team & ERP for all the identified incidences. In addition the procedures have been summarized in a chart flow form and displayed for information of all employees in the estates and mill. They includes emergencies relating fire, chemical spillage, flood and accident at work place.</p> <p>a) <i>Ahli J/Kuasa Pasukan Bertindak Kecemasan 2021</i> headed by the Estate/Mill Manager</p> <p>b) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Kebakaran</i></p> <p>c) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Berlaku Banjir/Bencana Alam</i></p> <p>d) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Berlaku Tumpahan Kimia/Minyak</i></p> <p>The organization chart for the ERP team was established and displayed for information of the employees. The important telephone contact numbers were also provided therein. Procedures guidelines were issued by SPO and amended to tailor to the situation differences in the estates and mill.</p> | | | | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th></th> <th>Emergency situation</th> <th>Mill</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Fire</td> <td>/</td> <td>/</td> </tr> <tr> <td>2</td> <td>Oil spillage</td> <td>/</td> <td>-</td> </tr> <tr> <td>3</td> <td>Effluent overflow</td> <td>/</td> <td>-</td> </tr> <tr> <td>4</td> <td>Chemical spillage</td> <td>/</td> <td>/</td> </tr> <tr> <td>5</td> <td>Flood</td> <td>-</td> <td>/</td> </tr> <tr> <td>6</td> <td>Accident at work place</td> <td>-</td> <td>/</td> </tr> </tbody> </table> | | | | | Emergency situation | Mill | Estate | 1 | Fire | / | / | 2 | Oil spillage | / | - | 3 | Effluent overflow | / | - | 4 | Chemical spillage | / | / | 5 | Flood | - | / | 6 | Accident at work place | - | / | |
| | Emergency situation | Mill | Estate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Fire | / | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Oil spillage | / | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Effluent overflow | / | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Chemical spillage | / | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Flood | - | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Accident at work place | - | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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ERT members received training and practice in emergency procedures appropriate to their respective workplace and degree of risk. The training are conducted by an accredited or qualified organization who can demonstrate their suitability to provide training.

The trained personnel for the First Aid were among the employees working as field staff/mandores. The first aid boxes were available at various points in the mill/estate office, workshop, and store. The estate distributed the first aid box to the mandores and brought along to the field during operations.

Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA. (Lost Man day MC.) This is summarized officially in the JKPP 8. Records are kept for a minimum 10 years in the office. Summary for the year is described in the JKPP 8 a mandatory requirement with submission as follows. Accident Statistics are being maintained in a satisfactory manner.

| | Estate /Mill | No of cases in 2020 | | | | JKPP 8 submission |
|---|--------------|---------------------|-----|---------|-------|-------------------|
| | | cases | LTI | Non LTI | Total | |
| 1 | SPOM | 1 | 2 | 0 | 1 | 06/01/21 |
| 2 | Sakilan | 4 | 12 | 0 | 4 | 08/1/21 |
| 3 | Linbar 1 | 5 | 53 | 3 | 8 | 13/01/21 |
| 4 | Linbar 2 | 1 | 7 | 0 | 1 | 21/01/21 |

Sakilan Estates cases were mainly related to harvesting. Linbar 1 has an incidence on 13/04/20 whereby a harvester injured his LHS eye upon hit by a LF while inspecting the FFB prior to bunch cutting

| | | <p>and was given 44 days MC. Root cause identified from negligence and failure to wear PPE for eye protection. JKPP 6 was submitted to DOSH on 08/5/20 with investigation made. Documents were sighted and verified.</p> | | | | | | | | | | | | | | | | | | | |
|--------------|---|---|--|----------|--------------|---|-----------|---|---|----------|--|---|----------|--|---|-----------------------|---|--|----------|--------------|-----------------|
| <p>6.7.3</p> | <p>(C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</p> <p>- Critical (Major) compliance -</p> | <p>The estates and mill provide PPE to the employees such as apron, safety helmets, and safety shoes relevant to the work handled by the workers. Records of PPE issuance for the estate were sighted. During the site visit workers was observed to be in PPE. Based on the HIRARC carried out at the estates/mill the PPE types for the various activities has been identified and implemented.</p> <table border="1" data-bbox="1137 742 1912 1093"> <thead> <tr> <th></th> <th>Category</th> <th>PPE provided</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Harvester</td> <td>Safety helmet, sickle cover, hand glove. wellington boots</td> </tr> <tr> <td>2</td> <td>Sprayers</td> <td>Respirator, nitrile glove (chemical resistant) goggles, wellington boots, apron.</td> </tr> <tr> <td>3</td> <td>Manuring</td> <td>Apron, wellington boots, dust mask, nitrile glove.</td> </tr> <tr> <td>4</td> <td>Water treatment Plant</td> <td>Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask.</td> </tr> </tbody> </table> <p>Similarly the mill issued PPE to its employees for their protection at workplace. Records of PPE issued are maintained individually to all employees. PPE issued to the workers is safety helmets, safety shoes. Special PPE for workers assigned to height, confined space. Safety shoes issued on a 6 monthly basis and recorded.</p> <table border="1" data-bbox="1137 1345 1912 1390"> <thead> <tr> <th></th> <th>Category</th> <th>PPE provided</th> </tr> </thead> <tbody> </tbody> </table> | | Category | PPE provided | 1 | Harvester | Safety helmet, sickle cover, hand glove. wellington boots | 2 | Sprayers | Respirator, nitrile glove (chemical resistant) goggles, wellington boots, apron. | 3 | Manuring | Apron, wellington boots, dust mask, nitrile glove. | 4 | Water treatment Plant | Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask. | | Category | PPE provided | <p>Complied</p> |
| | Category | PPE provided | | | | | | | | | | | | | | | | | | | |
| 1 | Harvester | Safety helmet, sickle cover, hand glove. wellington boots | | | | | | | | | | | | | | | | | | | |
| 2 | Sprayers | Respirator, nitrile glove (chemical resistant) goggles, wellington boots, apron. | | | | | | | | | | | | | | | | | | | |
| 3 | Manuring | Apron, wellington boots, dust mask, nitrile glove. | | | | | | | | | | | | | | | | | | | |
| 4 | Water treatment Plant | Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask. | | | | | | | | | | | | | | | | | | | |
| | Category | PPE provided | | | | | | | | | | | | | | | | | | | |

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| | | <table border="1"> <tr> <td>1</td> <td>Mill operator</td> <td>Safety boots, ear muff, safety vest, helmet, cotton glove</td> </tr> <tr> <td>2</td> <td>Water treatment Plant Operator</td> <td>Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask.</td> </tr> </table> <p>Sighted issuance of PPE records for the estates/mill employees in 2021.</p> | 1 | Mill operator | Safety boots, ear muff, safety vest, helmet, cotton glove | 2 | Water treatment Plant Operator | Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask. | | | | | | | | | | | | | |
|--|--|---|----------|---------------|---|---|--------------------------------|---|---|------|--------------|---|----------|--------------|---|---------|--------------|---|----------|--------------|----------|
| 1 | Mill operator | Safety boots, ear muff, safety vest, helmet, cotton glove | | | | | | | | | | | | | | | | | | | |
| 2 | Water treatment Plant Operator | Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask. | | | | | | | | | | | | | | | | | | | |
| 6.7.4 | <p>All workers are provided with medical care and covered by accident insurance. Costs incurred from work- related incidents leading to injury or sickness are covered in accordance with Malaysian law.</p> <p>- Minor compliance -</p> | <p>Both the estates and mill in the CU uses SOCSO for the coverage for the local and foreign workers. The insurance coverage has ceased effective 2018 following the Government directive on the coverage.</p> <table border="1"> <thead> <tr> <th></th> <th>Estate/Mill</th> <th>SOCSO ref no</th> <th></th> <th>Estate</th> <th>SOCSO ref no</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>SPOM</td> <td>F9700004621F</td> <td>3</td> <td>Linbar 1</td> <td>F9700002656B</td> </tr> <tr> <td>2</td> <td>Sakilan</td> <td>F9700000043K</td> <td>4</td> <td>Linbar 2</td> <td>F9700004819W</td> </tr> </tbody> </table> | | Estate/Mill | SOCSO ref no | | Estate | SOCSO ref no | 1 | SPOM | F9700004621F | 3 | Linbar 1 | F9700002656B | 2 | Sakilan | F9700000043K | 4 | Linbar 2 | F9700004819W | Complied |
| | Estate/Mill | SOCSO ref no | | Estate | SOCSO ref no | | | | | | | | | | | | | | | | |
| 1 | SPOM | F9700004621F | 3 | Linbar 1 | F9700002656B | | | | | | | | | | | | | | | | |
| 2 | Sakilan | F9700000043K | 4 | Linbar 2 | F9700004819W | | | | | | | | | | | | | | | | |
| 6.7.5 | <p>Occupational injuries are recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance -</p> | <p>Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA. (Lost Man day MC.) This is summarized officially in the JKKP 8. Records are kept for a minimum 10 years in the office. Summary for the year is described in the JKKP 8 a mandatory requirement with submission as given in 6.7.2 above.</p> | Complied | | | | | | | | | | | | | | | | | | |
| <p>Principle 7: Protect, conserve and enhance ecosystems and the environment</p> | | | | | | | | | | | | | | | | | | | | | |
| <p>Criterion 7.1: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.</p> | | | | | | | | | | | | | | | | | | | | | |
| 7.1.1 | <p>(C) IPM plans are implemented and monitored to ensure effective pest control.</p> <p>- Critical (Major) compliance -</p> | <p>The Estates continued to monitor the Implementation of Integrated Pest Management (IPM) plans.</p> <p>The estates had in place documented the IPM plan which covered monitoring of pest, control of pest population levels at below</p> | Complied | | | | | | | | | | | | | | | | | | |

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| | | | |
|-------|--|---|----------|
| | | <p>threshold levels by using cultural, biological, physical/mechanical and use of pesticides. The plan was guided by SOP dated Dec 2016 index no 17.10 beneficial plant protocol.</p> <p>In order to minimize use of insecticides on leaf-eating pest, the estates planted beneficial plants such as <i>Turnera subulata</i>, <i>Cassia cobanensis</i>, <i>Antigonon leptopus</i>, <i>Euphorbia heterophylla</i>, along the roadsides and designated points in the fields and also within the nursery perimeter.</p> <p>The plan also advocated single layer EFB mulching in order to prevent the breeding of rhinoceros beetles. Monthly detection and observation of leaf eating pests, mammalian pests and diseases had been continued. These monthly detection and observations were carried by staff.</p> <p>All the estates carried census on rat damage and diseases like Ganoderma. Rat baiting was by calendar baiting at 2 campaigns per year where recommended by the PC /Agronomist. Baiting are continued until bait acceptance threshold level.</p> | |
| 7.1.2 | <p>Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.</p> <p>- Minor compliance -</p> | <p>This is not practiced in the estates visited. None of species were referenced in the Global Invasive Species Database and CABI.org are used in the management of IPM. The estates have declared this compliance in the status of IPM species invasiveness.</p> | Complied |
| 7.1.3 | <p>There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation, i.e. where no other effective methods exist, and with prior approval of government authorities.</p> <p>- Minor compliance -</p> | <p>There was no land preparation in Estates by burning ever since IOI practiced zero burning as specified in Item 3 of IOI Plantation Zero burning policy by Plantation Director dated May 2018.</p> <p>As advocated, the estates practiced zero burning. In the replants visited during the audit in the Estates, it was evident that all palms were felled, shredded, windrowed 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.</p> | Complied |

| Criterion 7.2: Pesticides are used in ways that do not endanger health of workers, families, communities or the environment. | | | |
|---|---|--|----------|
| 7.2.1 | <p>(C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised.</p> <p>- Critical (Major) compliance -</p> | <p>All pesticides used were those officially registered under the Pesticide Act 1974. The CU confined usage to only class II, class III & class IV pesticides.</p> <p>a) No illegal agrochemicals (stated by local and international laws) paraquat was used in the CU estates.</p> <p>b) The usage of the agrochemicals was based on the Standard Operating Procedure under subject 7.1 Weeding - Weeds & weeding and the Agrochemical Management Guidelines 28/8/20 ref IOI/GG/SE/102 whereby written justifications had been provided for various fields operations.</p> <p>c) The SOP has included chemical register list which indicates the use of selective products that are specific to the targeted pest, weed or disease. The procedures also covered the use of PPE when handling the chemicals. The estates continued to use pesticides as per the SOP.</p> <p>d) Purchases of pesticides are made on a centralized arrangement via Regional Office thus a control by the organization.</p> | Complied |
| 7.2.2 | <p>(C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided.</p> <p>- Critical (Major) compliance -</p> | <p>The estates had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications and active ingredients (ai) per ha.</p> <p>a) Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, field-cost books and in progress reports. Records of pesticides used were available and verified.</p> <p>b) All pesticides used were those officially registered under the Pesticide Act 1974. The CU had used only class II ,class III & class IV pesticides.</p> | Complied |

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c) No illegal agrochemicals (stated by local and international laws) in particular paraquat were used in their estates.

| 1 | A.I./ha - Sakilan | unit | 18/19 | 19/20 | 20/21 Feb |
|---|--------------------|-----------|--------|-------------|--------------|
| 2 | Metsulfuron methyl | Gm/h a | 0.0243 | 0.0191 | 0.0150 |
| 3 | Glyphosate | Kg/ha | 1.9614 | 1.5203 | 1.4567 |
| 4 | Ethyl Esther | Kg/ha | 0.1346 | 0.1179 7 | 0.01015 |
| 5 | Dimethylamine | Kg/ha | 0.0749 | 0.1325 | 0.2646 |
| 6 | Brodifacuom | Kg/ha | 0.1363 | 0.1845 9 | 0.0725 |
| 7 | S Chlorate | Kg/ha | 0.0000 | 0.0000 | 1.0079 |

| 1 | A.I./ha - Lanbar 2 | unit | 18/19 | 19/20 | 20/21 Feb |
|---|----------------------|-----------|--------|-------------|--------------|
| 2 | Brodifaceom | kg/ha | 0.1235 | 0.0175 | 0.0821 |
| 3 | Triclopyr butotyl | Lit/ha | 0.0029 | 0.1312 0 | 0.07204 |
| 4 | Metsulfuron methyl | gm/h a | 57.844 | 48.230 7 | 41.4371 |
| 5 | Isoprorylmine 41% | Lit/ha | 2.2782 | 1.6227 | 1.7621 |

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|-------|---|--|----------|----------------------|--------------|--------|-------------|---------|---|--|--|--|--|--|---|--------------------|------|-------|-------|--------------|---|------------|-------|-------|-------|--------|---|---------------|-------|-------|-------|--------|---|-----------------------|-------|--------|--------|--------|---|-------------------|-------|--------|--------|---------|---|------------|-------|--------|--------|--------|---|----------------------|--------|--------|-------------|---------|--|
| | | <table border="1"> <tr> <td>6</td> <td>Cypermethrine 16%</td> <td>lit/ha</td> <td>0.1044</td> <td>0.0669 6</td> <td>0.02577</td> </tr> <tr> <td colspan="6">.</td> </tr> <tr> <td>1</td> <td>A.I./ha - Lanbar 1</td> <td>unit</td> <td>18/19</td> <td>19/20</td> <td>20/21 Feb</td> </tr> <tr> <td>2</td> <td>Glyphosate</td> <td>kg/ha</td> <td>1.400</td> <td>1.302</td> <td>1.0639</td> </tr> <tr> <td>3</td> <td>Dimethylamine</td> <td>Kg/ha</td> <td>0.000</td> <td>0.050</td> <td>0.0219</td> </tr> <tr> <td>4</td> <td>Metsulfuron methyl</td> <td>kg/ha</td> <td>0.0257</td> <td>0.0254</td> <td>0.0254</td> </tr> <tr> <td>5</td> <td>Triclopyr butotyl</td> <td>kg/ha</td> <td>0.0372</td> <td>0.0405</td> <td>0.10120</td> </tr> <tr> <td>6</td> <td>S Chlorate</td> <td>Kg/ha</td> <td>0.1591</td> <td>0.0139</td> <td>0.0000</td> </tr> <tr> <td>7</td> <td>Cypermethrine 16%</td> <td>lit/ha</td> <td>0.0016</td> <td>0.0235 5</td> <td>0.00532</td> </tr> </table> <p>Variation of chemical usage are attributed to sizes of immature areas, rainfall pattern and the regeneration growth of weeds in different type of soil series.</p> | 6 | Cypermethrine 16% | lit/ha | 0.1044 | 0.0669 6 | 0.02577 | . | | | | | | 1 | A.I./ha - Lanbar 1 | unit | 18/19 | 19/20 | 20/21 Feb | 2 | Glyphosate | kg/ha | 1.400 | 1.302 | 1.0639 | 3 | Dimethylamine | Kg/ha | 0.000 | 0.050 | 0.0219 | 4 | Metsulfuron methyl | kg/ha | 0.0257 | 0.0254 | 0.0254 | 5 | Triclopyr butotyl | kg/ha | 0.0372 | 0.0405 | 0.10120 | 6 | S Chlorate | Kg/ha | 0.1591 | 0.0139 | 0.0000 | 7 | Cypermethrine 16% | lit/ha | 0.0016 | 0.0235 5 | 0.00532 | |
| 6 | Cypermethrine 16% | lit/ha | 0.1044 | 0.0669 6 | 0.02577 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| . | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | A.I./ha - Lanbar 1 | unit | 18/19 | 19/20 | 20/21 Feb | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Glyphosate | kg/ha | 1.400 | 1.302 | 1.0639 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Dimethylamine | Kg/ha | 0.000 | 0.050 | 0.0219 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Metsulfuron methyl | kg/ha | 0.0257 | 0.0254 | 0.0254 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Triclopyr butotyl | kg/ha | 0.0372 | 0.0405 | 0.10120 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | S Chlorate | Kg/ha | 0.1591 | 0.0139 | 0.0000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Cypermethrine 16% | lit/ha | 0.0016 | 0.0235 5 | 0.00532 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.2.3 | <p>(C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans. - Critical (Major) compliance -</p> | <p>During the audit, it was observed and recorded that the Estates had not use chemicals categorized as World Health Organization (WHO) type 1A or 1B or listed by the Stockholm or Rotterdam Conventions.</p> <p>a) Paraquat usage has been prohibited in all units and the entirety of the organization.</p> <p>b) The Safety Procedures for pesticides application were well described in Pictorial Safety Standard./SOP</p> | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | |
|--------------|---|--|-----------------|
| <p>7.2.4</p> | <p>There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.</p> <p>- Minor compliance -</p> | <p>The audited estates are committed to minimize the usage of agrochemicals through the implementation of IPM practices among others;</p> <p>a) The planting of beneficial plants i.e. <i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> rate of 10 dm: 1 ha.</p> <p>b) Blanket spraying was not practiced by this CU and soft grasses maintained in the field.</p> <p>c) It had also been the practice that insecticides are used only after a threshold level has been exceeded as per the Standard Operating Procedure subject no 5.1 to 5.4 Pest And Disease.</p> <p>There is no prophylactic use of pesticides. The quantity of agrochemicals required for various field conditions are documented and justified in IOI SOP for estates operations.</p> | <p>Complied</p> |
| <p>7.2.5</p> | <p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.</p> <p>The due diligence refers to:</p> <p>a) Judgment of the threat and verify why this is a major threat</p> <p>b) Why there is no other alternative which can be used</p> <p>c) Which process was applied to verify why there is no other less hazardous alternative</p> <p>d) What is the process to limit the negative impacts of the application</p> <p>e) Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.</p> <p>- Minor compliance -</p> | <p>The 3 estates in the CU confined usage of pesticides which are were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A) and in accordance with USECHH Regulations 2000.</p> <p>a) The review of the chemical register concluded that all pesticides used were of class II, III & class IV. The use of paraquat had been prohibited in all IOI estates.</p> <p>b) There was no evidence of pesticides that are categorized as World Health Organization Class 1A or 1B, or that were listed by the Stockholm or Rotterdam Conventions been used.</p> <p>c) Sighted from records and interviews with workers, staff and estate assistants, concluded that training were held with all precautions being taken and all legal requirements met. Register was updated on 31/12/2020.</p> <p>d) The chemical used in the estates among others as listed below;</p> | <p>Complied</p> |

| | | <table border="1"> <thead> <tr> <th></th> <th>Chemical name</th> <th>Class</th> <th></th> <th>Chemical name</th> <th>Class</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Glyphosate</td> <td>III</td> <td>7</td> <td>Triclopyr b ethyl</td> <td>III</td> </tr> <tr> <td>2</td> <td>isopropylamine</td> <td>II</td> <td>8</td> <td>Methylheptyl ester</td> <td>IV</td> </tr> <tr> <td>3</td> <td>Thiram</td> <td>II</td> <td>9</td> <td>Cypermethrin</td> <td>III</td> </tr> <tr> <td>4</td> <td>Glufosinate amm</td> <td>III</td> <td>10</td> <td>Canyon 20G</td> <td>IV</td> </tr> <tr> <td>5</td> <td>Propineb</td> <td>IV</td> <td>11</td> <td>Miracle</td> <td>IV</td> </tr> <tr> <td>6</td> <td>Antracol</td> <td>IV</td> <td>12</td> <td>Bayfolan</td> <td>IV</td> </tr> </tbody> </table> | | Chemical name | Class | | Chemical name | Class | 1 | Glyphosate | III | 7 | Triclopyr b ethyl | III | 2 | isopropylamine | II | 8 | Methylheptyl ester | IV | 3 | Thiram | II | 9 | Cypermethrin | III | 4 | Glufosinate amm | III | 10 | Canyon 20G | IV | 5 | Propineb | IV | 11 | Miracle | IV | 6 | Antracol | IV | 12 | Bayfolan | IV | |
|-------|--|--|----------|--------------------|-------|--|---------------|-------|---|------------|-----|---|-------------------|-----|---|----------------|----|---|--------------------|----|---|--------|----|---|--------------|-----|---|-----------------|-----|----|------------|----|---|----------|----|----|---------|----|---|----------|----|----|----------|----|--|
| | Chemical name | Class | | Chemical name | Class | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Glyphosate | III | 7 | Triclopyr b ethyl | III | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | isopropylamine | II | 8 | Methylheptyl ester | IV | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Thiram | II | 9 | Cypermethrin | III | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Glufosinate amm | III | 10 | Canyon 20G | IV | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Propineb | IV | 11 | Miracle | IV | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Antracol | IV | 12 | Bayfolan | IV | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.2.6 | <p>(C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criteria 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.</p> <p>- Critical (Major) compliance -</p> | <p>Records showed that pesticides were handled, used and applied by trained persons and as per the SDS of the product.</p> <ul style="list-style-type: none"> a) The staff and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involved and how the chemicals should be handled in a safe method. b) The trade and generic names of the chemicals were made known to the workers through the SDS training. SDS was also displayed at all storage areas as observed during the audit. c) The training included the safety aspects and usage of PPE when handling with pesticides. Records of training are shown in 3.7.2 and verified. d) All workers involved in pesticide application were provided with appropriate PPE and replaced when worn-out. PPE issuance & replacement records were verified by the auditors. e) From interviews conducted with workers and staffs in the field and stores clerks it was established that they had been trained and were aware of safe handling procedure. | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | |
|-------|--|--|----------|
| 7.2.7 | <p>(C) Storage of all pesticides is in accordance with recognised best practices. - Critical (Major) compliance -</p> | <p>The chemical stores in all estates were found to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149).</p> <ul style="list-style-type: none"> a) Records of purchase, storage and use were maintained. b) All store buildings were equipped with exhaust fans with the door secured. c) Only authorized personnel are assigned to handle the chemicals. d) All the chemicals were segregated in storage accordingly. <p>Empty pesticides containers were triple rinsed, holes punched and stored separately in the scheduled wastes store. Thereafter disposal arrangement will follow accordingly as per procedures to SW collector <i>Lagenda Bumimas Sdn Bhd</i>.</p> | Complied |
| 7.2.8 | <p>All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes. - Minor compliance -</p> | <p>The estates and mill has established a procedure ref no IOI/SRO/HSE/SW/01 dated 01/01/15 - titled "labeling handling storage transfer and disposal of scheduled waste".</p> <ul style="list-style-type: none"> a) Collection of SW is made by <i>Lagenda Bumimas Sdn Bhd</i> a licensed vendor registered with DOE. b) The clinical waste SW 404 is disposed to <i>Sedafiat Sdn Bhd</i> c) Empty containers were tripled rinsed, pierced and delivered together with the SW delivery. | Complied |
| 7.2.9 | <p>(C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying. - Critical (Major) compliance -</p> | <p>Aerial application of agrochemicals is not practiced in estates visited. This is confirmed through observation during the site visit, estate complex and interview with the employees. Such method is no longer in existence in the estates practices.</p> | Complied |

| <p>7.2.10</p> | <p>(C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated. - Critical (Major) compliance -</p> | <p>The CHRA for the estates and the mill was conducted with details as shown below.</p> <table border="1" data-bbox="1149 443 1908 675"> <thead> <tr> <th>OU</th> <th>Date</th> <th>Assessor</th> <th>DOSH no</th> </tr> </thead> <tbody> <tr> <td>SPOM</td> <td>18/12/19</td> <td>DAB OH Sdn Bhd</td> <td>HQ/11/ASS/00/298/217</td> </tr> <tr> <td>Sakilan</td> <td>30/10/20</td> <td>DAB OH Sdn Bhd</td> <td>HQ/11/ASS/00/298/217</td> </tr> <tr> <td>Linbar 1</td> <td>02/11/20</td> <td>DAB OH Sdn Bhd</td> <td>HQ/11/ASS/00/298/217</td> </tr> <tr> <td>Linbar 2</td> <td>02/11/20</td> <td>DAB OH Sdn Bhd</td> <td>HQ/11/ASS/00/298/217</td> </tr> </tbody> </table> <p>The recommendation from the CHRA is mainly on the training for operators working in laboratory, ETP, WTP, Boiler, workshop, scheduled waste and chemical store. In addition the assessor recommended medical surveillance be conducted for the categories of employees in the workshop and laboratory and chemicals handlers. Similar CHRA was compiled for the estates with details provided therein. below. The CHRA report among others described requirement of medical surveillance to be made for the listed category of employees. The medical surveillance was carried out on in the CU as follows;</p> <table border="1" data-bbox="1137 1042 1919 1359"> <thead> <tr> <th colspan="2"></th> <th colspan="5">Employees categories</th> </tr> <tr> <th></th> <th></th> <th>Date</th> <th>W/shop/store</th> <th>Lab</th> <th>Boiler</th> <th>ETP</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>SPOM</td> <td>1/11/21</td> <td>18</td> <td>11</td> <td>8</td> <td>5</td> </tr> <tr> <td>2</td> <td>SPOM</td> <td>2/9/20</td> <td>20</td> <td>11</td> <td>8</td> <td>6</td> </tr> </tbody> </table> <table border="1" data-bbox="1137 1273 1919 1359"> <thead> <tr> <th colspan="2"></th> <th colspan="5">Employees categories</th> </tr> <tr> <th></th> <th></th> <th>Date</th> <th>Workshop</th> <th>Store</th> <th>Sprayer</th> <th>WTP</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | OU | Date | Assessor | DOSH no | SPOM | 18/12/19 | DAB OH Sdn Bhd | HQ/11/ASS/00/298/217 | Sakilan | 30/10/20 | DAB OH Sdn Bhd | HQ/11/ASS/00/298/217 | Linbar 1 | 02/11/20 | DAB OH Sdn Bhd | HQ/11/ASS/00/298/217 | Linbar 2 | 02/11/20 | DAB OH Sdn Bhd | HQ/11/ASS/00/298/217 | | | Employees categories | | | | | | | Date | W/shop/store | Lab | Boiler | ETP | 1 | SPOM | 1/11/21 | 18 | 11 | 8 | 5 | 2 | SPOM | 2/9/20 | 20 | 11 | 8 | 6 | | | Employees categories | | | | | | | Date | Workshop | Store | Sprayer | WTP | | | | | | | | <p>Complied</p> |
|---------------|--|--|----------------------|-------|----------|---------|------|----------|----------------|----------------------|---------|----------|----------------|----------------------|----------|----------|----------------|----------------------|----------|----------|----------------|----------------------|--|--|----------------------|--|--|--|--|--|--|------|--------------|-----|--------|-----|---|------|---------|----|----|---|---|---|------|--------|----|----|---|---|--|--|----------------------|--|--|--|--|--|--|------|----------|-------|---------|-----|--|--|--|--|--|--|--|-----------------|
| OU | Date | Assessor | DOSH no | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SPOM | 18/12/19 | DAB OH Sdn Bhd | HQ/11/ASS/00/298/217 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sakilan | 30/10/20 | DAB OH Sdn Bhd | HQ/11/ASS/00/298/217 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Linbar 1 | 02/11/20 | DAB OH Sdn Bhd | HQ/11/ASS/00/298/217 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Linbar 2 | 02/11/20 | DAB OH Sdn Bhd | HQ/11/ASS/00/298/217 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Employees categories | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Date | W/shop/store | Lab | Boiler | ETP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | SPOM | 1/11/21 | 18 | 11 | 8 | 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | SPOM | 2/9/20 | 20 | 11 | 8 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Employees categories | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Date | Workshop | Store | Sprayer | WTP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|--|---|--|----------|----|--------|---|---|----|---|---|------|---------|---|---|----|---|---|------|---------|---|---|----|---|---|------|---------|---|---|----|---|---|------|---------|---|---|----|---|--|
| | | <table border="1"> <tr> <td>1</td> <td>SE</td> <td>2/6/21</td> <td>4</td> <td>1</td> <td>22</td> <td>1</td> </tr> <tr> <td>2</td> <td>LE 1</td> <td>2/11/21</td> <td>5</td> <td>2</td> <td>13</td> <td>2</td> </tr> <tr> <td>3</td> <td>LE 1</td> <td>2/11/20</td> <td>4</td> <td>1</td> <td>17</td> <td>1</td> </tr> <tr> <td>4</td> <td>LE 2</td> <td>2/11/21</td> <td>2</td> <td>2</td> <td>18</td> <td>1</td> </tr> <tr> <td>5</td> <td>LE 2</td> <td>2/11/20</td> <td>2</td> <td>2</td> <td>25</td> <td>1</td> </tr> </table> <p>Both the CHRA and the medical surveillance was made by an OHD Doctor of DAB <i>DOSH Rgn No.HQ/11/ASS/00/298/217</i>. Results for the entire workers were positive and declared FIT to handle chemical.</p> | 1 | SE | 2/6/21 | 4 | 1 | 22 | 1 | 2 | LE 1 | 2/11/21 | 5 | 2 | 13 | 2 | 3 | LE 1 | 2/11/20 | 4 | 1 | 17 | 1 | 4 | LE 2 | 2/11/21 | 2 | 2 | 18 | 1 | 5 | LE 2 | 2/11/20 | 2 | 2 | 25 | 1 | |
| 1 | SE | 2/6/21 | 4 | 1 | 22 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | LE 1 | 2/11/21 | 5 | 2 | 13 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | LE 1 | 2/11/20 | 4 | 1 | 17 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | LE 2 | 2/11/21 | 2 | 2 | 18 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | LE 2 | 2/11/20 | 2 | 2 | 25 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.2.11 | <p>(C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.</p> <p>- Critical (Major) compliance -</p> | <p>All the estates and mill in the CU complied with procedure and guidelines provided the Standard Operating Procedure adopted by the Organisation guidelines on reproductive health dated 05/10/20 whereby;</p> <p>“No work with pesticides is given to pregnant or breast-feeding women. <i>Tidak dibenarkan pekerja wanita yang MENGANDUNG / MENYUSUKAN anak membuat kerja-kerja penyemburan</i>”</p> <p>The estates maintained the list of sprayers. Identification of pregnancy status is made by the respective appointed Medical Assistant during the monthly check-up. Field interviews with the lady workers confirmed that such a regulation is a standard practice in the estates and in compliance.</p> | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Criterion 7.3: Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| <p>7.3.1</p> | <p>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.</p> <p>- Minor compliance -</p> | <p>The Waste Management and Disposal Plan 2021 to avoid or reduce pollution had been documented and implemented with review made annually. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation. Among of waste management has been implement by CU were:</p> <table border="1" data-bbox="1146 544 1917 1262"> <thead> <tr> <th colspan="4">Estates/Mill</th> </tr> <tr> <th></th> <th>Waste Type</th> <th>Description</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Domestic waste</td> <td>Rubbish</td> <td>Line sites, office, workshop, store,</td> </tr> <tr> <td rowspan="3">2</td> <td rowspan="3">Industrial waste</td> <td>Fertilizer bags</td> <td>Empty bags store</td> </tr> <tr> <td>Scrap metal</td> <td>workshop</td> </tr> <tr> <td>POME</td> <td>ETP</td> </tr> <tr> <td>3</td> <td>Sewage waste</td> <td>sewage</td> <td>Workers housing toilets/ office</td> </tr> <tr> <td rowspan="4">4</td> <td rowspan="4">Scheduled Waste</td> <td>SW 404 Clinical waste</td> <td>clinic</td> </tr> <tr> <td>SW rags, plastics, filters</td> <td>workshop</td> </tr> <tr> <td>Spent lubricant & hydraulic oil</td> <td>workshop</td> </tr> <tr> <td>Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,</td> <td>Scheduled waste store</td> </tr> </tbody> </table> | Estates/Mill | | | | | Waste Type | Description | Location | 1 | Domestic waste | Rubbish | Line sites, office, workshop, store, | 2 | Industrial waste | Fertilizer bags | Empty bags store | Scrap metal | workshop | POME | ETP | 3 | Sewage waste | sewage | Workers housing toilets/ office | 4 | Scheduled Waste | SW 404 Clinical waste | clinic | SW rags, plastics, filters | workshop | Spent lubricant & hydraulic oil | workshop | Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW, | Scheduled waste store | <p>Complied</p> |
|--------------|---|--|--------------------------------------|--|--|--|--|------------|-------------|----------|---|----------------|---------|--------------------------------------|---|------------------|-----------------|------------------|-------------|----------|------|-----|---|--------------|--------|---------------------------------|---|-----------------|-----------------------|--------|----------------------------|----------|---------------------------------|----------|---|-----------------------|-----------------|
| Estates/Mill | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Waste Type | Description | Location | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Domestic waste | Rubbish | Line sites, office, workshop, store, | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Industrial waste | Fertilizer bags | Empty bags store | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Scrap metal | workshop | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | POME | ETP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Sewage waste | sewage | Workers housing toilets/ office | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Scheduled Waste | SW 404 Clinical waste | clinic | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | SW rags, plastics, filters | workshop | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Spent lubricant & hydraulic oil | workshop | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW, | Scheduled waste store | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>7.3.2</p> | <p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p> | <p>Among the identified wastes include empty chemical containers including pesticides containers. Empty pesticide containers were punctured and disposed in an environmentally and socially</p> | <p>Complied</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | <p>- Minor compliance -</p> | <p>responsible way, such that there is no risk of contamination of water sources or to human health. Inventory and consignment documents verified for confirmation of proper management and disposal. The scheduled wastes generated at the CU are not more than 180 days @ 20mt.</p> <table border="1" data-bbox="1142 534 1915 1332"> <thead> <tr> <th colspan="4"><i>Estates/Mill</i></th> </tr> <tr> <th></th> <th>Type</th> <th>Description</th> <th>Action</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Domestic waste</td> <td>Rubbish</td> <td>Collection/disposal 2x-3x /week internally. Establish landfill/collection SOP Landfill site Linbar 2 P18A Linbar 1 PM12K / Sakilan Estate P97W Create awareness on hygiene at line site</td> </tr> <tr> <td rowspan="3">2</td> <td rowspan="3">Industrial waste</td> <td>Fertilizer bags</td> <td>Inventory of bags, reuse for LF collection, sell to appointed contractor</td> </tr> <tr> <td>Scrap metal</td> <td>Inventory maintained, tender at OU level for sale to licensed contractor.</td> </tr> <tr> <td>POME</td> <td>Daily monitoring of application at designated point at Sakilan Estate</td> </tr> <tr> <td>3</td> <td>Sewage waste</td> <td>sewage</td> <td>To monitor during housing inspection and residents' complaints. Engagement with licensed contractor for sewage management.</td> </tr> </tbody> </table> | <i>Estates/Mill</i> | | | | | Type | Description | Action | 1 | Domestic waste | Rubbish | Collection/disposal 2x-3x /week internally. Establish landfill/collection SOP Landfill site Linbar 2 P18A Linbar 1 PM12K / Sakilan Estate P97W Create awareness on hygiene at line site | 2 | Industrial waste | Fertilizer bags | Inventory of bags, reuse for LF collection, sell to appointed contractor | Scrap metal | Inventory maintained, tender at OU level for sale to licensed contractor. | POME | Daily monitoring of application at designated point at Sakilan Estate | 3 | Sewage waste | sewage | To monitor during housing inspection and residents' complaints. Engagement with licensed contractor for sewage management. | |
|---------------------|-----------------------------|--|--|--|--|--|--|------|-------------|--------|---|----------------|---------|--|---|------------------|-----------------|--|-------------|---|------|---|---|--------------|--------|--|--|
| <i>Estates/Mill</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Type | Description | Action | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Domestic waste | Rubbish | Collection/disposal 2x-3x /week internally. Establish landfill/collection SOP Landfill site Linbar 2 P18A Linbar 1 PM12K / Sakilan Estate P97W Create awareness on hygiene at line site | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Industrial waste | Fertilizer bags | Inventory of bags, reuse for LF collection, sell to appointed contractor | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Scrap metal | Inventory maintained, tender at OU level for sale to licensed contractor. | | | | | | | | | | | | | | | | | | | | | | | | |
| | | POME | Daily monitoring of application at designated point at Sakilan Estate | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Sewage waste | sewage | To monitor during housing inspection and residents' complaints. Engagement with licensed contractor for sewage management. | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | | | | |
|--|--|---|-----------------|---|---|
| | | 4 | Scheduled Waste | SW 404 Clinical waste | Inventory maintained. Storage in sharp bin in clinic. Disposal to <i>Sedafiat Sdn Bhd.</i> |
| | | | | SW rags, plastics, filters | Inventory maintained. Storage in scheduled waste store. Disposal to licensed contractor. |
| | | | | Spent lubricant & hydraulic oil | Collection by licensed vendor. Inventory maintained. |
| | | | | Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW, | Inventory maintained. Storage in SW store. All containers are labeled. Empty containers collected by authorized vendor. |
| | | | | <i>Saikilan Mill (type of waste peculiar to the mill processing)</i> | |
| | | | | Type of waste | Action |
| | | | | 1 POME | Application at designated field specified by Agronomist. |
| | | | | 2 EFB | Application at designated field specified by Agronomist. |
| | | | | 3 Fibre/shell | Utilization as fuel in the boiler. Surplus fiber used in field general upkeep & shell sold externally |
| | | | | 4 Boiler Ash | Placed in area far from water source to prevent water pollution. |

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All estates will collectively deliver the SW to SPOM for bulk transfer to the DOE licensed collector M/s Lagenda Bumimas Sdn Bhd (DOE letter dated 02/5/19 *ref no* 003082 renewed on 30/04/20). The procedure is described in IOI/SRO/HSE/SW/01 dated 01/01/15 - labeling handling storage transfer and disposal of scheduled waste. Details of collection as given below. All units in mt otherwise stated.

| | SW 104 | SW 429 | SW 110 | SW 305 | SW 410 | SW 409 | SW 306 |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Sakilan Palm Oil Mill | | | | | | | |
| 03/7/21 | 0.004 | 0.03 | 0.150 | 3.320 | 0.89 | 0.13 | 1.06 |
| 11/11/21 | 0.004 | 0.08 | 0.090 | 1.400 | 0.43 | 0.46 | - |
| Linbar Estate 2 | | | | | | | |
| | SW 104 | SW 417 | SW 110 | SW 305 | SW 410 | SW 102 | SW 409 |
| 13/11/21 | 0.005 | 0.001 | 0.001 | 0.370 | 0.069 | 0.035 | |
| 15/9/21 | - | - | - | 0.200 | 0.040 | 0.018 | - |
| Sakilan Estate | | | | | | | |
| 14/11/21 | 0.004 | 0.010 | 0.090 | 1.410 | 0.430 | - | 0.64 |
| 16/7/21 | - | 0.010 | 1.15 | 3.23 | 0.890 | - | 1.08 |
| Linbar 1 Estate | | | | | | | |
| 18/6/21 | - | 0.250 | 0.009 | - | 0.500 | 1.660 | - |
| 23/1/21 | 0.030 | 0.120 | 0.060 | 1.610 | 0.150 | 0.380 | 0.20 |

SW404 is despatched to Sedafiat via the VMO. Consignment dated 11/11/21 and 13/10/21 was sighted and verified.

| | | | |
|--|--|---|----------|
| 7.3.3 | <p>The unit of certification does not use open fire for waste disposal.</p> <p>- Minor compliance -</p> | <p>All palms in estates were planted between the years 1997 to 2020. During the field visit there was no land preparation/replanting made using fire for the land preparation and clearing. This is also specified in item 3 of IOI Plantation Zero Burning Policy by Plantation Director dated May 2018. The estates adhered to the SOP in the policy advocates zero burning. All previous crop is felled, chipped/shredded, shredded, windrowed and left to decompose. Interview with the workers and head workers also confirmed that fire is not being used for the above purpose.</p> | Complied |
| Criterion 7.4: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield. | | | |
| 7.4.1 | <p>Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.</p> <p>- Minor compliance -</p> | <p>The estates and mill continued to use and implement SOP for each of the processes. Brief version of the SOP was displayed at the appropriate locations. Copies of the documented SOP were presented to the audit team. It was observed that activities being implemented which involved safety, health, environmental, quality, employees, etc. had followed the established Standard Operating Procedure, guidelines and policies</p> <ul style="list-style-type: none"> a) Safety Standard Operating Procedures (SOP) dated 2007 ref IOI/SOP/A/08 - revised in Mac 2020 - Manuring b) Agrochemical Management Guidelines 28/8/20 ref IOI/GG/SE/102 c) Sustainability Palm Oil Policy d) Environmental Management Guidelines ref IOI/G/EO/006 dated 28/8/20 <p>All the estates operations were guided through the manuals and SOP and followed to manage soil fertility to optimise yield and minimise environmental impacts.</p> | Complied |

| <p>7.4.2</p> | <p>Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health. - Minor compliance -</p> | <p>Periodic tissue and soil sampling were carried out in the estates to monitor changes in nutrient status and its results formed the basis for the fertilizers input recommendation. The soil analysis provided the indication of soil health and monitors the changes in the organic carbon and total nitrogen. For all the estates agronomic assessment and fertiliser recommendation was conducted by IOI Research Centre Sandakan - Agronomist 2020/21 manuring programme and to suggest relevant agronomic practices for oil palm yield and growth improvement. Annual foliar sampling for Ash, N, P, K, Mg, Ca & B had been were carried out in all estates. The latest being :</p> <table border="1" data-bbox="1144 703 1742 887"> <thead> <tr> <th></th> <th><i>Estate</i></th> <th><i>Report Date</i></th> <th><i>Report No</i></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Sakilan</td> <td>17/9/2020</td> <td>Sakilan</td> </tr> <tr> <td>2</td> <td>Linbar 1</td> <td>July 2020</td> <td>Linbar 1</td> </tr> <tr> <td>3</td> <td>Linbar 2</td> <td>Aug 2020</td> <td>Linbar 2</td> </tr> </tbody> </table> <p>Soil analysis for pH, Org C, Total N, Total P, Avail P, exch K, exch Ca & exch Mg was carried out on a 5 year cycle basis and recent carried out as follows:</p> <table border="1" data-bbox="1144 1002 1742 1187"> <thead> <tr> <th></th> <th><i>Estate</i></th> <th><i>Report Date</i></th> <th><i>Report No</i></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Sakilan</td> <td>17/9/2020</td> <td>Sakilan</td> </tr> <tr> <td>2</td> <td>Linbar 1</td> <td>27/9/2018</td> <td>Linbar 1</td> </tr> <tr> <td>3</td> <td>Linbar 2</td> <td>07/12/2019</td> <td>Lindar 2 Estate</td> </tr> </tbody> </table> | | <i>Estate</i> | <i>Report Date</i> | <i>Report No</i> | 1 | Sakilan | 17/9/2020 | Sakilan | 2 | Linbar 1 | July 2020 | Linbar 1 | 3 | Linbar 2 | Aug 2020 | Linbar 2 | | <i>Estate</i> | <i>Report Date</i> | <i>Report No</i> | 1 | Sakilan | 17/9/2020 | Sakilan | 2 | Linbar 1 | 27/9/2018 | Linbar 1 | 3 | Linbar 2 | 07/12/2019 | Lindar 2 Estate | <p>Complied</p> |
|--------------|---|---|------------------|---------------|--------------------|------------------|---|---------|-----------|---------|---|----------|-----------|----------|---|----------|----------|----------|--|---------------|--------------------|------------------|---|---------|-----------|---------|---|----------|-----------|----------|---|----------|------------|-----------------|-----------------|
| | <i>Estate</i> | <i>Report Date</i> | <i>Report No</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Sakilan | 17/9/2020 | Sakilan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Linbar 1 | July 2020 | Linbar 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Linbar 2 | Aug 2020 | Linbar 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <i>Estate</i> | <i>Report Date</i> | <i>Report No</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Sakilan | 17/9/2020 | Sakilan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Linbar 1 | 27/9/2018 | Linbar 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Linbar 2 | 07/12/2019 | Lindar 2 Estate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| <p>7.4.3</p> | <p>A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers.</p> <p>- Minor compliance -</p> | <p>All the estates visited had a nutrient recycling strategy in place which included stacking pruned fronds in the respective fields to decompose, grass cutting harvesters paths and letting the cut mass to decompose in the field, EFB mulching. In addition, during replanting, palms were felled, chipped, windowed and left to decompose. Records showed that the estates had applied EFB at 40 tons/ha and records showed that EFB metric ton in 2020/21 was as follows. Effluent is discharged to P97M, P97O, P97S at Sakilan Estate land application method.</p> <table border="1" data-bbox="1144 671 1892 855"> <thead> <tr> <th></th> <th>Estate</th> <th>Field no</th> <th>Mt</th> <th></th> <th>Estate</th> <th>Field no</th> <th>Mt</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Linbar 2</td> <td>PPR19</td> <td>105.32</td> <td>4</td> <td>Sakilan</td> <td>P97K</td> <td>43.99</td> </tr> <tr> <td>2</td> <td>Linbar 1</td> <td>PM17B</td> <td>100.36</td> <td>5</td> <td>Sakilan</td> <td>P97L</td> <td>32.00</td> </tr> <tr> <td>3</td> <td>Linbar 1</td> <td>PM16F</td> <td>119.13</td> <td>6</td> <td>Sakilan</td> <td>P97M</td> <td>46.86</td> </tr> </tbody> </table> | | Estate | Field no | Mt | | Estate | Field no | Mt | 1 | Linbar 2 | PPR19 | 105.32 | 4 | Sakilan | P97K | 43.99 | 2 | Linbar 1 | PM17B | 100.36 | 5 | Sakilan | P97L | 32.00 | 3 | Linbar 1 | PM16F | 119.13 | 6 | Sakilan | P97M | 46.86 | <p>Complied</p> |
|--------------|---|--|-------------------|-----------|----------|-------------------|-------|------------|----------|-----|-----------------|----------|-------|--------|---|---------|------|-------|---|----------|-------|--------|---|---------|------|-------|---|----------|-------|--------|---|---------|------|-------|-----------------|
| | Estate | Field no | Mt | | Estate | Field no | Mt | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Linbar 2 | PPR19 | 105.32 | 4 | Sakilan | P97K | 43.99 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Linbar 1 | PM17B | 100.36 | 5 | Sakilan | P97L | 32.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Linbar 1 | PM16F | 119.13 | 6 | Sakilan | P97M | 46.86 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>7.4.4</p> | <p>Records of fertiliser inputs are maintained.</p> <p>- Minor compliance -</p> | <p>Fertiliser application program was monitored using records among others as described below;</p> <ul style="list-style-type: none"> a) program sheets, bin cards, b) Field cost book, fertiliser application monitoring forms, etc. c) Reconciliation of empty bags vs the issuance. <p>Records of programs and applications of fertilisers were reviewed by auditors. Review of the records revealed that the actual fertilizers applied in 2020/21 was in line with the program. The following fertilizers were applied in the estates subject to the recommendation by the Agronomist.</p> <table border="1" data-bbox="1144 1310 1742 1394"> <thead> <tr> <th></th> <th>Fertiizer</th> <th>Kg/palm</th> <th>application month</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>A chloride</td> <td>2.50</td> <td>Aug</td> </tr> </tbody> </table> | | Fertiizer | Kg/palm | application month | 1 | A chloride | 2.50 | Aug | <p>Complied</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| | Fertiizer | Kg/palm | application month | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | A chloride | 2.50 | Aug | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | 2 | MOP | 2.50 | May | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|-----------|-----------|-----------|--|--|-------------|---------|----------|----------|---|-----------|---|---|---|---|------|---|---|---|---|----------|---|---|---|---|-----------|---|---|---|---|-----------|---|---|---|---|-------|---|---|---|---|--------|---|---|---|---|--------|---|---|---|---|------------|---|---|---|----------|
| | | 3 | Kieserite | 0.50-1.00 | Mac | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 4 | Borate | 0.10 | April | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 5 | COMP 44 | 2.00 | Aug - Dec | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 6 | NK Mix | 2.25 | Aug - Oct | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 7 | CPD | 2.00 | Aug - Oct | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Criterion 7.5: Practices minimise and control erosion and degradation of soils. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.5.1 | <p>(C) Maps identifying marginal and fragile soils, including steep terrain, are available.</p> <p>- Critical (Major) compliance -</p> | <p>Description of the soil characteristics such as texture, depth, drainage, parent material and key aspect for management was also available. The soil series in the estates were classified as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Soil series</th> <th>Sakilan</th> <th>Linbar 1</th> <th>Linbar 2</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>K/btangan</td> <td>-</td> <td>/</td> <td>/</td> </tr> <tr> <td>2</td> <td>Sapi</td> <td>-</td> <td>/</td> <td>/</td> </tr> <tr> <td>3</td> <td>Brantian</td> <td>-</td> <td>-</td> <td>/</td> </tr> <tr> <td>4</td> <td>Silabukan</td> <td>/</td> <td>/</td> <td>/</td> </tr> <tr> <td>5</td> <td>Kalabakan</td> <td>-</td> <td>/</td> <td>/</td> </tr> <tr> <td>6</td> <td>Lokan</td> <td>/</td> <td>-</td> <td>/</td> </tr> <tr> <td>7</td> <td>Rumidi</td> <td>/</td> <td>-</td> <td>-</td> </tr> <tr> <td>8</td> <td>Kretam</td> <td>/</td> <td>-</td> <td>-</td> </tr> <tr> <td>9</td> <td>Lung manis</td> <td>-</td> <td>/</td> <td>-</td> </tr> </tbody> </table> | | | | | | Soil series | Sakilan | Linbar 1 | Linbar 2 | 1 | K/btangan | - | / | / | 2 | Sapi | - | / | / | 3 | Brantian | - | - | / | 4 | Silabukan | / | / | / | 5 | Kalabakan | - | / | / | 6 | Lokan | / | - | / | 7 | Rumidi | / | - | - | 8 | Kretam | / | - | - | 9 | Lung manis | - | / | - | Complied |
| | Soil series | Sakilan | Linbar 1 | Linbar 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | K/btangan | - | / | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Sapi | - | / | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Brantian | - | - | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Silabukan | / | / | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Kalabakan | - | / | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Lokan | / | - | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Rumidi | / | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Kretam | / | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Lung manis | - | / | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | <p>There were no other problem soils (e.g. podzols and acid sulphate soils) in the CU estates. Maps are prepared latest dated 15/11/21 by IOI GIS department.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------|---|--|----------|------------|---------|----------|----------|---|-----|-------|-------|-------|---|-----|-------|-------|-------|---|------|-------|-------|-------|---|-------|------|------|------|---|-------|------|------|------|-----------------|
| <p>7.5.2</p> | <p>No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification.</p> <p>- Minor compliance -</p> | <p>Like all IOI estates, the estates visited in the CU continued to have a management strategy for planting on slopes in order to minimize and control erosion and degradation of soils. The plantings on slopes between 9 and 25 degrees was guided by:</p> <ul style="list-style-type: none"> a) Slope & River Protection Policy b) SOP - subject no 3.2 Land preparation for replanting c) SOP - Subject no 3.1 Land clearing for oil palm cultivation <p>It was observed that practices to minimize and control erosion and degradation of soils were in place through proper stacking of fronds, EFB application, avoidance of blanket spraying, construction terraces, road maintenance and maintenance of soft vegetation in interlines. Cover crops were planted in the replants and in various mature areas. The cover crop <i>Mucuna bracteata</i> had been planted along some slopes by management. Large areas with <i>Neprolepis biserrata</i> in the inter rows were sighted during the visit. The slope maps were provided by the Maps are prepared latest dated 15/11/21 by IOI GIS department</p> <table border="1" data-bbox="1189 1106 1818 1375"> <thead> <tr> <th>No</th> <th>Topography</th> <th>Sakilan</th> <th>Linbar 1</th> <th>Linbar 2</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>0-2</td> <td>42.16</td> <td>40.01</td> <td>17.72</td> </tr> <tr> <td>2</td> <td>2-6</td> <td>45.67</td> <td>47.90</td> <td>46.37</td> </tr> <tr> <td>3</td> <td>6-12</td> <td>11.91</td> <td>10.00</td> <td>27.89</td> </tr> <tr> <td>4</td> <td>12-20</td> <td>0.25</td> <td>0.98</td> <td>4.10</td> </tr> <tr> <td>5</td> <td>20-25</td> <td>0.01</td> <td>1.05</td> <td>3.48</td> </tr> </tbody> </table> | No | Topography | Sakilan | Linbar 1 | Linbar 2 | 1 | 0-2 | 42.16 | 40.01 | 17.72 | 2 | 2-6 | 45.67 | 47.90 | 46.37 | 3 | 6-12 | 11.91 | 10.00 | 27.89 | 4 | 12-20 | 0.25 | 0.98 | 4.10 | 5 | 20-25 | 0.01 | 1.05 | 3.48 | <p>Complied</p> |
| No | Topography | Sakilan | Linbar 1 | Linbar 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 0-2 | 42.16 | 40.01 | 17.72 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 2-6 | 45.67 | 47.90 | 46.37 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | 6-12 | 11.91 | 10.00 | 27.89 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | 12-20 | 0.25 | 0.98 | 4.10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 20-25 | 0.01 | 1.05 | 3.48 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | 6 | >25 | 0 | 0.06 | 0.44 | | | |
|--|---|--|-----|--------|--------|--------|----------------|--|--|
| | | Total | | 100.00 | 100.00 | 100.00 | | | |
| 7.5.3 | There is no new planting of oil palm on steep terrain. - Minor compliance - | This compliance being addressed in SOP Land preparation for replanting and new planting ref no IOI/SOP/A/05 dated 2007. The " <i>Slope and River Protection</i> " signed by the CEO dated Jan 2015 stating the following among others; Slope of >25 degree to be excluded from any new plantation development and replanting program. For slope <25 degree the existing crop all vegetative shall be maintained accordingly". | | | | | Complied | | |
| Criterion 7.6: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations. | | | | | | | | | |
| 7.6.1 | (C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations. - Critical (Major) compliance - | There is no peat soil or soil categorized as marginal or fragile soil at the 3 estates audited. The entire estates had no new planting program during the audit period. | | | | | Not Applicable | | |
| 7.6.2 | Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices. - Minor compliance - | There is no peat soil or soil categorized as marginal or fragile soil at the 3 estates audited. The entire estates had no new planting program during the audit period. | | | | | Not Applicable | | |
| 7.6.3 | Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure. - Minor compliance - | There is no peat soil or soil categorized as marginal or fragile soil at the 3 estates audited. The entire estates had no new planting program during the audit period. Soil surveys are made and available in a soil map at all estates. Topographic contour map are also available which are both used to manage the drainage and road works in the estates. | | | | | Not Applicable | | |
| Criterion 7.7: No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly. | | | | | | | | | |

| | | | |
|-------|---|--|----------------|
| 7.7.1 | <p>(C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.</p> <p>- Critical (Major) compliance -</p> | <p>There is no peat soil or soil categorized as marginal or fragile soil at the 3 estates audited. The entire estates had no new planting program during the audit period.</p> | Not Applicable |
| 7.7.2 | <p>Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat.</p> <p>PROCEDURAL NOTE:</p> <p>Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).</p> <p>- Minor compliance -</p> | <p>There is no peat soil or soil categorized as marginal or fragile soil at the 3 estates audited. The entire estates had no new planting program during the audit period.</p> | Not Applicable |
| 7.7.3 | <p>(C) Subsidence of peat is monitored, documented and minimised.</p> <p>- Critical (Major) compliance -</p> | <p>There is no peat soil or soil categorized as marginal or fragile soil at the 3 estates audited. The entire estates had no new planting program during the audit period.</p> | Not Applicable |
| 7.7.4 | <p>(C) A documented water and ground cover management programme is in place.</p> <p>- Critical (Major) compliance -</p> | <p>There is no peat soil or soil categorized as marginal or fragile soil at the 3 estates audited. The entire estates had no new planting program during the audit period.</p> | Not Applicable |
| 7.7.5 | <p>(C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation.</p> <p>This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure.</p> | <p>There is no peat soil or soil categorized as marginal or fragile soil at the 3 estates audited. The entire estates had no new planting program during the audit period.</p> | Not Applicable |

| | | | |
|--|--|--|----------------|
| | <p>Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.</p> <p>- Critical (Major) compliance -</p> | | |
| 7.7.6 | <p>(C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p> | <p>There is no peat soil or soil categorized as marginal or fragile soil at the 3 estates audited. The entire estates had no new planting program during the audit period.</p> | Not Applicable |
| 7.7.7 | <p>(C) All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p> | <p>There is no peat soil or soil categorized as marginal or fragile soil at the 3 estates audited. The entire estates had no new planting program during the audit period.</p> | Not Applicable |
| <p>Criterion 7.8: Practices maintain the quality and availability of surface and groundwater.</p> | | | |
| 7.8.1 | <p>A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:</p> <p>a) The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>b) Workers have adequate access to clean water.</p> <p>- Minor compliance -</p> | <p>The mill /estates had established its Water Management Plan for year 2020/21 which was developed to maintain the quality and availability of natural water resources. This is made by practicing efficient water consumption through various methods such as;</p> <p>a) Implementation of rain water harvest,</p> <p>b) Construction of water gate and scheduled water pumping for effective management of field drains and field water level.</p> <p>c) daily monitoring of bund / scheduled maintenance</p> <p>d) Establishment of <i>mucuna bracteata</i> to prevent erosion,</p> <p>e) Side drain at field road to control water, frond stacking,</p> <p>f) Enhancement of ground vegetation at bare ground area.</p> | Complied |

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| | | | | | | | |
|---|-----------------|---|--------------------------|----------|--------|---|--|
| | | The water sources are as shown below: | | | | | |
| | Water sources | Usage | Monitoring & measurement | Freq | PIC | Review status | |
| 1 | Water catchment | domestic consumption & mill processing | Monitoring water supply | Monthly | AM Mgr | Liaison with Authority | |
| 2 | Rain water | Domestic use Workshop Chemical mixing | Rain fall data | On-going | AM Mgr | Water harvesting for general purposes | |
| 3 | Water tank | Emergency water supply | - | - | AM Mgr | Request water supply from other estates | |
| | | The contingency plan during water shortage | | | | | |
| | Area/ incident | Action steps | | PIC | Status | | |

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| | | | | | | | |
|--|--|--|--|---|---------------------------|----------------------|--|
| | | 1 | Water shortage/ prolonged dry season | To obtain water from local authority /estate catchment To train/educate staff/workers to conserve water To seek assistance from local authority To obtain treated water supply from mill's WTP | Manager AM/Mill Engineer | As and when required | |
| | | 2 | Severe water pollution/ Contamination | To obtain water from local authority To train/educate staff/workers to conserve water To seek assistance from local authority To obtain treated water supply from mill's WTP | Manager AM//Mill Engineer | As and when required | |
| | | <p>The estates had implemented water managements plans which covered:</p> <ul style="list-style-type: none"> a) Water shortage contingencies b) Water pollution prevention c) Reduce wastage d) Identification & management of waste waters e) Monitoring rainfall f) Regular water quality analysis. <p>Water management plan reviewed annually. The management plan was sighted and verified. The water reduction plan is shown below;</p> | | | | | |

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| Issues/Areas | Action Steps | PIC | Status |
|-------------------------------|---|----------------|--------------|
| 1 Rain water collection | Large containers are to be placed at strategic locations to collect rain water The rainwater shall be recycled for washing heavy machinery | AM/Field staff | On-going |
| 2 Leakage on plumbing system | Frequent inspection to detect leakage Fix any leakage | AM/Field staff | On-going |
| 3 Water compartment alization | To conserve level of soil moisture To minimize water stress during dry season | AM/Field staff | On-going |
| 4 Handling of chemicals | To recycle water spillage while mixing of chemical at mixing area | AM/Field staff | On-going |
| 5 education | Avoid excessive usage during cleaning Close pipe to prevent water dripping | AM/Field staff | On-going |
| 6 Water saving in nursery | To cease watering if rainfall recorded 8mm | AM/field staff | As necessary |

The Mill Identification & Management of Waste Water

| location | Waste water produced | Treatment/containment | Reuse/recycle/disposal method |
|----------|----------------------|-----------------------|-------------------------------|
| | | | |

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| | | | | | | | | |
|--|--|---|---------------------|--|------------------------------|-----------------------------------|--|--|
| | | | | | | | | |
| | | 1 | Processing stations | Clarification condensate Sterilizer condensate Hydro cyclone condensate Mill floor cleaning water | Oil recovery/ETP | Recover into system | | |
| | | 2 | Boiler | Blow down, cleaning water | Sludge pit, ETP | Monsoon drain | | |
| | | 3 | Process ramp | Rainfall runoff | Sedimentation trap | Monsoon drain | | |
| | | 4 | Engine room | Steam condensate, turbine cooling water | Monsoon drain, recycled tank | Monsoon drain | | |
| | | 5 | Lab | Cleaning water | Process drain | Monsoon drain | | |
| | | 6 | Wash room | Toilet water, cleaning water | Septic tank | Collected by licensed contractor. | | |

| <p>7.8.2</p> | <p>(C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or applicable National legislation or specific environmental permit. Smallholders may replant existing planted areas provided there is no evidence of environmental deterioration having occurred during the previous cycle.</p> <p>- Critical (Major) compliance -</p> | <p>The estates continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along the natural waterways. The estates adopted the existing SDP policy to maintain the buffer by restricting agrochemical application and left undeveloped during replanting. Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines are detailed in the River Reserve Management (Management of River Reserve in IOI Plantation dated Nov 2021). The buffer zones established are as follows:</p> <table border="1" data-bbox="1149 707 1906 847"> <thead> <tr> <th>No</th> <th>River width</th> <th>Buffer zone</th> <th>No</th> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>> 40 meters</td> <td>50 meters</td> <td>3</td> <td>3-20 m</td> <td>20 meters</td> </tr> <tr> <td>2</td> <td>20 - 40 m</td> <td>40 meters</td> <td>4</td> <td>< 3 meters</td> <td>5 meters</td> </tr> </tbody> </table> <p>The signboards were displayed accordingly at the site where applicable. The guideline was issued by the SPO Department with latest revision dated on 10/11/21. During the field visit there was no spraying activities or signs left in such an area. The buffer zones identified at the estates are as follows:</p> <table border="1" data-bbox="1144 1066 1767 1254"> <thead> <tr> <th></th> <th>Estate</th> <th>Buffer zone area</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Linbar 2</td> <td>Water stream P 91B / P18A</td> </tr> <tr> <td>2</td> <td>Linbar 1</td> <td>Water stream P12K / PM97K</td> </tr> <tr> <td>3</td> <td>Sakilan</td> <td>Water Stream P97W/P97A/</td> </tr> </tbody> </table> <p>Samples are taken from the mill and estates for detection of any pollution arising from the mill and estates activities. Water samples from the intake point are taken for phosphate and nitrate analysis for detection of</p> | No | River width | Buffer zone | No | River width | Buffer zone | 1 | > 40 meters | 50 meters | 3 | 3-20 m | 20 meters | 2 | 20 - 40 m | 40 meters | 4 | < 3 meters | 5 meters | | Estate | Buffer zone area | 1 | Linbar 2 | Water stream P 91B / P18A | 2 | Linbar 1 | Water stream P12K / PM97K | 3 | Sakilan | Water Stream P97W/P97A/ | <p>Complied</p> |
|--------------|--|--|----|-------------|-------------|----|-------------|-------------|---|-------------|-----------|---|--------|-----------|---|-----------|-----------|---|------------|----------|--|--------|------------------|---|----------|---------------------------|---|----------|---------------------------|---|---------|-------------------------|-----------------|
| No | River width | Buffer zone | No | River width | Buffer zone | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | > 40 meters | 50 meters | 3 | 3-20 m | 20 meters | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | 20 - 40 m | 40 meters | 4 | < 3 meters | 5 meters | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Estate | Buffer zone area | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Linbar 2 | Water stream P 91B / P18A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Linbar 1 | Water stream P12K / PM97K | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Sakilan | Water Stream P97W/P97A/ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

fertilizer application effect to the water courses. Extracted record of both the estates with details below;

Among others management plan taken:

- a) Regular inspection at buffer/HCV areas
- b) Monitor water from surrounding areas
- c) Track, measure and report all activities around river
- d) Train and educate workers.

Water sampling was taken quarterly to test against the industrial effluent water analysis and pesticide analysis. Among others parameters as shown below. Sighted and verified results all estates and mill. SPOM handles the water supply for Sakilan Estate The sampling sites taken at the estates as follows;

| <i>No</i> | <i>Estate</i> | <i>Sampling sites River /Stream</i> |
|-----------|---------------|-------------------------------------|
| 1 | SPOM | Sg Bulu - P1 |
| 2 | Sakilan | Water at P97 W/ P97A / P97V |
| 3 | Linbar 1 | Water stream P12K / PM97K |
| | | |

| | | <p>Samples for drinking water are taken from the line sites and the treatment plant taken monthly. There were no issues on the water quality for the sampling points for the sample taken.</p> <table border="1" data-bbox="1153 550 1870 1145"> <thead> <tr> <th>No</th> <th>parameter</th> <th>Standard</th> <th>No</th> <th>Parameter</th> <th>standard</th> </tr> </thead> <tbody> <tr> <td colspan="6" style="text-align: center;"><i>Water stream units in mg/L</i></td> </tr> <tr> <td>1</td> <td>pH</td> <td>6-9</td> <td>4</td> <td>SS</td> <td>50</td> </tr> <tr> <td>2</td> <td>BOD</td> <td>3</td> <td>5</td> <td>AN</td> <td>0.3</td> </tr> <tr> <td>3</td> <td>COD</td> <td>25</td> <td>6</td> <td>DO</td> <td>5-7</td> </tr> <tr> <td colspan="6" style="text-align: center;"><i>Drinking water in mg/L & NTU</i></td> </tr> <tr> <th></th> <th>parameter</th> <th>Standard</th> <th></th> <th>Parameter</th> <th>standard</th> </tr> <tr> <td>1</td> <td>pH</td> <td>6.5-9.0</td> <td>6</td> <td>Cu</td> <td>1.0</td> </tr> <tr> <td>2</td> <td>Color</td> <td>15</td> <td>7</td> <td>Chromium</td> <td>0.05</td> </tr> <tr> <td>3</td> <td>Turbidity</td> <td>5</td> <td>8</td> <td>CN</td> <td>0.07</td> </tr> <tr> <td>4</td> <td>As</td> <td>0.01</td> <td>9</td> <td>F</td> <td>0.4-0.6</td> </tr> <tr> <td>5</td> <td>Cd</td> <td>0.003</td> <td>10</td> <td>AN</td> <td>1.5</td> </tr> </tbody> </table> | No | parameter | Standard | No | Parameter | standard | <i>Water stream units in mg/L</i> | | | | | | 1 | pH | 6-9 | 4 | SS | 50 | 2 | BOD | 3 | 5 | AN | 0.3 | 3 | COD | 25 | 6 | DO | 5-7 | <i>Drinking water in mg/L & NTU</i> | | | | | | | parameter | Standard | | Parameter | standard | 1 | pH | 6.5-9.0 | 6 | Cu | 1.0 | 2 | Color | 15 | 7 | Chromium | 0.05 | 3 | Turbidity | 5 | 8 | CN | 0.07 | 4 | As | 0.01 | 9 | F | 0.4-0.6 | 5 | Cd | 0.003 | 10 | AN | 1.5 | |
|---|--|---|----------|-----------|----------|----|-----------|----------|-----------------------------------|--|--|--|--|--|---|----|-----|---|----|----|---|-----|---|---|----|-----|---|-----|----|---|----|-----|---|--|--|--|--|--|--|-----------|----------|--|-----------|----------|---|----|---------|---|----|-----|---|-------|----|---|----------|------|---|-----------|---|---|----|------|---|----|------|---|---|---------|---|----|-------|----|----|-----|--|
| No | parameter | Standard | No | Parameter | standard | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Water stream units in mg/L</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | pH | 6-9 | 4 | SS | 50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | BOD | 3 | 5 | AN | 0.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | COD | 25 | 6 | DO | 5-7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Drinking water in mg/L & NTU</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | parameter | Standard | | Parameter | standard | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | pH | 6.5-9.0 | 6 | Cu | 1.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Color | 15 | 7 | Chromium | 0.05 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Turbidity | 5 | 8 | CN | 0.07 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | As | 0.01 | 9 | F | 0.4-0.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Cd | 0.003 | 10 | AN | 1.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.8.3 | <p>Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.</p> <p>- Minor compliance -</p> | <p>Sakilan POM using open aerated pond (anaerobic and aerobic pond system) with biological treatment. The ponds were in series for its treatment of effluent. The quality of discharged effluent analysed every month and the parameters are BOD₃, Suspended Solid (SS), Oil and Grease (O&G), Ammonical Nitrogen (O&G), Total Nitrogen (TN), temperature (OC).</p> | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| Quarter | Submission date | Remark |
|--|---|---|
| 1st quarter (January to March 2021) | Submission date 14/4/21 | BOD3 : 18, 13.80 and 18.20 Limit: 50 mg/l |
| 2nd quarter (April to June 2021) | Submission date 13/7/21 | BOD3 : 15.90, 19.80 and 17.50 Limit: 50 mg/l |
| 3rd quarter (July to September 2021) | Submission date 9/10/21 | BOD3 : 15.5, 9.9 and 13.50 Limit: 50 mg/l |
| <p>Analysis for river water from upstream, downstream of Sg Bulu and point of discharge monitored on monthly basis. The last 3 months analysis report verified as the following:</p> | | |
| Month | Certificate of analysis (CoA) ref. /results | Remarks |
| August 2021 | Ref: E210814-07A-0/07B-0/07C-0 by accredited lab. Dynakey Laboratories Sdn Bhd. BOD3 Upstream: (not detected, ND) Downstream: (not detected, ND) Final discharge: 9.9 | Sampling date: 14/4/2021 |

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| | | <p>August 2021 Ref: E210913-01A-0/01B-0/01C-0 by accredited lab. Dynakey Laboratories Sdn Bhd. BOD3 Upstream: (not detected, ND) Downstream: (not detected, ND) Final discharge: 13.5</p> | <p>Sampling date: 13/9/2021</p> | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------|---|--|----------------------------------|-----------|-------|---------|----------|-----------|---|---------|-------|-------|------|---|--------|-------|------|------|---|--------|-------|-------|------|---|--------|-------|-------|------|-----------------|
| | | <p>August 2021 Ref: E211015-10A-0/10B-0/10C-0 by accredited lab. Dynakey Laboratories Sdn Bhd. BOD3 Upstream: (not detected, ND) Downstream: (not detected, ND) Final discharge: 17.3</p> | <p>Sampling date: 15/10/2021</p> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>7.8.4</p> | <p>Mill water use per tonne of FFB is monitored and recorded. - Minor compliance -</p> | <p>The mill processing water are obtained from the water catchment adjacent to the mill complex. The water usage monitoring is made on a monthly basis with the latest recording detailed sampled (water usage per mt in 2020/21 of fresh fruit bunches (FFB) below;</p> <table border="1" data-bbox="1137 1126 1749 1358"> <thead> <tr> <th>No</th> <th>Month</th> <th>Water L</th> <th>FFB / mt</th> <th>Water/FFB</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>July 20</td> <td>22020</td> <td>11089</td> <td>1.99</td> </tr> <tr> <td>2</td> <td>Aug 20</td> <td>18667</td> <td>9178</td> <td>2.03</td> </tr> <tr> <td>3</td> <td>Sep 20</td> <td>21892</td> <td>12400</td> <td>1.77</td> </tr> <tr> <td>4</td> <td>Oct 20</td> <td>16654</td> <td>10825</td> <td>1.54</td> </tr> </tbody> </table> | | No | Month | Water L | FFB / mt | Water/FFB | 1 | July 20 | 22020 | 11089 | 1.99 | 2 | Aug 20 | 18667 | 9178 | 2.03 | 3 | Sep 20 | 21892 | 12400 | 1.77 | 4 | Oct 20 | 16654 | 10825 | 1.54 | <p>Complied</p> |
| No | Month | Water L | FFB / mt | Water/FFB | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | July 20 | 22020 | 11089 | 1.99 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Aug 20 | 18667 | 9178 | 2.03 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Sep 20 | 21892 | 12400 | 1.77 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Oct 20 | 16654 | 10825 | 1.54 | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | <table border="1"> <tr><td>5</td><td>Nov 20</td><td>11323</td><td>7247</td><td>1.56</td></tr> <tr><td>6</td><td>Dec 20</td><td>13150</td><td>6977</td><td>1.88</td></tr> <tr><td>7</td><td>Jan 21</td><td>12312</td><td>6004</td><td>2.05</td></tr> <tr><td>8</td><td>Feb 21</td><td>6565</td><td>2340</td><td>2.80</td></tr> <tr><td>9</td><td>Mac 21</td><td>6565</td><td>6139</td><td>1.07</td></tr> <tr><td>10</td><td>Apr 21</td><td>16100</td><td>8677</td><td>1.86</td></tr> <tr><td>11</td><td>May 21</td><td>19907</td><td>10459</td><td>1.90</td></tr> <tr><td>12</td><td>June 21</td><td>21360</td><td>11262</td><td>1.90</td></tr> </table> <p>A slightly higher water usage noted against ratio of 1.50, due to the proportionate reduction in volume of FFB being processed. There were variations of performance. Probable factors are linked to rainy days, significant boiler water rinsing/discharging for maintenance etc</p> | 5 | Nov 20 | 11323 | 7247 | 1.56 | 6 | Dec 20 | 13150 | 6977 | 1.88 | 7 | Jan 21 | 12312 | 6004 | 2.05 | 8 | Feb 21 | 6565 | 2340 | 2.80 | 9 | Mac 21 | 6565 | 6139 | 1.07 | 10 | Apr 21 | 16100 | 8677 | 1.86 | 11 | May 21 | 19907 | 10459 | 1.90 | 12 | June 21 | 21360 | 11262 | 1.90 | |
|--|--|--|------------------------|----------|------------------------|------------------------|-------------------------------|-----------------------|-----------------------|-----------------------|-----------|-------|-------|--------|----------|------|------|---|--------|------|------|------|---|--------|------|------|------|----|--------|-------|------|------|----|--------|-------|-------|------|----|---------|-------|-------|------|--|
| 5 | Nov 20 | 11323 | 7247 | 1.56 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Dec 20 | 13150 | 6977 | 1.88 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Jan 21 | 12312 | 6004 | 2.05 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Feb 21 | 6565 | 2340 | 2.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Mac 21 | 6565 | 6139 | 1.07 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | Apr 21 | 16100 | 8677 | 1.86 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | May 21 | 19907 | 10459 | 1.90 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | June 21 | 21360 | 11262 | 1.90 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Criterion 7.9: Efficiency of fossil fuel use and the use of renewable energy is optimised | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.9.1 | <p>A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented.</p> <p>- Minor compliance -</p> | <p>Plan for efficiency use of fossil fuels and to optimise renewable energy documented under environmental impact assessment management action plans and continuous improvement plans, Sakilan Palm Oil Mill, date review November 2021 prepared by IOI Plantation Services Sdn Bhd.</p> <table border="1"> <thead> <tr> <th>Estate/mill</th> <th>FY 19/20</th> <th>FY 20/21 (litre/tonne)</th> <th>Todate (July – Oct 21)</th> </tr> </thead> <tbody> <tr> <td>Sakilan POM (litre/tonne CPO)</td> <td>21.16 (571,987 liter)</td> <td>23.64 (535,736 liter)</td> <td>21.46 (171,293 liter)</td> </tr> <tr> <td>Linbar II</td> <td>12.56</td> <td>16.81</td> <td>10.3</td> </tr> </tbody> </table> | Estate/mill | FY 19/20 | FY 20/21 (litre/tonne) | Todate (July – Oct 21) | Sakilan POM (litre/tonne CPO) | 21.16 (571,987 liter) | 23.64 (535,736 liter) | 21.46 (171,293 liter) | Linbar II | 12.56 | 16.81 | 10.3 | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Estate/mill | FY 19/20 | FY 20/21 (litre/tonne) | Todate (July – Oct 21) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sakilan POM (litre/tonne CPO) | 21.16 (571,987 liter) | 23.64 (535,736 liter) | 21.46 (171,293 liter) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Linbar II | 12.56 | 16.81 | 10.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | | | | | |
|---|--|--|------------------------|----------------------|---------------------|----------|
| | | (litre/tonne FFB) | (306,474 liter) | (276,456 liter) | (55,348 liter) | |
| | | Sakilan Estate (litre/tonne FFB) | 5.22 (259,937 liter) | 4.80 (198,443 liter) | 4.90 (58,647 liter) | |
| | | Linbar II Estate (litre/tonne FFB) | 6.9177 (363,507 liter) | 6.45 (303,984 liter) | 6.8 (115,695 liter) | |
| <p>Significant reduce of FFB processed (19% reduction) compare to FY19/20 (122,119.74 mt) vs FY20/21 (102,599.16 mt) was observed. For non-processing hours, electricity supply will be fully dependent on generator set.</p> | | | | | | |
| <p>Criterion 7.10: Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.</p> | | | | | | |
| 7.10.1 | <p>(C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.</p> <p>- Critical (Major) compliance -</p> | <p>Plans to reduce or minimise GHG emission documented under environmental impact assessment management action plans and continuous improvement plans, Sakilan Palm Oil Mill, date review November 2021 prepared by IOI Plantation Services Sdn Bhd.</p> <p>The GHG emissions for was verified through Palm GHG Calculator version 4. Source of the emissions were mainly due to fossil fuel consumption, POME treatment and consumption of fertilizer from certified supply estates under Sakilan POM certification unit.</p> <p>Summary of emissions: tCOe2/tonne CPO: 1.22 tCOe2/tonne PK: 1.22</p> <p>Details of GHG data can be found under Appendix B of the report.</p> | | | | Complied |

| | | | |
|--------|--|--|-----------------------|
| | | | |
| 7.10.2 | <p>(C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development).</p> <p>- Critical (Major) compliance -</p> | <p>Not applicable since no new development by the certification unit.</p> | <p>Not Applicable</p> |
| 7.10.3 | <p>(C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.</p> <p>- Critical (Major) compliance -</p> | <p>Plan to reduce and minimize significant pollutants documented under environmental impact assessment management action plans and continuous improvement plans, Sakilan Palm Oil Mill, date review November 2021 prepared by IOI Plantation Services Sdn Bhd. Monitoring of stack emission carried twice per month @ every 6 months in license period.</p> <p>Stack emission monitoring report for boiler no.1 by 3rd party consultant, Hypergreen Instruments Sdn Bhd.</p> <p><u>January – June 2021 (1st half 2021)</u></p> <p>Test condition: Steam turbine running at 935 kW with no supplementary power.</p> <p>Dust load: 316.08 mg/m³, corrected at 12% CO₂</p> <p>CO emission: 140.53 mg/m³</p> <p>Opacity: 17.2%</p> <p>Emission limit is based on Contravene of License (CL), dust emission: max 400 mg/m³, opacity: 20%</p> <p>*Refer to CL dated 18/8/2020, license no. 005158.</p> <p>Main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH₄) emission through POME treatment. Other less significant GHG emissions identified including CO, SO_x</p> | <p>Complied</p> |

| | | | |
|---|---|---|----------|
| | | and NOx from various sources including fossil fuel, chemical and fertilizer consumptions. Among the plans to minimize the pollutants were ensuring efficiency of the effluent treatment plant and maximizing the application of EFB therefore dependency to inorganic fertilizers can be reduced. | |
| Criterion 7.11: Fire is not used for preparing land and is prevented in the managed area | | | |
| 7.11.1 | (C) Land for new planting or replanting is not prepared by burning. - Critical (Major) compliance - | IOI group has established Zero Burning Policy as per 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, EQA 1974 specifically on section 29A (prohibition on Open Burning) and 29AA (Exclusion from 'Open Burning') signed by the Plantation Director on May 2018. The policy was communicated to all the employee through training, briefing and signage at several notice board in the estate. IOI group has established Group Standard Operating Procedure (StOP) for Land Clearing, index 4.1 and Group Standard Operating Procedure (StOP) for Land Preparation for New Planting and Replanting, index 4.2 prepared on September 2007. All felled palm will be shredded or chip and piled between planting rows. | Complied |
| 7.11.2 | The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification. - Minor compliance - | Sakilan POM certification unit has established fire prevention and control measures for the areas directly managed by the unit of certification. Document named <i>Process Pemantauan Kecemasan (Kebakaran)</i> , ref. no. SPO/SDK/G/04, issue/rev no.:1-01/R00 dated 24/3/2021 was made available for verification. | Complied |
| 7.11.3 | The unit of certification engages with adjacent stakeholders on fire prevention and control measures. - Minor compliance - | Engagement with adjacent stakeholders on fire prevention and control measures was done during stakeholder meeting. For example, neighbouring stakeholders have been informed via email/by hand @ face to face on the fire prevention and control measures. | Complied |

| Criterion 7.12: Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced. | | | |
|---|--|---|----------------|
| 7.12.1 | <p>(C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests.</p> <p>A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.</p> <p>- Critical (Major) compliance -</p> | No new planting within Sakilan POM certification unit. Thus, this indicator is not applicable. | Not Applicable |
| 7.12.2 | <p>(C) HCVs, HCS forests and other conservation areas are identified as follows:</p> <p>a) For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.</p> <p>b) Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.</p> <p>PROCEDURAL NOTE: Requirement is further clarified under the Interpretation of Indicator 7.12.2 and Annex 5 (approved by BOG on 12 June 2019).</p> <p>- Critical (Major) compliance -</p> | Sakilan POM certification unit falls under para (a); The internal HCV assessment done by internal assessor (HCVRN trained assessor) dated 20/11/2018. Details of HCV identification and recommendation detailed out under indicator 7.12.4. | Complied |
| 7.12.3 | <i>Indicator is not applicable in Malaysia context</i> | Not applicable | Not Applicable |
| 7.12.4 | <p>(C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed,</p> | No land clearing after November 2005 and no new planting and land clearing since 15 November 2018. Internal HCV Assessment was done in 2015 and report was prepared on 20/11/2018 covering all the operating units under Sakilan POM certification unit. The report | Complied |

| | <p>implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</p> <p>- Critical (Major) compliance -</p> | <p>includes the Management Action Plans is annually reviewed and last review was on 01/11/2021. Among the HCV Identified as follows:</p> <table border="1" data-bbox="1137 434 1877 778"> <thead> <tr> <th>Estate</th> <th>Internal HCV</th> <th>External HCV</th> </tr> </thead> <tbody> <tr> <td>Sakilan Estate</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Linbar 1 Estate</td> <td>7.24 ha Riparian Reserve for Sg. Lokan</td> <td>54,000.00 ha Segaliud Lokan Forest Reserve</td> </tr> <tr> <td>Linbar 2 Estate</td> <td>N/A</td> <td>54,000.00 ha Segaliud Lokan Forest Reserve</td> </tr> </tbody> </table> <p>With regards to the HCV & Conservation Area Management Action Plans & Continuous Improvement Plan, each of the operating unit conduct their own review. Generally, among the action plans established were:</p> <ul style="list-style-type: none"> • To enhance security to prevent illegal hunting • To establish/maintain riparian zone according to DID guideline • To rehabilitate the degraded riparian zone • To provide awareness and education among employees regarding HCV and conservation areas through trainings and signage's • Appointment of Honorary Forest Ranger and Honorary Wildlife Warden • Installation of electric fence to avoid intrusion of elephant • Conservation set aside area (steep hill & volcano mud) abandon for any activities (signage erected and frequent patrolling) <p>The certification unit has conducted HCV assessment in 2015 and as per report High Conversation Value and Conservation Area dated</p> | Estate | Internal HCV | External HCV | Sakilan Estate | N/A | N/A | Linbar 1 Estate | 7.24 ha Riparian Reserve for Sg. Lokan | 54,000.00 ha Segaliud Lokan Forest Reserve | Linbar 2 Estate | N/A | 54,000.00 ha Segaliud Lokan Forest Reserve | |
|-----------------|---|---|--------|--------------|--------------|----------------|-----|-----|-----------------|---|---|-----------------|-----|---|--|
| Estate | Internal HCV | External HCV | | | | | | | | | | | | | |
| Sakilan Estate | N/A | N/A | | | | | | | | | | | | | |
| Linbar 1 Estate | 7.24 ha Riparian Reserve for Sg. Lokan | 54,000.00 ha Segaliud Lokan Forest Reserve | | | | | | | | | | | | | |
| Linbar 2 Estate | N/A | 54,000.00 ha Segaliud Lokan Forest Reserve | | | | | | | | | | | | | |

| | | 20/11/2018. The report includes management Action Plans and Continuous Improvement plan. | | | | | | | |
|----------|---|---|----------|-----------------|---------|----------|--|-----------------------------------|----------|
| 7.12.5 | Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas. - Minor compliance - | Based on internal HCV assessment dated 28/11/2018, no local communities identified within HCV area under Sakilan POM certification unit. Thus, this indicator is not applicable. | Complied | | | | | | |
| 7.12.6 | All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species. - Minor compliance - | Among RTE species identified in the external HCV 1 Segaluid Lokan Forest Reserve, adjacent with Linbar 1 Estate and Linbar 2 Estate which protected under Protection of wildlife Act 1972 (Act 76), Sabah Wildlife Conservation and Enactment 1997 and IUCN Red List 2008 such as elephant, wild boar, long tail macaque and birds. Regular programme to educate workforce about the status of RTE species is in place. Latest training dated 30/8/21 (Linbar 2) and 17/9/21 (Linbar 1) were given to the workforce emphasising on disciplinary measures if any individual working for the company is found to capture, harm, collect, trade, possess or kill these RTE species. | Complied | | | | | | |
| 7.12.7 | The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan. - Minor compliance - | No new planting and land clearing since 15 November 2018. Monitoring of conservation area (conservation, riparian, forest buffer) was done on weekly basis. <i>Senarai Semak dan Rekod Pemantauan di Kawasan Konservasi/forest buffer/buffer zone</i> for 2021 was made available for verification. Summary of monitoring activities: <table border="1" data-bbox="1137 1246 1928 1375"> <thead> <tr> <th>Estate</th> <th>Monitoring date</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Linbar 2</td> <td>22/10/21, 27/10/21, 3/11/21 and 13/11/21</td> <td>No non-compliance issues reported</td> </tr> </tbody> </table> | Estate | Monitoring date | Remarks | Linbar 2 | 22/10/21, 27/10/21, 3/11/21 and 13/11/21 | No non-compliance issues reported | Complied |
| Estate | Monitoring date | Remarks | | | | | | | |
| Linbar 2 | 22/10/21, 27/10/21, 3/11/21 and 13/11/21 | No non-compliance issues reported | | | | | | | |

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| | | <table border="1"> <tr> <td>Linbar 1</td> <td>14/10/21, 21/10/21, 28/10/21 and 3/11/21</td> <td>Forest buffer (external HCV)</td> </tr> <tr> <td>Sakilan</td> <td>21/10/21, 30/10/21, 4/11/21 and 12/11/21</td> <td>Set aside conservation area (mud volcano)</td> </tr> </table> <p>Wildlife monitoring recorded via Summary of Wildlife/Animal/Bird sighted during patrolling for year 2021. List of common animals summary reported as per below:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Monitoring date</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Linbar 2</td> <td>Elephant (6) – September 2021, Deer (1) – October 2021</td> <td>RTE intrusion spotted near forest buffer</td> </tr> <tr> <td>Linbar 1</td> <td>Long tail macaque (2) – October 2021</td> <td>Forest buffer</td> </tr> <tr> <td>Sakilan</td> <td>Wild boar (1) – November 2021, Long tailed macaque (1) – October 2021</td> <td>IUCN Red list</td> </tr> </tbody> </table> <p>Outcomes of the above monitoring are fed back into the management plan. High Conservation Value and Conservation Area Management Action Plans & Continuous Improvement Plan dated 1/11/2021 is referred to. Adaptive management on the presence of RTE species was seen incorporated in the said management plan.</p> | Linbar 1 | 14/10/21, 21/10/21, 28/10/21 and 3/11/21 | Forest buffer (external HCV) | Sakilan | 21/10/21, 30/10/21, 4/11/21 and 12/11/21 | Set aside conservation area (mud volcano) | Estate | Monitoring date | Remarks | Linbar 2 | Elephant (6) – September 2021, Deer (1) – October 2021 | RTE intrusion spotted near forest buffer | Linbar 1 | Long tail macaque (2) – October 2021 | Forest buffer | Sakilan | Wild boar (1) – November 2021, Long tailed macaque (1) – October 2021 | IUCN Red list | |
|----------|---|---|----------|--|------------------------------|---------|--|---|--------|-----------------|---------|----------|--|--|----------|--------------------------------------|---------------|---------|---|---------------|--|
| Linbar 1 | 14/10/21, 21/10/21, 28/10/21 and 3/11/21 | Forest buffer (external HCV) | | | | | | | | | | | | | | | | | | | |
| Sakilan | 21/10/21, 30/10/21, 4/11/21 and 12/11/21 | Set aside conservation area (mud volcano) | | | | | | | | | | | | | | | | | | | |
| Estate | Monitoring date | Remarks | | | | | | | | | | | | | | | | | | | |
| Linbar 2 | Elephant (6) – September 2021, Deer (1) – October 2021 | RTE intrusion spotted near forest buffer | | | | | | | | | | | | | | | | | | | |
| Linbar 1 | Long tail macaque (2) – October 2021 | Forest buffer | | | | | | | | | | | | | | | | | | | |
| Sakilan | Wild boar (1) – November 2021, Long tailed macaque (1) – October 2021 | IUCN Red list | | | | | | | | | | | | | | | | | | | |
| 7.12.8 | <p>(C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.</p> <p>- Critical (Major) compliance -</p> | <p>No land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018 within Sakilan POM certification unit.</p> | Complied | | | | | | | | | | | | | | | | | | |

Appendix B: GHG Reporting Executive Summary

The GHG emissions that were produced in **2021** for **Sakilan POM** and supply base was calculated using the PalmGHG Calculator version 4.0. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

- i. Estates area planted data
- ii. Fuel consumed
- iii. Mill datas include CPO produced, PKO Produced and FFB Processed
- iv. Fertilizer consumed data for both estates and smallholders.

The summary of the Net GHG emitted in **2021** for **Sakilan POM** and supply base are as following:

| Emission per product | tCO ₂ e/tProduct |
|----------------------|-----------------------------|
| CPO | 1.21 |
| PK | 0 |

| Extraction | % |
|------------|-------|
| OER | 22.08 |
| KER | 4.12 |

| Production | t/yr |
|--------------|------------|
| FFB Process | 102,599.16 |
| CPO Produced | 22,654.43 |
| PK Produced | 4,224.69 |

| Land Use | Ha |
|-----------------------------|-----------------|
| OP Planted Area | 6,342.00 |
| OP Planted on peat | 0 |
| Conservation (forested) | 38.44 |
| Conservation (non-forested) | 0 |
| Total | 6,380.44 |

Summary of Field Emission and Sink

| | Own Crop* | | Group | | 3 rd Party | | Total | |
|--|--------------------|--------------------------|--------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------------|
| | tCO ₂ e | tCO ₂ e / FFB | tCO ₂ e | tCO ₂ e / FFB | tCO ₂ e | tCO ₂ e / FFB | tCO ₂ e | tCO ₂ e / FFB |
| Emission | | | | | | | | |
| Land Conversion | 60,849.91 | 0.59 | 0 | 0 | 0 | 0 | 60,849.91 | 0.59 |
| CO ₂ Emission from fertilizer | 5,946.65 | 0.06 | 0 | 0 | 0 | 0 | 5,946.65 | 0.06 |
| NO ₂ Emission | 4,506.33 | 0.04 | 0 | 0 | 0 | 0 | 4,506.33 | 0.04 |
| Fuel Consumption | 1,432.07 | 0.01 | 0 | 0 | 0 | 0 | 1,432.07 | 0.01 |
| Peat Oxidation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sink | | | | | | | | |
| Crop Sequestration | -56,816.37 | -0.55 | 0 | 0 | 0 | 0 | -56,816.37 | -0.55 |
| Conservation Sequestration | -352.49 | 0 | 0 | 0 | 0 | 0 | -352.49 | 0 |
| Total | 15,566.09 | 0.15 | 0 | 0 | 0 | 0 | 15,566.09 | 0.15 |

**Note: Includes both estates and smallholders*

Summary of Mill Emission and Credit

| | tCO ₂ e | tCO ₂ e/tFFB |
|------------------------------|--------------------|-------------------------|
| Emission | | |
| POME | 17,411.48 | 0.17 |
| Fuel Consumption | 1,559.59 | 0.02 |
| Grid Electricity Utilization | 0 | 0 |
| Credit | | |
| Export of Grid Electricity | 0 | 0 |
| Sales of PKS | -1,726.32 | -0.02 |
| Sales of EFB | 0 | 0 |
| Total | 17,244.76 | 0.16 |

Summary of Kernel Crusher Emission and Credit (if applicable)

| Emissions | tCO ₂ e |
|--------------------------------|--------------------|
| PK from own mill | 0 |
| PK from other source | 0 |
| Fuel Consumptions | 0 |
| Total Crusher emissions | 0 |

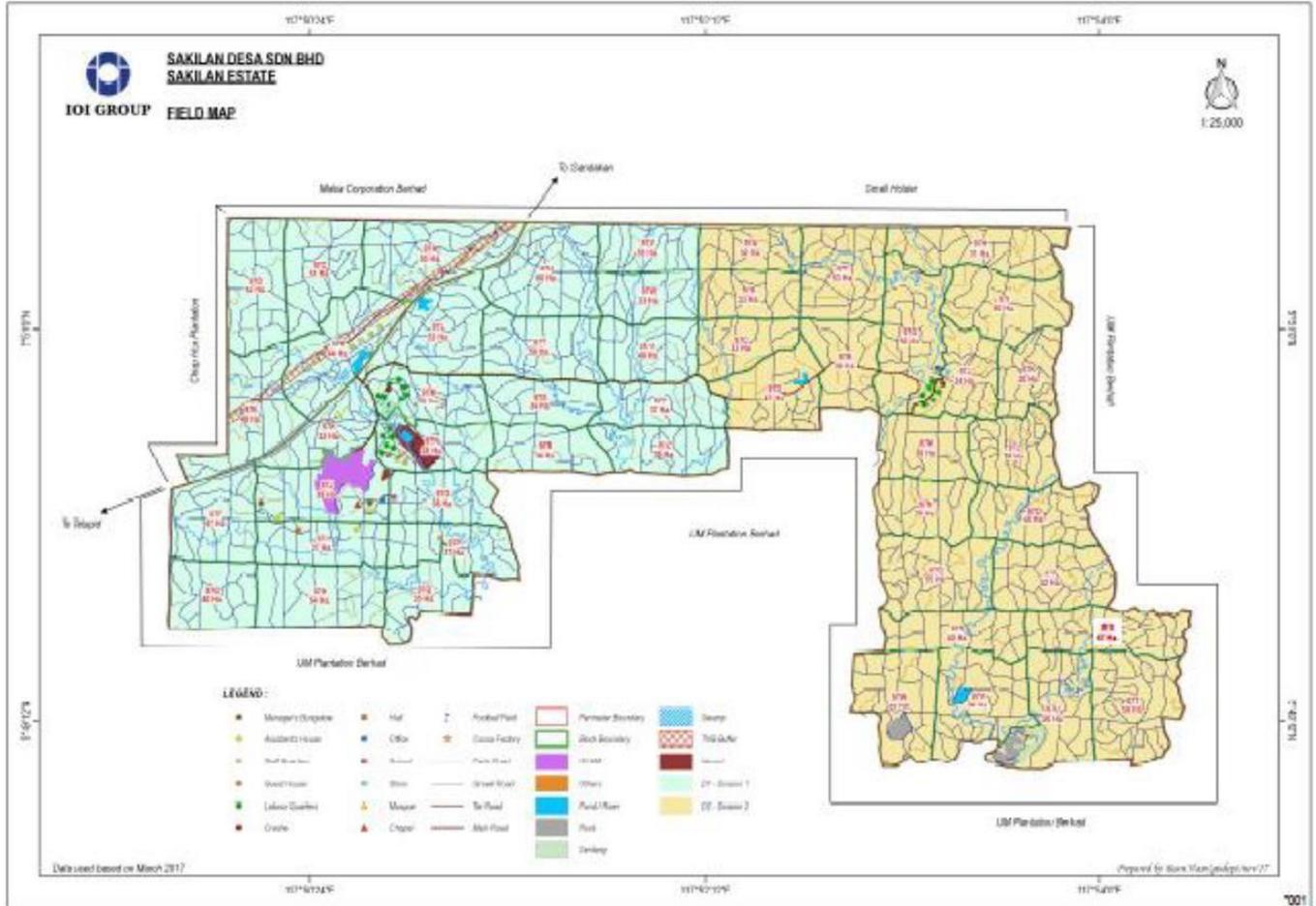
*This mill has no kernel crusher operation.

| Palm Oil Mill Effluent (POME) Treatment: | |
|---|-----|
| Divert to Compost (%) | 0 |
| Divert to anaerobic diversion (%) | 100 |

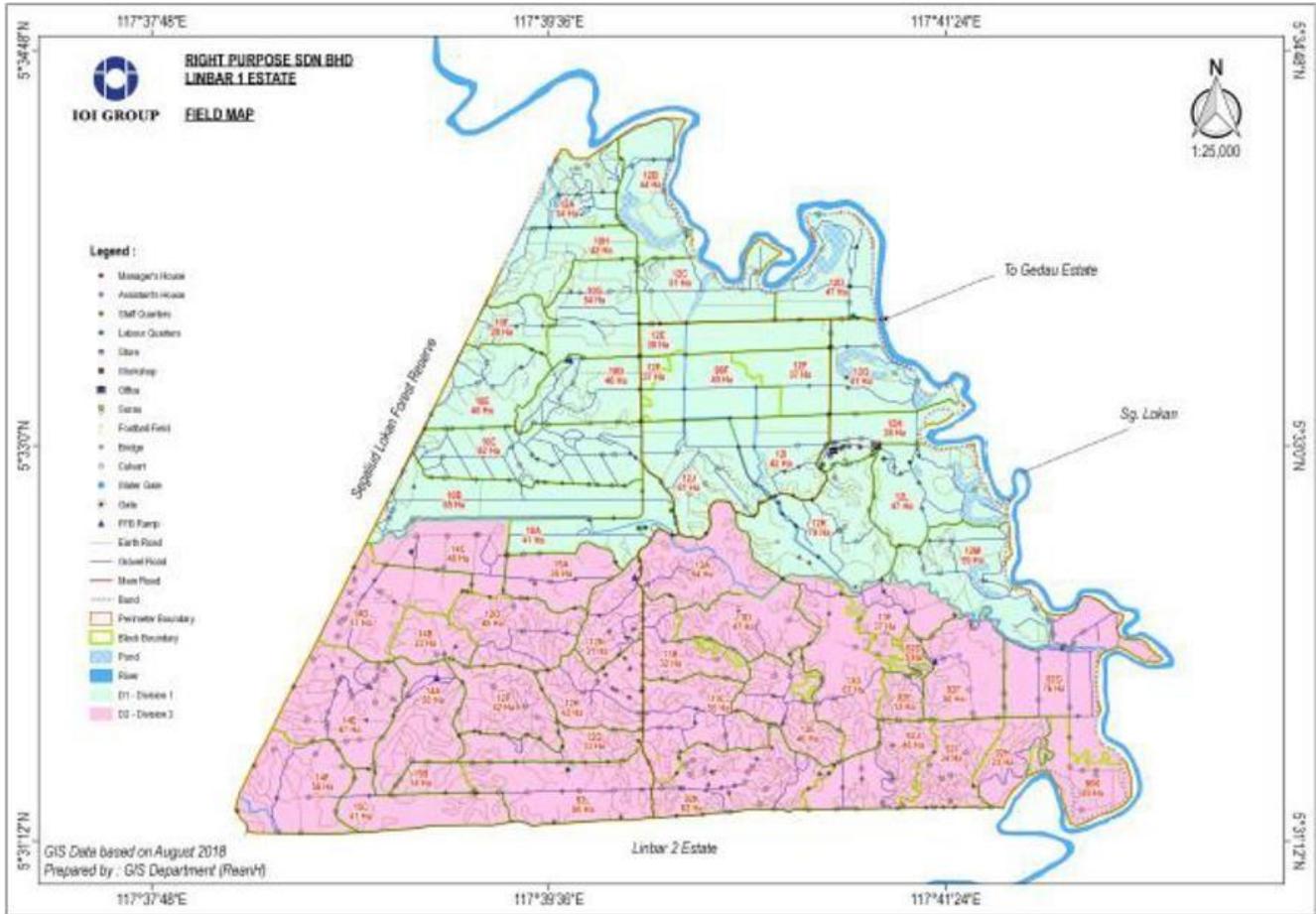
| POME Diverted to Anaerobic Digestion: | |
|--|-----|
| Divert to anaerobic pond (%) | 100 |
| Divert to methane captured (flaring) (%) | 0 |
| Divert to methane captured (energy generation) (%) | 0 |

Appendix D: Estate Field Map

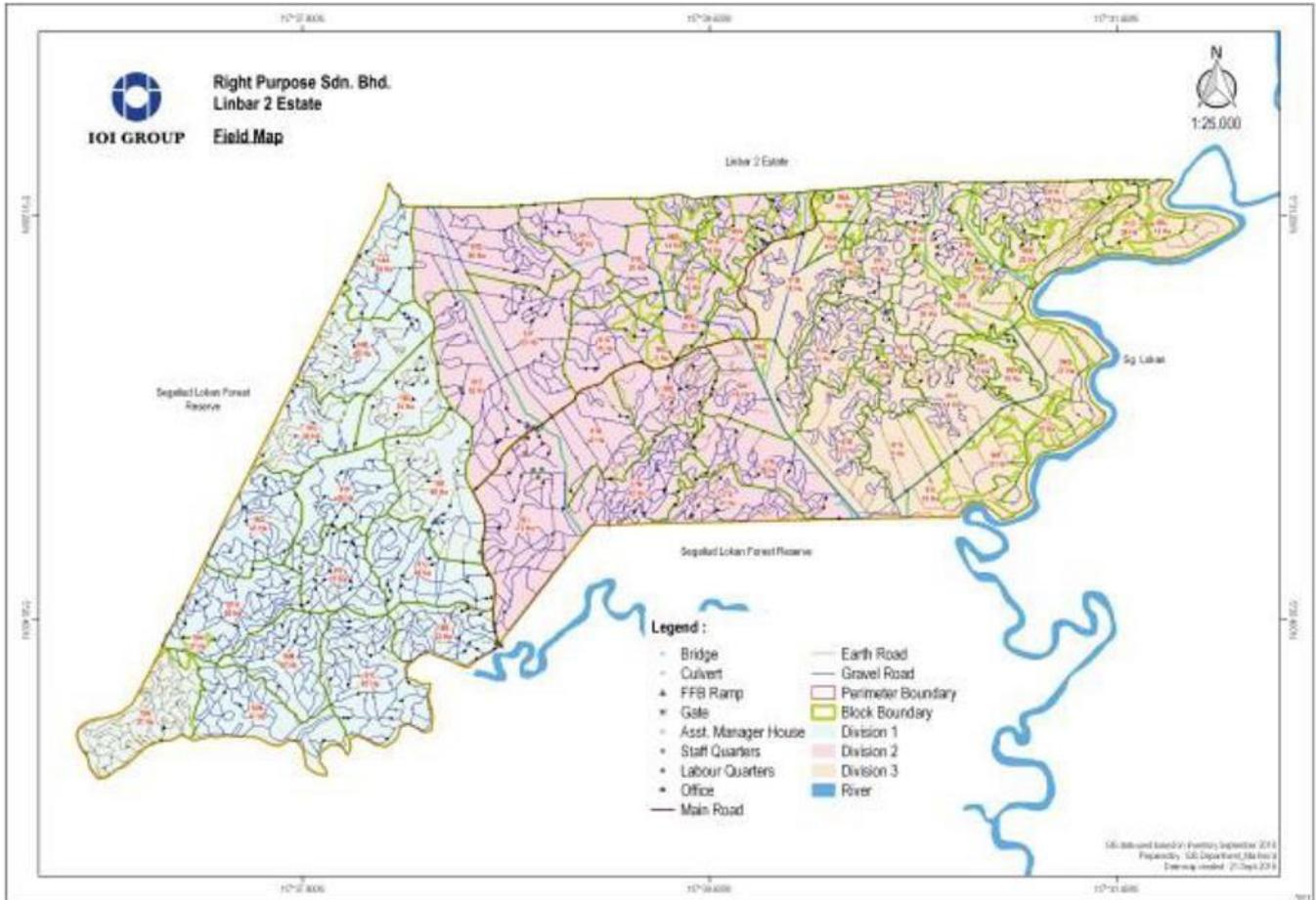
Sakilan Estate



Linbar 1 estate



Linbar 2 estate



Appendix F: List of Abbreviations

| | |
|------------|--|
| a.i | Active Ingredient |
| BOD | Biochemical Oxygen Demand |
| CB | Certification Bodies |
| CHRA | Chemical Health Risk Assessment |
| COD | Chemical Oxygen Demand |
| CPO | Crude Palm Oil |
| CSPO | Certified Sustainable Palm Oil |
| CSPKO | Certified Sustainable Palm Kernel 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 |
| IP | Identity Preserved |
| IS - CSPO | Independent Smallholder Certified Sustainable Palm Oil |
| IS – CSPKO | Independent Smallholder Certified Sustainable Palm Kernel Oil |
| IS – CSPKE | Independent Smallholder Certified Sustainable Palm Kernel Expeller |
| ISCC | International Sustainable Carbon Certification |
| ISS | Independent Smallholder Standard |
| LD50 | Lethal Dose for 50 sample |
| MB | Mass Balance |
| 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 |
| RSPO | Roundtable on Sustainable Palm Oil |
| P&C | Principles & Criteria |
| RTE | Rare, Threatened or Endangered species |
| SCCS | Supply Chain Certification Standard |
| SEIA | Social & Environmental Impact Assessment |
| SIA | Social Impact Assessment |
| SOP | Standard Operating Procedure |