

MALAYSIAN SUSTAINABLE PALM OIL**INITIAL ASSESSMENT
Public Summary Report**

Kulim (Malaysia) Berhad
Head Office: K.B. 705 Ulu Tiram, 81900 Johor Bahru, Johor
Certification Unit: Palong Cocoa Palm Oil Mill and Supply Base
Location of Certification Unit: KB 504, 85009 Segamat Johor, Malaysia

Report prepared by:
Valence Shem (Lead Auditor)

Report Number: 9631421

Assessment Conducted by:
BSI Services Malaysia Sdn Bhd,
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel +603 2242 4211 Fax +603 2242 4218
www.bsigroup.com

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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	578392004000		
Company Name	Kulim (Malaysia) Berhad		
Address	Head office: K.B. 705 Ulu Tiram, 81900 Johor Bahru, Johor Certification unit: KB 504, 85009 Segamat, Johor, Malaysia		
Group name if applicable:	-		
Subsidiary of (if applicable)	-		
Contact Person Name	Salasah Elias		
Website	www.kulim.com.my	E-mail	salasah@kulim.com.my
Telephone	07-8611611	Facsimile	07-8631084

1.2 Certification Information			
Certificate Number	Mill: MSPO 698010 Estates: MSPO 698011		
Issue Date	01/04/2019	Expiry date	31/03/2024
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Stage 1 Date	N/A (RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	22-25/10/2018		
Continuous Assessment Visit Date (CAV) 1			
Continuous Assessment Visit Date (CAV) 2			
Continuous Assessment Visit Date (CAV) 3			
Continuous Assessment Visit Date (CAV) 4			
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MY-AR1816	ISO 9001:2008	SIRIM QAS International Sdn Bhd	10 November 2019
A76502	MS 1500:2009	JAKIM	15 June 2019
EU-ISCC-Cert-DE119-60186780	ISCC	ASG Cert	8 May 2019
RSPO 613087	RSPO P&C 2013	BSI	22 Jan 2020

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1.3 Location of Certification Unit			
Name of the Certification Unit	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Palong Cocoa Palm Oil Mill	Segamat, Johor, Malaysia	2° 42' 23.09" N	102° 47' 6.04" E
Palong Estate	Segamat, Johor, Malaysia	2° 44' 55.90" N	102° 44' 55.53" E
Mungka Estate	Segamat, Johor, Malaysia	2° 41' 15.44" N	102° 47' 8.35" E
Kemedak Estate	Segamat, Johor, Malaysia	2° 42' 47.03" N	102° 46' 7.28" E
Sepang Loi Estate	Segamat, Johor, Malaysia	2° 41' 32.09" N	102° 49' 4.08" E
UMAC Estate	Bandar Tun Razak, Johor, Malaysia	2° 53' 3.31" N	102° 48' 23.94" E
Labis Bahru	Segamat, Johor, Malaysia	2° 25' 49.29" N	102° 52' 27.92" E

1.4 Plantings & Cycle					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Palong Estate	0	1634.53	195.36	0	0
Mungka Estate	0	1063.13	683.37	0	0
Kemedak Estate	0	1165.03	526.66	0	0
Sepang Loi Estate	0	0	899.92	0	0
UMAC Estate	0	173.89	1353.24	22.68	0
Labis Bahru Estate	0	247.69	1428.16	269.66	0
Total (ha)	0	4284.27	5086.71	292.34	0

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1.5 FFB Production (Actual) and Projected (tonnage)			
Producer Group	Projected	Actual production	Projected production (Nov 2018-Oct 2019)
Palong Estate	NA	NA	43947.80
Mungka Estate	NA	NA	43773.60
Kemedak Estate	NA	NA	42721.90
Sepang Loi Estate	NA	NA	25399.40
Umac Estate	NA	NA	47629.40
Labis Bahru Estate	NA	NA	50571.30
Total			254043.40

1.6 Certified Tonnage			
Mill Capacity: 40 MT/hr	Estimated	Actual	Forecast (Nov 2018-Oct 2019)
	FFB	FFB	FFB
	N/A	N/A	254,043.40 mt
SCC Model: SG	CPO (OER: %)	CPO (OER: %)	CPO (OER: 21.01%)
	N/A	N/A	53,370.55 mt
	PK (KER: %)	PK (KER: %)	PK (KER: 5.08%)
	N/A	N/A	12,921.90 mt

1.7 Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	*HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Palong Estate	1,829.89	5.68	80.08	1,915.65	96
Mungka Estate	1,746.50	67.88	113.68	1,928.06	91
Kemedak Estate	1,691.69	15.06	79.52	1,786.27	95
Sepang Loi Estate	899.92	12.69	57.60	970.21	93
UMAC Estate	1,549.81	2.24	57.96	1,610.01	96
Labis Bahru Estate	1,945.51	14.53	148.12	2,108.16	92
Total	9,663.32	118.08	536.96	10,318.36	94

**Note: Not really HCV per se, but more to just conserved areas such as river buffer zones, water bodies and unplanted areas, to name a few.*

1.8 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the Initial Assessment of Kulim (M) Bhd's Palong Cocoa Palm Oil Mill and Supply Base which is located in Segamat, Johor comprising Palong Cocoa Palm Oil Mill, Palong Estate, Mungka Estate, Kemedak Estate, Sepang Loi Estate, UMAC Estate and Labis Bahru Estate and infrastructure.

The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and MSPO Guidance. The onsite assessment was conducted on 22-25/10/2018.

Based on the assessment result, Kulim (M) Bhd's Palong Cocoa Palm Oil Mill and Supply Base complies with the MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and recommended for certification.

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel +603 2242 4211 Fax +603 2242 4218
Nicholas Cheong: Nicholas.Cheong@bsigroup.com
www.bsigroup.com

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 22-25/10/2018. The audit programme is included as Appendix A. The approach to the audit was to treat the Palong Cocoa Palm Oil Mill and Supply Base as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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

The estates or smallholders sample were determined based on formula $S = r\sqrt{n}$ where n is the number of estates while when applicable, the smallholders sample were determined following the MSPO Certification Requirement. The sampling of smallholders were based on the formula $(r\sqrt{n})$; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members. The sampled smallholder listed in Appendix C.

A public notification was made on BSI website on 12/9/2018 to invite the public and any stakeholders to comment on the assessment. The notification can be found through this link: [https://www.bsigroup.com/globalassets/localfiles/en-my/mspo/Public%20Notification/2018/MSPO Public Notification Kulim Palong Mill estate Eng.pdf](https://www.bsigroup.com/globalassets/localfiles/en-my/mspo/Public%20Notification/2018/MSPO%20Public%20Notification%20Kulim%20Palong%20Mill%20estate%20Eng.pdf). Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each

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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 Appendix B.

The assessment findings for the this assessment are detailed in Section 4.2.

This report is structured to provide a summary of assessment finding as attached in the Section 3. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

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

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 3)
Palong Cocoa POM	✓	✓	✓	✓	✓
Palong Estate	✓		✓		✓
Mungka Estate	✓		✓		✓
Kemedak Estate		✓		✓	
Sepang Loi Estate		✓		✓	
UMAC Estate		✓		✓	
Labis Bahru Estate	✓		✓		✓

Tentative Date of Next Visit: October 21, 2019 – October 24, 2019

Total No. of Mandays: 8.0

BSI Assessment Team:**Valence Shem – Lead Auditor**

He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since 2009 in various companies in Malaysia. During this assessment, he assessed on the aspects of legal, environmental & biodiversity, agriculture best practices and the supply chain element. Able to communicate in Bahasa Malaysia and English.

Kelvin Lim - Team Member

Kelvin Lim Kok Wei is a fulltime employee with BSI Services Malaysia. He graduated from University Tunku Abdul Rahman, Malaysia with a Bachelor Degree in Biotechnology. He has attended MSPO awareness training conducted by MPOB. He has completed ISO 9001:2008 Quality Management System Lead Auditor training in February 2014 and MSPO training on 14 March 2014. Currently he is an ISO 9001:2008 and Medical Device auditor with BSI. He has involved in MSPO audits since May 2014 covering legal and social aspects. Recently he is involved as Social Auditor during the RSPO Assessment to assess the social aspects and legal issues.

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Initial Certification Assessment there were two (2) Major nonconformities & two (2) OFIs raised. The Palong Cocoa Palm Oil Mill and Supply Base submitted their Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity were reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for its effectiveness and closed accordingly.

Finding Reference	1696077-201806-M1	Certificate Reference	MSPO 698010
Certificate Standard	MS 2530:2013 Part-3	Clause	4.3.1.2 (MSPO Part 3)
Category	Major		
Area/Process:	As per public summary report		
Statement of non conformance:	There are many more applicable legal requirements have yet to be registered in the company's legal register.		
Clause requirements	The management shall list all laws applicable to their operations in a legal requirements register.		
Objective evidence	Kulim has established a list of laws which are applicable to its operation, entitled "Register of Legal and Other Requirement" dated 1/10/2018. However, only the applicable requirements under EQA and OSHA have been registered. Other applicable legal requirements such as Employment Act, FMA, Pesticides Act, to name a few (etc.), have yet to be registered.		
Cause	Kulim has established Kulim Group Compliance Framework report, which has include all applicable act but the detail of applicable/relevant sections and regulations of the act not being summarize.		
Correction containment /	Compliance Unit of Risk Department to consult all respective HOD on applicable act that relevant and applicable to all OUs for purpose of detailing relevant section that affected all OUs.		
Corrective action	The Compliance PRC will meet up on quarterly basis to track, update and communicate to OUs on any changes and/or updates of the laws and requirement. This will be captured in the Compliance Framework report activity.		

Assessment conclusion	<p>Palong certification units has submitted the following evidence:</p> <ul style="list-style-type: none"> - the detailed of all relevant sections of the applicable acts in the updated Kulim Group Compliance Framework report - minutes of meeting of the Compliance PRC (quarterly basis meeting) dated 28/11/2018 where tracking and updating legal requirements was discussed <p>The evidence was found to be adequate to close the NCR. The effectiveness of the corrective action implementation shall be verified in the next assessment.</p>
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Finding Reference	1696077-201806-M2	Certificate Reference	MSPO 698010
Certificate Standard	MS 2530:2013 Part-4	Clause	4.3.1.2 (MSPO Part 4)
Category	Major		
Area/Process:	As per public summary report		
Statement of non conformance:	There are many more applicable legal requirements have yet to be registered in the company's legal register.		
Clause requirements	The management shall list all laws applicable to their operations in a legal requirements register.		
Objective evidence	Kulim has established a list of laws which are applicable to its operation, entitled "Register of Legal and Other Requirement" dated 1/10/2018. However, only the applicable requirements under EQA and OSHA have been registered. Other applicable legal requirements such as Employment Act, FMA, to name a few (etc.), have yet to be registered.		
Cause	Kulim has established Kulim Group Compliance Framework report, which has include all applicable act but the detail of applicable/relevant sections and regulations of the act not being summarize.		
Correction containment /	Compliance Unit of Risk Department to consult all respective HOD on applicable act that relevant and applicable to all OUs for purpose of detailing relevant section that affected all OUs.		
Corrective action	The Compliance PRC will meet up on quarterly basis to track, update and communicate to OUs on any changes and/or updates of the laws and requirement. This will be captured in the Compliance Framework report activity.		
Assessment conclusion	<p>Palong certification units has submitted the following evidence:</p> <ul style="list-style-type: none"> - the detailed of all relevant sections of the applicable acts in the updated Kulim Group Compliance Framework report - minutes of meeting of the Compliance PRC (quarterly basis meeting) dated 28/11/2018 where tracking and updating legal requirements was discussed <p>The evidence was found to be adequate to close the NCR. The effectiveness of the corrective action implementation shall be verified in the next assessment.</p>		

Finding Reference	1696077-201806-I1	Certificate Reference	MSPO 698010
Certificate Standard	MS 2530:2013 Part-3	Clause	4.4.5.9 (MSPO Part 3)
Category	Opportunity for Improvement		
Area/Process:	As per public summary report		

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Details	The deduction of water bill for worker at Labis Bahru estate can be further enhanced by making reference to JTK letter dated 31/05/18 of not more than RM 5. Nonetheless, progressive status letter issue by JTK Segamat dated 25/10/2018 have stated the process of reviewing the error on the previous approval letter was on-going which need confirmation of JTK Head of state.
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Finding Reference	1696077-201806-I2	Certificate Reference	MSPO 698010
Certificate Standard	MS 2530:2013 Part-3	Clause	4.4.5.11 (MSPO Part 3)
Category	Opportunity for Improvement		
Area/Process:	As per public summary report		
Details	The checking of the result of water analysis can be further improved by making the National Drinking Water Quality Standard as a reference. Nonetheless, the result of the drinking water analysis has been checked and it was still within the standard as per requirement by MOH which include Free Chlorine, Total coliform and E. Coli.		

Noteworthy Positive Comments	
1.	Positive comments from all stakeholders interviewed
2.	All personnel were cooperative during the assessment process

3.3 Status of Nonconformities Previously Identified and OFI

NA as this is the Initial Assessment

3.4 Issues Raised by Stakeholders

IS #	Description
1	Issues: Workers' Representatives - The representatives highlighted that they are treated equally on use of the facilities. Housing provided is in good condition and the payment of salary was according to the requirement and so far no workers was complained to them.
	Management Responses: The management treats all employees equally with no discrimination. Management will continue to treat all workers equally without discrimination.
	Audit Team Findings: No complaints were highlighted by workers during interviewed. Site visit to the housing area found out that is in good condition at the time of the visit.
2	Issues: Gender Committee Chairman: No issue of sexual harassment and violence case reported thus far.
	Management Responses: Information noted by the management.
	Audit Team Findings: Document reviewed of the meeting minutes and interviewed with female workers confirmed that no issue on sexual harassment has reported.
3	Issues: Village Representatives: There was very positive feedback received from the nearby villagers (Kg. Genuang Baru & Kg. Jawa) where the estate activity has no negative effect to the their villagers where assistant will be given if required any technical support and job opportunity as well.
	Management Responses: Management will continue provide the support if needed.
	Audit Team Findings: There was no any further issue that required further verification.
4	Issues: Contractor and Transporters: Contractor confirm payment is prompt as per agreed contract.
	Management Responses: Management will continue provide the support if needed.
	Audit Team Findings: There was no any further issue that required further verification.

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1696077-201806-M1	Major	25/10/2018	Closed on 17/1/2019
1696077-201806-M2	Major	25/10/2018	Closed on 17/1/2019

3.6 Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	MSPO Policy has been established and signed by the Executive Director (Mr. Zulkify Zakariah) dated 1/5/2018.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The established policy has emphasized on the commitment to continual improvement apart from implementation of all the MSPO principles.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit was conducted in August by 5 internal auditors whom were sourced from Sustainability Dept. of Kulim Bhd. Based on the audit checklists, all the elements of the MSPO are covered. Audit covered both documentation and field operation for the mill. NCR raised for the estates: - LBE: 5 non-conformity reports raised as a result of the internal audit i.e. under clause 4.1.1.1, 4.6.4.3, 4.2.3.1, 4.1.2.2 and 4.6.4.1.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - ME: 5 non-conformity reports raised as a result of the internal audit i.e. under clause 4.1.1.1, 4.6.4.3, 4.2.3.1, 4.1.2.2 and 4.6.4.2. - PE: 5 non-conformity reports raised as a result of the internal audit i.e. under clause 4.1.1.1, 4.6.4.3, 4.2.3.1, 4.1.2.2 and 4.6.4.1. <p>The CAP for all the NCRs raised have been prepared and submitted to the internal auditor. The internal auditor will verify the effectiveness of all the implementation of corrective actions in the next internal audit, which is planned to be conducted in Mar/Apr 2019 (conducted twice a year). Therefore, none of the NCRs have been closed yet.</p>	
4.1.2.2	<p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>Internal Audit procedure was available [doc. No.: SQD/SMS/5.0, dated 1/7/2018]. The requirement for the auditee need to investigate the cause of non-conformity and establish the corrective action was stated in Clause 5.6.6 of the procedure. The provision to record the root-cause, action plan and preventive action plan is catered in the “corrective action plan” format.</p>	Complied
4.1.2.3	<p>Report shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>Reports of Internal Audit for Labis Estate (27/8/2018), Mungka Estate (dated 28/8/2018) and Palong Estate (dated 26/8/2018) were available for review.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>For the visited estates, the 1st MRMs for MSPO were done in September 2018. The meetings were chaired by the respective estate managers and attended by the field staff. Based on the minutes of meeting, among the agenda discussed were:</p> <ul style="list-style-type: none"> - issues from previous meeting - internal and external audit report - action plan for the non-conformities raised - Corrective action plan for all the NCR raised - Continual improvement plan - other matters 	<p>Complied</p>
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>Continual improvement plan for the estates has been documented dated 16/9/2018. The plan was developed based on consideration of the social and environmental impact. E.g.:</p> <ul style="list-style-type: none"> - to conduct CHRA every 5 years – last conducted on 7/5/2018 - to conduct SIA annually – last conducted on 15/9/2018 (ME) - to conduct meeting with union/stakeholder/Women onwards (WoW) 	<p>Complied</p>
4.1.4.2	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	<p>The new information and techniques or new industry standards and technology were obtained from Agronomy Advisory Services Dept. Other means includes being members of various oil palm related association e.g. ISP, MPOA, Johor Planters Association (JPA), relationship with suppliers. E.g. of technology adopted was at Mungkah</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		Estate i.e. irrigation system using pipelines project to supply water to the plantation covering 54.76 Ha (Block P11)	
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	Where new technology or system are introduced, awareness briefing are provided to the employees at all levels prior to the implementation. This is evident through training records. Apart from that, progress reports were also available which have the information about the benefit of the project.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	Kulim has issued “Communication and Consultation Management Guidelines” that define the responsibilities and actions required for receiving, recording and responding to enquiries and requests from internal and external stakeholders. The estate has implemented the “Communication and Consultation Management guidelines” as evidenced by the maintenance of filing systems for recording written requests for assistance and information. Inspection of a sample of records found that requests for information were received only from Government Departments, NUPW and the MPOB. Furthermore, enquiry register was used for any request from local community such as workers, local school, worship priest, shop owner where seen the record on 2018 that request has been followed up and request has been approved according to the requirement such as	Complied

Criterion / Indicator		Assessment Findings	Compliance
		donation to school, use of hall by workers and worship celebration canopy and etc.	
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Kulim holds copies of each of the management documents that are required to be publicly available such as company's various policies, OSH plan, HCV documents, negotiation procedure, complaint records, sustainability handbook and report, EIA, Management Plans & Continuous Improvement Plans. Other sensitive information such as land title and etc. will be provided upon request.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Kulim has use as a point of reference the "Sustainability Handbook" June 2007 that details the company's environmental and social policies and grievance procedure. "Communication and Consultation Management Guidelines" (Ver. 2.0) that define the responsibilities and actions required for receiving, recording and responding to enquiries and requests from internal and external stakeholders.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	It was seen that the management official has been nominated for the consultation and communication officer for each individual sampled estate. I.e. 1) Labis Bahru: The Assistant estate Manager is the main point of contact for internal & external stakeholder. Both appointment was attached with appointment letter dated 04/09/2017 with the responsibilities being stated. 2) Mungka: The Assistant estate Manager is the main point of contact	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>for internal & external stakeholder. Both appointment was attached with appointment letter dated 01/11/2016 with the responsibilities being stated.</p> <p>3) Palong: The Chief Clerk is the main point of contact for internal & external stakeholder. Both appointment was attached with appointment letter dated 02/01/2018 with the responsibilities being stated.</p> <p>Interviews with Stakeholders confirmed that Kulim has an open approach to communication with staff, workers and local communities.</p>	
<p>4.2.2.3</p>	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p> <p>- Major compliance -</p>	<p>Stakeholder list was maintained under the operating unit and updated on Aug/ Oct 2018 which include internal stakeholder (staff and workers), customer (supply based estate), government agency (MPOA, MAPA, Jabatan Perhilitan, Jabatan Tenaga kerja, etc.), local authority, nearby school, transporter, supplier and etc.</p> <p>It was seen there was proper channel of communication being established from external/ internal stakeholder and has been documented accordingly. Seen the request from government agency was by visit log book such as MOH, DOE and DOSH. The action has been taken accordingly and recorded.</p> <p>Stakeholder meeting has been conducted as Palong Cocoa Management Unit on 17 August 2018 which involved contractor, supplier, neighbouring estate, government agency, authority and etc. that related to Palong Cocoa Complex. There was no negative comment being raised but few request has been raised such as donation for the school to build Surau and Sepang Loi Villager request on assistant/ advice on the MSPO certification advantages.</p> <p>As for each individual site, there was union meeting and gender committee meeting being conducted i.e.</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>1) Labis Bahru estate: Union meeting was conducted on 21/03/2018 & 16/10/2018 that involved NUPW representative, worker representative and management team. No major issue has been raised. WOW (Women on Work) meeting has been conducted as per plan where the last meeting was conducted on 09/07/2018 where no issue of sexual harassment being reported and mainly discussed on social activity in the community.</p> <p>2) Mungka estate: Union meeting was conducted on 03/10/2018 that involved NUPW representative, worker representative and management team. No major issue has been raised. WOW (Women on Work) meeting has been conducted as per plan where the last meeting was conducted on 12/08/2018 where no issue of sexual harassment being reported and mainly discussed on social activity in the community.</p> <p>3) Palong estate: Union meeting was conducted on 19/10/2018 that involved NUPW representative, worker representative and management team. No major issue has been raised. WOW (Women on Work) meeting has been conducted as per plan where the last meeting was conducted on 5/01/2018 where no issue of sexual harassment being reported and mainly discussed on social activity in the community.</p>	

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	SOP for Traceability was available [doc. No.: SQD/SMS/1.2, dated 9/10/2018, issue 1, rev.1]. It outlined the traceability implementation from reception of FFB until the dispatch of CPO and PK.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Inspection on compliance with the traceability procedure is regularly checked through supply chain internal audit. The internal audit report, which was carried out together with other schemes such as RSPO and ISCC, was available for verification.	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The head of each operating unit would automatically be the appointed person responsible for traceability system. Ref.: letter from Head of Plantation Division [SQD/ADMIN/021/2018], dated 30/6/2018.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	Deliveries of FFB to mill is recorded in the crop book, which has the information about: <ul style="list-style-type: none"> - date of delivery - transporter identity no. - dispatch ticket no. - mill weighbridge ticket no. - field no. (origin of the FFB) - weight delivered (mt) 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		All the data will be registered in the estate's accounting system for compilation	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. - Major compliance -	Seen and verified the respective compliance of applicable local regulatory requirement i.e. permit and license <ul style="list-style-type: none"> - Diesel purchase and storage licence (JH(SGT)0103103 PSK) valid until 24/1/19 for 18,000L. - Letter of deduction of salary for water (TK(NJ)U-24 dated 31/05/18 with not more than RM5 and electricity (PP3/29/001/2009 dated 15/02/2009 with charges of RM0.218 per unit KWH. - DOSH inspection for air compressor used in the workshop i.e. JHPMT21524 valid until 6/11/19, 	Complied
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	The applicable laws are listed centrally by Kulim's Compliance Unit (under Audit, Risk Management and Compliance Dept.) based in JB. The list entitled "Register of Legal and Other Requirement" dated 1/10/2018. However, only EQA and OSHA have been registered. Other applicable legal requirements such as Employment Act, FMA, Pesticides Act, to name a few, have yet to be registered. Therefore, a nonconformity was raised due to this lapse.	Non-conformity
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	Among the medium used in updating the legal register were websites, subscription to legal information provider (e.g. CLJ Law) and mass media.	Complied

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	- Major compliance -		
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	A person in-charged, (ref.: appointment letter dated 27/6/2018, (17) RMC/COM/GM/18/12) has been appointed to be the person responsible to monitor compliance and to track and update the changes in regulatory requirements.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	Labis Bahru, Mungka and Palong is on "State Lease/ Free Hold" land. The land use was for Oil Palm Plantation.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	Details of Land Titles and summary of lease history are held in file "Grant Title" on the Sustainability Department Server. The land title for Labis Bahru has consists of 20 land titles with total land hectarage of 2108.16 Ha with planted area of 1945.51 Ha. Sampled of the land title 38197 lot# 1265 (1237.51 ha), 38198 lot# 1699 (350.08 ha). Seen the land title for Kemendak, Mungka and Palong estate which was combination 4 land titles HSD 8847 with total 5,637.05 ha. Size of hectare for each estate: Kemedak 1786.27ha, Mungka 1928.06ha and Palong- 1922.72 ha. The 4 land title consists of (HSD 53298 Lot 1354)- 3402.21 Ha, (HSD 52399 lot 7990)- 501.8 ha, (HSD 52397 lot 7992)- 806.5 ha and (HSD 52400 lot# 7898)- 926.54. The validity use of the land was still valid as per the land title.	Complied

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4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Kulim has completed the program of surveying the boundaries of all of its properties and installing boundary stones. Based on site visit, it was noted that the among the methods used in demarcating the boundaries were concrete pegs painted with red/white stripes and boundary trenches.	Complied
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There were no land disputes at Palong Cocoa Management unit was noted as the estate has the legal ownership documents.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land or negotiated agreements at Palong Cocoa Management Unit.	NA
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	The right to use the land is not disputed and there were no customary land within the Palong Cocoa Management Unit.	NA
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	Not applicable for Palong Cocoa Management Unit as there were no negotiation has occurred.	NA

Criterion / Indicator		Assessment Findings	Compliance
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>Kulim Sustainability Team has conducted the internal stakeholder consultation using a survey format that includes the criteria of term & condition of work, social provision and safety & health, and etc. for Palong Cocoa Certification Unit in May & August. The outcomes of the survey had been analysed and compiled in a summary report and analysed as part of the social impact assessment process. Thereafter, action plans was established dated 15/09/2018. It was documented in the Social Impact Register and the status of action will be updated in the following meeting. So far there was no negative impact identified. A few positive impacts will be promoted such as clinic facilities, PPE for all worker, contribution during festive season for workers, contribution of school uniform and shoe for worker’s children and sport activities.</p>	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>The estate has established the procedure (SPO Grievances Procedure 2007) to deal with complaints and grievances by using the complaint form. Sighted some of the complaint form at mill, mostly complaint on the housing (light and fan not function) which was recorded in the Housing damage repair logbook.</p>	Complied
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Inspection of records at estate indicated that written communications were replied promptly and the correspondence kept in file Enquiry Register logbook and Housing damage complaint logbook. Most of the complaint was on the repair request e.g.</p>	Complied

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		<p>Labis Bahru: House# 45 dated 5/07/18 (issue: water storage tank leaking) done on 8/7/18, house# 52 dated 14/09/2018 (issue: toilet bowl stuck) done on 16/9/18. Hence, the issue was resolved.</p> <p>Mungka: House# 33 dated 19/09/18 (issue: Toilet bowl stuck) done on 25/09/2018.</p> <p>The Enquiry register seen the request from Enquiries dated 18/07/18 Survey on local community by MOH department, permission granted to conduct survey.</p> <p>So far there was no complaint form received through complaint box placed at few area for workers to complaint.</p>	
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p>- Minor compliance -</p>	<p>The sampled estate has maintains 'complaint form' and 'maintenance and repairing report' for receiving and responding to requests and complaints from employees. No complaint from external stakeholders were received so far. Review of the registers found there was no outstanding or unresolved grievance.</p>	Complied
4.4.2.4	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p>- Minor compliance -</p>	<p>Interview with stakeholders found that they are aware of the procedure and no pending issues. Further verified on the Union meeting where this was further communicated to the worker representative.</p>	Complied

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4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	Record review found that previous complaints and requests were kept in the file where the retention of the record was at least 3 years but so far the record since 2008 was still retained.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	The public infrastructure is well developed near the Palong Cocoa complex and basic infrastructure services are readily accessible. Palong Cocoa complex has continued to make appropriate contributions to local communities in the form of donations and assistance to schools and places of worship and donations for religious festivals and provide work opportunity for the locals which has been verified through documentation evidence and interviewed with respective stakeholders. The contributions were initiated based on the outcome of stakeholder consultation.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	Occupational Safety and Health Policy dated 01/05/2018 has been established which in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139). The mode of communication was seen through weekly morning briefing, training, and display on notice board.	Complied
4.4.4.2	The occupational safety and health plan shall cover the following:	a) Occupational Safety and Health Policy dated 01/05/2018 has been established which in line with Occupational Safety and Health Act 1994	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust 	<p>and Factories and Machinery Act 1967 (Act 139). The mode of communication was seen through morning muster call, training, and display on notice board.</p> <p>b) HIRARC was seen review on 07/08/2018. Sampled of the HIRARC for spraying, manuring, line-site maintenance, harvesting, transporting FFB and etc. which has been verified on site activity which has been covered in the HIRARC. DOSH logbook was checked where latest visit conducted on 10/10/2018 which go for machinery inspection and work site safety inspection with no negative feedback.</p> <p>Seen the workers involves in the spraying, fertilizer, water treatment and driver has been undergo medical surveillance on 10/09/2018 with no negative comment. This was done as per CHRA recommendation. Conducted by OHD (HQ/11/DOC/00/235)</p> <p>c) Training program has been established related to workplace safety on 2018. Sampled of the training that has been conducted:-</p> <ul style="list-style-type: none"> i) PPE usage for chemical spraying training dated 18/10/2018 by Supplier (G-Planter). ii) Chemical Handling and chemical mixing training dated 20/02/2018 by Supplier (G-Planter)- Total 16 persons attended. iii) Workshop training dated 09/08/2018 attended by staff in workshop which was conducted by Assistant Manager. iv) Emergency Response plan dated 18/10/2018. 	

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<p>must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee’s health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>v) PPE usage for manuring training dated 08/07/2018 by Assistant Manager.</p> <p>vi) Triple rinsing & chemical handling dated 11/09/2018 by Field Supervisor attended by 3 workers handling chemical mixing and chemical store.</p> <p>vii) First Aid Training dated 09/10/2018 by EHA attended by 9 First Aider.</p> <p>d) PPE issuance record was seen for 2018 for</p> <ul style="list-style-type: none"> - Employee No 605469 – Mondal Dinesh (Mandore- spraying) - Employee No 635511 – Robi Hassan (Sprayer) - Employee No.: 634543 – Awi Karta (Workshop Mechanic) <p>which has been issue as per requirement for their respective work station.</p> <p>e) The organization has established the SOP for work safety guidelines (Rev.1) which include all the activities on site at the estate that accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) Assistant Manager of estate was appointed as responsible person(s) for workers’ safety and health using appointment letter dated 29/03/2018 (labis), 15/2/18 (Mungka) and 1/6/18 (Palong).</p>	

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	<p>g) Labis Bahru: OSH meeting was conducted on quarterly basis where there was 3 meeting has been conducted on 2018 dated 29/03/2018, 10/06/2018 & 12/08/2018. Agenda meeting discussed include the unsafe condition on work station, accident review, and etc. All the action established will be discussed on the following meeting for followed up on the completeness of action.</p> <p>Mungka: OSH meeting was conducted on quarterly basis where there was 3 meeting has been conducted on 2018 dated 15/02/2018, 23/05/2018 & 09/08/2018. Agenda meeting discussed include the unsafe condition on work station, accident review, and etc. All the action established will be discussed on the following meeting for followed up on the completeness of action.</p> <p>Palong: OSH meeting was conducted on quarterly basis where there was 3 meeting has been conducted on 2018 dated 27/02/2018, 10/05/2018 & 16/08/2018. Agenda meeting discussed include the unsafe condition on work station, accident review, and etc. All the action established will be discussed on the following meeting for followed up on the completeness of action.</p> <p>h) Emergency Response Plan (dated 1/4/2018) has been established to address the accident and emergency process.</p> <p>i) First Aid training has been conducted on the 18/06/2018 & 25/09/2018 which include 14 persons from Field, store, workshop & creche which was trained by HA for the sampled visited estate. First aid training in Mungka estate was conducted on 10/10/2018 which</p>	

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		<p>include 13 persons from Field, store, workshop & water treatment which was trained by HA. First Aid Training in Palong estate dated 09/10/2018 by EHA which include 13 persons from Field, store, workshop.</p> <p>j) There was 3 accident record being recorded at Labis Bahru on 2018 which has been report using JKPP 6 to DOSH as per the requirement. The accident was reviewed in the OSH meeting which held on quarterly basis. No reported of accident on 2018 for Mungka and Palong estate with through verification of the report from Estate Health assistant. JKPP 8 was submitted on 4/2/2018 and 22/1/2018 respectively. The delayed of submission was due to online system failure for JKPP where it has been submitted using manually.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>The management has established a policy on good social ethics regarding human rights such as Human Policy dated 1/5/18, Ethic Policy dated 1/5/2018 & Prevention of sexual harassment in the workplace policy dated 1/5/18, right of employee policy dated 8/1/2017, etc. has been signed off by executive Director.</p> <p>The policy was communicated by displayed at the strategic location, induction & training, memo and meeting.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment</p>	<p>The Kulim Sustainability Handbook includes a Policy on Equal Opportunities. The Kulim Handbook and Policies are publicly available and the policies are displayed prominently on notice boards of the</p>	Complied

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<p>regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>estates. Inspection of a sample of pay records and interviews of staff and workers at the estates did not identify any issues related to discrimination.</p>	
<p>4.4.5.3 Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>There is a contract and agreement for staff and workers including foreign workers and pay and conditions are documented and are above the industry minimum standard. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Staff and Workers confirmed this during interview. Sampled Workers checked for June- Aug 2018 wages:</p> <p>Labis Bahru estate</p> <p>a) Employee No.: 605701- Muliadi (General Worker)-22/06/17- 22/07/19 b) Employee No.: 605240- Jamaiah (Creche Helper)- local with no validity c) Employee No.: 605074 – Salam (Harvester) -22/06/17- 22/07/19 d) Employee No 605469 – Mondal Dinesh (Mandore- spraying) -22/06/17- 22/07/19</p> <p>Mungka estate:</p> <p>a) Employee No.: 635222- Rosilah (Clinic Assistant)- local with no validity b) Employee No.: 635433- MD Su Jon (Bunch Counter)- 1/11/2013- 1/11/2019 c) Employee No.: 635628 – Surya (General worker)- 15/09/17- 15/09/19 d) Employee No 635511 – Robi Hassan (Sprayer)- 01/06/15 – 2/6/21</p> <p>Palong Estate:</p> <p>a) Employee No.: 634751- Sarudip (General Worker)- 1/03/18- 1/3/20 b) Employee No.: 634556- Muhamad Amin (Harvester) – 10/3/18- 10/3/20 c) Employee No.: 634543 – Awi Karta (Workshop Mechanic)- 22/12/17- 22/12/19</p>	<p>Complied</p>

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		d) Employee No.: 634608- Kormokar (Harvester)- 4/5/2018- 4/5/2021	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Kulim Berhad arranges contracts for the purchase of goods and services, including those with service provider contractor. The contract clearly stated that the contractor must strictly follow all applicable national and ratified international laws.</p> <p>Interviews of contractors indicated that they understand their contracts. Further interview with the contractor’s workers found that they were paid at least meeting the minimum wages requirement</p> <p>Sampled of the contractor worker’s Sept payslip (Harvester)- Tahrin, Kasno, Satimin and Zul Ridwan from Wong Foo Chong Trading Co. (Harvesting contractor) and Sri MK Enterprise (harvester)- salary slip for month Aug and September i.e. Muhammad Yanto & Nordan which meet the minimum wage order 2012 of RM 1000. The payment of OT and offday bunch rate was according to the legal/ NUPW requirement.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Labis Bahru, Mungka & Palong estate has a register of all staff and workers at the premise. The detail includes full name, gender, date of birth, date joined, job title. The basic wages, copy of passport and permit etc were maintained in the employee personnel file and the IDEAs system (HR system).</p>	Complied

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<p>4.4.5.6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>There is a contract and agreement for staff and workers including foreign workers and pay and conditions are documented and are above the industry minimum standard. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker.</p> <p>Labis Bahru estate</p> <p>a) Employee No.: 605701- Muliadi (General Worker)-22/06/17- 22/07/19 b) Employee No.: 605240- Jamaiyah (Creche Helper)- local with no validity c) Employee No.: 605074 – Salam (Harvester) -22/06/17- 22/07/19 d) Employee No 605469 – Mondal Dinesh (Mandore- spraying) -22/06/17- 22/07/19</p> <p>Mungka estate:</p> <p>a) Employee No.: 635222- Rosilah (Clinic Assistant)- local with no validity b) Employee No.: 635433- MD Su Jon (Bunch Counter)- 1/11/2013- 1/11/2019 c) Employee No.: 635628 – Surya (General worker)- 15/09/17- 15/09/19 d) Employee No 635511 – Robi Hassan (Sprayer)- 01/06/15 – 2/6/21</p> <p>Palong Estate:</p> <p>a) Employee No.: 634751- Sarudip (General Worker)- 1/03/18- 1/3/20 b) Employee No.: 634556- Muhamad Amin (Harvester) – 10/3/18- 10/3/20 c) Employee No.: 634543 – Awi Karta (Workshop Mechanic)- 22/12/17- 22/12/19 d) Employee No.: 634608- Kormokar (Harvester)- 4/5/2018- 4/5/2021</p> <p>The validity of the contract was still remained effective and the extension of the current contract will remained effective if there was extension agreement signed by respective workers.</p>	<p>Complied</p>

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4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	The estate has an attendance scanning recording system to monitor the working hours of its workers and staffs. While the overtime recording was based on the overtime book which was signed by workers and verified by Mandor.	Complied
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	Payslip of the workers and staff have been checked and verified that was within the allowed limit by labour department.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Sample payslips checked found the wages and overtime/ Rest day payments are documented in line with the employee contract & agreement and complies with Minimum Wage Order 2012 requirement of RM 1000 monthly/ Daily RM 38.46 and rate stated in the / collective agreement NUPW/ MAPA. Sampled Workers checked for June- August 2018 wages: Labis Bahru estate a) Employee No.: 605701- Muliadi (General Worker) b) Employee No.: 605240- Jamaayah (Creche Helper) c) Employee No.: 605074 – Salam (Harvestor) d) Employee No 605469 – Mondal Dinesh (Mandore- spraying) Mungka estate: a) Employee No.: 635222- Rosilah (Clinic Assistant) b) Employee No.: 635433- MD Su Jon (Bunch Counter) c) Employee No.: 635628 – Surya (General worker) d) Employee No 635511 – Robi Hassan (Sprayer)	Complied

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		<p>Palong Estate:</p> <p>a) Employee No.: 634751- Sarudip (General Worker)</p> <p>b) Employee No.: 634556- Muhamad Amin (Harvester)</p> <p>c) Employee No.: 634543 – Awi Karta (Workshop Mechanic)</p> <p>d) Employee No.: 634608- Kormokar (Harvester)</p>	
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>Interviews of local and foreign workers indicated satisfaction with the standard of housing and facilities. Electricity and water are provided with certain subsidies for each unit houses. Clinic service has been provided free including medication.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>Residents at all company housing have access to facilities established by the company, such as health clinic, sports field, crèche/ Kindergarten, and places of worship.</p> <p>Seen the drinking water analysis has been conducted on 6/6/2018 for drinking water requirement Chemical and Microbiological where the result show meet the Drinking Water Quality Standard, MOH; Engineering service division 2010. Apart from that, seen the monthly drinking water testing by internal lab for heavy metal, BOD, COD and etc, was meeting the drinking water standard.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Kulim Bhd. has established prevention of sexual harassment & domestic violence in the workplace policy and displayed at strategic location. Interviews of internal and external stakeholders confirmed awareness and understanding of the Policy.</p> <p>Labis Bahru: WOW (Women on Work) meeting has been conducted as per plan where the last meeting was conducted on 09/07/2018 where no issue of sexual harassment being reported and mainly discussed on social activity in the community.</p> <p>Mungka: WOW (Women on Work) meeting has been conducted as per plan where the last meeting was conducted on 12/08/2018 where no issue of sexual harassment being reported and mainly discussed on social activity in the community.</p> <p>Palong: WOW (Women on Work) meeting has been conducted as per plan where the last meeting was conducted on 5/01/2018 where no issue of sexual harassment being reported and mainly discussed on social activity in the community.</p> <p>Sexual Harassment Reporting Procedure (HCM/SOP/SIR42, Rev.2018)</p>	<p>Complied</p>
<p>4.4.5.13 The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and</p>	<p>Interviews of staff and workers confirmed Kulim Bhd. supports freedom of association. Right of employee policy dated 8/1/2017. It was seen some employees has join NUPW but some was not join due to their personal willingness. Interviewed the employees where there was no prevention of workers to join the trade union.</p> <p>Labis Bahru estate:</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	<p>negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Union meeting was conducted on 21/03/2018 & 16/10/2018 that involved NUPW representative, worker representative and management team. No issue has been raised.</p> <p>Mungka estate: Union meeting was conducted on 03/10/2018 that involved NUPW representative, worker representative and management team. No issue has been raised.</p> <p>Palong estate: Union meeting was conducted on 19/10/2018 that involved NUPW representative, worker representative and management team. No issue has been raised.</p>	
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Inspection of a sample of personnel files at the estate confirmed recruits ages were checked against their Malaysian Identity Card or their passport in the case of foreign workers. Under-age persons were not observed at any of the work locations visited.</p>	Complied
Criterion 4.4.6: Training and competency			

Criterion / Indicator		Assessment Findings	Compliance
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Training programmes were available at all the visited estates. Based on the documented programmes, generally the planned trainings cover the OHS, environmental and best practice aspects of all the operations in the field. E.g. of training records verified:</p> <p>Training records for contractors' workers (harvesters):</p> <ul style="list-style-type: none"> - PE: 4/9/2018, "SOP Harvesting dan Kerja Selamat/PPE (contractor)", attended by 27 workers - ME: 25/10/2018, "Panduan Kerja Selamat BTB", attended by 27 workers from various contractors (e.g. Sri CK Ent., Mahu Berjaya and Malar Ent.) 	Complied
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>Similar method for identifying the training needs are used in operating units both estates and the mill. The training needs for all the visited estates the year 2018 training program have been established. The details of the training needs include categories of job descriptions, sections, and employees group. Included in this program are subjects related to environment, safety & health and best practices.</p>	Complied
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>Training programmes are established on annual basis based on training needs. In addition it is subject for a review during the financial year if necessary.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	Environmental Policy was available which was signed by Executive Director dated 1/5/2018. The policy can also be found at http://www.kulim.com.my/ourpolicy.aspx?p_Id=0&c_Id=2097	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - Major compliance -	Environmental aspects and impacts analysis was done through utilization of Environmental Risk Assessment form [e.g. for Labis Bahru, form no.: EPA-LBE-2018]. The last review of the analysis was done in July 2018. The evaluation form has the information about aspect/impact identified, risk assessment and risk control. Among the areas of the estate assessed were: <ul style="list-style-type: none"> • Bio-composting • Clinic • Compound • Harvesting • Construction • Manuring • Office • Replanting • Scheduled wastes • Storage • Chemical application • use of machine and tractor 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	Mitigation measures are registered in “Continuous Improvement Plan Monitoring Sheet”. The objective is to mitigate and monitor the identified significant activities that give impacts on environment. Specific persons in-charged have been identified to do the monitoring to ensure the plan is effectively implemented.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Based on the identification and evaluation of environmental aspects and impacts by the estates, there was no positive impact identified.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	A training program is available in the Training Program updated on a yearly basis or revised as per the management requirement. Included in this programme were also subjects which related to environment generally in wastes management, chemical handling and adhering standard operating procedures..	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Concerns about environmental quality were discussed through various medium such as management meetings and muster call. Minutes of meeting were available for verification at all the visited estates.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy	LBE – baseline established based on annual budget i.e. 0.9 lt/mt FFB. Actual to-date as at Sep 18 is 0.70 lt/mt	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	including fossil fuel, electricity and energy efficiency in the operations over the base period. - Major compliance -	ME – baseline established based on annual budget i.e. 1.26 lt/mt FFB. Actual to-date as at Sep 18 is 0.66 lt/mt PE – baseline established based on annual budget i.e. 1.3 lt/mt FFB. Actual to-date as at Sep 18 is 1.26 lt/mt	
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimation for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate annual budgets.	Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	There was no suitable area identified for the use of renewable energy at the visited estates.	Complied
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The identification of wastes products and sources of pollution were documented in EAI and also DOE’s SW Second Schedule. In general, among the wastes identified were domestic wastes, recyclable wastes, scheduled wastes and sewerage waste water.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <p>- Major compliance -</p>	<p>Wastes management plan were established based on environmental aspect identification and spelt out in Environmental Continuous Improvement Plan. The plan includes the method of disposal of each identified waste.</p>	Complied
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>The procedures for handling used chemicals classified under Environment Quality Regulation (Scheduled Waste) 2005, Environmental Quality Act, 1974 are available prepared on Group level by SQD and implemented in all estates and mills for all the applicable practices. Verification of consignment notes showed that the estates disposed their used chemical such as spent oil through appropriate manner.</p>	Complied
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>Based on site visit, the empty pesticide containers were cleansed through triple rinsed method, punctured and stored in a designated storage. When the cumulative amount of the containers reached to suitable to be disposed, then the authorised recycler will be called to collect them. This was evident through verification of transaction receipts at the visited estates.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	At all the visited estates, domestic wastes were landfilled in a designated area in the field. Wastes were wrapped in fertiliser bags before being put inside the rubbish pit. Based on site visit, the designated landfills were away from residential areas and waterways.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Assessment of polluting activities were identified using the method mentioned in 4.5.1.2. The emission of greenhouse gases calculation was estimated using ISCC Template & RSPO PalmGHG. Based on the results, the emission found to be at 0.82 t/CO ₂ eq/tCPO (ISCC) & 0.97 t/CO ₂ eq/tCPO (RSPO).	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Action plan to reduce the identified significant pollutants and emissions was documented in the Environmental Continuous Improvement Plan. The strategy to mitigate the GHG emission was established at the corporate level. Among the mitigation in planned were methane capture and reduction of fertiliser consumption. The data is available in Kulim's Carbon Footprint Report.	Complied
Criterion 4.5.5: Natural water resources			
4.5.5.1	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a. Assessment of water usage and sources of supply.	Water management plan was available and reviewed on regular basis. Among the action plan established were: - maintain 5 meter of buffer zone around the pond - drinking water analysis to monitor quality as required by SPAN - water analysis for inlet and outlet after manuring activity Based on site visit at the estates, it was observed that the riparian zones were adequately demarcated and no trace of chemical	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. <p>- Major compliance -</p>	<p>application was seen. The soft vegetation at the riparian reserves was also well maintained. There was no bore hole used as source of water at the visited estates.</p>	
<p>4.5.5.2 No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>Based on site visit, there was no construction of bunds, weirs or dams observed.</p>	<p>Complied</p>
<p>4.5.5.3 Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p>	<p>It was noted during the site visit at all the visited estates that many silt pits were prepared by the road sides to capture rain water in order to maintain the moisture content in the field.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
- Minor compliance -			
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <ul style="list-style-type: none"> a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. <p>- Major compliance -</p>	<p>The assessment was reported in Rapid Biodiversity Assessment by A.J.F.M Dekker, dated 2008. Based on the report there were no HCV identified within the estates. Nonetheless, it was reported at Mungka Estate there is potential presence of endangered smooth-coated otter and small-clawed otter based on information from workers. Outside the estate, there is also potential presence of Malayan Tapir. The management conducted regular patrols of conservation areas, access and boundary of estates. Signage, such as "No Hunting", "No Fishing", "Buffer Zone" were available.</p>	Complied
4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <ul style="list-style-type: none"> a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. 	<p>Appropriate measures were established through Biodiversity Improvement Plan 2018. Among the immediate actions were buffer zone establishment, control of encroachment, waste management near the mill (effluent and erosion) and animal sighting records to name a few.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	Among the management plan implemented were establishment of buffer zones, regular education to workers on importance of conservation areas, patrol reports, animal sighting records and signage of restriction of hunting, fishing and collecting.	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	The operating units adhered to the policy of "Zero open burning" for any replanting. From field visits and interviews with the workers there is no open burning being practiced in the estates. For replanting land preparation, palms are felled, chipped and windrowed as required in the company's procedure.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	No special approval granted from DOE as to date since there was no risk of disease at the visited estates.	Complied
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	No open burning method was used.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.7.4	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p>- Minor compliance -</p>	All the previous palms were felled, chipped and windrowed as per best practices.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>Kulim estates refer to the Company's Agriculture Manual for implementation of good agriculture practices. The manual was last updated on 31/10/2017. The manual covers the activities for replanting</p> <ul style="list-style-type: none"> • Roads, drains, bridges culverts & fences • construction of estates buildings • Manuring • Harvesting • Pruning and ablation • Soil conservation • Justification of chemical use • Weeds management • Integrated pest management • Plant diseases <p>There were various methods used to ensure implementation of the manual, e.g.:</p> <ul style="list-style-type: none"> • Plantation Inspector visit (latest report at LBE – 12/9/2018) • Visit from Audit, Risk Management & Compliance Dept. (latest visit at LBE – 8 & 9/8/2018) 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> Agronomist visit (LBE – last visit 20/6/2018) 	
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance -	Planting terraces had been constructed where slope >10°. Field inspection showed groundcover with soft grass and soft weeds at both estates.	Complied
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stencilled at the palm trees and also displayed in signage at the boundary/corners of every fields. This is observed during the field visit in the estate.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Annual business plan in the form of annual budget and the projection for 3 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER and KER, costs of production, etc.	Complied
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	Replanting programmes were available at all the visited estates with 5 years projection. E.g at ME, there is no replanting for the next 5 years since the oldest palm currently planted in 2004. Whereas, for LBE, 501.72 Ha are planned to be replanted in the next 5 years.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<p>Business plan is reflected through the establishment of annual budget. The projection of 3 years was available at all the visited estates. Among the information available in the business plan is crop budget, cost of production per Ha and per mt basis, price forecast and estimation of ROI.</p>	Complied
4.6.2.4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	<p>The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed monthly. The supervisory personnel maintained a daily cost for the field operations. The Regional meeting involving the Managers sits monthly with the Regional Controller /Head Office Management for the performance review.</p>	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>The pricing method has been clearly stated in the contract and contractors are explained on the term of contracts prior to the signing of contract.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.3.2	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p>- Major compliance -</p>	<p>Seen the contractor of harvesting (Wong Foo Chong Trading Co.) Contract# EPA/LLB 3/2007- contract was reissue on 2/11/2016 to extend the contract until December 2018.</p> <p>Seen the payment of harvesting service on Sept 2018 where the payment voucher was paid as per the Invoice claim from the contractor (Inv# 0001066 dated 30/09/18) payment made on 4/10/2018 as per payment voucher# 18000538.</p> <p>Seen the contractor of harvesting (Sri MK Enterprise) Contract# MPSB / Mungka 6/2015- contract was commence on 10/08/2015 to extend the contract until 31 July 2021.</p> <p>Seen the payment of harvesting service on Sept 2018 where the payment voucher was paid as per the Invoice claim from the contractor (Inv# 0009 dated 30/09/18) payment made on 4/10/2018 as per payment voucher# 18000574.</p> <p>Seen the contractor contract of Harvester (Sungai Rezeki Sdn Bhd) contract# MPSB/Palong 7/2017 dated 20/9/2017 valid until 31/12/2020.</p> <p>Seen the payment of harvesting service on Sept 2018 where the payment voucher was paid as per the Invoice claim from the contractor (Inv# 3026 dated 30/09/18) payment made on 4/10/2018 as per payment voucher# 18000531.</p>	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required</p>	<p>Seen the Addendum to include the requirement of MSPO and RSPO in the contract to ensure the requirement being understand with further briefing on the stakeholder meeting.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	documentation and information. - Major compliance -	This was verified through interviewed with the contractor and supplier for the estate.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	It has been verified that the management has provide proper agreement in place with the contractors where is transparent and fair price trading with the detail has been documented in the agreement with no hidden clauses. This has been confirmed with the contractors and the documented agreements. E.g. Seen the contractor of harvesting (Wong Foo Chong Trading Co.) Contract# EPA/LLB 3/2007- contract was reissue on 2/11/2016 to extend the contract until December 2018. Seen the contractor of harvesting (Sri MK Enterprise) Contract# MPSB / Mungka 6/2015- contract was commence on 10/08/2015 to extend the contract until 31 July 2021. Seen the contractor contract of Harvester (Sungai Rezeki Sdn Bhd) contract# MPSB/Palong 7/2017 dated 20/9/2017 valid until 31/12/2020.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	Kulim management has no objection to allow BSI auditors to verify the assessment through physical inspection if required.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the	Seen the estate have a contract and work progress report to monitor the work and job conducted by the contractor. Upon the payment, the progress report need to be completed as per the term and	Complied

Criterion / Indicator	Assessment Findings	Compliance
contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	condition of the contract being payment being made. Normally verified by the Assistant Manager/ Manager of estate.	
<p>4.7 Principle 7: Development of new planting Not applicable since there is no new planting at all the estates under Palong Cocoa certification unit.</p>		

B) MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	MSPO Policy has been established and signed by the Executive Director (Mr. Zulkifly Zakariah) dated 1/5/2018.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The established policy has emphasized on the commitment to continual improvement apart from implementation of all the MSPO principles.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit was conducted on 26/8/2018 by 5 internal auditors whom were sourced from Sustainability Dept. of Kulim Bhd. Based on the audit checklists, all the elements of the MSPO are covered. Audit covered both documentation and field operation for the mill. There were 4 non-conformity reports raised as a result of the internal audit i.e. under clause 4.1.1.1, 4.6.4.2, 4.6.4.3 and 4.1.2.2. The CAP has been established and all NCRs were closed by the internal Audit Team Leader.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Internal Audit procedure was available [doc. No.: SQD/SMS/5.0, dated 1/7/2018]. The requirement for the auditee need to investigate the cause of non-conformity and establish the corrective action was stated in Clause 5.6.6 of the procedure. The provision to record the root-cause, action plan and preventive action plan is catered in the "corrective action plan" format.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Report of Internal Audit for Palong Cocoa Palm Oil Mill (dated 26/8/2018) was available for review.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	The 1st MRM for MSPO was done on 27/9/2018. It was chaired by the Mill Manager and attended by 11 personnel from various department. Based on the minutes of meeting [#01/2018], among the agenda discussed in the meeting were: <ul style="list-style-type: none"> - issues from previous meeting - internal and external audit report - action plan for the non-conformities raised - performance and effectiveness of Sustainability Management System - Corrective action plan for all the NCR raised - Continual improvement - other matters 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	Continual improvement plan for the mill has been documented in the management review meeting minutes. The plan was developed based on consideration of the social and environmental impact. E.g.: - construction of boiler pit ash to filter the boiler ash that escape through drain - installation of CEMS to monitor the dark smoke emitted from boiler chimney - to construct biogas and polishing plant in January 2019	Complied
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	The new information and techniques or new industry standards and technology were usually obtained from being a member of MPOA and relationship with suppliers & vendors.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	Kulim has issued “Communication and Consultation Management Guidelines” that define the responsibilities and actions required for receiving, recording and responding to enquiries and requests from internal and external stakeholders. The Mill has implemented the “Communication and Consultation Management guidelines” as evidenced by the maintenance of filing systems for recording written requests for assistance and	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		information. Inspection of a sample of records found that requests for information were received only from Government Departments, NUPW and the MPOB.	
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Kulim holds copies of each of the management documents that are required to be publicly available such as company's various policies, OSH plan, HCV documents, negotiation procedure, complaint records, sustainability handbook and report, EIA, Management Plans & Continuous Improvement Plans. Other sensitive information such as land title and etc. will be provided upon request.	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Kulim has use as a point of reference the "Sustainability Handbook" June 2007 that details the company's environmental and social policies and grievance procedure. "Communication and Consultation Management Guidelines" (Ver. 2.0) that define the responsibilities and actions required for receiving, recording and responding to enquiries and requests from internal and external stakeholders.	Complied
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	The Assistant Mill Manager is the main point of contact for internal & external stakeholder. Both appointment was attached with appointment letter dated 24/7/2018 with the responsibilities being stated.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Interviews with Stakeholders confirmed that Kulim has an open approach to communication with staff, workers and local communities.	
4.2.2.3	<p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p>- Major compliance -</p>	<p>Stakeholder list was updated on 13/08/2018 which include internal stakeholder (staff and workers), customer (supply based estate), government agency (MPOA, MAPA, Jabatan Perhilitan, Jabatan Tenaga kerja, etc.), local authority, nearby school, transporter, supplier and etc.</p> <p>Request from government agency was by visit log book such as MOH, DOE and DOSH. The action has been taken accordingly and recorded.</p> <p>Stakeholder meeting has been conducted as Palong Cocoa Management Unit on 17 August 2018 which involved contractor, supplier, neighbouring estate, government agency, authority and etc. that related to Palong Cocoa Complex. There was no negative comment being raised but few request has been raised such as donation for the school to build Surau and Sepang Loi Villager request on assistant/ advice on the MSPO certification advantages.</p> <p>Union meeting was conducted on 19/08/2018 & 12/10/2018 that involved NUPW representative, worker representative and management team. No issue has been raised.</p>	Complied
Criterion 4.2.3 – Traceability			

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Criterion / Indicator		Assessment Findings	Compliance
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	SOP for Traceability was available [doc. No.: SQD/SMS/1.2, dated 9/10/2018, issue 1, rev.1]. It outlined the traceability implementation from reception of FFB until the dispatch of CPO and PK.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Inspection on compliance with the traceability procedure is regularly checked through supply chain internal audit. The internal audit report, which was carried out together with other schemes such as RSPO and ISCC, was available for verification.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The head of each operating unit would automatically be the appointed person responsible for traceability system. Ref.: letter from Head of Plantation Division [SQD/ADMIN/021/2018], dated 30/6/2018.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Recorded in CPO & PK production which is updated daily and information about FFB received & processed, CPO & PK produced, storage tank & kernel bunker stock balance.	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	The mill continues to commit its compliance with legal requirements. Among the license and permit verified: - DOE's compliance schedule, license No. 004720, valid until 30/6/2019	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - MPOB License, #578392004000, valid until 30/11/2018 - Diesel storage permit, #J023682, valid until 31/7/2019 - Permission to use a private water supply, # JTKNJ/6(1)(a)/0015.2016, valid until 31/12/2018 	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>The applicable laws are listed centrally by Kulim’s Compliance Unit (under Audit, Risk Management and Compliance Dept.) based in JB. The list entitled “Register of Legal and Other Requirement” dated 1/10/2018. However, only EQA and OSHA have been registered. Other applicable legal requirements such as Employment Act, FMA, to name a few, have yet to be registered. Therefore, a nonconformity was raised due to this lapse.</p>	Non-conformity
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>Among the medium used in updating the legal register were websites, subscription to legal information provider (e.g. CLJ Law) and mass media.</p>	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>A person in-charged, (ref.: appointment letter dated 27/6/2018, (17) RMC/COM/GM/18/12) has been appointed to be the person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p>	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>Palong Cocoa POM is on “State Lease” land. The land use was for Oil Palm Plantation</p>	NA

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Criterion / Indicator		Assessment Findings	Compliance
		Land title of the POM under PTD 1354 HS(D) 11071 with 3413.58 ha that under Kemedak estate.	
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Details of Land Titles and summary of lease history are held in file "Grant Title" on the Sustainability Department Server. Seen the land title for POM was under the Kemedak estate (PTD 1354 HS(D) 11071 with 3413.58 ha) The validity use of the land was still valid as per the land title.	NA
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Not applicable as land issues is handled by the estate.	NA
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	Not applicable as land issues is handled by the estate. Verification at the estate showed that there was no issue on land. (<i>Cross refer to Indicator 4.3.2.4 for MSPO Part 3</i>).	NA
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	Not applicable as land issues is handled by the estate.	NA

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Criterion / Indicator		Assessment Findings	Compliance
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	Not applicable as land issues is handled by the estate.	NA
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	Not applicable as land issues is handled by the estate.	NA
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	<p>Kulim Sustainability Team has conduct with the internal stakeholder using survey that includes the criteria of term & condition of work, social provision and safety & health, and etc. for Palong Cocoa complex on May & August. A summary report has been compiled and analysed using social impact analysis.</p> <p>Seen the action request plan has been established on 15/09/2018 after the SIA and documented in the Social Impact Register for Kulim (Malaysia) Berhad after the meeting and the status of action will be updated on the following meeting where some of the action has been completed and some of the action was still in- progress.</p>	Complied
Criterion 4.4.2: Complaints and grievances			

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	The Mill has established the procedure (SPO Grievances Procedure 2007) to deal with complaints and grievances by using the complaint form. Sighted some of the complaint form at mill, mostly complaint on the housing (damage on the room/ toilet door and broken pipe) which was recorded in the Housing damage report.	Complied
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	Inspection of records at Mill indicated that written communications were replied promptly and the correspondence kept in file Enquiry Register logbook and Housing damage complaint logbook. Most of the complaint was on the repair request e.g. House# 9 dated 18/10/18 (issue: Toilet damage) The Enquiry register was seen and verified there was no complaint since 2016. A comment/suggestion box has been implemented since 2018 to allowed internal and external stakeholder to raise any concern/ complaint.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The Mill maintains 'complaint form' and 'maintenance and repairing report' for receiving and responding to requests and complaints from employees. No external stakeholders were received related on complaint and grievances. Review of the registers found there was no outstanding or unresolved grievance.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.	Interview with stakeholders found that they are aware of the procedure and no pending issues. Further verified on the Union	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	meeting where this was further communicated to the worker representative.	
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	Record review found that previous complaints and requests since 2009 were kept in the file which the established requirement will be retained for 3 years.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	The contribution for local development is a joint effort with the estate. (<i>Cross refer to Indicator 4.4.3.1 for MSPO Part 3</i>)	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	Occupational Safety and Health Policy dated 01/05/2018 has been established which in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139). The mode of communication was seen through weekly morning briefing, training, and display on notice board. Sampled of morning briefing dated 23/09/2018 and 30/09/2018 meeting minutes which has stated the	Complied
4.4.4.2	The occupational safety and health plan should cover the following:	a) Occupational Safety and Health Policy dated 01/05/2018 has been established which in line with Occupational Safety and	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare 	<p>Health Act 1994 and Factories and Machinery Act 1967 (Act 139). The mode of communication was seen through morning muster call, training, and display on notice board.</p> <p>b) HIRARC was seen review on 26/07/2018. Sampled of the HIRARC for workshop, lubricant store, schedule waste store, laboratory, water treatment plant, grading station, loading ramp, vertical sterilizer, Threshing station, Press station, kernel station and boiler room which has been verified on site activity which has been covered in the HIRARC. DOSH logbook was checked where latest visit conducted on 08/07/2018 which go for machinery inspection and work site safety inspection with no negative feedback.</p> <p>c) Training program has been established related to workplace safety on 2018. Sampled of the training that has been conducted:-</p> <ul style="list-style-type: none"> i) Emergency Responses training dated 1-3 Oct 2018 that include all the employees in the mill conducted by Fire & Rescue Department. ii) Chemical Handling training dated 18/07/2018 attended by lab and water treatment plant employee by WACCO. iii) Refresher training on vertical steriliser dated 17/07/2018 attended by Operator on-site which was conducted by Supervisor. 	

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Criterion / Indicator	Assessment Findings	Compliance
<p>are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>iv) Emergency Response plan dated 5 & 10 /7/2018 to covered 2 shift workers.</p> <p>PPE on harness training dated 08/04/2018 attended by all operator which was trained by Assistant Manager.</p> <p>v) Workshop safety training dated 18/03/2018 attended by all employees in workshop which was trained by Assistant Manager.</p> <p>d) PPE issuance record was seen for 2018 for</p> <ul style="list-style-type: none"> - Employee No.: 637139- Akhmad Junaidi (General Worker)- Oil room - Employee No.: 637150- Suherman (General Worker)- Threshing room - Employee No.: 637063 – Mohd Norizwan (General worker)- Water treatment plant <p>which has been issue as per requirement on the work station.</p> <p>e) Handling of chemicals (SM/WI/23), labelling, handling, storage and disposal of schedule waste (SM/WI/19) has been established for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety And Health (Classification, Labelling And Safety Data Sheet Of Hazardous Chemicals) Regulations 2013, Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000 and EQ (SW) Reg. 2005.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>f) Assistant Manager was appointed as responsible person(s) for workers' safety and health using appointment letter dated 08/02/2018.</p> <p>g) OSH meeting was conducted on quarterly basis where there was 3 meeting has been conducted on 2018 dated 24/08/2018, 22/05/2018 & 14/02/2018. Agenda meeting discussed include the unsafe condition on work station, accident review, safety audit review and etc. All the action established will be discussed on the following meeting for followed up on the completeness of action.</p> <p>h) Emergency Response Procedure (SM/WI/29) has been established to address the accident and emergency process.</p> <p>i) First Aid training has been conducted on the 27/08/2018 which include 14 persons from production which was trained by HA.</p> <p>j) There was no record of accident on 2018 which verified through OSH meeting and Interviewed with Hospital Assistant.</p>	
<p>Criterion 4.4.5: Employment conditions</p>		

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>The management has established a policy on good social ethics regarding human rights such as Human Policy dated 1/5/18, Ethic Policy dated 1/5/2018 & Prevention of sexual harassment in the workplace policy dated 1/5/18, right of employee policy dated 8/1/2017, etc. has been signed off by executive Director.</p> <p>The policy was communicated by displayed at the strategic location, induction & training, memo and meeting.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>The Kulim Sustainability Handbook includes a Policy on Equal Opportunities. The Kulim Handbook and Policies are publicly available and the policies are displayed prominently on notice boards at the Mill. Inspection of a sample of pay records and interviews of staff and workers at the Mill did not identify any issues related to discrimination.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>There is a contract and agreement for staff and workers including foreign workers and pay and conditions are documented and are above the industry minimum standard. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Staff and Workers confirmed this during interview. Sampled Workers checked for July- Sept 2018 wages:</p> <p>Palong Cocoa POM</p> <p>a) Employee No.: 637139- Akhmad Junaidi (General Worker) b) Employee No.: 637150- Suherman (General Worker) c) Employee No.: 637063 – Mohd Norizwan (General worker)</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Kulim Berhad arranges contracts for the purchase of goods and services, including those with service provider contractor. The contract clearly stated that the contractor must strictly follow all applicable national and ratified international laws.</p> <p>Interviews of contractors indicated that they understand their contracts. Further interview with the contractor’s workers found that they were paid at least meeting the minimum wages requirement.</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Palong Cocoa POM has a register of all staff and workers at the premise. The detail includes full name, gender, date of birth, date joined, job title. The basic wages, copy of passport and permit etc were maintained in the employee personnel file and the IDEAs system (HR system).</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>There is a contract and agreement for staff and workers including foreign workers and pay and conditions are documented and are above the industry minimum standard. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker.</p> <p>a) Employee No.: 637139- Akhmad Junaidi (General Worker) b) Employee No.: 637150- Suherman (General Worker) c) Employee No.: 637063 – Mohd Norizwan (General worker)</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		The validity of the contract was still remained effective and the extension of the current contract will remained effective if there was extension agreement signed by respective workers.	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	The mill has an attendance 'punch card' recording system to monitor the working hours of its workers and staffs together with the overtime recording.	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	Payslip of the workers and staff have been checked and verified that was within the allowed limit by labour department.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Sample payslips checked found the wages and overtime payments are documented in line with the employee contract & agreement and complies with Minimum Wage Order 2012 requirement of RM 1000 monthly/ Daily RM 38.46. Sampled Workers checked for July- Sept 2018 wages: a) Employee No.: 637139- Akhmad Junaidi (General Worker) b) Employee No.: 637150- Suherman (General Worker) c) Employee No.: 637063 – Mohd Norizwan (General worker)	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional	Interviews of local and foreign workers indicated satisfaction with the standard of housing and facilities. Electricity and water are provided without charges.	Complied

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	development, medical care provisions and improvement of social surroundings. - Minor compliance -		
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	Residents at all company housing have access to facilities established by the company, such as health clinic, sports field, crèche/ Kindergarten, and places of worship. Seen the 18 unit of new upgrade of substandard line-site quarters which has been awarded a certificate of Fitness (TK(NJ)/PELAN(SEGT)-63 JLD.11) dated 4/6/18 based on the JTK approval letter for plan K.13/2017 dated 20/09/2017. Seen the drinking water analysis has been conducted on 6/6/2018 for drinking water requirement Chemical and Microbiological where the result show meet the Drinking Water Quality Standard, MOH; Engineering service division 2010. Apart from that, seen the monthly drinking water testing by internal lab for heavy metal, BOD, COD and etc, was meeting the drinking water standard.	Complied
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Kulim Bhd. has established prevention of sexual harassment & domestic violence in the workplace policy and displayed at strategic location. Interviews of internal and external stakeholders confirmed awareness and understanding of the Policy. The WOW (Women on Work) meeting has been conducted fortnightly where the latest was conducted on 17/10/18 where	Complied

Criterion / Indicator		Assessment Findings	Compliance
		no issue has been raised and the policy has been properly communicated during the meeting for the member.	
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>Interviews of staff and workers confirmed Kulim Bhd. supports freedom of association. Right of employee policy dated 8/1/2017. It was seen some employees has join NUPW but some was not join due to their personal willingness. Interviewed the employees where there was no prevention of workers to join the trade union.</p> <p>Union meeting was conducted on 19/08/2018 & 12/10/18 that involved NUPW representative, worker representative and management team. No issue has been raised.</p> <p>The WOW (Women on Work) meeting has been conducted fortnightly where the latest was conducted on 17/10/18 where no issue has been raised and the policy has been properly communicated during the meeting for the member.</p>	Complied
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>Inspection of a sample of personnel files at the mill confirmed recruits ages were checked against their Malaysian Identity Card or their passport in the case of foreign workers. Under-age persons were not observed at any of the work locations visited.</p>	Complied
Criterion 4.4.6: Training and competency			

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Criterion / Indicator		Assessment Findings	Compliance
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - Major compliance -	Training plan for 2018 was available which covering the topics of OHS, Sustainability and ISO9001. Among the records verified were: <ul style="list-style-type: none"> - Latihan pengendalian Diesel, dated 29/1/2018 - Latihan Keselamatan & PPE, dated 6/3/2018 - Lock Out Tag Out, dated 18/3/2018 - Chemical handling, dated 18/7/2018 	Complied
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	Training needs and training programme [doc. No.: PCM/SOP/7.8-F5] was established by the management in early January 2018 – legal requirement, safety and environmental issues. The establishment of the plan is guided by its Training procedure [PCPOM/SOP/7.8, issue 3, dated 1/2/2018].	Complied
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	Guided by the procedure above, under Clause 6.7, a meeting will be conducted before end of the year to discuss about training requirements for workers and staff of the mill. The meeting would be attended by all the heads of departments and chaired by the Mill Manager.	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	Environmental Policy was available which was signed by Executive Director dated 1/5/2018. The policy can also be found at http://www.kulim.com.my/ourpolicy.aspx?p_Id=0&c_Id=2097	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>Environmental aspects and impacts analysis was done through utilization of Environmental Risk Assessment form (MP-PCPOM-2018). The last review of the analysis was done on 9/9/2018. The evaluation form has the information about aspect/impact identified, risk assessment and risk control. Among the areas of the mill assessed were:</p> <ul style="list-style-type: none"> - chemical mixing and storage - CPO storage - generation of power - lab operation - machine and vehicle maintenance - POME treatment - storage of SW - composting plant 	Complied
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>Environmental Improvement Plan was available and last updated on 12/9/2018 where the mitigation measures are registered in. The objective is to mitigate and monitor the identified significant activities that give impacts on environment. Specific persons in-charged have been identified to do the monitoring to ensure the plan is effectively implemented.</p>	Complied
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Based on the identification and evaluation of environmental aspects and impacts by the mill, there was no positive impact identified.</p>	Complied
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy,</p>	<p>The policy, objectives and management plan were communicated during daily morning briefing. Interview with</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	objectives and management plans and are working towards achieving objectives. - Major compliance -	the employees showed that their understandings towards the environmental were good	
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	Concerns about environmental quality were discussed through various medium such as management meetings and morning briefing. Minutes of meeting were available for verification at the mill.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	Baseline value for diesel consumption was establish through implementation of objective and target. The mill has taken 0.8 lt/mt FFB processed to be used as its baseline value. Based on the records, the mill has achieved 0.46 lt/mt FFB in 2017 and as at Sep 18, the mill has achieved 0.52 lt/FFB for 2018.	Complied
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	Estimation of direct usage of non-renewable energy is normally stated in the annual budget. E.g. for 2018, 0.65 lt/FFB processed.	Complied
4.5.2.3	The use of renewable energy should be applied where possible.	Fibre and shell were used as bio-fuel for boiler operation. The quantity of biomass also monitored to achieve the expected percentage of fibre and shell quantities being consumed. For	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	2018 as at Sep, the ratio of renewable energy produced was 14.92% fibre and 6.20% shell /mt FFB.	
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The identification of wastes products and sources of pollution were documented in EAI and also DOE's SW Second Schedule. In general, among the wastes identified were domestic wastes, recyclable wastes, scheduled wastes and sewerage waste water.	Complied
4.5.3.2	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. - Major compliance -	Wastes management plan were established based on environmental aspect identification and spelt out in Environmental Improvement Plan. The plan includes the method of disposal of each identified waste.	Complied
4.5.3.3	The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005 - Major compliance -	The procedures for handling used chemicals classified under Environment Quality Regulation (Scheduled Waste) 2005, Environmental Quality Act, 1974 are available prepared on Group level by SQD and implemented in all estates and mills for all the applicable practices. Verification of consignment notes showed that the mill disposed their scheduled wastes such as spent oil and spent lab chemical through appropriate manner.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	Domestic wastes from the mill were buried in a designated landfill in the oil palm estate. Based on site visit, no toxic wastes such as spent lubricants, empty chemical containers, used lab chemical, etc. were disposed in the rubbish pit observed. The location of the landfill was also far from residential area and water ways.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Assessment of polluting activities were identified using the method mentioned in 4.5.1.2. The emission of greenhouse gases calculation was estimated using ISCC Template & RSPO PalmGHG. Based on the results, the emission found to be at 0.82 t/CO2eq/tCPO (ISCC) & 0.97 t/CO2eq/tCPO (RSPO).	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Action plan to reduce the identified significant pollutants and emissions was documented in the Environmental Improvement Plan. The strategy to mitigate the GHG emission was established at the corporate level. Among the mitigation in planned were methane capture and reduction of fertiliser consumption. The data is available in Kulim's Carbon Footprint Report.	Complied
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations. - Major compliance -	The POME is treated with open anaerobic, aerobic and stabilization lagoon. Monthly monitoring on the final discharge is conducted. The effluent at the final discharge is tested to ensure it compliance to the DOE Licence discharge limits. The permitted limit for BOD of the effluent final discharge is 5,000 ppm. Based on the mill's four latest quarterly report, the BOD results were never exceed the regulated limit.	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>The mill water management plan has been established. Among others the plan therein has emphasized:</p> <ul style="list-style-type: none"> - rain water harvesting for cleaning purposes - water from the reservoir for the mill operations - water from pond and treated for human consumption - continual training for workers on water efficiency consumption - desilting of water reservoir to retain the reservoir optimal capacity - The action plan in event of draught/water pollution 	<p>Complied</p>
4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>Palong Cocoa POM discharges its POME to land application and composting plant as stipulated in its DOE's Compliance Scheduled, License No. 004720.</p>	<p>Complied</p>
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p>	<p>To ensure best practice is implemented, SOPs for core process were available. Among the procedures were:</p> <ul style="list-style-type: none"> - Marketing [PCPOM/SOP/8.1] 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<ul style="list-style-type: none"> - weighbridge station 8.2 - Loading ramp Station 8.3 - Loading ramp station – FFB grading 8.4 - Sterilisation station PCPOM/SOP/8.5 - Treshing and Press Station PCPOM/SOP/8.6 - Clarification station PCPOM/SOP/8.7 - Depericarper station 8.8 - Kernel station 8.9 - Boiler house 8.10 - Power house 8.11 - WTP 8.12 - ETP & Storm Pond 8.13 - Lab 8.14 - Control of non-conforming product 8.15 - Inspection and testing 8.16 	
4.6.1.2	All palm oil mills shall implement best practices.. - Major compliance -	<p>There were various methods used to ensure implementation of the procedures, e.g.:</p> <ul style="list-style-type: none"> - Mill advisor Visit – once in 2 months - ISO 9001 audit – once a year - Halal audit - once a year - MPOB Code of Practice audit - once a year - Internal Audit – twice a year - Third Party Environment audit - once a year 	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	Annual business plan in the form of annual budget and the projection for 3 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER and KER, costs of production, etc.	Complied



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Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	The pricing method has been clearly stated in the contract and contractors are explained on the term of contracts prior to the signing of contract.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Seen the contractor of Desilting of cooling pond no#2 and anaerobic pond#2 (Edaran Badang Sdn Bhd) Contract# MPSB / PCPOM 9/2017- contract was issue on 10/01/2018 (One time job). Seen the payment of service on 20/05/2018 where the payment voucher was paid as per the Invoice claim from the contractor (Inv# KT403251 dated 09/04/18) payment made on 20/05/2018 as per payment voucher# 18000366.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Seen the Addendum to include the requirement of MSPO and RSPO in the contract to ensure the requirement being understand with further briefing on the stakeholder meeting. This was verified through interviewed with the contractor and supplier for the estate.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>It has been verified that the management has provide proper agreement in place with the contractors where is transparent and fair price trading with the detail has been documented in the agreement with no hidden clauses. This has been confirmed with the contractors and the documented agreements. E.g.</p> <p>Seen the contractor of Desilting of cooling pond no#2 and anaerobic pond#2 (Edaran Badang Sdn Bhd) Contract# MPSB / PCPOM 9/2017- contract was issue on 10/01/2018 (One time job).</p>	Complied
4.6.4.3	<p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> <p>- Minor compliance -</p>	<p>Kulim management has no objection to allow BSI auditors to verify the assessment through physical inspection if required.</p> <p>Seen the estate have a contract and work progress report to monitor the work and job conducted by the contractor. Upon the payment, the progress report need to be completed as per the term and condition of the contract being payment being made. Normally verified by the Assistant Manager/ Manager of estate.</p>	Complied

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Palong Cocoa Palm Oil Mill and Supply Base Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013 . It is recommended that the certification of Palong Cocoa Palm Oil Mill and Supply Base Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Salasah Elias	Name: Valence Shem
Company name: Kulim (Malaysia) Berhad	Company name: BSI Services Malaysia Sdn Bhd
Title: Deputy General Manager	Title: Lead Auditor
Signature: 	Signature: 
Date: 18/3/2019	Date: 8/3/2019

Appendix A: Assessment Plan

Date	Time	Subjects	VS	KL
Monday 22/10/2018 Palong Cocoa POM	0830-1200	Palong Cocoa 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.	✓	✓
	1200-1300	Lunch break		
	1300-1330	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) 	✓	✓
	1330-1630	Palong Cocoa POM Document Review P1 – P6 (MSP0 Part 4): SOPs, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation, etc.	✓	✓
	1630-1700	• Interim closing briefing	✓	✓
Tuesday 23/10/2018 Labis Bahru Estate	0830-1200	Labis Bahru Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, worker housing, clinic, Landfill, , etc.	✓	✓
	1200-1300	Lunch break		
	1300-1630	Labis Bahru Estate Document review P1 – P7 (MSP0 Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Wednesday 24/10/2018 Mungka Estate	0830-1200	Mungka Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, worker housing, clinic, Landfill, , etc.	✓	✓
	1200-1300	Lunch break		
	1300-1630	Mungka Estate Document review P1 – P7 (MSP0 Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓
	1630-1700	Interim closing briefing	✓	✓
Thursday 25/10/2018 Palong Estate	0830-1300	Palong Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, worker housing, clinic, Landfill, , etc.	✓	✓

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	1200-1300	Lunch break		
	1300-1600	Palong Estate Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	✓	✓
	1600-1630	Verify any outstanding issues & preparation for closing meeting	✓	✓
	1630-1730	Closing meeting	✓	✓

Appendix B: List of Stakeholders Contacted

Internal Stakeholders

Workers' Representative Women's Representative Harvesters Mill Operators Sprayers General workers Hospital Assistant
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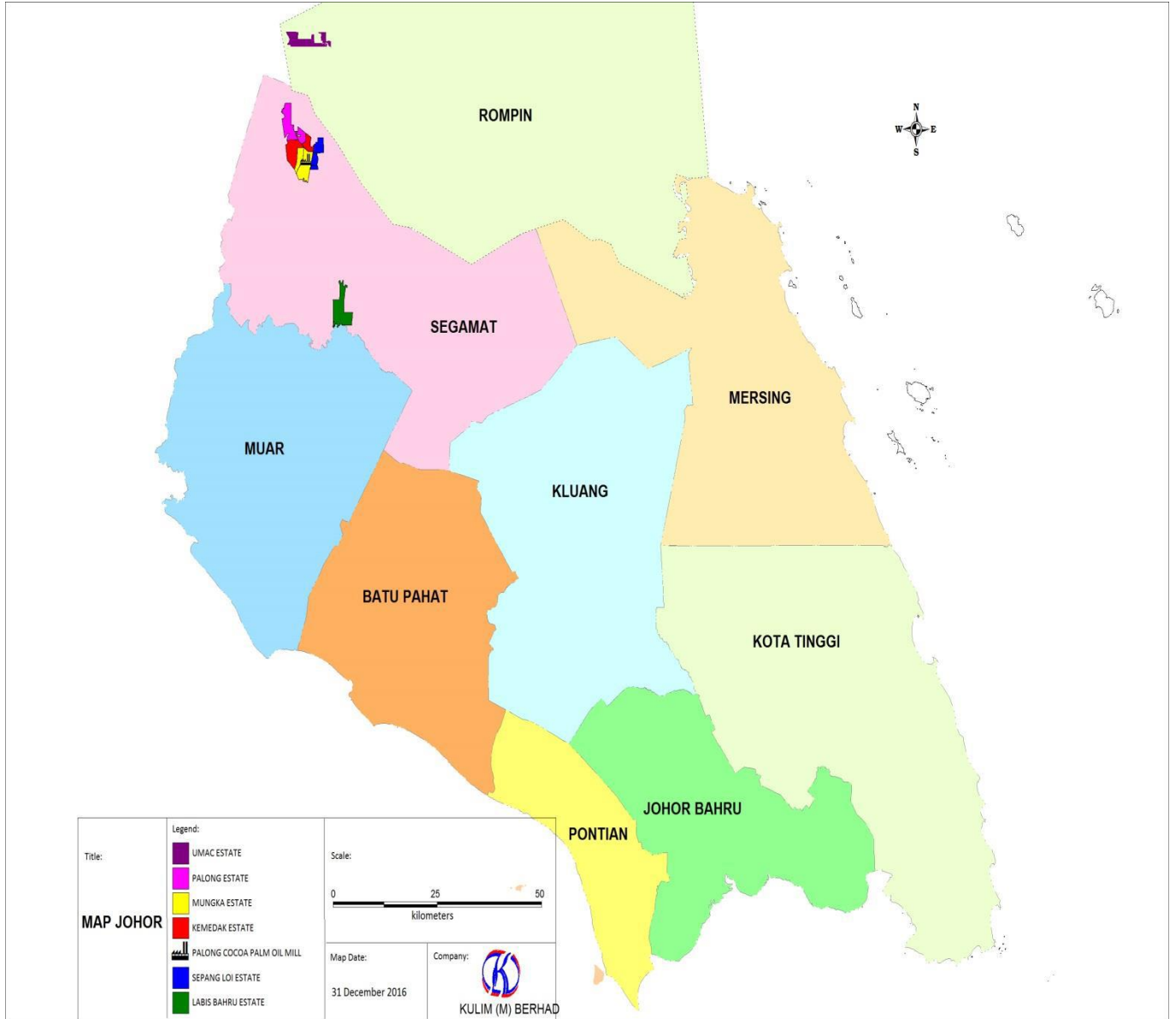
External Stakeholders

Government Departments	NGOs and others	Local Communities
JTK Segamat Schools representatives – SK Keratong 2, SK Kemedak	Nil	Village representative – Kg Genuang, Kg Jawa Contractors (including transporters) Surrounding plantations

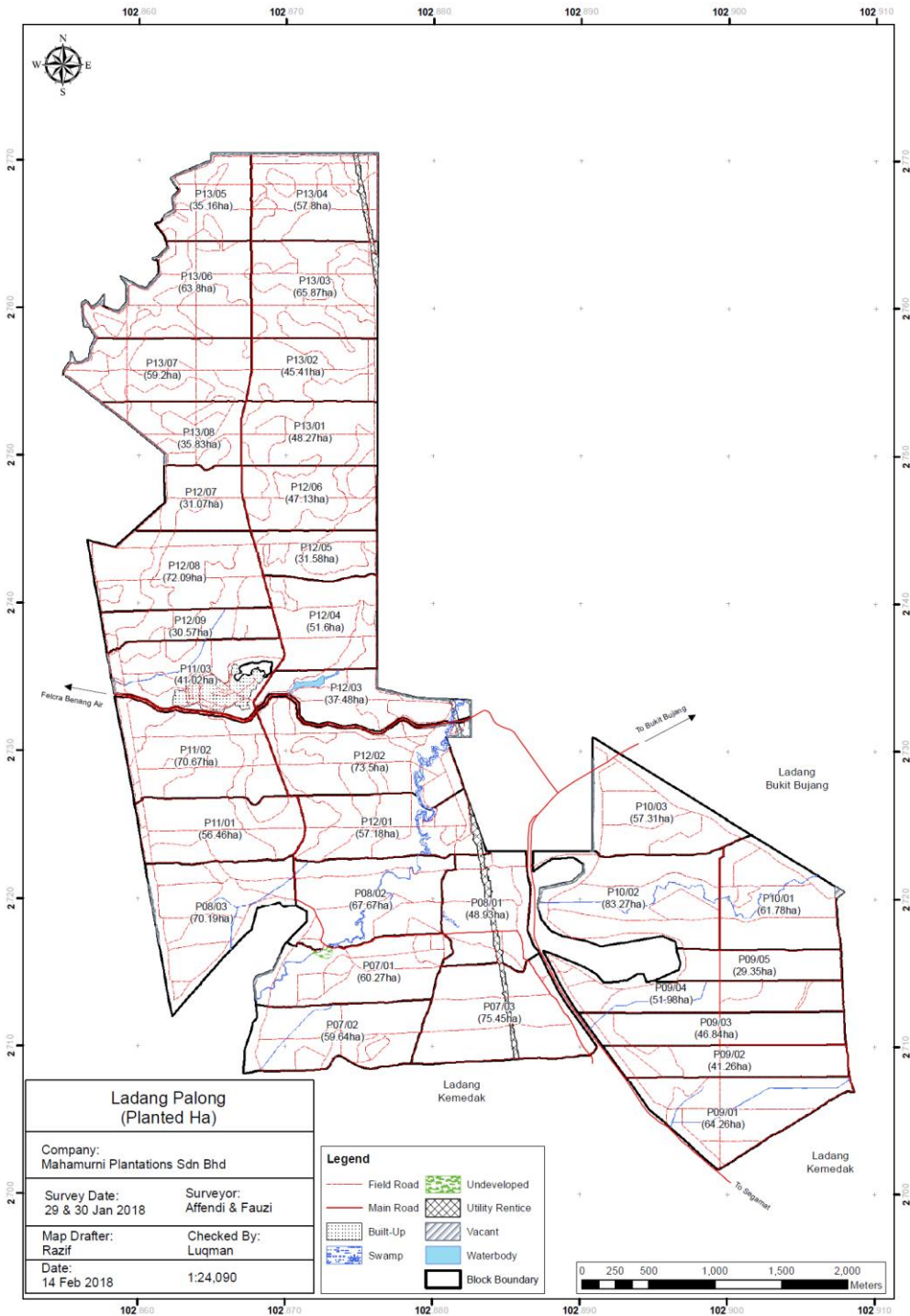
Appendix C: Smallholder Member Details

Not applicable.

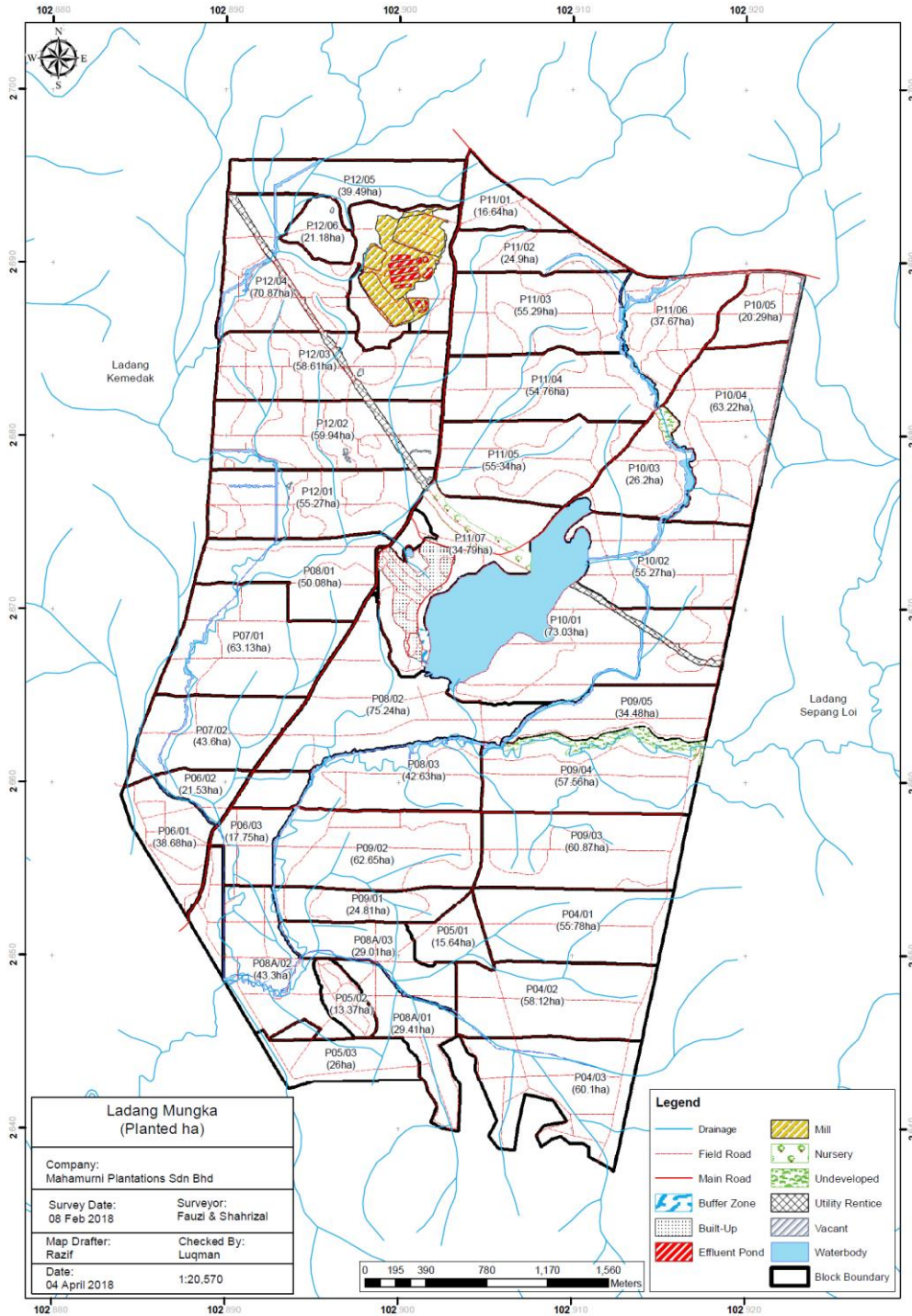
Appendix D : Location Map of Palong Cocoa Palm Oil Mill and Supply Base



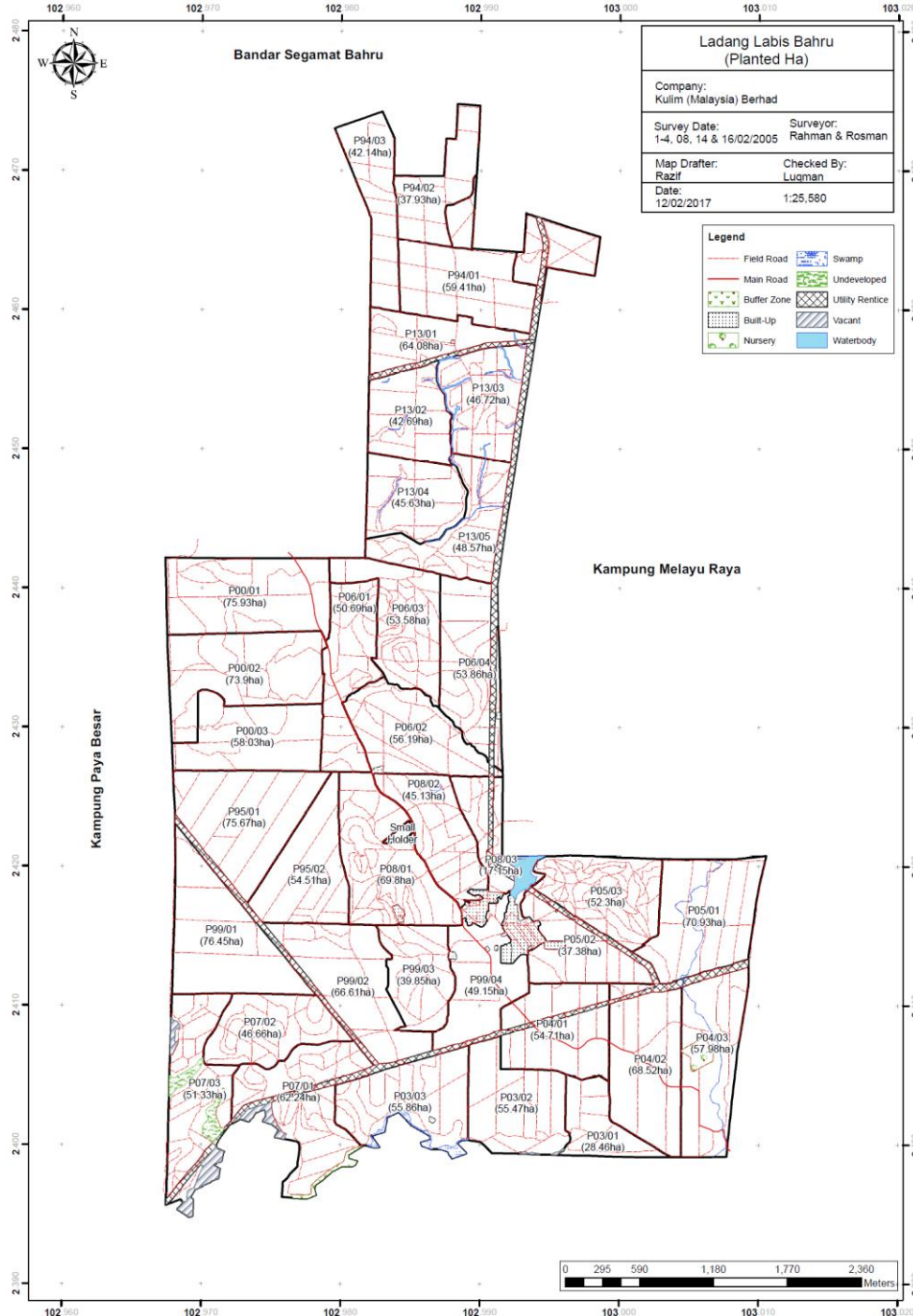
Map of Palong Estate



Map of Mungka Estate



Map of Labis Baru Estate



Appendix E: List of Abbreviations Used

AN	Ammoniacal Nitrogen
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
O&G	Oil and Grease
PK	Palm Kernel
PPE	Personal Protective Equipment
RC	Re-Certification
RED	Renewable Energy Directive
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SS	Suspended Solids
TN	Total Nitrogen
TS	Total Solids
VFA	Volatile Fatty Acids