

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

Kulim (Malaysia) Berhad
Client company Address: K.B. 705 80990 Johor Bahru Johor, Malaysia
Certification Unit: Tereh Palm Oil Mill & estates Location of Certification Unit: KB 538 86009 Kluang, Johor, Malaysia

Report prepared by:**Mohamad Hidhir Zainal Abidin** (Lead Auditor)**Report Number: 9631376****Assessment Conducted by:**

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TABLE of CONTENTS	Page No
Section 1: Executive Summary	3
1.1 Organizational Information and Contact Person	3
1.2 Certification Information	3
1.3 Location of Certification Unit	4
1.4 Plantings & Cycle	4
1.5 FFB Production (Actual) and Projected (tonnage).....	5
1.6 Certified CPO / PK Tonnage	5
1.7 Certified Area	6
1.8 Details of Certification Assessment Scope and Certification Recommendation:	6
Section 2: Assessment Process	7
1. Assessment Program	8
Section 3: Assessment Findings	9
3.1 Details of audit results	9
3.2 Details of Nonconformities and Opportunity for improvement.....	9
3.3 Status of Nonconformities Previously Identified and OFI	11
3.4 Issues Raised by Stakeholders	11
3.5 Summary of the Nonconformities and Status.....	12
3.6 Summary of the findings by Principles and Criteria	13
Compliance.....	13
Section 4: Assessment Conclusion and Recommendation	94
Appendix A: Assessment Plan	95
Appendix B: List of Stakeholders Contacted	97
Appendix C: Smallholder Member Details.....	98
Appendix F: Location and Field Map	99
Appendix G: List of Abbreviations	103

Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	Tereh Palm Oil Mill : 500048604000 valid until 31/5/19 Tereh Utara Estate : 501673102000 valid until 30/4/19 Tereh Selatan Estate : 501674902000 valid until 30/4/19 Selai/Enggang Estate : 504229402000 valid until 31/7/19 Mutiara Estate : 502458002000 valid until 31/10/18 Sungai Sembrong Estate :502457102000 valid until 31/10/18 Sungai Tawing Estate :532878002000 valid until 30/9/18 Rengam Estate :501225502000 valid until 31/1/3/19		
Company Name	Kulim (Malaysia) Berhad		
Address	K.B. 705 80990 Johor Bahru, Johor, Malaysia		
Group name if applicable:	N/A		
Subsidiary of (if applicable)	Johor Corporation		
Contact Person Name	Mrs 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 698004 Estates : MSPO 698005		
Issue Date	02/04/2019	Expiry date	01/04/2024
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		
Stage 2 / Initial Assessment Visit Date (IAV)	24-27/9/2018		
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
RSPO 613086	RSPO	BSI Services (M) Sdn Bhd	22.01.2019

EU-ISCC-Cert-DE119-60182023	ISCC	ASG	12.03.2019
A76501	HALAL MS 1500:2009	JAKIM	15.06.2019
AR 1804	ISO 9001:2015	SIRIM QAS International Sdn Bhd	14.10.2020

1.3 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Tereh Palm Oil Mill	K.B. 538, 86009 Kluang, Johor	2° 13' 3.0648" N	103° 21' 5.0004" E
Tereh Utara Estate	K.B. 536, 86009 Kluang, Johor	2° 15' 5.2092" N	103° 20' 36.0492" E
Tereh Selatan Estate	K.B. 537, 86009 Kluang, Johor	2° 11' 38.3784" N	103° 21' 8.3772" E
Selai Estate	K.B. 529, 86009 Kluang, Johor	2° 6' 14.4156" N	103° 23' 14.816 E
Enggang Estate	K.B. 503, 86009 Kluang, Johor	2° 16' 12.1044" N	103° 25' 36.5808" E
Mutiara Estate	P.O. Box 21, Kampung Baru Kahang, 86700 Kahang, Johor	2° 17' 16.6164" N	103° 28' 52.1328" E
Sungai Sembrong Estate	P.O. Box 21, Kampung Baru Kahang, 86700 Kahang, Johor	2° 18' 54.8424" N	103° 27' 49.4928" E
Sungai Tawing Estate	K.B. 531, 86009 Kluang, Johor	2°17' 46.7556" N	103° 21' 11.5848" E
Rengam Estate	K.B. 538, 86009 Kluang, Johor	2° 13' 3.0648" N	103° 21' 5.0004" E

1.4 Plantings & Cycle

Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Tereh Utara Estate	0	0	1584.94	1273.62	0
Tereh Selatan Estate	264.6	0	1638.28	618.86	0
Selai Estate	0	637.88	983.18	0	0
Enggang Estate	0	806.31	849.5	0	0
Mutiara Estate	962.42	206.75	564.19	49.72	528.78
Sg. Sembrong Estate	0	0	330.92	822.33	28.08

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Sg. Tawing Estate	0	625.09	1114.34	296.46	30.95
Rengam Estate	0	539.01	738.04	842.68	221.96
Total	1,227.02	2,815.04	7,803.39	3,903.67	809.77

1.5 FFB Production (Actual) and Projected (tonnage)			
Producer Group	Projected from last audit	Actual (Sept 2017– Aug 2018)	Forecast (Sept 2018 - Aug 2019)
Tereh Utara Estate	N/A. This is initial assessment.	73,276.55	91,677.30
Tereh Selatan Estate		54,792.33	75,439
Selai Estate		32,933.16	44,545.80
Enggang Estate		32,635.17	45,458.40
Mutiara Estate		35,161.10	39,209.30
Sungai Sembrong Estate		29,690.65	38,236.90
Sungai Tawing Estate		40,938.35	56,127.50
Rengam Estate		18,880.70	54,271.10
Total		318,308.01	444,965.3

1.6 Certified CPO / PK Tonnage			
Mill	Estimated (Previous Year)	Actual (Sept 2017– Aug 2018)	Forecast (Sept 2018 - Aug 2019)
Tereh Palm Oil Mill 60 MT/hr	FFB	FFB	FFB
	N/A. This is initial assessment.	318,308.01	444,965.3
	CPO (OER: %)	CPO (OER: 21.58 %)	CPO (OER: 21.04 %)
	N/A. This is initial assessment.	68,692.13	93,620.69
	PK (KER: %)	PK (KER: 5.45 %)	PK (KER: 5.50%)
	N/A. This is initial assessment.	17,349.83	24,473.09

1.7 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Tereh Utara Estate	2,858.56	73.42	160.22	3,092.20	92%
Tereh Selatan Estate	2,521.74	7.36	190.46	2,719.56	93%
Selai Estate	1,621.06	32.94	146.17	1,800.17	90%
Enggang Estate	1,655.81	15.35	63.22	1,734.38	95%
Mutiara Estate	2,311.86	24.04	116.4	2,452.30	94%
Sungai Sembrong Estate	1,181.33	8	51.54	1,240.87	95%
Sungai Tawing Estate	2,066.84	28.38	133.78	2,229.00	93%
Rengam Estate	2,341.69	14.11	125.07	2,480.87	94%
Total	16,558.89	203.6	986.86	17,749.35	93%

1.8 Details of Certification Assessment Scope and Certification Recommendation:
<p>BSI Services Malaysia Sdn Bhd has conducted the Initial Certification Assessment of Tereh Palm Oil Mill, located in Kluang, Johor comprising 1 mill and 8 estates and infrastructure</p> <p>The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530-3:2013 MSPO Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 MSPO Part 4: General principles for palm oil mills.</p> <p>The onsite assessment was conducted on 26-29/11/2018.</p> <p>Based on the assessment result, Tereh Palm Oil Mill and supply bases complies with the MS 2530-3:2013 MSPO Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 MSPO Part 4: General principles for palm oil mills and recommended for certification.</p>

Section 2: Assessment Process

Certification Body:

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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 24-27/9/2018. The audit programme is included as Appendix A. The approach to the audit was to treat the Tereh Palm Oil Mill & supply bases 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 MSPO Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 MSPO Part 4: General principles for palm oil mill 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 $N = 1.0\sqrt{y}$ where y 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 $(1.0\sqrt{y}) \times (z)$; where 1.0 is the risk factor (may defers to 1.2 and 1.4 depending on risk), where y is total number of group members and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix C.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix B.

All the previous nonconformities are remains closed. The assessment findings for the initial 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. This report was externally reviewed by MSPO approved Peer Reviewer prior to certification decision by

MSPO Public Summary Report
Revision 0 (Aug 2017)

BSI. The comments made by external stakeholders were also taken into account in the assessment where the stakeholder notification was made through BSI website: <https://www.bsigroup.com/en-MY/RSPO-MSPO-Certification/MSPO-clients-and-reports1/>

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 4)
Tereh Palm Oil Mill	X	X	X	X	X
Tereh Utara Estate	-	-	X	-	-
Tereh Selatan Estate	-	-	X	-	-
Enggang Estate	X	-	-	X	-
Selai Estate	X	-	X	-	X
Sg Tawing Estate	X	-	-	X	-
Sg Sembrong Estate	-	X	-	X	-
Renggam Estate	-	X	-	-	X
Mutiara Estate	-	X	-	-	X

Tentative Date of Next Visit: September 26, 2019 – September 29, 2019

Total No. of Mandays: 8 mandays

BSI Assessment Team:

Mohamed Hidhir Zainal Abidin - Lead Assessor

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.

Kelvin Lim - Team member

Kelvin Lim Kok Wei is a fulltime employee with BSI Services Malaysia. He graduated from University Tunku Abdul Rahman, Malaysia. 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 Certification Assessment there were 2 Major non-conformance raised. The Tereh Palm Oil Mill & estates submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Major Nonconformities:		
Ref	Area/Process	Clause
1689024-201806-M1	Tereh Palm Oil Mill (MS 2530:2013 Part 4)	4.5.3.2
Requirements:	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.	
Statement of Nonconformity:	Waste management plan was not effectively implemented	
Objective Evidence:	Observed at Composting workshop; i) Traces of contaminated soil sighted on the floor at GTNSB workshop. ii) Lorry is under repair and parked in front of the workshop. Noted the hydraulic system/hose was leaked and has contaminated soil and soft grasses. Dripping trap is provided however it was not served the purpose. iii) No identification of waste source from contaminated soil.	
Corrections:	i)Contaminated soil was removed and treated as scheduled waste under code SW408 ii)All the contaminated soil was removed and treated as scheduled waste under code SW408. iii)GTNSB has identified contaminated soil as source for scheduled waste under code SW408. GTNSB already registered SW408 with DOE Cawangan Kluang on 8 August 2018 and already update the eswis.	

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Root cause analysis:	<p>i) The soil was contaminated by the mineral oil that leaked during the maintenance activities from GTNSB vehicle.</p> <p>ii) The mineral oil leaked and dripped from hose of the breakdown lorry and the dripping tray cannot contain the mineral oil and caused the contamination of soil and grass.</p> <p>iii) Operator and workshop personnel are not adequately trained on scheduled waste management and awareness.</p>
Corrective Actions:	<p>i) A designated concreted area has been constructed on site with preventive containment for potential leakages. All repairing and maintenance of vehicle will be done at this designated on concrete area to avoid soil contamination.</p> <p>ii) Training was carried on 12/12/18 by competent person in order to expose and educate GTNSB personnel in scheduled waste management. Fortnightly inspection was carried out by mill and recorded accordingly.</p>
Assessment Conclusion:	<p>Corrective action plan is found to be effectively implemented, thus the major NC is closed on 24/12/18. Continuous implementation will be further verified in the next assessment.</p>

Major Nonconformities:		
Ref	Area/Process	Clause
1689024-201806-M2	Selai Estate (MS 2530:2013 Part 3)	4.4.5.9
Requirements:	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	
Statement of Nonconformity:	The monthly payment for the worker on medical leave does not meet the minimum wage requirement.	
Objective Evidence:	Sampled the parent slip for worker Jasi (Employee## 616776) which was on medical leave for whole month of June 2018 but was being paid the minimum wage of daily RM 38.46/ RM1000 per month as per the contract as the payment on June 2018 was RM 846.90 and daily average pay of RM 28.23	
Corrections:	<p>i) Differ of salary amounting RM 306.90 was paid through sundry petty cash to the respective worker on 30.09.2018.</p> <p>ii) Training on proper handling and preparations of Checkroll was conducted to all estate personnel involved on 30.09.2018 for better understanding.</p>	
Root cause analysis:	<p>The worker was on medical leave for whole June 2018 and was relocate to General Gang in between the ML. Hence his basic salary been reduced from RM 38.46/day to RM 28.23/day.</p> <p>The estate management had overlook of the change in basic salary and requirement of minimum salary pay for the worker.</p>	
Corrective Actions:	Retraining on the SICK PAY ENTITLEMENT AND MINIMUM SALARY REQUIREMENTS for all NUPW category of workers and CHECKROLL & IPLANT PAYMENT SYSTEM to be conducted to all Managers, AM and respective staff to ensure the understanding of all relevant parties that involves in implementation of the system. The first session was conducted on 30/9/19 for Tereh Complex. The training has been included in the training plan as continous refresher and workshop for all OUs for improvement.	

MSP0 Public Summary Report
Revision 0 (Aug 2017)

Assessment Conclusion:	Corrective action plan is found to be effectively implemented, thus the major NC is closed on 24/12/18. Continuous implementation will be further verified in the next assessment.
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Opportunity For Improvement		
Ref	Area/Process	Clause
1689024-201806-I1	MS 2530:2013 Part 4	4.4.4.2 (b)
Objective Evidence:	Risk assessment @ HIRARC for all operation has been identified. However, for site specific risk which involved other associated hazard has yet to be thoroughly reviewed and incorporated in the register.	

Noteworthy Positive Comments	
1	Good cooperation among the team.
2	Good document retrieval.

3.3 Status of Nonconformities Previously Identified and OFI

Not applicable as this is Initial Assessment.

3.4 Issues Raised by Stakeholders

IS #	Description
1	Feedbacks: Wildlife Department Good corporation and relationship with Kulim Group Estates
	Management Responses: Maintaining good relationship with officer in-charge for seeking any assistance with regards to any wildlife intrusion.
	Audit Team Findings: No further action
2	Feedbacks: SK Ladang Tereh: Wonder how to seek for company's assistance in school programs
	Management Responses: All stakeholders whom being invited and attended stakeholder consultation meeting were briefed on company policy and procedures on request and response. School representatives were attended the meeting as well however no any request received so far.
	Audit Team Findings: Verification of records of request and response shown no records of request from school. Estate management were advised to engage school more often since school located nearby and few among school students were from estate employees' children.
3	Feedbacks: FFB transporter: Road condition is quite bad especially after rain
	Management Responses: Issue was noted and discussed during stakeholder meeting and estate management already took action to maintain road conditions accordingly.

	Audit Team Findings: No further issue.
4	Feedbacks: Estate and mill suppliers (Lessonmech) Good prompt payment received from company upon invoicing.
	Management Responses: Positive feedback noted.
	Audit Team Findings: No further issue.

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1689024-201806-M1 Part 4 : 4.5.3.2	Major	27/9/18	Closed on 24/12/18
1689024-201806-M2 Part 3 : 4.4.5.9	Major	27/9/18	Closed on 24/12/18

3.6 Summary of the findings by Principles and Criteria

Malaysian Sustainable Palm Oil Part 4: General Principles for Palm Oil Mills.

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	Kulim (M) Berhad has established a policy on sustainable palm oil production signed by Executive Director, Mr Zulkifli Zakariah dated 1/5/18. The policy was written in bi-lingual (english and national language) available at pertinent location in the mill compound.	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 comply with all applicable legal requirements, contribute to local community development, and environmental consideration with the objective of improving the milling and estate operation	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 -	The internal audit for MSPO was conducted on 5 th August 2018 at Tereh Palm Oil Mill. The internal audit had covered all the MSPO MS2530 elements specifically on part 4. This is the second exercise in 2018 which the first initial GAP assessment was carried out in April to May 2018.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of	Kulim (M) Berhad has established procedure, Sustainable Management System, Internal Audit : SQD/SMS/5.0, issue: 1 dated 1/7/18 . The procedure is designed for all applicable sustainability	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	<p>strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>standards requirements such as ISCC, RSPO, MSPO and management guideline to be used as audit criteria.</p> <p>The procedure has incorporated the internal auditor competency requirement. Based on the procedure, internal audit is to be carried out at least once a year. 4 major NC were raised during last audit. All finding has been followed up and closed by lead auditor on 13/9/18.</p>	
4.1.2.3	<p>Reports shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The internal audit report has distributed to the POM management and reported to Kulim (M) Berhad management. Refer to internal audit report dated 5/8/18.</p>	Complied
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>The last management review was conducted on 6th September 2018. The management review had included internal and external sustainable palm oil audit results review. The status of the correction and preventive actions are being discuss and reviewed. The meeting was chaired by Mill Manager and attended by HODs. The minutes of the meeting and review presentation dated 6th September 2018 was sighted</p>	Complied

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 -	The latest Continual Improvement Plan for FY 2017/2018 was adopting the continuous improvement projects. The improvement plan includes workers welfare, waste management occupational health and safety and operation improvement.	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 2019 OPEX budget has include training budget and operations improvement including environmental improvement, worker welfare, OHS etc. Interview with workers confirmed trainings are provided by company on regular basis. On CAPEX for instance, environmental related budget has been gazetted on the application of new technologies such as: i) Clean emission system to comply with EQ Clean Air Regulation 1978 using ESP ii) Online black smoke monitoring system link with CEMS iii) New CEMS system improvement iv) CAPEX – Operational cost (routine maintainance, emolument, depreciation, etc) v) To comply with new DOE license requirement (biogas plant c/w cooling pond and mixing pond, gas engine c/w scrubber, polishing plant and biogas burner and fittings	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p>- Major compliance -</p>	<p>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 information. Inspection of a sample of records found that requests for information were received only from Government Departments, NUPW and the MPOB.</p>	<p>Complied</p>
4.2.1.2	<p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>Kulim holds copies of each of the management documents that are required to be publicly available. Kulim policy is to make these available upon request. Copies of the handbook are available on request. Kulim policy is to make documents and copies of the Sustainability Handbook publicly available on request, except those relating to commercial confidentiality.</p> <p>Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> • Land title (held as hard copy by the property department) • Health and safety plan 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> • Plans and impact assessment- environmental & social • Pollution prevention plans • Details of complaints and grievances • Negotiation procedures • Continuous improvement plan • Biodiversity plans • Policy documents (sustainability handbook) 	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>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.</p>	Complied
4.2.2.2	<p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p> <p>- Minor compliance -</p>	<p>The Assistant Mill Manager is the main point of contact for internal stakeholder and the RC Executive was appointed as point of contact for external stakeholders. Both appointment was attached with appointment letter dated 1/1/2018 with the responsibilities being stated.</p> <p>Interviews with Stakeholders confirmed that Kulim has an open approach to communication with staff, workers and local</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		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 1/7/2018 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 MPOB, DOE and DOSH. The action has been taken accordingly and recorded.</p> <p>Stakeholder meeting has been conducted 9 August 2018 which involved contractor, supplier, neighbouring estate, government agency, authority and etc. that related to Tereh Complex.</p> <p>Union meeting was conducted on 03/08/2018 that involved NUPW representative, worker representative and management team. No major issue has been raised while the MAPA-NUPW collective agreement was expired on Mar 2018 where now the agreement was still in discussion which has been confirmed by NUPW representative (Mohd Kassim). The old agreement will remained effective until new agreement has been signed. Other issues been discussed and handle by site NUPW representative for nessessary action.</p>	Complied
Criterion 4.2.3 – Traceability			
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.	Procedures are controlled documents under the supply chain procedures. These procedures are current and include all elements of the traceability for controlling the receipt, sale and dispatch of	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	palm products.	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Kulim Sustainability Team has conducted internal inspections on compliance with the traceability system on the internal audit.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The Mill Manager has overall responsibility for the traceability activities – planning and executing sales of CPO & PK, aspects of FFB receipts, processing and shipping of palm products. Interview with the Mill Manager confirmed his knowledge of the MSPO traceability requirements.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Inspection of records confirmed these were updated daily. There were procedures on the record keeping which applicable to MSPO in the future.	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 -	Tereh Palm Oil Mill certification unit has demonstrated evidence of compliance with relevant legal requirements. The list of legal requirement has been identified and registered in Kulim Group Compliance Framework. The last reviewed conducted for Tereh Oil Mill Certification Unit was on 13/09/2018. The mill and estates	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	<p>visited has kept the set of legal requirements as hard copy and soft copy.</p> <p>The legal requirements with respect to license, permit and competent person sample verified at the visited operating units are as follows:</p> <p>Tereh POM:</p> <ol style="list-style-type: none"> 1. MPOB License for 288,000mt FFB (500048604000 validity from 01/06/2018 – 31/05/2019). 2. Min. Domestic Trade Cooperatives & Consumerism - Diesel storage license for 11,000 liters (BPGK JH (KLU) 0730 SK Petronas validity from 11/06/2018 – 10/06/2019). 3. DOE License Prescribed Premises (004685 validity from 01/07/2018 – 30/06/2019) 4. Electricity Supply Act 1990 – Licence for Private Installation, (License No. 2016/02505 valid from 13/11/2017 – 12/11/2018) 5. BAKAJ River water extraction license (08/A/KLG/040 validity until 31/12/2018). 5. SPAN Water Services Industry (Licencing) Reg 2007 Class Licence No: SPAN/EKS/(PT)/800-4(1)/3/14 Valid 13.1.2017 – 12.3.2020 6. Labour Department – Permit Working in Excess of Permitted Overtime (License No. FPS/29/007/2009, valid from 01/07/2009 – No renewal of license required) 7. Weighbridge Weights and Measures Regulations 1981 – License No. WBA (60mt) – B1156220 valid from 20/02/2018 – 19/02/2019 and WBB (80mt) – B11568865 from 20/032/2018 – 19/03/2019 8. POME is being applied to land, BOD limits 5000mg/l upto 31.1.2018. Tereh Complex has plan for BOD improvement with the 	

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings				Compliance
		construction of Biogas Integrated Plant meeting allowable discharge limit 100 ppm in January 2019. 9. Certificate of Fitness - Permits				
		Equipment	License No.	Issue Date	Expiry date	
		Vertical Sterilizer	JH PMT 23917	07.07.2018	01.08.2019	
		Vertical Sterilizer	JH PMT 23918	07.07.2018	01.08.2019	
		Vertical Sterilizer	JH PMT 24353	07.07.2018	01.08.2019	
		Vertical Sterilizer	JH PMT 24354	07.07.2018	01.08.2019	
		Air Receiver	JH PMT 20424	07.07.2018	01.08.2019	
		Air Receiver	JH PMT 20423	23.07.2018	07.10.2019	
		Air Compressor	JH PMT 114303	07.07.2018	01.08.2019	
		Back Pressure Receiver	JH PMT 26859	07.07.2018	01.08.2019	
		Vacuum Deaerator	JH PMT	07.07.2018	01.08.2019	
		Vickers Boiler No.5	JH PMD 404	23.07.2018	07.10.2019	
		Sand Filter	JH PMT	CoF Exemption C1		
		Softener	JH PMT	CoF Exemption C3		

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings			Compliance
		Vessel			
		Vertical Steam Separator	JH PMT	CoF Exemption C5	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. - Major compliance -	Kulim Group Compliance Framework dated 30/6/18 for Tereh Complex was made available for review. The new bill, Employee Insurance Scheme (EIS) 2017 has been incorporated in the list.			Complied
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	The latest bill, Employee Insurance Scheme (EIS) 2017 has been incorporated in Kulim Group Compliance Framework dated 30/6/18.			Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	Sighted letter dated 12/10/2017, for the appointment of Syed Zulkarnain as the Person In-Charge for updating changes in Laws and compliance monitoring. For Tereh Complex, the person in charge is Regional Controller executive. Refer to appointment letter, ref: RMC/COM/GM/18/08 dated 27/6/18. Tracking system available to identify changes in the relevant regulations through head office under. Risk Management and Compliance Department and site representative. Tracking system on any changes in the law been well implemented			Complied
Criterion 4.3.2 – Lands use rights					

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	The POM is located on Tereh Utara land title. Title # HS (D) 6766; District: Kluang; Mukim: Niyor; Lot # PTD 3326; Area: 1608.0588 ha. Owned by Kulim Plantations (Malaysia) Sdn. Bhd. The land was granted to Kulim Plantations (Malaysia) S/B with the use condition of oil palm planting.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Details of Land Titles and summary of lease history are held in file "Grant Title" on the Sustainability Department Server. The land title # HS (D) 6766; District: Kluang; Mukim: Niyor; Lot # PTD 3326; Area: 1608.0588 ha. Owned by Kulim Plantations (Malaysia) Sdn. Bhd.	Complied
4.3.2.3	Legal parameter 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.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There were no land disputes at Tereh Complex 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.	There is no customary land or negotiated agreements at Tereh Complex.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	The right to use the land is not disputed and there were no customary land within the Tereh Complex.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	Not applicable for Tereh Complex as there were no negotiation has occurred.	Complied
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 -	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 Tereh complex May & August for Tereh Mill and Supply Base Estate. A summary report has been compiled and analysed using social impact analysis. 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.	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented.	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	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	complaint on the housing (light and fan not function) which was recorded in the Housing damage repair logbook.	
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 -	<p>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# 29 dated 27/06/18 (issue: door and toilet pump damage)</p> <p>The Enquiry register seen the complaint from Enquiries# 12/08 dated 7/7/18 worker on request of transport allowance for effluent pond for month April to June 2018 the delay payment has been paid on 21/07/18,</p>	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. - Minor compliance -	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.	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
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 were kept in the file.	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 public infrastructure is well developed near the Mill and government services are readily accessible. Tereh Mill 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.	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 -	The established Occupational Safety & Health (OSH) Policy was sighted displayed at all Operating Unit offices visited. The policy was signed by the Executive Director of Kulim (Malaysia) Berhad on 1 May 2008. It is available in Bahasa Malaysia and English language. The health and safety plan documented and implemented, among others, include: <ul style="list-style-type: none"> • establishing OSH Committee and the functioning of the Committee; • establishing of OSH objectives and monitoring of Safety Performance Scoreboard; 	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> • all operations being risk assessed and control as per established SOP; • establishing OSH Legal and Other Requirement Register and evaluation of its compliance; • Chemical Health and Risk Assessment; • Annual Audiometric test; • Workplace accident notification, investigation and reporting; • Posting of Protective Personal Equipment (PPE), Electrical Danger Signages and simplified SOP at work stations. 	
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risk of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <ol style="list-style-type: none"> All employees involved are adequately trained on safe working practices; All precautions attached to products should be properly observed and applied; <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling</p>	<p>a)The safety and health policy, was communicated and implemented through daily tool box meetings/briefings and trainings. The briefing includes among others to prioritise safety, execute work safely, adherence to all safety rules and regulations and to target for zero accident. The policy has been communicated to the staff and workers. On site supervisors and estate assistant managers ensure the implementation of it.</p> <p>b) A Hazard Identification Risk Assessment and Risk Control (HIRARC) document for mill operations was made available. Risk assessment was carried on activities such as sterilization press operation, oil clarification process. kernel plant operation, boiler operation, office, etc. The latest annual review was done in October 2018.</p> <p>c) Awareness training programme was established and workers involved with chemical handling were trained. Chemicals were arranged and segregated accordingly in the chemical store. The CCDS/SDS for chemicals available at point of use. In addition to</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept 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>specific training courses, safety briefings are given during muster to reinforce awareness, such as correct wearing of PPE.</p> <p>d) During the audit ii was noted that all employees were provided with and were wearing appropriate personal protective equipment (PPE). Records were available of PPE issued to individual workers, including signatures to confirm receipt. PPE issued was based on CHRA assessor's recommendation, HIRARC and SOPs.</p> <p>In the mill pictorial signages of PPE use were observed displayed.</p> <p>e) The management had established Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>Chemicals were handled as per the requirements in SDS/CSDS, CHRA, HIRARC and SOP.</p> <p>f) The management had identified and assigned the assistant mill manager as the person responsible for workers' safety and health.</p> <p>g) Records showed that in 2018 OSH committee meetings were conducted on quarterly basis. These meetings were to conduct regular two-way communication with their employees.</p> <p>h) Accident and emergency procedures and flow charts had been established for</p> <ul style="list-style-type: none"> • Biogas plant emergencies 	

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> CPO/POME/Diesel/Chemical Spillage/ Effluent Treatment Pond Bund Rapture Accident/Fire/Boiler Tube Rapture. <p>It was established during interviews that accident and emergency procedures were clearly understood by all employees.</p> <p>i) The mill had employees trained in First Aid present at all mill operations worksites. First Aid equipment was available at each worksite</p> <p>j) Records of all accidents were kept and reviewed periodically at OSH meetings. The JKKP 8 sent to DOSH on 10.01.2018 showed that in 2017 there were 3 accident cases with a loss 67 workdays.</p>	
Criterion 4.4.5: Employment conditions			
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>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 estates. Inspection of a sample of pay records and interviews of staff and workers at the Mill did not identify any issues</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	related to discrimination.	
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 June- Aug 2018 wages:</p> <p>a) Employee No.: 612007 (mill)- Akmal b) Employee No.: 612289 (mill)- Shafiq c) Employee No.: 612266 (mill) – Suki d) Employee No 612275 (mill) – Sapri</p>	Complied
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 has issued 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	The management shall establish records that provide an accurate overview of all employees (including seasonal workers and	<p>Tereh POM has a register of all staff and workers at the premise. The detail includes full name, gender, date of birth, date joined, job</p>	

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -	title. The basic wages, copy of passport and permit etc were maintained in the employee personnel file and the IDEAs system (HR system).	Complied
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records. - Major compliance -	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. a) Employee No.: 612007 (mill)- letter offer dated 17/1/17 b) Employee No.: 612289 (mill)- letter offer dated 1/11/17 c) Employee No.: 612266 (mill) – contract 16/11/17- 16/11/18 d) Employee No 612275 (mill) – contract 1/4/18- 1/4/19	Complied
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	The Tereh Mill has a "Punch Card" time recording system to monitor the working hours of its workers and staffs.	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	The Tereh Mill has obtained the overtime permit from labour department. Payslip of the workers and staff have been checked and verified that was within the allowed limit by labour department.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>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 June-August 18 wages:</p> <p>a) Employee No.: 612007 (mill)- Akmal b) Employee No.: 612289 (mill)- Shafiq c) Employee No.: 612266 (mill) – Suki d) Employee No 612275 (mill) – Sapri</p>	Complied
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>Interviews of local and foreign workers indicated satisfaction with the standard of housing and facilities. Electricity and water are provided without charges.</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.</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, and places of worship.</p>	Complied
4.4.5.12	<p>The management shall establish a policy 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>	Complied
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</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</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>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>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 03/08/2018 that involved NUPW representative, worker representative and management team. No major issue has been raised while the MAPA-NUPW collective agreement was expired on Mar 2018 where now the agreement was still in discussion which has been confirmed by NUPW representative (Mohd Kassim). The old agreement will remained effective until new agreement has been signed.</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.</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			
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>Records showed that all employees had been appropriately trained. The annual training program, "Annual Awareness Program 2018" for RSPO/ISO/OSHA/ISCC/HALAL" was sighted. Regular assessment of training was conducted to ensure understanding among the employees. The training program included all aspects of RSPO Principles and Criteria, RSPO Supply Chain and MSPO standards.</p> <p>The records included the title of training, name and signature of the attendees, name of the trainer, time and venue.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
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>Training needs of individual employees had been identified prior to the planning and implementation of the training programmes. This was in order to provide the specific skill and competency required to all employees based on their job description. The training matrix for 2018 "Annual Awareness Program 2018" for RSPO/ISO/OSHA/ISCC/HALAL" was sighted.</p>	Complied
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>It was evident that from the training matrix for 2017 and 2018 and training records for 2017/2018 that all trainings had been planned and implemented to ensure that all employees are well trained in their job function and responsibility.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>The new revised Environmental Policy dated 1/5/18 signed by Kulim's (M) Bhd Executive Director . The policy has emphasis commitment towards protecting the environment and conserving biodiversity through sustainable development. The new revision has incorporated adaptation of DOE's guided self-regulation approach for continual improvement.</p>	Complied
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>The environment management plan dated 2018 has included all pertinent environmental receptors and in lined with company's policy and legal requirement as per EQA 1974. For example to ensure compliance towards Clean Air Regulation (not exceeding 15 minutes per day operation and 5 minutes per hour < Ringelmann</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Documented Environmental Risk Assessment Form (Activity code: ER001–ER021; Rev. 1/7/2018) available. Register dated 30th September 2018 verified. Aspects and impacts analysis of all operations during normal/abnormal/emergency situation were identified. Biogas and furrow activities were identified and evaluated in the register.	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	Environmental management plan for 2018 (Pollution & Emission) available. Significant environmental issues identified: <ol style="list-style-type: none"> 1. Emission of dark smoke 2. Emission of noise 3. Emission of dust/ashes particle 4. Emission of air pollutant 5. POME 6. Water (cleaning, production area, lubricant store, workshop, wash down, line site etc. Assistant manager has been appointed to monitor the overall implementation of the management plan.	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Programme to promote positive impacts on environment was verified via CAPEX for 2018 and 2019 towards compliance with i) New 50 ton/hr boiler with air pollution control system – to comply with Clean Air Regulation 2014	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	A training program is available in Training Plan updated on a yearly basis or revised as per the management requirement. Included in this programme are subjects related to environment e.g environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training.	Complied
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	The Environmental Performance Monitoring Committee (EPMC) is setup to comply with the DOE requirement on Guidance Self-Regulation (GSR). The 5 th Environmental Regulatory Compliance Monitoring Committee (ERCMC) was carried out on 28 August 2018 which is planned on quarterly basis. For EPMC, the latest meeting was done on 10 th September 2018. The meeting is to review environmental performance within Kulim's Group POM.	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 -	The monitoring is recorded in environment performance indicator- electricity generated by steam turbine tabulated for the financial year 2018. It is calculated as electricity generated from turbine that produces power for the mill entire complex operation unit in kwh/mt FFB. A monthly record on energy consumption for both renewable and non-renewable sources were also maintained documented. It is monitored to optimise use of renewable energy. The data is compiled for comparison and control for future improvement with aim of gradual reduction particularly diesel. Under the energy management plan 2017/18 the mill aimed for reduction plan among others;	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - educate workers on fuel saving practice - avoid leakages during vehicles maintenance. 	
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>The mill records the following data and tabulated the ratio against the FFB processed and CPO produced to determine the efficiency of their operations;</p> <p>all the diesel used (non-renewable) for the mill operation fibre/shell used (renewable)</p>	Complied
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>The fibre and shell are used in the boiler for fuel recycled in the process system. Surplus quantity of shell/fibre are delivered to estates for multi purposes or sold to outside buyers. EFB is used in the estates for mulching.</p> <p>The long term planning for biogas implementation was reviewed. The recovered biogas will be used for energy generation (e.g. steam & electricity)</p>	Complied
Criterion 4.5.3: Waste management and disposal			

Criterion / Indicator		Assessment Findings	Compliance																																					
<p>4.5.3.1</p>	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>All waste and pollution are identified and documented in the Waste & Pollution Management Plan 2018 made on the Regional level.</p> <p>a) Details of waste generated from the estates/mill activities among others as shown below;</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>No</th> <th>Type of waste</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Domestic waste rubbish</td> <td>Line sites, office complex</td> </tr> <tr> <td>2</td> <td>Industrial waste-fertilizer bags</td> <td>Empty bags store</td> </tr> <tr> <td>3</td> <td>Scrap metal</td> <td>workshop</td> </tr> <tr> <td>4</td> <td>SW 404 Clinical waste</td> <td>clinic</td> </tr> <tr> <td>5</td> <td>SW rags, plastics, filters</td> <td>workshop</td> </tr> <tr> <td>6</td> <td>Spent lubricant & hydraulic oil</td> <td>workshop</td> </tr> <tr> <td>7</td> <td>Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,</td> <td>Scheduled waste store</td> </tr> <tr> <td>8</td> <td>Sewage waste</td> <td>Workers/staff toilets/office</td> </tr> </tbody> </table> <p>b) The pollution identified from Tereh Mill activities</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>No</th> <th>Emission</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td rowspan="2">1</td> <td rowspan="2">Dark smoke</td> <td>Mill stack – boiler</td> </tr> <tr> <td>Running vehicles</td> </tr> <tr> <td>2</td> <td>Noise</td> <td>Diesel engines</td> </tr> </tbody> </table>	No	Type of waste	Location	1	Domestic waste rubbish	Line sites, office complex	2	Industrial waste-fertilizer bags	Empty bags store	3	Scrap metal	workshop	4	SW 404 Clinical waste	clinic	5	SW rags, plastics, filters	workshop	6	Spent lubricant & hydraulic oil	workshop	7	Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,	Scheduled waste store	8	Sewage waste	Workers/staff toilets/office	No	Emission	Source	1	Dark smoke	Mill stack – boiler	Running vehicles	2	Noise	Diesel engines	<p>Complied</p>
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MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings			Compliance														
		3	Dust particles	Shredded EFB Boiler ashes															
		4	Air pollutant	Boiler combustion Diesel engine Running vehicles															
		5	POME	Mill process															
		6	Waste Water	PCD Septic tank spillage															
		<p>The source of mill pollution generated from the mill is the smoke from the boiler. It is monitored from the stack emission during the entire operations. These reports are reviewed by the mill and submitted to DOE via Online environmental Reporting @ OER. On periodic basis, EPMC meeting will discussed any issues arising from the operation which requires further attention. For 2018 (as to date), There was no summon of notice issued by DOE.</p>																	
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>There are procedures and guidelines in the disposal of wastes and pollutants guided by SQD Head Office level to minimise pollution on the routine operation.</p> <p>a) Estates/Mill</p> <table border="1"> <thead> <tr> <th>No</th> <th>Type of waste</th> <th>Description</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Domestic waste</td> <td>Rubbish</td> <td>Line sites, office, workshop, store,</td> </tr> <tr> <td rowspan="2">2</td> <td rowspan="2">Industrial Waste</td> <td>Scrap metal</td> <td>workshop</td> </tr> <tr> <td>POME</td> <td>ETP</td> </tr> </tbody> </table>			No	Type of waste	Description	Location	1	Domestic waste	Rubbish	Line sites, office, workshop, store,	2	Industrial Waste	Scrap metal	workshop	POME	ETP	Major Non-Compliance
No	Type of waste	Description	Location																
1	Domestic waste	Rubbish	Line sites, office, workshop, store,																
2	Industrial Waste	Scrap metal	workshop																
		POME	ETP																

**MSPO Public Summary Report
Revision 0 (Aug 2017)**

Criterion / Indicator		Assessment Findings				Compliance
		3	Sewage waste	sewage	Workers/housing toilets/office	
		4	Scheduled Waste	SW 404 Clinical waste	clinic	
				SW rags, plastics, filters	workshop	
				Spent lubricant & hydraulic oil	workshop	
				Disposed containers, bags, equipment contaminated with chemicals	SW store	
		<p><u>Tereh POM</u> Observed at Composting workshop; i) Traces of contaminated soil sighted on the floor at GTNSB workshop. ii) Lorry is under repair and parked in front of the workshop. Noted the hydraulic system/hose was leaked and has contaminated soil and soft grasses. Dripping trap is provided however it was not served the purpose. iii) No identification of waste source from contaminated soil.</p> <p>Thus, a major NC was raised.</p>				

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>The SOP on Scheduled Waste disposal is established and implemented.</p> <p>The standard operation procedure for the estates / mill operations are available which is prepared on Group basis. There are levels of the documentation identified as follows;</p> <ul style="list-style-type: none"> a) Level 1 Integrated Management Manual b) Level 2 standard operating procedure/SPO OHS c) Level 3 work instruction d) Level 4 records. <p>Amendments are made should there be requirement to suit the local issues/situation.</p>	Complied
4.5.3.4	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p>- Minor compliance -</p>	<p>Domestic waste disposal for Tereh Mill and estate has been made simpler through the collection and disposal to the estate landfill situated in field no P04. Waste collection schedule is 2 to 3 times per week.</p>	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>The identified source for air emission was from boiler. Current monitoring was through online boiler smoke density and alarm and six-monthly boiler and stack monitoring of dust particulate. On top of the air emission monitoring, ambient air monitoring is required to be carried out on quarterly basis.</p> <p><u>Boiler no.6</u></p>	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>2nd half of 2018 :</p> <p>Date of measurement – 31/7/18</p> <p>Date of reporting – 9/8/18</p> <p>Reference report: AEMR(J)/18-07/21</p> <p>Dust emission load: 0.132 g/Nm³ , dry @ 12% CO₂ vs 0.415 g/Nm³ , dry @ 12% CO₂</p> <p>Ambient air monitoring – 4 times per year</p> <p>1st quarter: 15-16/3/18, report ref: PAC-AA-180311</p> <p>Point A1: 22 PM10 (PM less than 10 micron)</p> <p>Point A2: 20 PM10 (PM less than 10 micron)</p> <p>2nd quarter: 11-12/6/18, report ref: PAC-AA-180604</p> <p>Point A1: 24 PM10 (PM less than 10 micron)</p> <p>Point A2: 22 PM10 (PM less than 10 micron)</p> <p>Based on the above results, concentrations of particulate matter with the size of less than 10 micron (PM10) were complied with the limit of the New Malaysia Ambient Air Quality Standard, Interim Target 2(IT-2)</p>	
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>The management action plan is documented under Environmental Management Plan (Emission and Pollution) for 2018. Implementation of management plan will be reviewed every quarter during EPMC meeting.</p>	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
<p>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.</p> <p>- Major compliance -</p>	<p>The POME is treated with open anaerobic pond. Based on license, final discharge method is through land application and composting. BOD limit is 5000 mg/. Monthly monitoring on the final discharge is conducted. Palm Oil Mill Effluent (POME) treated through anaerobic pond treatment system where the licensed limit for final discharge.</p> <p>The management action plan is documented under Environmental Management Plan (Emission and Pollution) for 2018. Implementation of management plan will be reviewed every quarter during EPMC meeting. (Sample: UTCL Laboratory . Refer to the latest analysis dated 30/8/18, report ref: WI/1808/0809-0811, upstream = 6 mg/l BOD3, downstream = <6 mg/l</p> <p>Effluent final discharge analysis was monitored on monthly basis by accredited 3rd party UTCL Laboratory. Refer to the latest analysis dated 24/8/18, report ref: EI/1808/0728/-0732. Final discharge BOD is 214 mg/l and comply with the limit stipulated in mill's compliance schedule of 5000 mg/l.</p> <p>On the performance monitoring, environmental reporting is submitted via online portal Online Environmental Reporting @ OER. Sighted the latest quarterly return (Apr – June 2018) dated 11/7/18.</p>	<p>Complied</p>
<p>Criterion 4.5.5: Natural water resources</p>		

Criterion / Indicator	Assessment Findings	Compliance															
<p>4.5.5.1 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 with the recent review made on 01/8/2018. Among others the plan therein has emphasized;</p> <ul style="list-style-type: none"> a) rain water harvesting for cleaning purposes, b) water from the reservoir for the mill operations c) water from pond and treated for human consumption d) continual training for workers on water efficiency consumption, e) desilting of water reservoir to retain the reservoir optimal capacity. f) The action plan in event of draught/water pollution and <p>The estates similarly possessed the following water management plan. Among others containing the following initiatives.</p> <table border="1" data-bbox="1088 930 1812 1316"> <thead> <tr> <th>No</th> <th>Source</th> <th>Activity</th> <th>Threat</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Reservoir/pond/SAJ/Rain</td> <td>Chemical mixing</td> <td>Pollution Draught Wastage</td> <td>Enforcement of buffer zone as non-spraying activities.</td> </tr> <tr> <td></td> <td></td> <td>General Upkeep</td> <td>Pollution Draught Wastage</td> <td>Follow WI & SOP to avoid water pollution. Follow SW SOP to avoid pollution caused from SW.</td> </tr> </tbody> </table>	No	Source	Activity	Threat	Action Plan	1	Reservoir/pond/SAJ/Rain	Chemical mixing	Pollution Draught Wastage	Enforcement of buffer zone as non-spraying activities.			General Upkeep	Pollution Draught Wastage	Follow WI & SOP to avoid water pollution. Follow SW SOP to avoid pollution caused from SW.	<p>Complied</p>
No	Source	Activity	Threat	Action Plan													
1	Reservoir/pond/SAJ/Rain	Chemical mixing	Pollution Draught Wastage	Enforcement of buffer zone as non-spraying activities.													
		General Upkeep	Pollution Draught Wastage	Follow WI & SOP to avoid water pollution. Follow SW SOP to avoid pollution caused from SW.													

**MSPO Public Summary Report
Revision 0 (Aug 2017)**

Criterion / Indicator		Assessment Findings					Compliance
				Line site	Pollution Draught Wastage	Every house is supplied with containers. To schedule water supply to avoid wastage. Awareness on water usage efficiency. Outsource from neighboring estates.	
				Drain upkeep	Interruption water flow at drainage system.	Periodic desilting Building of sand bags at specific points to contain water (weirs)	
					Water pollution	Prohibit workers from activities at water source Drinking water analysis. Monitor condition of septic tank. Adhere SW management procedure to avoid pollution caused by SW.	

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings				Compliance
4.5.5.2	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. - Major compliance -	Based on the effluent final discharge analysis, all the parameters have been complied with. Analysis was done once and every month and submitted to the authority on quarterly basis. The following parameters (BOD, TSS, Ammonical Nitrogen, Total Nitrogen, Oil & Grease, pH, COD, Total Suspended Solids) are checked by UTCL Laboratory				Complied
		Month	June	July	August	
		BOD3 (mg/l)	443	40	214	
4.6 Principle 6: Best Practices						
Criterion 4.6.1: Mill Management						
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Mill Operation Manual includes mill SOP and work instruction as a guidance document for mill operation. Implementation of the SOP being monitored consistently through regular visit and audit by safety (KSTS) and Sustainability Department team. Any gap identified will be reported and rectification will be done management team for improvement.				Complied
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	Plantation Inspectorate make regular visit to evaluate the performance of the mill and estates. General Manager visits the estates on quarterly basis to review estate performance against Kulim Sustainability standard.				Complied
Criterion 4.6.2: Economic and financial viability plan						

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
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 -	Tereh POM has projected the 5 years crop projection inclusive of budget (OPEX and CAPEX) from FY2019 to FY2024 and verified at site. The projection covers cop intake from own estate, from outside purchase (smallholders), total intake, processing cost and extraction rate (OER & KER).	Complied
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 -	Kulim group will prepare standard contract for all the job being awarded with the detail of the product/ job being conducted and payment was clearly detail in the contract. The site received FFB from 2 estate was not belong to Kulim group which was Ladang Wawasan Paloh and Ladang Felda Paloh. Tereh mill offers FFB pricing as per MPOB guidelines and mills average OER. The pricing method has been clearly stated in the contract and pasted at the weighbridge counter. Sampled contract dated 20/11/2017 by Ladang wawasan Paloh and contract dated 30/01/2018 by Ladang Felda Paloh. Payment seen for Inv# CD2018155 for Aug 2018 FFB payment for Ladang Felda Paloh and Ladang Wawasan Paloh which was pay as per 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 -	Sample contract and payment record verification together with interviews of suppliers and contractor found the payments has been made as per contract.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to	Tereh mill has initiated the MSPO awareness to all its employees. Interview with the contractors found that they have limited	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	information on the MSPO requirements even though the mill has conducted awareness training. This will be followed up for further details during next assessment.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Kulim has prepared a standard contract for all the contractors. The signed copy of the contract available at the mill. Sample contract (MPSB/LTM 1/2018) checked for the contractor in mill dated 16/05/2018 for upgrade the hard standing area at Ladang Tereh Mill was available. Seen the payment was done on the 18/07/18 after the completion of job.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the 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

Malaysian Sustainable Palm Oil 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.	Kulim (M) Berhad has established a policy on sustainable palm oil production signed by Executive Director, Mr Zulkifli Zakariah dated	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	1/5/18. The policy was written in bi-lingual (english and national language) available at pertinent location in the estate compound.	
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The established policy has emphasized on the commitment to comply with all applicable legal requirements, contribute to local community development, and environmental consideration with the objective of improving the milling and estate operation	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 -	Enggang Estate :The first internal audit for MSPO was conducted on 8 th August 2018 The internal audit had covered all the MSPO MS2530 elements specifically on part 3. Selai Estate : 2 nd internal audit was carried out on 8/8/18.	Complied
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Kulim (M) Berhad has established procedure, Sustainable Management System, Internal Audit : SQD/SMS/5.0, issue: 1 dated 1/7/18 . The procedure is designed for all applicable sustainability standards requirements such as ISCC, RSPO, MSPO and management guideline to be used as audit criteria. The procedure has incorporated the internal auditor competency requirement. Based on the procedure, internal audit is to be carried out at least once a year. 4 major NC were raised during last audit. All finding has been followed up and closed by lead auditor on 30/8/18.	Complied
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	The internal audit report has distributed to the estate’s management and reported to Kulim (M) Berhad management. Refer to internal audit report dated 8/8/18.	Complied

Criterion / Indicator	Assessment Findings	Compliance
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 latest management review was conducted on 29 th August 2018. The management review had included internal and external sustainable palm oil audit results review. The status of the correction and preventive actions are being discuss and reviewed. The meeting was chaired by Mill Manager and attended by HODs. The minutes of the meeting and review presentation dated 29 th August 2018 was sighted Management review meeting for Ladang Selai was carried out on 28/8/18	Complied
Criterion 4.1.4 – Continual Improvement		
4.1.4.1 The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. - Major compliance -	The Continual Improvement Plan for Enggang estate available for verification. Among the sampled document reviewed: Ladang Enggang Replacement of aging Agricultural Tractor, Mechanical Buffalo, office and residential furniture and fittings are budgeted.	Complied
4.1.4.2 The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	Introduction of projects and innovation by Kulim group of estates were evident. Among completed projects: <ol style="list-style-type: none"> 1. 'Penggunaan Kamera 4K UHD Untuk Census Burung Hantu'. 2. 'Penyangkut Getah DIY'. 3. 'Penyokong Tambahan Pada Drawbar Trailer'. 	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		4. In-Field Data Execution & Analytics Solution (IDEAS).	
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 -	The action plan are available as per progress report for the projects. Sighted the scenario, issue, recommendation and benefits of the projects.	Complied
4.2 Principle 2: Transparenc			
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 Mill 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.	Complied
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Kulim holds copies of each of the management documents that are required to be publicly available. Kulim policy is to make these available upon request. Copies of the handbook are available on request. Kulim policy is to make documents and copies of the Sustainability Handbook publicly available on request, except those relating to commercial confidentiality.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> • Land title (held as hard copy by the property department) • Health and safety plan • Plans and impact assessment- environmental & social • Pollution prevention plans • Details of complaints and grievances • Negotiation procedures • Continuous improvement plan • Biodiversity plans • Policy documents (sustainability handbook) 	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>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.</p>	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>The Assistant estate Manager is the main point of contact for internal stakeholder and the RC Executive was appointed as point of contact for external stakeholders. Both appointment was attached with appointment letter dated 1/1/2018 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>	Complied
4.2.2.3	<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 updated on 1/7/2018 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 MPOB, DOE and DOSH. The action has been taken accordingly and recorded.</p> <p>Stakeholder meeting has been conducted 9 August 2018 which involved contractor, supplier, neighbouring estate, government agency, authority and etc. that related to Tereh Complex.</p> <p>Union meeting was conducted on 13/08/2018 that involved NUPW representative, worker representative and management team. No major issue has been raised. Union meeting at Sg Tawing was conducted on 14/02/18 where attended by worker representative that</p>	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>consists of local, Indonesia and Bangladesh with no issue. Union meeting at Selai estate dated 19/04/18 where attended by worker representative that consists of local, Indonesia and Bangladesh with no issue.</p> <p>WOW meeting (Women Society) has been conducted twice a year on 12/04/18 and 26/08/18 where no sexual harassment and sexual discrimination was found. The meeting was mainly discussed on social activity for the local community among the staff and workers.</p> <p>Last WOW meeting in Sg Tawing was conducted on 17/09/2018. No issue being raised and the awareness of the sexual harassment policy has been communicated in the meeting.</p> <p>Last WOW meeting in Selai estate was conducted on 20/09/2018. No issue being raised and the awareness of the sexual harassment policy has been communicated in the meeting.</p>	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>The Traceability Procedure (SQD/SMS/1.2, dated 1/07/2018) was established to establish traceability of the FFB from the field (block) to load and transport all harvested FFB from roadside platforms to the mill within the shortest possible time, usually within 24 hours.</p>	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	The management has conduct inspection during internal audit that has been conducted on yearly basis.	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	Enggang, Sg Tawing estate Manager was appointed as person in charge with the detail responsibility in the appointment letter dated 30/06/18.	Complied
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	The record of transaction from the field (block) to load and transport all harvested FFB from roadside platforms to the mill was seen through bunch chit, dispatch book and Dispatch sheet to mill. e.g. i) Ticket# 023452 dated 19/09/18 FFB from field P07/3, Quantity: 7,170 kg. ii) Ticket# 023393 dated 19/09/18 FFB from field P09/4, Quantity: 6,620 kg. iii) Ticket#023406 dated 19/09/18 FFB from field P10/1, Quantity: 7,470 kg. iv) Ticket#024188 dated 25/09/18 FFB from field P10, P00, P02, Quantity: 17,560 kg. v) Ticket#024215 dated 25/09/18 FFB from field P11, P12, P02, Quantity: 16,970 kg. vi) Ticket#024190 dated 25/09/18 FFB from Field P10, P02, P99, Quantity: 17,130kg.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>vii) Ticket#024325 dated 26/09/18 FFB from field P11/4 Quantity: 7,430 kg.</p> <p>viii) Ticket#024365 dated 26/09/18 FFB from field P11/4, P10/4 Quantity: 8,300 kg.</p>	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>The legal requirements with respect to license, permit and competent person sample verified at the visited operating units are as follows</p> <p><u>Ladang Enggang</u></p> <ol style="list-style-type: none"> 1) MPOB License No: 504229402000 (validity period from 01/08/2018 to 31/07/2019) 2) Diesel permit No: J 835942 Ref. No. BPGK JH (KLU) 1195 SK (Diesel 12,000 litre & Petrol 600 litre) 3) Air compressor No: PMT-JH/17 21933 (valid from 25/08/2017 to 15/11/2018) 4) CePSWaM : Noormaliza Binti Mohd Taib, No:183413 valid from 21.2.2018 – 20.2.2019 <p><u>Ladang Sg. Tawing</u></p> <ol style="list-style-type: none"> 1) MPOB License: 532878002000 (validity period from 01/10/2018 to 30/09/2019) 2) Diesel permit: J 036353, Ref. No. BPGK JH (KLU)1195 SK. Diesel 27,000 litre & Petrol 800 litre 3) Air Compressor: PMT JH /17/22133 (valid from 25/08/17 to 15/11/2018) 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>4) CePSWaM : Nuraini Bte Abdul Hamid, No:183414 valid from 21.2.2018 – 20.2.2019</p> <p><u>Selai Estate</u></p> <p>License and permit checked:</p> <p>i) MPOB license, 504229402000 valid until 31/7/19</p> <p>ii) Diesel and Petrol Permit, serial number: BPGK JH (KLU) 1994 SK valid until 10/4/19</p> <p>iii) Energy Commission license, serial number: 2018/01831 valid until 20/8/19</p> <p>iv) License for diversion and abstraction of River Water from BAKAJ, serial number: 07/A/Klg/020 valid until 31/12/18.</p>	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Kulim Group Compliance Framework dated 30/6/18 for Tereh Complex was made available for review. The new bill, Employee Insurance Scheme (EIS) 2017 has been incorporated in the list.</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>The latest bill, Employee Insurance Scheme (EIS) 2017 has been incorporated in Kulim Group Compliance Framework dated 30/6/18.</p>	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>Sighted letter dated 12/10/2017, for the appointment of Syed Zulkarnain as the Person In-Charge for updating changes in Laws and compliance monitoring. For Tereh Complex, the person in charge is Regional Controller executive. Refer to appointment letter, ref: RMC/COM/GM/18/08 dated 27/6/18.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Tracking system available to identify changes in the relevant regulations through head office under. Risk Management and Compliance Department and site representative. Tracking system on any changes in the law been well implemented	
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 -	Enggang, Sungai Tawing estate is on “State Lease” 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. Seen the land title for Enggang and Selai estate HSD 8847 (PTD 2057)- 356.24 Ha and HSD 8848 (PTD 3081)- 3178.86 Ha (combined with Selai estate). The total hectarage of Enggang estate was 1734.9 Ha while Selai estate was 1800.17 ha Seen the land title for Sg Tawing Estate HSD 6060 (PTD2137)- 2225.7675 Ha which was as per the land size for the Sg Tawing estate of 2225.75ha.	Complied
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.	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;	There were no land disputes at Tereh Complex was noted as the estate has the legal ownership documents.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -		
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land or negotiated agreements at Tereh Complex.	Complied
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 Tereh Complex.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	Not applicable for Tereh Complex as there were no negotiation has occurred.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	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 Tereh complex May & August for Tereh Mill and Supply Base Estate. A summary report has been compiled and analysed using social impact analysis.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Seen the action request plan has been established on 15/09/2018 after the SIA and documented in the Social Impact Register for estate after the meeting and the status of action will be updated on the following meeting where the established action was still in- progress. So far there was no negative impact being identified and few positive impact will be continue 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.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	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.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	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. House# 32 dated 29/08/18 (issue: Toilet bowl stuck) done on 9/8/18. The Enquiry register seen the complaint from Enquiries dated 01/08/18 job opportunity request from local, Person interviewed has been hired as general worker. So far there was no complaint form received through complaint box placed at few area for workers to complaint.	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	The sampled estate has 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 the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	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.	Complied
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.	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 Tereh complex and basic infrastructure services are readily accessible. Tereh 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.	Complied
Criterion 4.4.4: Employees safety and health			

Criterion / Indicator		Assessment Findings	Compliance
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	Kulim Group of estates continued to maintain Occupational Safety and Health Policy which has been signed by Managing Director of Kulim Malaysia Berhad dated 1/1/2008.	Complied
4.4.4.2	The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as 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)	a) Sighted the Occupational Safety and Health Policy at all pertinent location such as (muster ground, office and notice board). Interview with the workers at site found that they are aware on the safety policy and the importance of safe work practices. OHS plan is based on annual OSH calendar 2018 developed by HQ safety team. Example of OSH programme carried out in 2018: <u>Sg Tawing Estate</u> - Medical surveillance (sprayers, manurer, storekeeper, workshop): 16/8/18, report is still pending. - Safety Training for MB and tractor driver: 11/8/18 - Fire Drill Training: 4/5/18 (office compound) - First Aid Training: 23/4/18 (field mandore and staff) b) The last CHRA report dated May 2013 was carried for all Kulim’s (M) Berhad estates. For example at Sg Tawing Estate, the assessment was conducted by DOSH registered assessor, JKKP HIE 127/171-2 (309). Re-visited CHRA was done on May 2018 by assessor, JKKP HIE 127/171-2(154) and pending for final report and recommendation. This will be further verified in the next assessment. c) OSH Training Programme is available documented under yearly OSH calender for 2018. Kulim (M) Berhad estates conducts a periodic and	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>refresher training for employees and staff as part of annual training. Sample of training, Spraying & PPE Usage training (23/7/18),</p> <p>Based on chemical register dated 17/1/18, no class 1A and 1B used in the estates. SDS for [Glyphosate Isopropyl Amine, 2,4 D – methylamine, surfactant] are available chemical store for verification.</p> <p>d) Appropriate PPE has been provided at place of work to cover potentially hazardous operations such as spraying, manuring harvesting. Observed during site visit, complete PPE is worn by workers at their workstation.</p> <p>e) Estate management has appointed the OSH Committee for 2018 consisting of representatives from employer and employee. The OHS Chairman (Estate Manager) and Secretary (Estate Hospital Assistant) are in coordination with the Sustainability Department for any updates on national regulations and collective agreements. The latest meeting was carried out on 16/7/18 for Sg Tawing Estate.</p> <p>f) During site visit to the field operation, chemical store, premix area, fertilizers store and clinic, the respective sites are equipped with first aid box, fire extinguisher, important contact number and flowchart of emergency procedures. Interview with worker, found they are able to explain and demonstrate steps of precaution on incidence, such as first aid action to be taken, spills handling and reporting.</p> <p>The Estate Hospital Assistance is the key person as first aider and supported by estate staff whom been trained by him. Sighted the training record for first aiders on 23/4/2018.</p>	

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>The OSH Committee has records of accidents happened and will evaluate it during the OSH quarter meeting, which recently had on 16/7/2018. There was no accident case reported in the 3rd quarter.</p> <p>Selai Estate : 148 LTI (2 cases) 2018, 2017 (58 cases, 7 cases: 2017)</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 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 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>	Complied
4.4.5.3	<p>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>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-</p>	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>Aug 2018 wages:</p> <p>Enggang estate</p> <p>a) Employee No.: 650986- Roslan (AP) b) Employee No.: 617475- Sansali (Harvester) c) Employee No.: 617629 – Suhaedi (General worker) d) Employee No 612275 –Hoque Mozammel (General worker)</p> <p>Sg. Tawing estate:</p> <p>a) Employee No.: 683075- Septiana Yusmi (General Worker) b) Employee No.: 621178- Andi (Workshop helper) c) Employee No.: 683007 – Rus Das (General worker) d) Employee No 683023 – Rasip (Harvester)</p> <p>Selai Estate:</p> <p>a) Employee No.: 616001- Fatimah (General Worker) b) Employee No.: 616749- Biswas (General Worker) c) Employee No.: 616593 – Mahusin (General worker) d) Employee No.: 616745- Ruhman (Harvester)</p>	
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

Criterion / Indicator		Assessment Findings	Compliance
		Sampled of the contractor worker's August payslip (Harvester)- Agus, Munasar, Wawan, Lukman and Sukma from LC Tan & Son (Harvesting contractor) and Driver (Hasan Bin Saijo) from Jendela Ehsan (FFB transport contractor) which meet the minimum wage order 2012 of RM 1000.	
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -	Enggang, Sg. Tawing & Selai 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).	Complied
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. - Major compliance -	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. Enggang estate a) Employee No.: 650986- Roslan (AP) b) Employee No.: 617475- Sansali (Harvester) c) Employee No.: 617629 – Suhaedi (General worker) d) Employee No 612275 –Hoque Mozammel (General worker) Sg. Tawing estate: a) Employee No.: 683075- Septiana Yusmi (General Worker) b) Employee No.: 621178- Andi (Workshop helper) c) Employee No.: 683007 – Rus Das (General worker) d) Employee No 683023 – Rasip (Harvester)	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>Selai Estate: a) Employee No.: 616001- Fatimah (General Worker) b) Employee No.: 616749- Biswas (General Worker) c) Employee No.: 616593 – Mahusin (General worker) d) Employee No.: 616745- Ruhman (Harvester)</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>	
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>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</p>	Complied
4.4.5.8	<p>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.</p> <p>- Major compliance -</p>	<p>Payslip of the workers and staff have been checked and verified that was within the allowed limit by labour department.</p>	Complied
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>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 June-August 2018 wages:</p> <p>Enggang estate</p>	Major Non-Compliance

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>a) Employee No.: 650986- Roslan (AP) b) Employee No.: 617475- Sansali (Harvester) c) Employee No.: 617629 – Suhaedi (General worker) d) Employee No 612275 –Hoque Mozammel (General worker)</p> <p>Sg. Tawing estate: a) Employee No.: 683075- Septiana Yusmi (General Worker) b) Employee No.: 621178- Andi (Workshop helper) c) Employee No.: 683007 – Rus Das (General worker) d) Employee No 683023 – Rasip (Harvester)</p> <p>Selai Estate: a) Employee No.: 616001- Fatimah (General Worker) b) Employee No.: 616749- Biswas (General Worker) c) Employee No.: 616593 – Mahusin (General worker) d) Employee No.: 616745- Ruhman (Harvester)</p> <p>One of the worker sampled (Jasi) employee no.: 616776 which has been on medical leave for whole month of June 2018 but was being paid on Minimum Wage Order 2012 requirement of RM 1000 monthly/ Daily RM 38.46 . Thus, a major Nc was raised.</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 without charges.</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</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>	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	<p>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>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.</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>	
4.4.5.12	<p>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>	Complied
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</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 13/08/2018 that involved NUPW representative, worker representative and management team. No major issue has been raised. Union meeting at Sg Tawing was conducted on 14/02/18 where attended by worker representative that</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	consists of local, Indonesia and Bangladesh with no issue.	
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not be exposed to hazardous working conditions. - Major compliance -	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.	Complied
Criterion 4.4.6: Training and competency			
4.4.6.1	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. - Major compliance -	Seen the training record for the schedule waster handler Biswas and Mohd Aiyad which has been trained on schedule waste handling and storage dated 22/03/18. Seen the sprayer Geng 22 (total 5 workers) have been trained in chemical handling dated 10/1/18 which include chemical preparation, triple rinsing and usage of PPE.	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 -	Each sampled estate was seen prepared an Annual Training Plan 2018 based on the training needs. This includes the internal and external training courses scheduled for the year.	Complied

Criterion / Indicator		Assessment Findings	Compliance
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>Continuous training programme is planned and implemented covering all employees and contractors as per the documented training procedure.</p>	Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>The new revised Environmental Policy dated 1/5/18 signed by Kulim's (M) Bhd Executive Director . The policy has emphasis commitment towards protecting the environment and conserving biodiversity through sustainable development. The new revision has incorporated adaptation of DOE's guided self-regulation approach for continual improvement.</p>	Complied
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>The environment management plan dated 2018 has included all pertinent environmental receptors and in lined with company's policy and legal requirement as per EQA 1974.</p> <p>Documented Environmental Risk Assessment Form (EPA-LE-2018 dated 7/9/18) available. Register dated 1 April 2018 was verified. Aspects and impacts analysis of all operations during normal/abnormal/emergency situation were identified.</p>	Complied
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p>	<p>Environmental management plan for 2018 (waste and pollution) available. Significant environmental issues identified i.e waste water</p>	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	(cleaning, production area, lubricant store, workshop, wash down, line site etc. Assistant manager has been appointed to monitor the overall implementation of the management plan.	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Programme to promote positive impacts on environment was verified via CAPEX for 2018 and 2019.	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 Training Plan updated on a yearly basis or revised as per the management requirement. Included in this programme are subjects related to environment e.g environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training.	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	The Environmental Performance Monitoring Committee (EPMC) is setup to comply with the DOE requirement on Guidance Self-Regulation (GSR). The 3 rd Environmental Regulatory Compliance Monitoring Committee (ERCMC) was carried out on 23 rd January 2018 which is planned on quarterly basis. For EPMC, the latest meeting was done on 3 rd January 2018. The meeting is to review environmental performance within Kulim’s Group POM.	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	All electrical power at the visited estates are supplied through national electricity grid. Diesel at estates are consumed by farm tractors. The	Complied

Criterion / Indicator		Assessment Findings	Compliance								
	<p>shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>tractor servicing period is monitored to ensure its operating efficiency, thus less consumption of diesel fuel. Similarly, planting of beneficial plants reduce the usage of fuel (and chemical) by motorize spray.</p>									
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>Kulim (M) Berhad estates has maintained records of energy usage, which is compiled on monthly basis for monitoring. The use of the fossil fuel against the FFB production is being monitored. For example;</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Year</th> <th>Diesel/ mt FFB</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Selai</td> <td>2017</td> <td>4.60 litre/mt</td> </tr> <tr> <td>2018 todate</td> <td>5.48 litre/mt</td> </tr> </tbody> </table>	Estate	Year	Diesel/ mt FFB	Selai	2017	4.60 litre/mt	2018 todate	5.48 litre/mt	Complied
Estate	Year	Diesel/ mt FFB									
Selai	2017	4.60 litre/mt									
	2018 todate	5.48 litre/mt									
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>Buffalo in-field collection, composting application were available options for to reduce dependable of fossil fuel usage in the estate.</p>	Complied								
Criterion 4.5.3: Waste management and disposal											
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>The estates and the mill had identified all the waste products and sources of pollution related to the respective activities.</p> <p>Details as provided below;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Type of waste</th> <th>Description</th> <th>Location</th> </tr> </thead> <tbody> </tbody> </table>	No	Type of waste	Description	Location	Complied				
No	Type of waste	Description	Location								

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings				Compliance															
		1	Domestic waste	Rubbish	Line sites, office, workshop, store,																
		2	Industrial waste	Fertilizer bags	Empty bags store																
				Scrap metal	workshop																
				POME	ETP																
		3	Sewage waste	sewage	housing toilets & office																
		4	Scheduled Waste	SW 404 Clinical waste	clinic																
				SW rags, plastics, filters	workshop																
				Spent lubricant & hydraulic oil	workshop																
				Disposed containers, bags, equipment contaminated with chemicals, pesticides,	SW store																
		<p>The pollution from the estates activities as illustrated below:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Environmental Issue</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Leakage of pesticides</td> <td>Activities during chemical mixing and transportation</td> </tr> <tr> <td>2</td> <td>Lubricant spillage</td> <td>Maintenance work at the workshop for estates vehicles</td> </tr> <tr> <td>3</td> <td>POME</td> <td>Spillages during application / pipe leakages</td> </tr> </tbody> </table>							No	Environmental Issue	Details	1	Leakage of pesticides	Activities during chemical mixing and transportation	2	Lubricant spillage	Maintenance work at the workshop for estates vehicles	3	POME	Spillages during application / pipe leakages	
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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> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p>	Details of the management plan as described below. This is a continuation of the 4.5.3.1 above.				Complied
		No	Type of waste	Description	Action	
		1	Domestic waste	Rubbish	Collection/disposal min 2x-3x /week internally. Establish landfill/collection SOP Establish collection schedule & PIC Create awareness on hygiene Monitoring of line site	
		2	Industrial waste	Fertilizer bags	Inventory of bags, reuse for LF collection, sell to appointed contractor	
				Scrap metal	Inventory maintained, tender at zone level for sale to licensed contractor.	
				POME	Daily monitoring of application at designated field P00.	
3	Sewage waste	sewage	To monitor during housing inspection and residents' complaints. Engagement with licensed contractor for sewage management.			
4	Scheduled Waste	SW 404 Clinical waste	Inventory maintained. Storage in sharp bin in			

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings				Compliance
				<p>clinic. Disposal to Kualiti Alam Sdn Bhd.</p> <p>SW rags, plastics, filters</p> <p>Spent lubricant & hydraulic oil</p> <p>Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,</p>	<p>Inventory maintained. Storage in scheduled waste store. Disposal to licensed contractor.</p> <p>Collection by licensed vendor. Inventory maintained.</p> <p>Inventory maintained. Storage in SW store. All containers are labelled. Empty containers collected by authorized vendor G-Planter</p>	
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>Documented Waste Management Plan dated 1/8/2018 was established where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory. Proper storage areas were identified for the storage of the recyclable wastes at the estate.</p>				Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>Online scheduled waste inventory & consignment @ eSWIS updated as of September 2018 where the quantity and storage period were within allowable limit.</p> <p>At Selai Estate, latest scheduled waste disposal done on 22/7/2018, consignment note: 0227912 for SW404 by Kualiti Alam Sdn Bhd.</p> <p>SW305 – consignment# 2018092612Y83KR5, dated 23/9/18</p> <p>SW409 – consignment# 2018092612KAV9Q0, dated 23/9/18</p> <p>SW410 – consignment# 20180926136QXK9R, dated 23/9/18</p>	
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>The empty pesticides container were collected in scheduled waste store after being triple rinsing and punctured at the bottom of the container. This is in line with national programme on recycling of used HDPE pesticide containers which handled by appointed parties by DOE and DOA. G-planter is one of the appointed recycler for the said programme. Refer to DOE letter dated 23/3/13, ref: AS (BB)91/110/619/001</p> <p>Latest disposal record by G-planter dated 16/9/18 sighted during onsite audit for 20 litre, 4 litre and 1 litre container.</p>	Complied
4.5.3.5	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p>- Minor compliance -</p>	<p>All estates used the inhouse facilities available in the respective estates. All domestic waste is collected 2 to 3 x /week and disposed at designated landfill at each estates.</p>	Complied
Criterion 4.5.4: Reduction of pollution and emission			

Criterion / Indicator		Assessment Findings	Compliance																										
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>The assessment of all polluting activities is defined in the Estate – Pollution & Emission Plan endorsed on 01/8/18. Details as provided therein among others as given below:</p> <p>a) Sg Tawing/Enggang Estates</p> <table border="1"> <thead> <tr> <th>No</th> <th>Emission</th> <th>Source</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Dark smoke</td> <td>Running vehicles</td> <td>Daily</td> </tr> <tr> <td rowspan="2">2</td> <td rowspan="2">Noise</td> <td>Diesel engine</td> <td>Operational hours</td> </tr> <tr> <td>Running vehicles</td> <td>Daily</td> </tr> <tr> <td rowspan="2">3</td> <td rowspan="2">Air pollution</td> <td>Diesel engine</td> <td>Operational hours</td> </tr> <tr> <td>Running vehicles</td> <td>Operational hours</td> </tr> <tr> <td rowspan="2">4</td> <td rowspan="2">Waste water</td> <td>PCD</td> <td>Scheduled inspection</td> </tr> <tr> <td>Septic tank spillage</td> <td>Weekly inspection</td> </tr> </tbody> </table>	No	Emission	Source	Frequency	1	Dark smoke	Running vehicles	Daily	2	Noise	Diesel engine	Operational hours	Running vehicles	Daily	3	Air pollution	Diesel engine	Operational hours	Running vehicles	Operational hours	4	Waste water	PCD	Scheduled inspection	Septic tank spillage	Weekly inspection	Complied
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4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Details of action plan for identified pollutants as shown below and is a continuation from the 4.5.4.1 above.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Emission</th> <th>Action Plan</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Dark smoke</td> <td>Inspection of vehicle condition</td> <td>Exec/staff</td> </tr> <tr> <td rowspan="2">2</td> <td rowspan="2">Noise</td> <td>Scheduled maintenance</td> <td>Exec/staff</td> </tr> <tr> <td>Inspection of vehicle inspection</td> <td>Exec/staff</td> </tr> </tbody> </table>	No	Emission	Action Plan	PIC	1	Dark smoke	Inspection of vehicle condition	Exec/staff	2	Noise	Scheduled maintenance	Exec/staff	Inspection of vehicle inspection	Exec/staff	Complied												
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Criterion / Indicator		Assessment Findings				Compliance
		3	Air pollution	Routine maintenance as schedule Inspection of vehicle condition	Exec/staff Exec/staff	
		4	Waste water	Inspection of PCD for functional Adherence to SW guidelines Weekly line site inspection Appropriate action on spillage	Exec/staff/foreman	
Criterion 4.5.5: Natural water resources						
4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a. Assessment of water usage and sources of supply.</p> <p>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</p> <p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones</p>	<p>The Water Management Plan for the estates has been established. The management plan has include :</p> <ul style="list-style-type: none"> • Buffer Zone management – No spraying and manuring • Carry out water analysis • Follow SOPs to avoid water pollution by schedule waste • Rain water harvesting • Obtain water from other estates during shortage/draughts. • Monitor domestic water consumption • Educate workers to conserve water • Monitor leakages and periodic maintenance of piping/equipment • Keep drains clean and to have bunds to conserve/retain water <p>Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines are detailed</p>				

Criterion / Indicator		Assessment Findings	Compliance												
	<p>at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>in the SOP No 12: Protection of River Reserves (Riparian & Buffer Zone). The buffer zones established are as following:</p> <table border="1"> <thead> <tr> <th>River width (meter)</th> <th>Minimum width for river reserves (m) for peninsular Malaysia and Sarawak</th> </tr> </thead> <tbody> <tr> <td>1-5</td> <td>5</td> </tr> <tr> <td>5-10</td> <td>10</td> </tr> <tr> <td>10-20</td> <td>20</td> </tr> <tr> <td>20-40</td> <td>40</td> </tr> <tr> <td>>40</td> <td>50</td> </tr> </tbody> </table>	River width (meter)	Minimum width for river reserves (m) for peninsular Malaysia and Sarawak	1-5	5	5-10	10	10-20	20	20-40	40	>40	50	
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1-5	5														
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4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>At time of visit no bunds, weirs and dams were observed across waterways passing through both estates.</p>	Complied												
4.5.5.3	<p>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>- Minor compliance -</p>	<p>During the site visit it was observed that water harvesting was practised. Surface run of waters were directed into field drains, conservation terraces and moisture pits.</p>	Complied												
<p>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</p>															

Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.6.1 Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</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 (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. <p>- Major compliance -</p>	<p>The last HCV assessment conducted was in January 2008. The assessment was conducted by A.J.F.M Dekker named Rapid Biodiversity Assessment. The report has identified the list of natural habitats that is possible present in the operating units. As a standard practice where there is no other sighted RTE, animal sighting is continued at all the estates especially at the boundary areas.</p> <p>The management conducted a regular patrol of HCV areas, access and boundary of estates. Signage, such as "No Hunting", "No Fishing", "Buffer Zone" were available. No use of chemicals observed been applied in the buffer zone as prohibited.</p>	<p>Complied</p>
<p>4.5.6.2 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>- Major compliance -</p>	<p>Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented.</p> <ul style="list-style-type: none"> a) Signage as well as routine patrolling activities were utilized as part of creating awareness among employees and maintain HCVs. b) The estates established a Biodiversity Improvement Plan 2018 such as briefing/training to workers on protection of river buffers for all existing and designated natural watercourses to all employees, contractors and suppliers that encroachment and hunting are not allowed. 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	The Biodiversity Improvement Plan dated 01/08/2018 had identified the plan. Among others; <ul style="list-style-type: none"> a) to continue educating the workers regarding RTE. Workers interviewed confirmed that they are aware of no hunting is permitted in and within the estate. b) Regular educating the employees via morning muster briefing about the need to protect the RTE species. c) Appropriate disciplinary measures will be taken if found violated. d) Information pertaining RTE and relevant CU policies were displayed at the display boards. e) Training in relation to the RTE/Biodiversity has been organized in the following sessions. 	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 -	There is no land preparation by burning at all visited estates. Sustainability handbook described on Environmental policy including Zero open burning policy dated January 2008. Management complied with the Malaysian environmental law –EQA and Regulations 1974..	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 -	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting was not practised by Kulim (Malaysia) Berhad Estates. Furthermore, previous crop were not highly diseased and there was no significant risk of disease spread or continuation into the next crop.	Complied
4.5.7.3	Where controlled burning is allowed, it shall be carried out as	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting was not practised by Kulim (Malaysia)	Complied

Criterion / Indicator		Assessment Findings	Compliance
	prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	Berhad Estates. As practiced, palms will be mechanically felled, chipped and windrowed. No burning of palm observed.	
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	As observed, all previous oil palms were felled, chipped, shredded, windrowed and left to decompose.	Yes
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	<p>In Kulim (Malaysia) Berhad SOPs for plantations/estates were documented in:</p> <ul style="list-style-type: none"> • Kulim (Malaysia) Berhad – Agricultural Manual – 01.07.2013 • Work Instructions – 01.04.2018 • Buku Panduan Anggota Perkerja Perladangan – 01.09.2018 • Panduan Kerja Selamat (SOP) 01.05.2009 <p>The SOPs confirmed that all activities in the estates from seedlings in nursery to planting in the fields have been included. The Agricultural Manual had chapters A to K. The chapters covered topic as follows:</p> <ul style="list-style-type: none"> A. Replanting. B. Roads, Drains, Bridges, Culverts & Fences. C. Construction of Estate Buildings D. Manuring 	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> E. Harvesting F. Pruning and Ablation G. Soil Conservation H. Justification of Chemical Use I. Weeds Management J. Integrated Pest management K. Plant Diseases <p>Standard operating procedures had been consistently implemented and monitored. On both Sedenak Estate and Ulu Tiram Estate SOPs were consistently implemented and monitored by on-site visits, inspections and discussions with relevant personnel and by conducting audits such as Internal Audits, RSPO Audits and visits by RC, PI and Agronomists and by Periodic reporting – monthly Production Statement, Labour Statement, FFB Grading, etc.</p>	
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>Sighted slope map (Slope Classification Map). Slope area constructed with terrace and stop bund. Planting terraces had been constructed where slope >7°.The management practiced to established Vertiver and Guatemala Grass to prevent severe soil erosion.</p>	Complied
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	<p>All fields were marked and identified. Information like field no, year planting and total hectare is shown in all markers. Stone boundary markers were placed at field boundaries were observed.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>Both estates had documented annual business plan (budgets) for 2018 and projections up to 2024 The business plans were prepared as guidance for future planning. The budget contains monthly budget per operating units including FFB, CPO and PK. Component of operating expenditure includes Administration, harvesting & collection, field upkeep, transportation, road and bridges, labour overhead, EVIT (running accounts for engines, vehicles, implements & tractors. Inclusive in the business plan is also Capital Expenditure (CAPEX) includes building-general, tractors and agricultural implement, office equipment and others as per the annual budget for 2018 for estate was sighted and verified.</p>	<p>Complied</p>
4.6.2.2	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p>- Major compliance -</p>	<p>Kulim (Malaysia) Berhad had a long range replanting program projected up to the year 2042 and reviewed on annual basis.</p>	<p>Complied</p>
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 	<p>This requirement i.e crop material, crop projection, yield, production cost, are provided in the business management plan as shown in item 4.6.2.1 above.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	e) e) Financial indicators : cost benefit, discounted cash flow, return on investment - Major compliance -		
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	The management plan was effectively implemented and achievements of the goals and objectives regularly monitored, periodically reviewed and documented by performance monitoring. The estates' performance was recorded in the monthly progress reports. 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 on a monthly basis.	Complied
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 harvesting (Sri Thilakkumar Enterprise) Contract# MPSB / Enggang 2/2015- contract was reissue on 6/11/2017 to extend the contract until December 2020. Seen the payment of harvesting service on Aug 2018 where the payment voucher was paid as per the Invoice claim from the contractor (Inv# 1362 dated 30/08/18) payment made on 4/09/2018 as per payment voucher# 18000379.	Complied

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
		<p>Seen the contractor of harvesting (LCT Tan & Son Enterprise) Contract# MPSB / LST 2/2018- contract was commence on 1/04/2018 to extend the contract until 31 March 2021.</p> <p>Seen the payment of harvesting service on Aug 2018 where the payment voucher was paid as per the Invoice claim from the contractor (Inv# 0098 dated 06/09/18) payment made on 6/09/2018 as per payment voucher# 18000386.</p> <p>Seen the contractor contract of Transport FFB (Jendela Ehsan) contract# MPSB/SELAI 1/2017 dated 17/1/2017 valid until 31/12/2019.</p> <p>Seen the payment of harvesting service on Aug 2018 where the payment voucher was paid as per the Invoice claim from the contractor (Inv# JESB/0355/2018 dated 31/08/18) payment made on 4/09/2018 as per payment voucher# 18000420.</p>	
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>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> <p>This was verified through interviewed with the contractor and supplier for the estate.</p>	Complied
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</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</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>with no hidden clauses. This has been confirmed with the contractors and the documented agreements. E.g.</p> <p>Seen the contractor of harvesting (Sri Thilakkumar Enterprise) Contract# MPSB / Enggang 2/2015- contract was reissue on 6/11/2017 to extend the contract until December 2020.</p> <p>Seen the contractor of harvesting (LCT Tan & Son Enterprise) Contract# MPSB / LST 2/2018- contract was commence on 1/04/2018 to extend the contract until 31 March 2021.</p> <p>Seen the contractor contract of Transport FFB (Jendela Ehsan) contract# MPSB/SELAI 1/2017 dated 17/1/2017 valid until 31/12/2019.</p>	
4.6.4.3	<p>The management shall accept MSPO approved auditors to verify 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>	Complied
4.6.4.4	<p>The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.</p> <p>- Major compliance -</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
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			

MSPO Public Summary Report
Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings	Compliance
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A



Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.3.2	SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A

Criterion / Indicator		Assessment Findings	Compliance
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	<p>indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p> <p>- Major compliance -</p>		
4.7.6.2	<p>Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.</p> <p>- Minor compliance -</p>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
4.7.6.3	<p>Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.</p> <p>- Major compliance -</p>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
4.7.6.4	<p>The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.</p> <p>- Major compliance -</p>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
4.7.6.5	<p>Identification and assessment of legal and recognised customary rights shall be documented.</p> <p>- Major compliance -</p>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A

Criterion / Indicator		Assessment Findings	Compliance
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Kulim (Malaysia) Berhad – Tereh POM Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013 . It is recommended that the certification of Kulim (Malaysia) Berhad – Tereh POM Certification Unit is approved.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Salasah Elias	Name: Mohamed Hidhir Zainal Abidin
Company name: Kulim (Malaysia) Berhad	Company name: BSI Services Malaysia Sdn. Bhd.
Title: Deputy General Manager	Title: Lead auditor
Signature:  Date: 20/03/2019	Signature:  Date: 13/3/19

Appendix A: Assessment Plan

PRELIMINARY AGENDA				
Date	Time	Subjects	Hidhir	Kelvin
Sunday 23/9/18	AM	Audit team travelling to Kluang and hotel check-in at Anika Hotel.	√	√
Monday 24/9/18 Tereh POM	0730 am	Audit team travelling to Tereh POM	√	√
	08.30 – 09.00	<ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan 	√	√
	09.00 – 12.30	Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Continue with document review (MSPO part 4), P1: Management commitment and responsibility, P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition P5: Environment, natural resources, biodiversity and ecosystem services P4: Social responsibility, health safety and employment condition, P6 : Best practices	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√
Tuesday 25/9/2018 Enggang Estate	09.00 – 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	10.00 – 12.30	Stakeholder interviews ((local stakeholders)	-	√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√
		16.30 - 17.00	Interim Closing briefing.	√

MSPO Public Summary Report
Revision 0 (Aug 2017)

Date	Time	Subjects	Hidhir	Kelvin
Wednesday 26/9/2018 Sg Tawing Estate	09.00 – 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	10.00 – 12.30	Stakeholder interviews (local stakeholders)	-	√
	12.30 – 13.30	Lunch	√	√
	13.30 – 16.30	Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√
Thursday 27/9/2018 Selai Estate and Tereh POM	09.00 – 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	10.00 – 12.30	Stakeholder interviews (local stakeholders)	-	√
	12.30 – 13.30	Lunch	√	√
	13.30 – 15.30	Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√
	16.00 - 17.00	Audit team discussion and closing meeting at Tereh POM	√	√
	1700	End of audit. Travelling back to KL	√	√

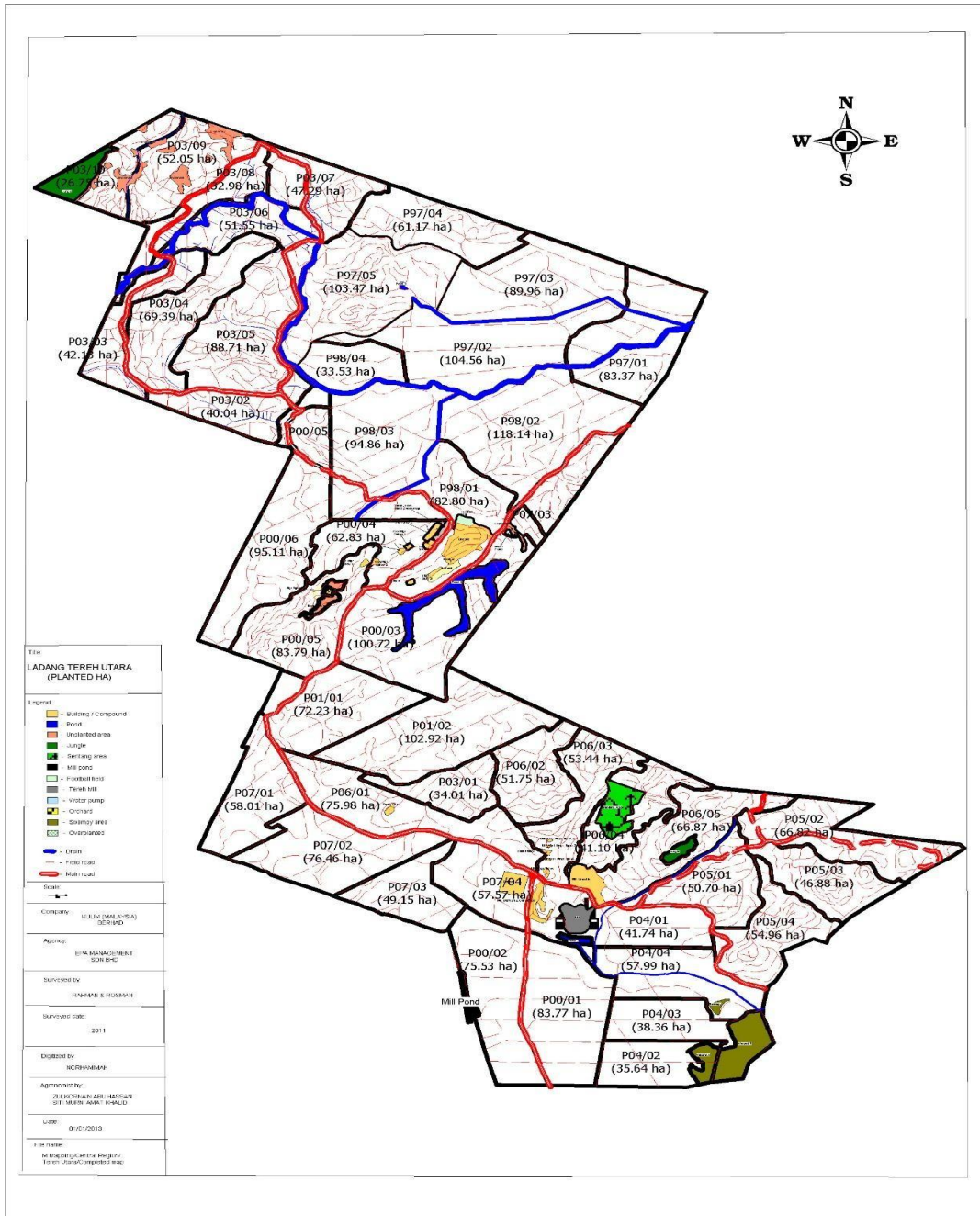
Appendix B: List of Stakeholders Contacted

<p>Government Bodies: SK Ladang Tereh Wildlife Department</p>	<p>Internal Stakeholders: Workers Representatives (Foreign Worker) Gender Committee Representative Estate workers Mill workers</p>
<p>NGO:</p>	<p>Contractors: FFB transporter Estate/mill supplier (Lessonmech)</p>

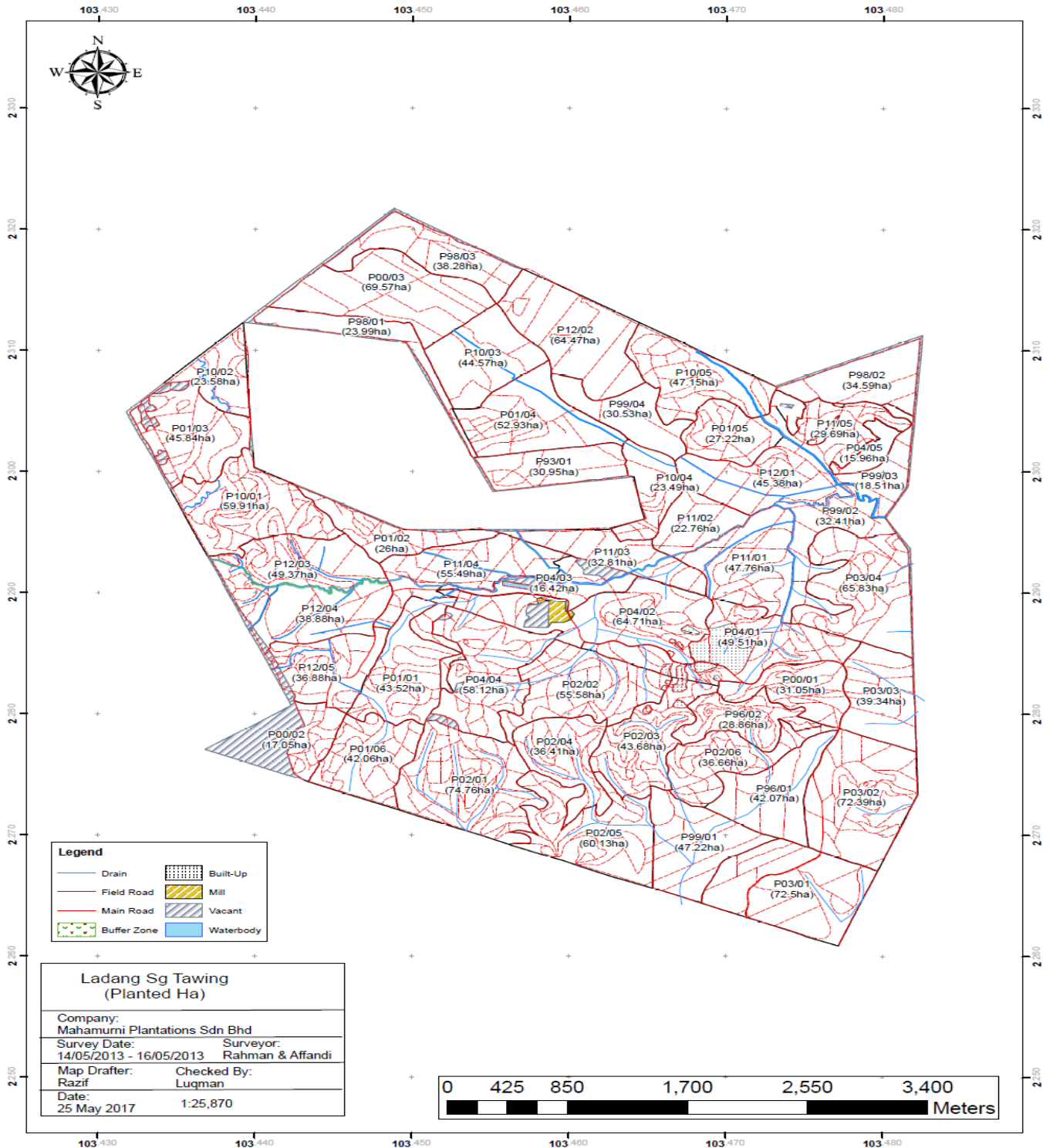
Appendix C: Smallholder Member Details

No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	Not applicable as no smallholder's scheme involved in the scope of certification.			
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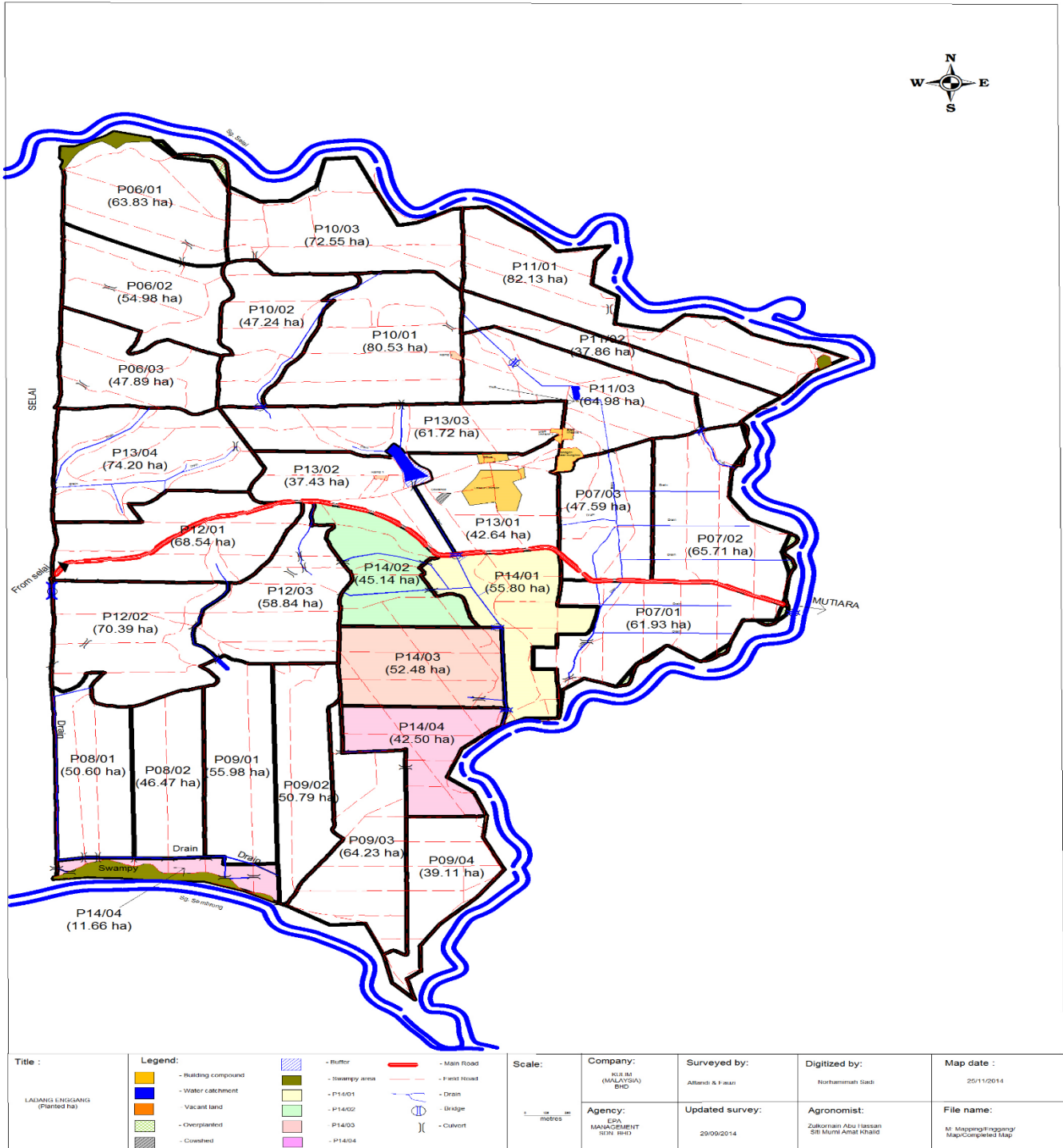
Appendix D: Tereh Palm Oil Mill Location & Field Map



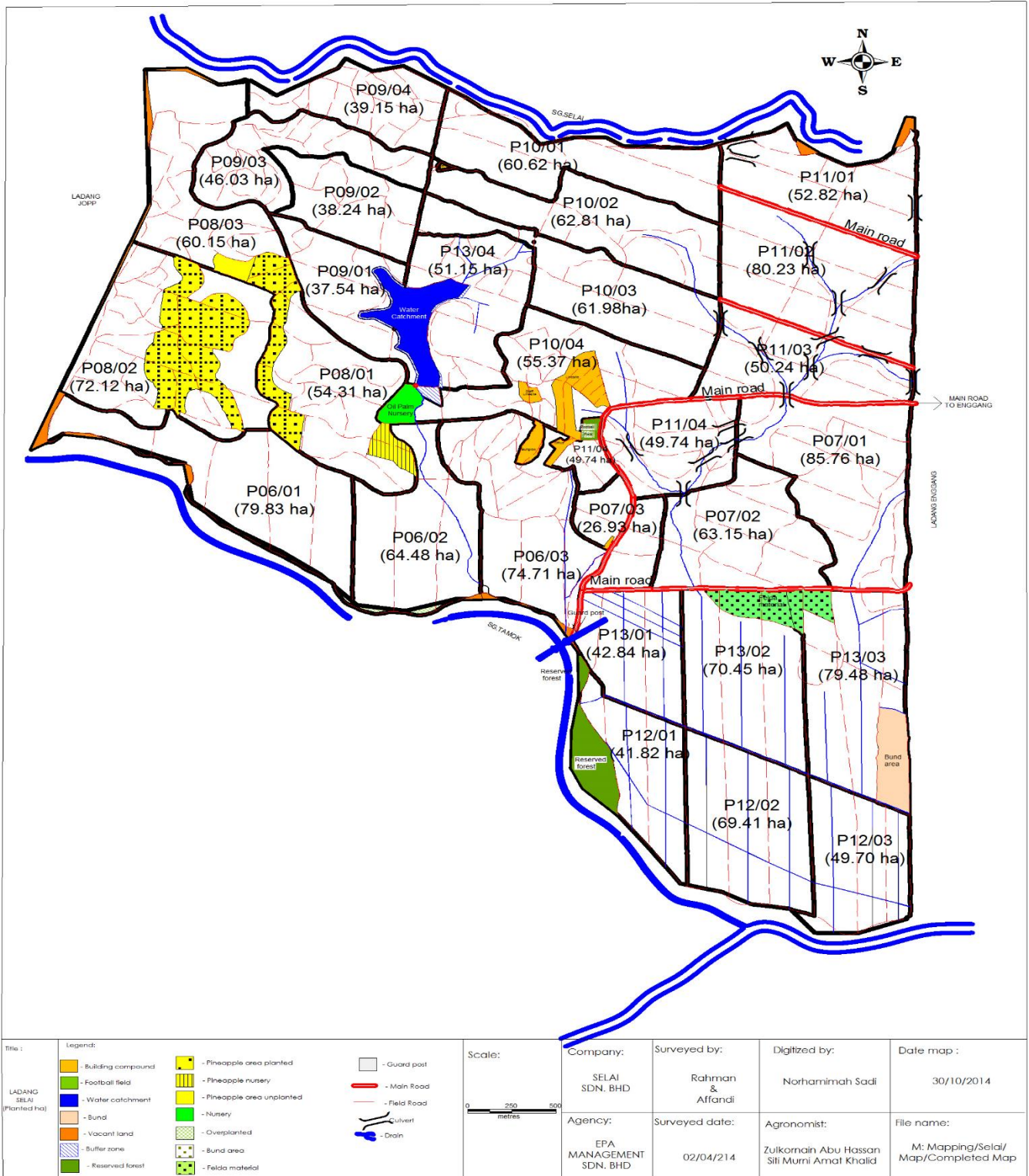
Appendix E: Sg Tawing Estate Field Map



Appendix F: Enggang Estate Field Map



Appendix G: Selai Estate Field Map



Appendix I: List of Abbreviations

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