

**MALAYSIAN SUSTAINABLE PALM OIL
- ANNUAL SURVEILLANCE ASSESSMENT 1
Public Summary Report**

Kulim (Malaysia) Berhad
Client company Address: K.B. 705 Ulu Tiram, 81900 Johor Bahru, Johor
Certification Unit: Sindora Palm Oil Mill and supply bases
Location of Certification Unit: K.B. 501, 86009 Kluang, Johor, Malaysia

Report prepared by:
Mohamed Hidhir (Lead Auditor)

Report Number: 9673733

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
MPOB License	Sindora POM - MPOB License: 500263204000 valid until 30.06.2020 Sindora Estate - MPOB License: 501863602000 valid until 30.11.2020 REM Estate - MPOB license: 501259002000 valid until 31.3.2020 Sg Papan Estate - MPOB license: 570243002000 valid until 29.02.2020		
Company Name	Kulim (Malaysia) Berhad		
Address	HQ: K.B. 705 Ulu Tiram, 81900 Johor Bahru, Johor Site: K.B. 501, 86009 Kluang, Johor, Malaysia		
Group name if applicable:	-		
Subsidiary of (if applicable)	-		
Contact Person Name	Salasah Elias		
Website	www.kulim.com.my	E-mail	salasah@kulim.com.my
Telephone	07-8611611	Facsimile	07-8631084

1.2 Certification Information			
Certificate Number	Mill : MSPO 697951 Estates : MSPO 697952		
Issue Date	10/3/2019	Expiry date	9/3/2024
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. This is RSPO certified company.		
Stage 2 / Initial Assessment Visit Date (IAV)	3-5 October 2018		
Continuous Assessment Visit Date (CAV) 1	8-10 October 2019		
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
A116159	MS 1500:2009	JAKIM	30 Jun 2021
QMS 00722	ISO 9001:2015	SIRIM QAS International Sdn Bhd	21 Nov 2020
EU-ISCC-Cert-DE119-60192024	ISCC EU	ASG CERT	12 Mar 2020
EMS 00417	ISO 14001:2015	SIRIM QAS International Sdn Bhd	20 Sep 2020

RSPO 612392	RSPO P&C MYNI 2014	BSI Services (M) Sdn Bhd	22 Jan 2024
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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	
		Longitude	Latitude
Sindora Mill	K.B. 501, 86009 Kluang, Johor, Malaysia	103° 27' 44.316" E	1° 59' 7.3392" N
Sindora Estate	K.B. 539, 86009 Kluang, Johor, Malaysia	103° 28' 17.976" E	1° 57' 48.114" N
Sungai Papan Estate	Peti Surat 15, Bandar Penawar, 81909 Kota Tinggi, Johor, Malaysia	104° 6' 21.8052" E	1° 31' 1.2576" N
REM Estate	K.B. 501, 81909 Kota Tinggi, Johor, Malaysia	103° 52' 54.9588" E	1° 42' 12.4128" N

1.4 Plantings & Cycle					
Estate	Age (Years) - ha				
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30
Sindora Estate	1,329.84	1,611.00	714.20	-	-
Sg Papan Estate	221.12	1,241.55	1,372.52	-	-
REM Estate	580.24	738.04	66.11	28.38	452.34
Total	2,131.2	3,590.59	2,152.83	28.38	452.34

1.5 FFB Production (Actual) and Projected (tonnage)			
Producer Group	Estimated (Oct 18 – Sept 19)	Actual (Oct 18 – Sept 19)	Forecast (Oct 19 – Sept 20)
Sindora Estate	53,307.49	45,647.45	41,005
Sg Papan Estate	86,960.25	69,065.37	66,894
REM Estate	34,535.80	26,524.85	26,566
Total	174,803.54	141,237.67	134,465

1.6 Certified CPO / PK Tonnage			
Sindora POM 60MT/hr	Estimated (Oct 18 – Sept 19)	Actual (Oct 18 – Sept 19)	Forecast (Oct 19 – Sept 20)

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	CPO (OER: 21.02 %)	CPO (OER: 21.49%)	CPO (OER: 20.55%)
	36,743.70	30,352.85	27,632.84
	PK (KER: 5.38%)	PK (KER: 5.2%)	PK (KER: 5.43%)
	9,404.43	7,349.76	7,297.66

1.7 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Sindora Estate	3,655.04	20.21	243.81	3,919.06	93.26
Sg Papan Estate	2,835.19	11.49	149.17	2,995.85	94.99
REM Estate	1,865.11	21.75	354.10	2,240.96	56.48
Total	8,355.34	53.45	747.08	9,155.87	91.26

1.8 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the annual surveillance Assessment of Kulim (M) Berhad – Sindora POM and Group Estates located in KB 501,86009 Kluang, Johor, Malaysia comprising 3 estates.

The assessment was conducted onsite to assess the compliance of the certification unit against MS 2530-3:2013 MSPO Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 Part 4: General principles for palm oil mills

The onsite assessment was conducted on 8-10 October 2019.

Based on the assessment result, Kulim (M) Berhad – Sindora POM and Group Estates complies with the MS 2530-3:2013 MSPO Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 Part 4: General principles for palm oil mills is recommended for continued certification.

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 8-10 October 2019. The audit programme is included as Appendix A. The approach to the audit was to treat the Kulim (M) Berhad – Kulim (M) Berhad – Sindora POM and Group Estates 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 Part 4: General principles for palm oil mills are used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

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

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.

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 BSI.

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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

Name (Mill / Supply Base)	Year 1 (stage 2)	Year 2 (ASA1)	Year 2 (ASA 2)	Year 3 (ASA 3)	Year 4 (ASA 4)
Sindora Palm Oil Mill	√	√	√	√	√
Sindora Estate	√	-	√	-	√
Sungai Papan Estate	√	√	√	√	√
REM Estate	-	√	-	√	-

Tentative Date of Next Visit: October 8, 2020 - October 10, 2020

Total No. of Mandays: 6

BSI Assessment Team:

Mohamed Hidhir Zainal Abidin – Lead Auditor

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 14001, OHSAS 18001, MSPO and RSPO in his previous work with another 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 various plantation 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.

Hj Mahzan Munap – Team Member

He holds a MBA from Ohio University and B Sc. in Petroleum Engineering from University of Missouri, USA. Collected over 370 days of auditing experience in OHSAS 18001 and MS 1722 OHSMS (72 days for palm oil milling and 8 days for oil palm plantation). CIMAH competent person with Malaysia Department of Occupational Safety and Health (DOSH) since 1997. An Occupational Safety and Health Trainer at INSTEP PETRONAS. Successfully completed RSPO Lead Assessor Course in 2008 and IRCA accredited Lead Assessor training for ISO 9001 and RABQSA/IRCA EMS Lead Assessor Course for ISO 14001 in 2008. For this assessment he assesses Mill and Estate Legal, and Environment aspects. He is able to speak and understand Bahasa Malaysia and English

Accompanying Persons: Nil

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

During this audit, there were no nonconformities raised. Details of OFI raised as per the following:

Finding Reference	1832068-201906-I1	Certificate Reference	MSPO 697951
Certificate Standard	MS 2530:2013 Part-4	Clause	4.4.5.8 part 4
Category	Opportunity for Improvement		
Area/Process:	Sindora POM and group estates		
Details	Sindora POM has obtained overtime (OT) permit for 130 hours per month based on approval letter ref: BHG. PI/9/134 Jld 1(11) dated 23/1/19. Monitoring of approval conditions in the permit to be effectively demonstrated with regards to maximum limit per day (OT) and resting hours to ensure compliance to the said conditions.		

Finding Reference	1832068-201906-I2	Certificate Reference	MSPO 697951
Certificate Standard	MS 2530:2013 Part-4	Clause	4.4.4.2 (b) part 3
Category	Opportunity for Improvement		
Area/Process:	Sindora POM and group estates		
Details	<p>Although The LSP HIRARC Register has been reviewed following the accident on 2.7.2019 the step-wise methodology (harvesting) including cutting of FFB stalk could have been added.</p> <p>There was no change recommended by the Accident Investigation team on the new control measures. In fact, it stated to maintain current control (that is, use PPE, provide training and follow SOP). The investigation team could have used Ishikawa Fish Bone Diagram as a tool to probe deeper into recommending Engineering Control (e.g. Use of Loading Spike during V-cut of FFB long stalk) which is more effective and the use of anti-slip cotton glove. The combination of these new measures could be incorporated in the Kulim (M) Berhad Harvesting SOP.</p>		

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Finding Reference	1832068-201906-I3	Certificate Reference	MSPO 697951
Certificate Standard	MS 2530:2013 Part-3 & 4	Clause	4.6.1.1 part 3 and 4
Category	Opportunity for Improvement		
Area/Process:	Sindora POM and group estates		
Details	The SOP for accident occurring at LSP on 2.7. 2019 and at SPOM on 13.5.2019 could be improved to include Engineering Control Measures.		

Noteworthy Positive Comments

1	Good positive comments from stakeholders.
2	Good commitment from estate management and Kulim SQD's team.

3.3 Status of Nonconformities Previously Identified and OFI

Finding Reference	1688058-201806-M1	Certificate Reference	MSPO 697951
Certificate Standard	MS 2530:2013 Part-4	Clause	4.3.1.1
Category	Major		
Area/Process:	Sindora POM		
Details:	Certain legal requirements are not adequately implemented.		
Objective evidence:	<p>Sindora POM</p> <p>1. There is one female worker, ID no: 951854 has night shift works after 10.00 pm on 2, 21, 30 May, 27 July and 2, 21, 30 September 2018 however, there is no approval from Jabatan Tenaga Kerja as per required with Act 265 EMPLOYMENT ACT 1955, PART VIII, EMPLOYMENT OF WOMEN, Prohibition of night work:</p> <p>34. (1) Except in accordance with regulations made under this Act or any exemption granted under the proviso to this subsection no employer shall require any female employee to work in any industrial or agricultural undertaking between the hours of ten o'clock in the evening and five o'clock in the morning nor commence work for the day without having had a period of eleven consecutive hours free from such work: Provided that the Director General may, on application made to him in any particular case, exempt in writing any female employee or class of female employees from any restriction in this subsection, subject to any conditions he may impose.</p>		
Cause	There are some late deliveries of FFB that were intermittently requested by the supply chain as to avoid backlog at estates that shall affect the quality of fruit thus mill have to provide for the request		
Correction / containment			

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Immediate application forwarded by the mill to JTK for approval of permits under Section 34 on restriction of female employees working at night between the hours of 10.00pm and 5.00am in industrial and agricultural undertakings

Corrective action

The application for approval of permits were also submitted by all POMs. We were made to understand that Director General of Labour has decided that all blanket approvals granted to employers in Peninsular Malaysia for exemption from the provisions under section 24 and section 34 of the Employment Act 1955 are still valid, in force and continued to be applicable provided all conditions imposed thereof are complied with. Attached herewith a copy of the letter Ref. BHG. PU/9/108/1(2) dated 1 June 2018 from YBhg. Dato' Mohd Jeffrey Bin Joakim, Director General of Labour.

ASA1 verification:

No women work at night based on the check roll & attendance record from the last audit. No diversion of crop and necessity for the female weighbridge operator work at night. A memo dated 4/10/18 with regards to women work at night where no women is allowed to work from 10pm to 5 am. Thus the previous NC is remain closed.

Finding Reference	1688058-201806-M2	Certificate Reference	MSPO 697951
Certificate Standard	MS 2530:2013 Part-4	Clause	4.5.1.1 (d)
Category	Major		
Area/Process:	Sindora POM		
Details:	The water management plan is not adhere to National DID Malaysia 2001 "Guidelines for Width Of River Reserves.		
Objective evidence:	Sindora Complex: 1. SOP section A17 Agricultural Manual -width of the buffer zones reserves did not comply with the to National DID Malaysia 2001 "Guidelines for Width Of River Reserves.		
Cause			
The management had overlook of the difference between Agricultural Manual Section A17 with the National DID Malaysia 2001.			
Correction / containment			
The management will review the Agricultural Manual to suit with the National DID Malaysia.			
Corrective action			
Compliance by the operating unit will be check periodically (every 6 month interval) in order to comply with related Regulation.			
ASA1 verification: Revised ARM section A17 - Protection of Natural Water Courses is now in lined with National DID guidelines. Refer to document dated 1/11/18. The NC is remain closed.			

3.4 Issues Raised by Stakeholders

IS #	Description
1	<p>Feedbacks: Some contractors informed that they are not aware of the detailed terms and conditions of the contracts entered into with the estates because the contracts were prepared in English; a language they are not proficient in.</p> <p>Management Responses: Management noted the comments given by contractors and will look at ways to improve contractors' understanding of the detailed terms of the contract.</p> <p>Audit Team Findings: Contractors were not briefed of all the terms of the contracts. Only the following issues were briefed in detail:</p> <ul style="list-style-type: none"> - Job scope - Duration of the contract Payment terms
2	<p>Feedbacks: Some foreign workers informed the auditor that they prefer to keep their own passports to enable easy access to the nearest town for grocery shopping.</p> <p>Management Responses: All workers had already signed a revised employment contract which contains a clause that gives workers an option of either:</p> <ol style="list-style-type: none"> a. To keep their own passports; b. To keep the passport at the office. <p>The company only keeps passports of workers who have elected to keep the passports at the office.</p> <p>Audit Team Findings: It was verified that the workers interviewed had signed the revised employment contract and had chosen to keep their own passports at the office. Briefings were done by the Company prior to signing of the document. However, some workers may not have clearly understood the contents of the document they signed.</p>

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1688058-201806-M1	Major	5/10/18	Closed
1688058-201806-M2	Major	5/10/18	Closed

3.6 Summary of the findings by Principles and Criteria

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. - 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 estate compound.	Yes
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	Yes
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 -	REM Estate : The last internal audit for MSPO was conducted on 19/9/19. The internal audit has covered all the MSPO MS2530 elements specifically on part 3. No NC raised in the latest audit. Sg Papan Estate : Latest audit was carried on 19/9/19. No NC raise and only 1 (one) OFI related to buffer zone establishment.	Yes
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.	Yes

<p>4.1.2.3</p>	<p>Report shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The internal audit report has distributed to the estate’s management and reported to Kulim (M) Berhad management. Refer to internal audit report for each operating units;</p> <p>REM Estate – 19/9/19 Sg Papan Estate – 19/9/19</p>	<p>Yes</p>
<p>Criterion 4.1.3 – Management Review</p>			
<p>4.1.3.1</p>	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSP0 and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>The latest management review was conducted on after completion of internal audit at each estates. The management review has 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 Estate Manager and attended by HODs. Meeting minute at each estates were verified;</p> <p>REM Estate: 30/9/19 UMAC Estate : 27/9/19</p>	<p>Yes</p>
<p>Criterion 4.1.4 – Continual Improvement</p>			
<p>4.1.4.1</p>	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>The Continual Improvement Plan for Kulim estates are available. Among the sampled document reviewed:</p> <ul style="list-style-type: none"> i) Housing repair and repainting ii) IPM establishment and maintenance (BOB repair and replacement) iv) Signages installation at work station and conservation area v) Mechanization for upkeep and maintenance 	<p>Yes</p>
<p>4.1.4.2</p>	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p>	<p>Introduction of projects and innovation by Kulim group of estates were evident. Among completed projects:</p> <ul style="list-style-type: none"> 1. KASH card system (conversion from cash salary payment and card system and online banking) 	<p>Yes</p>

	- Major compliance -		
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.	Yes
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - Major compliance -	Kulim (Malaysia) Sdn Bhd has developed a Communication Procedure V2.0 dated November 2009 where the objective of the procedure is to effectively communicate with internal and external stakeholders on matter pertaining to social and environmental aspect and impacts, performance and safety & health issue. The modes for internal and external communication are such as muster call, meeting with representatives, inspections, suggestion boxes, memo, stakeholder meeting and etc.	Yes
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 -	There is a SPO Transparency Program under Kulim Malaysia Berhad. The procedure is to ensure that documents if to be release and made publicly available are readily available. The Corporate Dept will ensure that the following documents are available if requested and they do not impinge on confidentiality and will not cause detrimental sustainability or social outcoments. Among the documents that were made available for viewin are: • Land title (held as hard copy by the property department) • Health and safety plan • Plans and impact assessment- environmental & social	Yes

		<ul style="list-style-type: none"> • Pollution prevention plans • Details of complaints and grievances • Negotiation procedures • Continuous improvement plan • Biodiversity plans • Policy documents (sustainability handbook) <p>In addition to the website, the policies were also displayed at various locations at the operating units including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view</p>	
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>There is also a “Whistleblowing Policy” dated 2/10/17; refer to agency secular 3/2017. Report should be directed straight to Executive Director /Chairman of Kulim.</p> <p>Sighted records of “Penerangan kepada kontraktor bagi mamenuhi standard persijilan RSPO, ISCC, MSPO” dated 28/8/19 during stakeholder meeting.</p>	Yes
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>Person in charge for social/communication for REM Estate is general clerk. Refer to appointment letter dated 24/7/18 by Estate Manager.</p>	Yes
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>The estates has developed a stakeholder list that consisted of internal and external stakeholders such as contractors and suppliers, local communities, government authorities, buyers and etc.</p> <p>The latest stakeholder meeting was conducted on 25/8/2019 with stakeholders (FFB transporter, supplier and neighboring villages). No unresolved issue reported in the meeting minute. Invitation letter was sent on 28/7/19 prior to meeting on 25/8/19.</p> <p>Sg Papan Estate</p> <p>Latest stakeholder meeting was carried out on 22/8/19 with external stakeholders. The estate has sent the invitation letter (one week in advance) to stakeholders such as local communities’ representatives, schools’ representatives and contractor to attend stakeholder meeting on 23/8/19</p>	Yes

Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	The traceability SOP; Sustainable Management System, Traceability, Doc: No: SQD/SMS/1.2 rev:4 dated 20/9/19 available and outlines the preparations, dispatch and receive of FFB, CPO, Kernel and other by products at KULIM’s estate and mill, job assignments and recordings of transport productivity for payment purpose and statistics.	Yes
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Traceability records is maintained by each estates by using delivery note which include information such as lorry number, field/block number, numbers of bunches. This will be check by field supervisor or estate assistant prior to delivery. Daily inspection and checking is done to cross check the bunch count records and mill’s weighbridge ticket information to ensure daily production data is consistent and tally. Refer to crop book/bunch count chit, for October 2019.	Yes
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	Personal in charge for traceability system is head of operating unit, refer to letter from Head of Plantation ref: SQD/ADMIN/017/19 dated 22/9/19.	Yes
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	Records of sales and delivery checked. <u>REM Estate</u> Date of delivery: 4/10/19, D/O#019205, vehicle : JED3180, weight: 35.65 mt <u>Sg Papan Estate</u> Date of delivery: 8/10/19, D/O#238973, vehicle :BJJ4713 weight: 37.10 mt	Yes
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations are in compliance with the applicable local, state, national and ratified	The estates belonging to Sindora Complex continued its commitment to comply with applicable legal requirements. Among the licenses and permits verified were:	Yes

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	<p>international laws and regulations.</p> <p>- Major compliance -</p>	<p>Sg. Papan Estate:</p> <table border="1" data-bbox="624 394 1238 853"> <thead> <tr> <th rowspan="2">Type of Licence</th> <th rowspan="2">Reference / Licence No</th> <th colspan="2">Validity date</th> </tr> <tr> <th>From</th> <th>To</th> </tr> </thead> <tbody> <tr> <td>MPOB (to move and sell FFB)</td> <td>570243002000</td> <td>01.03.2019</td> <td>29.02.2020</td> </tr> <tr> <td>Firearm</td> <td>KT/1684</td> <td>25.06.2019</td> <td>16.06.2020</td> </tr> <tr> <td>Storage of Petrol</td> <td>J 000608</td> <td>22.09.2019</td> <td>21.09.2020</td> </tr> <tr> <td>Storage of Diesel</td> <td>J/KTG 000046</td> <td>25.09.2019</td> <td>24.09.2020</td> </tr> <tr> <td>Weighbridge</td> <td>JJB-ATK 347 CERT. NO (B14146)</td> <td>11.07.2019</td> <td>15.07.2020</td> </tr> </tbody> </table> <p>REM estate MPOB license 501259002000 valid until 31/3/2020 Diesel permit KPDN kk.J.KTG/permit 0040(PD) valid until 20/4/2020 JH PMT 22741 valid until 16/9/2020 License for firearm no 280692 available for manager. Hospital Assistant certificate referred INSAN/LAT/132/2011.</p>	Type of Licence	Reference / Licence No	Validity date		From	To	MPOB (to move and sell FFB)	570243002000	01.03.2019	29.02.2020	Firearm	KT/1684	25.06.2019	16.06.2020	Storage of Petrol	J 000608	22.09.2019	21.09.2020	Storage of Diesel	J/KTG 000046	25.09.2019	24.09.2020	Weighbridge	JJB-ATK 347 CERT. NO (B14146)	11.07.2019	15.07.2020	
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<p>4.3.1.2</p>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>The applicable laws are listed centrally AT Kulim’s Group Governance Division (under Risk Management and Compliance Dept.) based in Ulu Tiram. Among those sighted are:</p> <ul style="list-style-type: none"> • MPOB Licensing Reg 2005, • Government of Johore Gazette (Kaedah-Kaedah Tanah Johor (Pindan) (No. 2) 2004) • Badan Kawal Selia Air Negeri Johor (BAKAJ) Enakmen Air Johor 1921 • Pesticides Act 1974 • Protection of Wildlife Act 1972 • Occupational Safety and Health Act 1994 • Factories and Machinery Act 1967 • Environmental Quality Act 1974 • Employment Act 1955 • Minimum Wage Order (Amendment) 2018 • Employment Insurance System Act 2017 	<p>Yes</p>																										
<p>4.3.1.3</p>	<p>The legal requirements register shall be updated as and when there are any new amendments or any</p>	<p>The list entitled “Kulim’s Group Compliance Framework” reviewed bi-monthly, the last being July –August 2019.</p> <p>Among the medium used to track changes in law by the Risk Management and Compliance Department</p>	<p>Yes</p>																										

	<p>new regulations coming into force.</p> <p>- Major compliance -</p>	<p>are website visits, mass media information membership news letter from plantation related organization such as MAPA, etc. This information is then cascaded to all Operating Units for it to check and where applicable update its Legal & Other Requirements Register accordingly.</p> <p>Noted that certification unit has updated and incorporated in its legal register the latest Employment Insurance System Act 2017 (Act 800).</p>										
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>The Assistant Manager of each estate has been appointed to be the person responsible to monitor compliance and the Executive, Regional Controller Complex is responsible to track and update the changes in regulatory requirements. Their appointment letters were sighted signed by their respective Manager.</p>	Yes									
Criterion 4.3.2 – Lands use rights												
4.3.2.1	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>The usage of all land titles are for agriculture purposes and no land encroachment occur.</p>	Yes									
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>Documents showing legal ownership or lease, history of land tenure and the actual use of the land was verified.</p> <p>REM Estate</p> <table border="1"> <thead> <tr> <th>Land title</th> <th>Legal ownership</th> <th>Land use type</th> </tr> </thead> <tbody> <tr> <td>Sample: HSD 48816, PT no. PTD 43578 District: Kota Tinggi, Mukim: Kota Tinggi 166.063 ha 7 land titles</td> <td>Leasehold for 999 years (until 12/3/2911)</td> <td>Agriculture</td> </tr> <tr> <td>2240.96 ha (MPOB)</td> <td></td> <td></td> </tr> </tbody> </table> <p>Sg Papan Estate</p>	Land title	Legal ownership	Land use type	Sample: HSD 48816, PT no. PTD 43578 District: Kota Tinggi, Mukim: Kota Tinggi 166.063 ha 7 land titles	Leasehold for 999 years (until 12/3/2911)	Agriculture	2240.96 ha (MPOB)			Yes
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		Land title	Legal ownership	Land use type	
		Smample: HSD 13178, PT no. lot 679, District: Kota Tinggi, Mukim: 601.546 ha 17 land titles – total of 2,996.86 ha	Leasehold for 99 years (until 31/12/2104)	No category	
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Legal boundaries were marked clearly using wooden pegs (red and white) at all visited estates.			Yes
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	So far there has no issue on land dispute at the visited estates and verified through stakeholder's consultation and documentation of land ownership. However, management has the SOP – SPO negotiations concerning compensation program dated 04 Sept 2007 to ensure that any negotiations with regards to compensation for loss of local rights are dealt with fairly.			Yes
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 -	The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.			Yes
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - Minor compliance -	The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.			Yes

<p>4.3.3.3</p>	<p>Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.</p> <p>- Major compliance -</p>	<p>The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.</p>	<p>Yes</p>
<p>4.4 Principle 4: Social responsibility, health, safety and employment condition</p>			
<p>Criterion 4.4.1: Social Impact Assessment (SIA)</p>			
<p>4.4.1.1</p>	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>Social impact has been identified based on consultative process to mitigate the negative impacts and promote the positive one. Based on the social impact improvement plan, total of 6 positive impacts identified with proposed mitigation plan for improvement.</p> <p>As part of continuous monitoring, latest social audit carried out on 19/6/19 and 19/9/19 for REM estate. From audit finding, 3 negative impacts and 8 positive impacts identified and documented under Social Improvement Plan 2019.</p>	<p>Yes</p>
<p>Criterion 4.4.2: Complaints and grievances</p>			
<p>4.4.2.1</p>	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>There is Communication and Consultation Management Guideline, communication procedure V2.0 available in Palong Complex Estate. The aims are to effectively communicate the social and environmental aspects and impacts, social and environmental performance and OHS.</p>	<p>Yes</p>
<p>4.4.2.2</p>	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Any grievance (social and environmental issues) shall also be recorded in the Enquiry Register (acted upon within 7 working days) and responded by following the Kulim's grievance.</p>	<p>Yes</p>
<p>4.4.2.3</p>	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p>- Minor compliance -</p>	<p>The complaint form is made available together with the Enquiry Register Record in the suggestion box in front of office and compiled in Enquiry Register Book. The form is made for complaint, requisition or visit/inspection.</p>	<p>Yes</p>
<p>4.4.2.4</p>	<p>Employees and the surrounding communities should be made aware that complaints or</p>	<p>The complaints and feedback has been communicated to all stakeholders through the stakeholder's meeting conducted by SQD. The</p>	<p>Yes</p>

	suggestions can be made any time. - Minor compliance -	stakeholder meeting has been conducted on 22/8/19 at REM estate	
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 -	Sighted the record for complaints and feedbacks available since 2019 in Enquiry Register Book/Records. Latest record for house repair was sighted dated 17/9/19 at house no. 66.	Yes
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 Estate management have made contribution to both internal and external stakeholders. Records of contribution to the communities such as donation to SK Bandar, SJKT Ladang REM school's PIBG and internal programme such as motivational/religious talk were sighted. Seen the petty cash vouchers for all the donation made.	Yes
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	Occupational Safety and Health Policy dated 01/05/2018 has been established signed by Executive Director, Zulkifly Zakariah. The policy has been implemented and communicated to all employees through weekly morning muster, training, and display on notice board. An occupational safety and health plan is documented enumerated as in indicator 4.4.4.2 below.	Yes
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.	a) Occupational Safety and Health Policy dated 01/05/2018 has been established which in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139). The mode of communication was seen through morning muster call, training, and display on notice board. b) Risk of all estate operations have been assessed and documented in Hazard Identification, Risk Assessment and Risk Control (HIRARC) Register. The register at REM Estate was reviewed on 30/04/2019 while at Sg. Papan Estate on 15.08.2019. Sampled activities HIRARC assessed for spraying, manuring, line-site maintenance,	OFI

	<p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied <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 and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of</p>	<p>harvesting, transporting FFB and lifting of 200-liter lubricant drum, etc.</p> <p>Chemical Health Risk Assessment (CHRA) has been conducted on 26/2/2018 by Assessor Registration No. HQ/03/ASS/00/154-2018/029</p> <p>c) All estate workers have been trained in Safe Work Practices. Sampled those training as listed below. In addition to formal training all precautions attached to the products, equipment and the need to correctly wear the PPE were seen diligently observed and applied. They have occasionally been reminded during muster call.</p> <table border="1" data-bbox="624 857 1238 1431"> <thead> <tr> <th rowspan="2">Subject</th> <th colspan="2">Training Date at estate</th> </tr> <tr> <th>Sg. Papan</th> <th>REM</th> </tr> </thead> <tbody> <tr> <td>Chemical Handling</td> <td>14.03.2019</td> <td>20.02.2019</td> </tr> <tr> <td>Rat baiting</td> <td>06.03.2019</td> <td>17.01.2019</td> </tr> <tr> <td>SOP /PPE for Chemical Sprayers</td> <td>13.02.2019</td> <td>25.02.2019</td> </tr> <tr> <td>IPM (Effective Bagworm Control)</td> <td>25.04.2019</td> <td>21.02.2019</td> </tr> <tr> <td>Safe Work at Lubricant and Diesel Tank</td> <td>19.06.2019</td> <td>08.04.2019</td> </tr> <tr> <td>Triple Rinsing</td> <td>14.03.2019</td> <td>11.09.2019</td> </tr> <tr> <td>PPE Use and Maintenance</td> <td>06.03.2019</td> <td>08. 07.2018</td> </tr> </tbody> </table> <p>k) Appropriate PPE to cover hazardous operations as recommended by HIRARC were given free of charge to workers by the estates. Sighted records of PPE Issuance and the return of damage/wornout PPE at each estate. Workers interviewed in the field understood the dangers of the chemicals and the reason why to don the required PPE. Sighted PPE issuance record for the following employees:</p> <ul style="list-style-type: none"> - Employee No 605469 sprayer - Employee No 635511 – sprayer - Employee No.: 634543 – Workshop Mechanic <p>which has been issue as per requirement of their respective work station.</p> <p>e) The organization has established Work Instructions for handling of chemicals to ensure</p>	Subject	Training Date at estate		Sg. Papan	REM	Chemical Handling	14.03.2019	20.02.2019	Rat baiting	06.03.2019	17.01.2019	SOP /PPE for Chemical Sprayers	13.02.2019	25.02.2019	IPM (Effective Bagworm Control)	25.04.2019	21.02.2019	Safe Work at Lubricant and Diesel Tank	19.06.2019	08.04.2019	Triple Rinsing	14.03.2019	11.09.2019	PPE Use and Maintenance	06.03.2019	08. 07.2018	
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	<p>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>proper and safe handling and storage in accordance to Occupational Safety Health (Classification, Labelling And Safety Data Sheet Of Hazardous Chemicals) Regulation 2013 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) Assistant Manager of each estate has been appointed as responsible person(s) for workers' safety, health and welfare. Sighted their appointment letter signed by their respective Estate Manager.</p> <p>g) Two-way communication to address any issues affecting employee's health, safety and welfare were discussed openly, for example, via:</p> <ul style="list-style-type: none"> ■ 3-monthly OSH Committee meeting ■ Morning Muster ■ Complaints and Suggestion box <p>The records of communication/meeting and action taken to address concerns were maintained.</p> <p>h) Accident and emergency procedures (respectively dated 18.5.2009 and December 2008) had been documented and explained to all employees. Annual Emergency evacuation and fire drill were conducted to test the procedures and employees' understanding and response time</p> <p>i) First aid box was sighted present in the estate office and with each mandore in the field. Assigned operatives at each audited estate were trained in First Aid. Contents of the First Aid kit was checked monthly by the Hospital Assistant and replenished accordingly.</p> <p>j) Records (forms JKKP 6, JKKP 7 and JKKP 8) of all accidents are kept and periodically reviewed. For annual accident statistic, JKKP 8 form for preceding year was submitted to DOSH timely.</p>	
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Criterion 4.4.5: Employment conditions

<p>4.4.5.1</p>	<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</p>	<p>Kulim (M) Berhad had established and implemented good social practice regarding human rights in respect of industrial harmony. The practice was mentioned in the Mission Policy, Core Labour Standard Policy, People Policy and Ethics Policy. All the policies were dated 01 May 2018 and signed by the Executive Director. These policies were</p>	<p>Yes</p>
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	effectively communicated to the employees. - Major compliance -	communicated to all employees through trainings and briefings due muster/roll calls.																							
4.4.5.2	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. - Major compliance -	All 3 sampled estates REM and Sg Papan Estates had employed Migrant Indonesian and Local workers. Migrant Indonesian workers were recruited on a 2 years contract basis while Local workers were employed on a long-term basis. Both Migrant and Local workers were provided with the wage structure, amenities, etc. Both estates had adhered to the policy "KULIM will not engage in nor support discrimination in any form" as stated in the Core labour Standard policy and no discrimination was noted. Job opportunities and amenities such as free housing, water and medical care are given to all employees without discrimination.	Yes																						
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance -	<p>All the workers are under direct employment. The payslip has included basic income, allowance pay, working days, medical leave, and deduction of salary and others as per employment contract. The payroll for the following sampled workers Wages Order 2018 implementation,</p> <p>Sampled payslips (August 2019 [peak], February 2019 [normal] and May 2019 [low]) of workers verified are:</p> <p>REM Estate</p> <table border="1"> <thead> <tr> <th>Passport/NRIC No.</th> <th>Employee no.</th> </tr> </thead> <tbody> <tr><td>AE5734724</td><td>603978</td></tr> <tr><td>AE8704250</td><td>603848</td></tr> <tr><td>AE4754648</td><td>604069</td></tr> <tr><td>AU380639</td><td>604030</td></tr> <tr><td>AU208910</td><td>604022</td></tr> <tr><td>AU003787</td><td>603922</td></tr> <tr><td>601005716061</td><td>604305</td></tr> <tr><td>940714015838</td><td>604042</td></tr> <tr><td>801130016693</td><td>603506</td></tr> </tbody> </table> <p>Sg Papan Estate</p> <p>Sampled payslips (October 2018 [peak], February 2019 [normal] and May 2019 [low]) of workers verified as per below:</p> <table border="1"> <thead> <tr> <th>Passport/NRIC No.</th> <th>Employee no.</th> </tr> </thead> <tbody> </tbody> </table>	Passport/NRIC No.	Employee no.	AE5734724	603978	AE8704250	603848	AE4754648	604069	AU380639	604030	AU208910	604022	AU003787	603922	601005716061	604305	940714015838	604042	801130016693	603506	Passport/NRIC No.	Employee no.	Yes
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<p>4.4.5.4</p>	<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>There are 2 contractors for harvesting and transporting of FFB. Verification of payslip and employment contract has confirmed that 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><u>REM estate</u></p> <p>SOKO SK Enterprise (harvesting contractor)</p> <table border="1"> <thead> <tr> <th>Passport/NRIC No.</th> <th>Agreed Rate</th> </tr> </thead> <tbody> <tr> <td>C0817678</td> <td rowspan="3">RM60 /ton</td> </tr> <tr> <td>B1571484</td> </tr> <tr> <td>B4065850</td> </tr> </tbody> </table> <p>Pengangkutan Sempurna Sdn Bhd (FFB transporter)</p> <table border="1"> <thead> <tr> <th>Passport/NRIC No.</th> <th>Agreed Rate</th> </tr> </thead> <tbody> <tr> <td>711109-01-5427</td> <td>Rate RM 3.5 per mt</td> </tr> </tbody> </table> <p><u>Sq Papan Estate</u></p> <p>Sri CK Enterprise (harvesting contractor)</p> <table border="1"> <thead> <tr> <th>Passport/NRIC No.</th> <th>Agreed Rate</th> </tr> </thead> <tbody> <tr> <td>B5792100</td> <td rowspan="3">RM 50-60/ton</td> </tr> <tr> <td>AT399036</td> </tr> <tr> <td>B9965021</td> </tr> </tbody> </table> <p>All the sampled workers had achieved the minimum wage in accordance to Minimum Wage Order 2016 which was RM1,000.00 per month or RM 38.46 per day and for the New Minimum Wages Order 2018, they are able to achieved RM1,100 per month or RM 42.31.</p>	Passport/NRIC No.	Agreed Rate	C0817678	RM60 /ton	B1571484	B4065850	Passport/NRIC No.	Agreed Rate	711109-01-5427	Rate RM 3.5 per mt	Passport/NRIC No.	Agreed Rate	B5792100	RM 50-60/ton	AT399036	B9965021	<p>Yes</p>
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<p>4.4.5.5</p>	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>The workers master list was reviewed. The list includes names, NRIC & Passports numbers, Expiry dates of Passports & Work Permits, date of birth, date joined, gender etc.</p>	<p>Yes</p>																																
<p>4.4.5.6</p>	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employees had been provided with fair contracts that have been signed by both employee and employer. Foreign migrant Indonesian workers are recruited with 2 years contract. Local workers are on a long-term employment basis.</p> <p>The following contracts has been verified to confirm that workers have binding working agreement with the company:</p> <p>REM Estate</p> <table border="1" data-bbox="624 1178 1230 1659"> <thead> <tr> <th>Passport/NRIC No.</th> <th>Employee no.</th> </tr> </thead> <tbody> <tr><td>AE5734724</td><td>603978</td></tr> <tr><td>AE8704250</td><td>603848</td></tr> <tr><td>AE4754648</td><td>604069</td></tr> <tr><td>AU380639</td><td>604030</td></tr> <tr><td>AU208910</td><td>604022</td></tr> <tr><td>AU003787</td><td>603922</td></tr> <tr><td>601005716061</td><td>604305</td></tr> <tr><td>940714015838</td><td>604042</td></tr> <tr><td>801130016693</td><td>603506</td></tr> </tbody> </table> <p>Sg Papan Estate</p> <table border="1" data-bbox="624 1753 1230 2033"> <thead> <tr> <th>Passport/NRIC No.</th> <th>Employee no.</th> </tr> </thead> <tbody> <tr><td>B5357408</td><td>625654</td></tr> <tr><td>B3624061</td><td>626239</td></tr> <tr><td>AC6609803</td><td>626131</td></tr> <tr><td>B7200748</td><td>626302</td></tr> <tr><td>AS049925</td><td>625863</td></tr> </tbody> </table>	Passport/NRIC No.	Employee no.	AE5734724	603978	AE8704250	603848	AE4754648	604069	AU380639	604030	AU208910	604022	AU003787	603922	601005716061	604305	940714015838	604042	801130016693	603506	Passport/NRIC No.	Employee no.	B5357408	625654	B3624061	626239	AC6609803	626131	B7200748	626302	AS049925	625863	<p>Yes</p>
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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>Kulim (M) Berhad has established a time recording system that makes working hours and overtime transparent. Pocket check roll was used for daily attendance recording. Instead the Estates used the I-Plant System, from which it is down loaded in the computers. Sighted the I-Plant system records for the sample months and available for verification. IDEAS system is used for attendance record.</p>	Yes										
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>The management of both estates had informed all workers the working hours and breaks times. The working hours and break times complied with legal regulations and collective agreements. The working hours and break times was exhibited on notice boards. Working time was from 6.30am to 2.30pm while the break time was from 11.00am to 11.30am.</p>	Yes										
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>The payslip and the inputs were reviewed to confirm the wages and overtime is in line with legal requirements of Employment Act 1955 and worker's employment contract.</p> <p>REM Estate</p> <p>Sampled payslips (August 2019 [peak], February 2019 [normal] and May 2019 [low]) of workers verified are:</p> <table border="1"> <thead> <tr> <th>Passport/NRIC No.</th> <th>Employee no.</th> </tr> </thead> <tbody> <tr> <td>AE5734724</td> <td>603978</td> </tr> <tr> <td>AE8704250</td> <td>603848</td> </tr> <tr> <td>AE4754648</td> <td>604069</td> </tr> <tr> <td>AU380639</td> <td>604030</td> </tr> </tbody> </table>	Passport/NRIC No.	Employee no.	AE5734724	603978	AE8704250	603848	AE4754648	604069	AU380639	604030	Yes
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4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>The company provides free medical benefit and free housing to foreign workers.</p> <p>In addition, there is free school bus provided for local's children to go and back from school, football field, mosque, community hall were provided.</p>	Yes																												
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any</p>	<p>Estate worker lived in 1 house with 3 rooms, which shared 2 person in a room (maximum 6 person per dwelling). Water for domestic usage is provided from SAJ and Tenaga Nasional Berhad with subsidize rate as per agreement which is 50 kWh per month for electric and 35 gallon/people. Linesite inspection was carried out on weekly basis by Estate Hospital Assistant.</p>	Yes																												

	<p>other applicable legislation.</p> <p>- Major compliance -</p>	<p>REM Estate – Weekly inspection was done by estate’s hospital assistant. Latest inspection was done on 27/9/19.</p> <p>Sg Papan Estate – Weekly inspection was carried on 29/9/19. Recording of inspection to be further improved.</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>The Sexual Harassment Policy dated 01 may 2018 and signed by the Executive Director defined sexual harassment and mentioned that the company endeavour to prevent sexual harassment and all other forms of violence against women and workers in the workplace or in the course of an employee’s work.</p> <p>On both Estates, a Gender committee named “Women OnWards” (WOW) had been established.</p> <p>Latest WOW meeting was carried out on 21/1/19. Sighted minute of meeting which chaired by the chairlady, Puan Aishah Mohd Mosli</p>	Yes
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>- Major compliance -</p>	<p>The management respected the right of all employees to form and join trade union and allow workers’ own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations.</p> <p>This was mentioned in the Core Labour Standard Policy dated 01 May 2018 and signed by the Executive director.</p> <p>The workers have their freedom to join the NUPW. This was evident form NUPW membership subscription deductions made in the pay slips.</p> <p>During the interview with workers, there no evidence to show that the management had restricted its workers and staff from joining a trade union. Latest union meeting was carried out on 25/8/19 at REM Estate. No unresolved issues reported in the meeting.</p>	Yes
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state</p>	<p>The Core Labour Standard Policy dated 01 May 2018 and signed by the Executive director covered the commitment not to engage in or use of Child Labour. The master list of employees of sample</p>	Yes

	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 -	estates were verified and no children or young persons had been employed.	
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 -	Training programmes were available at all the visited estates. Based on the documented programmes, generally the planned trainings cover the OHS, environmental and best practice aspects for all operations in the field. They include training for contractor workers such as harvesters.	Yes
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 -	The training needs of employees have been identified for year 2018 training program. The details of the training needs include categories of job descriptions, sections, and employees group. It is aimed to provide specific skills and competency required for employees to discharge their duties diligently. Included in this program are subjects related to environment, safety & health and best practices.	Yes
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training	Training programmes are established on annual basis based on training needs. In addition it is subject for a review during the financial year if necessary.	Yes

	procedure. - Minor compliance -		
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	Environmental Policy has been established and signed by Mr. Zulkifly B Zakariah Executive Director dated 1/5/2018. The policy can also be found at http://www.kulim.com.my/ourpolicy.aspx The policy is communicated to all employees and made available at noticeboards.	Yes
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - Major compliance -	Environmental aspects and impacts analysis was done through utilization of Environmental Risk Assessment form. The evaluation form has the information about aspect/impact identified, risk assessment and risk control. Among the areas of the estate assessed were: <ul style="list-style-type: none"> ▪ Clinical Waste ▪ Compound Area ▪ Harvesting ▪ Manuring ▪ Office ▪ Replanting ▪ Scheduled wastes ▪ Storage ▪ Chemical application ▪ use of machine and tractor Additionally, a Waste and Pollution Management Plan have been established to manage environmental issues. The Plan list waste type, source, action, frequency, records and responsibility and are discussed quarterly at the Environmental Performance Committee Meeting.	Yes
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	Environmental Improvement Plan was available and last updated annually in January where the mitigation measures are recorded. The objective is to mitigate and monitor the identified significant activities that give impacts on environment. Specific persons in-charged have been identified to conduct monitoring to ensure the plan is effectively implemented.	Yes

<p>4.5.1.4</p>	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Based on the identification and evaluation of environmental aspects and impacts by the estates, the positive impact identified are:</p> <ul style="list-style-type: none"> ■ Prevent soil erosion via repair roads, frond stacking, planting of leaf cover crops and build silt pit and scupper drains. ■ Reduce usage of chemicals via Integrated Pest Management (planting of beneficial plants and keeping barn owls) ■ Conserve water via rain water harvesting 	<p>Yes</p>						
<p>4.5.1.5</p>	<p>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.</p> <p>- Major compliance -</p>	<p>Environmental training program is available in the Training Program updated on a yearly basis or revised as per the management requirement. Included in this programme were also subjects which related to environment generally its wastes management, chemical handling, BioDiversity (HCV Area) and adhering to standard operating procedures.</p> <p>The policy, objectives and management plan were communicated periodically during morning briefing. Interview with employees and contractors showed that their understandings towards the company's Environmental Policy and Improvement Plan to achieve set objectives were good.</p>	<p>Yes</p>						
<p>4.5.1.6</p>	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Concerns about environmental quality were discussed through various medium such as management meetings and muster call. Minutes of meeting were available for verification at all the visited estates.</p>	<p>Yes</p>						
<p>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</p>									
<p>4.5.2.1</p>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base</p>	<p>At all estates audited, the consumption of non-renewable energy (diesel) was recorded and monitored.</p> <p>Actual to-date as at August 2019 at the three audited estates are:</p> <table border="1" data-bbox="624 1731 1241 1865"> <thead> <tr> <th>Estate</th> <th>REM Estate</th> <th>Sg. Papan Estate</th> </tr> </thead> <tbody> <tr> <td>Diesel used lit/mt FFB</td> <td>3.3.9*</td> <td>0.897</td> </tr> </tbody> </table> <p>*high usage of diesel due to extensive use of mechanical spreader for fertilizer application</p>	Estate	REM Estate	Sg. Papan Estate	Diesel used lit/mt FFB	3.3.9*	0.897	<p>Yes</p>
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	period. - Major compliance -		
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimation for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate annual budgets.	Yes
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	There was no suitable area identified for the use of renewable energy at the visited estates. Operation of diesel gensets and vehicles were fully dependent on fossil fuel.	Yes
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The identification of wastes products and sources of pollution were documented in EAI and also DOE's SW Second Schedule. In general, among the wastes identified were domestic wastes, recyclable wastes, scheduled wastes and sewerage waste water.	Yes
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into	Waste and Pollution Management Plan had been developed and implemented based on environmental aspect identification. The plan, last reviewed on 1.8.2019, includes identifying and monitoring sources of waste and pollution, action required such as recycling of palm by-product into the field as nutrient, Reuse, Reduce and Recycle, and the method of disposal of each identified waste. Domestic wastes, especially food waste after segregation at source are tied in used fertilizer bag for disposal at estate operated landfill.	Yes

	<p>value-added by-products</p> <p>- Major compliance -</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>The procedures for safe handling, storage and disposal of used chemicals classified under Environment Quality Regulation (Scheduled Waste) 2005, Environmental Quality Act, 1974 are available prepared at Group level by Sustainability Department and implemented in all estates. Verification of consignment notes showed that the estates disposed their used chemical such as spent oil through DOE Licence Contractor.</p>	Yes
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>Based on site visit, the empty pesticide containers were cleansed through triple rinsed method, punctured and stored in a designated storage. When the cumulative amount of the containers reached an economically logistically feasible volume to be disposed, then the authorised recycler will be called to collect them. This was evident through verification of transaction receipts at the visited estates.</p>	Yes
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>At all audited visited estates, domestic wastes were landfilled in a designated area within the estate away from any waterways and linesite and fenced up. Wastes were wrapped in fertilizer bags before being placed and sandwich-layered with soil inside the rubbish pit.</p>	Yes
<p>Criterion 4.5.4: Reduction of pollution and emission</p>			

<p>4.5.4.1</p>	<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>Assessment of polluting activities were identified using the method mentioned in 4.5.1.2. The assessment has also included greenhouse gas emissions, scheduled wastes and solid wastes</p>	<p>Yes</p>
<p>4.5.4.2</p>	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Action plan to reduce the identified significant pollutants and emissions was documented in the Environmental Continuous Improvement Plan as well as in Waste, Pollution and Emission Management Plan and implemented. Example.</p> <ul style="list-style-type: none"> • solid waste such as plastic, glass, paper send to recycle contractor. • hazardous waste i.e. spent lubricant & empty chemical containers sent to Department of Environment (DOE) registered contractors. • weekly linesite inspection and check to ensure no septic tank overflow & spillage. Else, immediate action must be taken to contain overflow & spills. • daily inspection / routine maintenance on vehicles to reduce emission of dark smoke or emission of air pollutant <p>The strategy to mitigate the GHG emission was established at the corporate level. The data is available in Kulim’s Carbon Footprint Report.</p>	<p>Yes</p>
<p>Criterion 4.5.5: Natural water resources</p>			
<p>4.5.5.1</p>	<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> <ol style="list-style-type: none"> a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into 	<p>Water management plan was available and reviewed on regular basis. Among the action plan established were:</p> <ul style="list-style-type: none"> - maintain 5 meter of buffer zone around the pond - water analysis for inlet and outlet after manuring activity - monitor activity at buffer zone. <p>Based on site visit at the estates, it was observed that the riparian zones were adequately demarcated and no trace of chemical application was seen. The soft vegetation at the riparian reserves was also well maintained. There was no bore hole used as source of water at the visited estates.</p>	<p>Yes</p>

	<p>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 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>4.5.5.2</p>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>Based on site visit, there was no construction of bunds, weirs or dams observed.</p>	<p>Yes</p>
<p>4.5.5.3</p>	<p>Water harvesting practices should be</p>	<p>It was noted during the site visit at all the visited estates that many silt pits were prepared by the road</p>	<p>Yes</p>

	<p>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>sides to capture rain water in order to maintain the moisture content in the field.</p> <p>At estate offices and workshop sighted the practice of rainwater harvesting.</p>	
<p>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</p>			
<p>4.5.6.1</p>	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>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> <p>- Major compliance -</p>	<p>The assessment was reported in Rapid Biodiversity Assessment by A.J.F.M Dekker, dated 2008.</p> <p>In April 2016, another HCV Assessment was conducted by Malaysia Environmental Consultant Sdn Bhd. Both lead assessors were ALS licensed assessor (ALS14023KL; ALS15035TN). Total of 53.45 Ha of HCV area were identified.</p> <p>The management conducted regular patrols of conservation areas, access and boundary of estates. Signage, such as "No Hunting", "No Fishing", "Buffer Zone" were available.</p>	<p>Yes</p>
<p>4.5.6.2</p>	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should</p>	<p>Appropriate measures were established through Biodiversity Improvement Plan 2018. Among the immediate actions were buffer zone establishment, control of encroachment, waste management near the mill (effluent and erosion) and animal sighting records to name a few.</p>	<p>Yes</p>

	<p>include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>		
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>Among the management plan implemented were establishment of buffer zones, regular education to workers on importance of conservation areas, patrol reports, animal sighting records and signage of restriction of hunting, fishing and collecting.</p>	Yes
Criterion 4.5.7: Zero burning practices			
4.5.7.1	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p>	<p>The operating units adhered to the policy of "Zero open burning" for any replanting. From field visits and interviews with the workers there is no open burning being practiced in the estates. For replanting land preparation, palms are felled, chipped and windrowed as required in the company's procedure.</p>	Yes
4.5.7.2	<p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.</p> <p>- Major compliance -</p>	<p>No special approval granted from DOE as to date since there was no risk of disease at the visited estates.</p>	Yes
4.5.7.3	<p>Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental</p>	<p>No open burning method was used.</p>	Yes

	Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -		
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	All the previous palms were felled, chipped and windrowed as per best practices.	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>Kulim (Malaysia) Berhad had documented and implemented SOPs for plantations/estates the following:</p> <ul style="list-style-type: none"> • Kulim (Malaysia) Berhad – Agricultural Manual – 31.07.2017 • 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 E. Harvesting F. Pruning and Ablation G. Soil Conservation H. Justification of Chemical Use I. peeds Management J. Integrated Pest management K. Plant Diseases <p>Work Instruction – there are 41 work instructions starting from Document No:</p> <p>Lxx-WI-OP-W01 – Weedicide & Pesticide Usage & Application Control to</p> <p>Lxx-WI-OP-W41 – Perangkap Minyak.</p>	OFI

		<p>where xx stands for estate abbreviation for example xx=SP for Sg. Pin, RM for REM Estate.</p> <p>Panduan Kerja Selamat (SOP) had 15 chapters: Chapter1- Kata-kata Aluan Pengarah Urusan to Chapter 15- Lampiran</p> <p>Assurance and monitoring check on implementation of procedures include the following:</p> <ul style="list-style-type: none"> • Estate Management on-site visits • Regional Controller visits • Quarterly Plantation Inspector visit and reporting • Agronomist visit • Annual Visit from Audit, Risk Management & Compliance Dept • Internal Audit by Sustainability in August at both RM and Sg. Pin Estates • OSH Committee Workplace Inspection • Monthly Production Statement, Labour Statement, FFB Grading 											
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>There was no current replanting at all estates. Where planting is on slope, construction of terraces was in accordance with guidance in the Agricultural Manual. The guidance for planting on slope is as follows:</p> <table border="1"> <thead> <tr> <th>Slope (degrees)</th> <th>Terrace width (metres)</th> </tr> </thead> <tbody> <tr> <td><2°</td> <td>Straight planting</td> </tr> <tr> <td>2-5°</td> <td>Straight planting. Water conservation terraces at 32m interval</td> </tr> <tr> <td>6-15°</td> <td>5.00</td> </tr> <tr> <td>16-25°</td> <td>3.60</td> </tr> </tbody> </table> <p>Areas with greater than 25-degree slope are not to be planted but be left for biodiversity purposes. Among the soil conservation measures implemented to prevent soil erosion and siltation were construction of terrace, planting of cover crop and construction of road side drains.</p>	Slope (degrees)	Terrace width (metres)	<2°	Straight planting	2-5°	Straight planting. Water conservation terraces at 32m interval	6-15°	5.00	16-25°	3.60	Yes
Slope (degrees)	Terrace width (metres)												
<2°	Straight planting												
2-5°	Straight planting. Water conservation terraces at 32m interval												
6-15°	5.00												
16-25°	3.60												
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p>	<p>All fields are marked and identified. Information like year planting (field no., block no.) and the total hectare is shown at all markers. This is observed during the estate visit.</p>	Yes										

- Major 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>The annual business plan is available as per the Group Financial Procedure. & Guidelines. Both estates and the mill had a similar format i.e. in the form of annual budget with a 3-year projection. This business plan is prepared as guidance for future planning.</p>	Yes
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 (M) Berhad group estates has established a long range replanting program from 2019 and projected up to the year 2044.</p> <p>REM Estate 2019 – P93 (22.68 ha) 2020 – P91 (55.59 ha)</p> <p>Sg Papan Estate No replanting programme until 2028.</p>	Yes
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<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>	Yes
4.6.2.4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be</p>	<p>The management plan was effectively implemented and achievements of the goals and objectives regularly monitored, periodically reviewed and documented by performance monitoring. The</p>	Yes

	regularly monitored, periodically reviewed and documented. - Major compliance -	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.	
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 mechanism for the contractor are mentioned in the contract signed between Kulim and contractor.	Yes
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	<p>Evidence of agreed contracts with the contractors were verified.</p> <p>REM Estate:</p> <p>Contract No. KMB/REM 4/2017 (commencement date 1/8/17, completion date 31/7/20) for loading and transporting of FFB from ramp of Ladang REM to Sindora/Sedenak Palm Oil Mill</p> <p>Contractor: Pengangkutan Sempurna Sdn Bhd</p> <p>Contract No. KMB/REM 3/2017 (commencement date 1/4/17, completion date 31/3/20) for harvesting of FFB in P14 (82 ha) at REM Estate.</p> <p>Contractor: SOKO SK Enterprise</p> <p>Sg Papan Estate</p> <p>Contract No. MPSP/LSPN 2/2017 (commencement date 1/11/17, completion date 31/12/20) for loading and transporting of FFB from P03, P04,P05, P08A, P09, P09A to ramp using bin system at Sg Papan Estate.</p> <p>Contractor: Sungai Rezeki</p> <p>Contract No. MPSB/LSPN 7/2016 (commencement date 1/4/17, completion date 31/5/19) for harvesting of FFB in P12 (110.83 ha) and P13 (164.13 ha) at Sg Papan Estate Estate. Contract extension under variation order, LSP:03/2019 extended until 31/5/21.</p> <p>Contractor: Sri CK Enterprise</p> <p>On the payment part, kindly refer to indator 4.6.4.4</p>	Yes
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO	The Estates had informed its contractors regarding the need to follow the MSPO requirements through	Yes

	<p>requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>MSPO training/briefing. The latest session was carried out on 19/3/19 for Sindora Complex.</p>	
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>Evidence of agreed contracts with the contractors were verified.</p> <p>REM Estate:</p> <p>Contract No. KMB/REM 4/2017 (commencement date 1/8/17, completion date 31/7/20) for loading and transporting of FFB from ramp of Ladang REM to Sindora/Sedenak Palm Oil Mill</p> <p>Contractor: Pengangkutan Sempurna Sdn Bhd</p> <p>Contract No. KMB/REM 3/2017 (commencement date 1/4/17, completion date 31/3/20) for harvesting of FFB in P14 (82 ha) at REM Estate.</p> <p>Contractor: SOKO SK Enterprise</p> <p>Sg Papan Estate</p> <p>Contract No. MPSP/LSPN 2/2017 (commencement date 1/11/17, completion date 31/12/20) for loading and transporting of FFB from P03, P04,P05, P08A, P09, P09A to ramp using bin system at Sg Papan Estate.</p> <p>Contractor: Sungai Rezeki</p> <p>Contract No. MPSB/LSPN 7/2016 (commencement date 1/4/17, completion date 31/5/19) for harvesting of FFB in P12 (110.83 ha) and P13 (164.13 ha) at Sg Papan Estate Estate. Contract extension under variation order, LSP:03/2019 extended until 31/5/21.</p> <p>Contractor: Sri CK Enterprise</p>	Yes
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>There were no objections from management to accept MSPO approved auditors to verify assessments through a physical inspection where required and written in the addendum contract. Refer to contract, MPSB/C1/32/19/2019 under Sungai Rezeki (clause 6 of the contract agreement)</p>	Yes
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</p>	<p>All works performed at the estates are checked and verified by the estates personnel before payment been made to the contractors. Verified records were for:</p> <p>REM Estate</p>	Yes

<p>contractor for each task and season contracted.</p> <p>- Major compliance -</p>	<p>Contract No. KMB/REM 4/2017 (commencement date 1/8/17, completion date 31/7/20) for loading and transporting of FFB from ramp of Ladang REM to Sindora/Sedenak Palm Oil Mill</p> <p>Contractor: Pengangkutan Sempurna Sdn Bhd</p> <p>Records verified: tax invoice 0819-009) dated 31/8/19, contract claim for August 2019</p> <p>Post verification records: Contract work (order number, 19000114 OC dated 30/8/19, general ledger post dated 5/9/19 and payment voucher, 19000556 dated 5/9/19. Payment was made within 30 days from invoice submission</p> <p>Contract No. KMB/REM 3/2017 (commencement date 1/4/17, completion date 31/3/20) for harvesting of FFB in P14 (82 ha) at REM Estate.</p> <p>Contractor: SOKO SK Enterprise</p> <p>Records verified: tax invoice 01059) dated 31/8/19, contract claim for August 2019</p> <p>Post verification records: Contract work (order number, 19000109 OC dated 29/8/19, general ledger post dated 5/9/19 and payment voucher, 19000553 dated 5/9/19. Payment was made within 30 days from invoice submission</p> <p><u>Sg Papan Estate</u></p> <p>Contract No. MPSP/LSPN 2/2017 (commencement date 1/11/17, completion date 31/12/20) for loading and transporting of FFB from P03, P04,P05, P08A, P09, P09A to ramp using bin system at Sg Papan Estate.</p> <p>Contractor: Sungai Rezeki</p> <p>Records verified: tax invoice 5154 dated 30/8/19, contract claim for August 2019</p> <p>Post verification records: Contract work (order number, 19000084 OC dated 2/9/19, general ledger post dated 5/9/19 and payment voucher, 19000459 dated 5/9/19. Payment was made within 30 days from invoice submission</p>		
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4.7 Principle 7: Development of new planting

Criterion 4.7.1: High biodiversity value

<p>4.7.1.1</p>	<p>Oil palm shall not be planted on land with high biodiversity value unless it is carried out in</p>	<p>No new planting was observed or planned by the management. Thus, this principle is not applicable.</p>	<p>N/A</p>
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	<p>compliance with the National and/or State Biodiversity Legislation.</p> <p>- Major compliance -</p>		
4.7.1.2	<p>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.</p> <p>- Major compliance -</p>	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	<p>New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.</p> <p>- Major compliance -</p>	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	<p>A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.</p> <p>- Major compliance -</p>	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A

<p>4.7.3.2</p>	<p>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.</p> <p>- Major compliance -</p>	<p>No new planting was observed or planned by the management. Thus, this principle is not applicable.</p>	<p>N/A</p>
<p>4.7.3.3</p>	<p>The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.</p> <p>- Major compliance -</p>	<p>No new planting was observed or planned by the management. Thus, this principle is not applicable.</p>	<p>N/A</p>
<p>4.7.3.4</p>	<p>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.</p> <p>- Minor compliance -</p>	<p>No new planting was observed or planned by the management. Thus, this principle is not applicable.</p>	<p>N/A</p>
<p>Criterion 4.7.4: Soil and topographic information</p>			
<p>4.7.4.1</p>	<p>Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.</p> <p>- Major compliance -</p>	<p>No new planting was observed or planned by the management. Thus, this principle is not applicable.</p>	<p>N/A</p>
<p>4.7.4.2</p>	<p>Topographic information shall be adequate to guide the planning of planting programmes,</p>	<p>No new planting was observed or planned by the management. Thus, this principle is not applicable.</p>	<p>N/A</p>

	<p>drainage and irrigation systems, roads and other infrastructure.</p> <p>- Major compliance -</p>		
<p>Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils</p>			
<p>4.7.5.1</p>	<p>Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.</p> <p>- Major compliance -</p>	<p>No new planting was observed or planned by the management. Thus, this principle is not applicable.</p>	<p>N/A</p>
<p>4.7.5.2</p>	<p>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.</p> <p>- Major compliance -</p>	<p>No new planting was observed or planned by the management. Thus, this principle is not applicable.</p>	<p>N/A</p>
<p>4.7.5.3</p>	<p>Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.</p> <p>- Major compliance -</p>	<p>No new planting was observed or planned by the management. Thus, this principle is not applicable.</p>	<p>N/A</p>
<p>Criterion 4.7.6: Customary land</p>			
<p>4.7.6.1</p>	<p>No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their</p>	<p>No new planting was observed or planned by the management. Thus, this principle is not applicable.</p>	<p>N/A</p>

	own representative institutions. - Major compliance -		
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.	No new planting was observed or planned by the management. Thus, this principle is not applicable.	N/A

	- Major compliance -		
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

Malaysian Sustainable Palm Oil Part 4: General principles for Palm Oil Mill

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	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.	Yes
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	Yes
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 29 th September 2019 at Sindora Palm Oil Mill. The internal audit had covered all the MSPO MS2530 elements specifically on part 4. No NC raise in the last audit.	Yes
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	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.	Yes

	of nonconformities, in order to implement the necessary corrective action. - Major compliance -	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.	
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The internal audit report has distributed to the POM management and reported to Kulim (M) Berhad management. Refer to internal audit report dated 29/9/19.	Yes
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 last management review was conducted on 30 th September 2019. The management review had included internal and external sustainable palm oil audit results review and all pertinent agenda as per standard requirements. 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 30 th September 2019 was sighted.	Yes
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	Continual improvement plan for the mill has been documented in the management review meeting minutes dated 30/9/19. The plan was developed based on consideration of the social and environmental impact. E.g.: - to install of Electro Static Precipitator by 1Q 2020 - plan to construct furrow at Sindora Estate P08 / Block 5 in 2020 - to conduct SIA annually - to conduct meeting with union/stakeholder/Women onwards (WoW)	Yes
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 -	Sindora POM has taken a big leap forward in improving its Product Laboratory Analysis before selling its CPO to customers. It involved the purchase of: - Perkin Elmer FIR for analyzing oil losses thereby eliminating totally hazardous chemical used in the conventional method of analysis. - Moisture Analyzer to analyze volatile matter in Palm Kernel in a more efficient, productive and time saving manner, approximately 10 minutes of analysis vs 90 minutes in the traditional way.	Yes

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 (Malaysia) Sdn Bhd has developed a Communication Procedure V2.0 dated November 2009 where the objective of the procedure is to effectively communicate with internal and external stakeholders on matter pertaining to social and environmental aspect and impacts, performance and safety & health issue. The modes for internal and external communication are such as tool box, meeting with representatives, inspections, suggestion boxes, memo, stakeholder meeting and etc.</p>	Yes
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>There is a SPO Transparency Program under Kulim Malaysia Berhad. The procedure is to ensure that documents if to be release and made publicly available are readily available. The Corporate Dept will ensure that the following documents are available if requested and they do not impinge on confidentiality and will not cause detrimental sustainability or social outcoments.</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 • 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) <p>In addition to the website, the policies were also displayed at various locations at the operating units including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view</p>	Yes
Criterion 4.2.2 – Transparent method of communication and consultation			

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<p>4.2.2.1</p>	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>There is also a "Whistleblowing Policy" dated 2/10/17; refer to agency circular 3/2017. Report should be directed straight to Executive Director /Chairman of Kulim</p> <p>Sighted records of "Penerangan kepada kontraktor bagi mamenuhi standard persijilan RSPO, ISCC, MSPO" dated 12/3/19 during stakeholder meeting.</p>	<p>Yes</p>
<p>4.2.2.2</p>	<p>The management shall nominate management officials at the operating unit responsible for issues related to indicator 1.</p> <p>- Minor compliance -</p>	<p>The Mill Manager has appointed the Mill supervisor to be the Social Person In Charge for the social issue in the mill and seen the appointment letter dated 10/1/19</p>	<p>Yes</p>
<p>4.2.2.3</p>	<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>The mill and estates has developed a stakeholder list that consisted of internal and external stakeholders such as contractors and suppliers, local communities, government authorities, buyers and etc.</p> <p>Combine stakeholder meeting was conducted on 15/9/2019 with FFB and hardware suppliers. No issue was raised during the meeting. Meeting minutes dated 18/9/19 was sighted.</p> <p>The mill has sent the invitation letter to stakeholders such as local communities' representatives, schools' representatives and contractor to attend stakeholder meeting on 11/9/2019.</p>	<p>Yes</p>
<p>Criterion 4.2.3 – Traceability</p>			
<p>4.2.3.1</p>	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>The traceability SOP; Sustainable Management System, Traceability, Doc: No: SQD/SMS/1.2 Date 01.07.2018 available and outlines the preparations, dispatch and receive of FFB, CPO, Kernel and other by products at KULIM's estate and mill, job assignments and recordings of transport productivity for payment purpose and statistics.</p>	<p>Yes</p>
<p>4.2.3.2</p>	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>Inspection on compliance with the traceability procedure is regularly checked through supply chain internal audit. The internal audit report, which was carried out together with other schemes such as RSPO and ISCC, was available for verification.</p>	<p>Yes</p>

<p>4.2.3.3</p>	<p>The management shall identified and assign suitable employees to implement and maintain traceability system.</p> <p>- Minor compliance -</p>	<p>The person appointed for Traceability is GM/Senior Manager/Manager/Deputy Manager/Assistant in-charge/Acting Manager or Respective Operating Units as per appointment letter dated 22/9/19, ref: SQD/ADMIN/017/19.</p>	<p>Yes</p>
<p>4.2.3.4</p>	<p>Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.</p> <p>- Major compliance -</p>	<p>Records of CPO and PK storage, sales, deliver were maintained at Sindora POM.</p> <p>Example of records evidence are as below:</p> <ol style="list-style-type: none"> 1. Despatch summary report by buyer (daily/monthly) 2. Despatch records (WB/PORLA etc) 	<p>Yes</p>

4.3 Principle 3: Compliance to legal requirements

Criterion 4.3.1 – Regulatory requirements

<p>4.3.1.1</p> <p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>The mill continues to commit its compliance with legal requirements. Sighted, among them the following licenses and permits had been displayed or kept current on file:</p> <table border="1" data-bbox="619 1146 1262 1957"> <thead> <tr> <th></th> <th>Name of Permit / License</th> <th>Permit / License No.</th> <th>Validity period</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Store diesel from KPDNHEP</td> <td>J 038002</td> <td>07.01.2019 to 06.01.2020</td> </tr> <tr> <td>2</td> <td>Labour Department Over Time Limit</td> <td>BHG.PU/9/3 4 Jld 18 (11)</td> <td>23.01.2019 to 04.02.2020</td> </tr> <tr> <td></td> <td>Permit Deduction of Workers' Wages:</td> <td></td> <td></td> </tr> <tr> <td></td> <td>a) NUPW / Tabung Haji / Amanah Saham Berhad 2</td> <td>JTK/KG/101 03/0429</td> <td>issued on 24.11.2015</td> </tr> <tr> <td></td> <td>b) Etiqa Takaful Insurance,</td> <td>TK(NJ) U-23</td> <td>issued on 11.10.2016</td> </tr> <tr> <td></td> <td>c) Syarikat Air Johor, (not more RM5)</td> <td>TK(NJ) U-23</td> <td>issued on 23.12.2018</td> </tr> <tr> <td></td> <td>d) Tenaga Nasional Berhad, (RM 0.218 per unit kwh).</td> <td>TK(NJ) U-23</td> <td>issued on 23.12.2018</td> </tr> <tr> <td></td> <td>e) Khairat,</td> <td>TK(NJ) U-23</td> <td>issued on 31.03.2019</td> </tr> <tr> <td></td> <td>f) Sports & Recreation Club,</td> <td>TK(NJ) U-23</td> <td>issued on 31.03.2019</td> </tr> </tbody> </table> <p>All of the above permits/licences (a-f) do not have an expiry date. Its permanent.</p>		Name of Permit / License	Permit / License No.	Validity period	1	Store diesel from KPDNHEP	J 038002	07.01.2019 to 06.01.2020	2	Labour Department Over Time Limit	BHG.PU/9/3 4 Jld 18 (11)	23.01.2019 to 04.02.2020		Permit Deduction of Workers' Wages:				a) NUPW / Tabung Haji / Amanah Saham Berhad 2	JTK/KG/101 03/0429	issued on 24.11.2015		b) Etiqa Takaful Insurance,	TK(NJ) U-23	issued on 11.10.2016		c) Syarikat Air Johor, (not more RM5)	TK(NJ) U-23	issued on 23.12.2018		d) Tenaga Nasional Berhad, (RM 0.218 per unit kwh).	TK(NJ) U-23	issued on 23.12.2018		e) Khairat,	TK(NJ) U-23	issued on 31.03.2019		f) Sports & Recreation Club,	TK(NJ) U-23	issued on 31.03.2019	<p>Yes</p>
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<p>4.3.1.2</p>	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>The applicable laws are listed centrally by Kulim's Compliance Unit (under Audit, Risk Management and Compliance Dept.) based in Johor Bahru. The list entitled "Register of Legal and Other Requirement" identified among others the below Acts applicable to POM operations:</p> <ul style="list-style-type: none"> • Occupational Safety & Health Act 1991 • Factories and Machinery Act 1967 • Environmental Quality Act 1974 • Employment Act 1955 	<p>Yes</p>																				

		<ul style="list-style-type: none"> • Fire Services 1988 • Electricity Supply Act 1990 • Workers Minimum Standard of Housing and Amenities Act 1990 • Weights and Measures Act 1972 • Malaysian Palm Oil Board 1998 	
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>Noted, the list entitled “Kulim’s Group Compliance Framework” was reviewed bi-monthly, the last being July –August 2019.</p> <p>Among the medium used to track changes in law by the Risk Management and Compliance Department are website visits, mass media information membership news letter from plantation related organization such as MAPA, etc. This information is then cascaded to all Operating Units for it to check and where applicable update its Legal & Other Requirements Register accordingly.</p> <p>Noted that the Sindora POM has updated and incorporated in its legal register the latest Employment Insurance System Act 2017 (Act 800).</p>	Yes
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>The person in-charged and responsible to monitor compliance and to track and update the changes in regulatory requirements for Sindora POM is Executive from Regional Controller’s office. It was verified that the Register of Legal and Other Requirements has been updated and evaluated every 2 months, the latest being for period 1.7.2019 – 31.8.2019.</p>	Yes
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>The usage of all land titles are for agriculture purposes and no evidence of land encroachment sighted.</p>	Yes
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.</p>	<p>Sindora POM is located in Sindora Estate and the quit rent is paid through Sindora Estate. The Area Statement for vs the land titles for Sindora Estate is crossed reference. The land titles are under Kulim (Malaysia) berhad and sampled is as follows: Sindora Estate: No H.S (D) 17659, No PTD 4434: 2709.760 Acre dengan</p>	Yes

	- Major compliance -	syarat-syarat nyata (tanaman kelapa sawit) valid until 24.01.2086.	
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	The boundary for the fields are clearly demarcated and visibly maintained.	Yes
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 -	So far there has no issue on land dispute in Sindora POM and verified through stakeholder’s consultation and documentation of land ownership. However, management has the SOP – SPO negotiations concerning compensation program dated 04 Sept 2007 to ensure that any negotiations with regards to compensation for loss of local rights are dealt with fairly	Yes
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 -	Sindora POM is located in Sindora Estate and there is no customary rights issue within the lands. This is further verified during interview with the surrounding communities and stakeholders that there is no disputes.	Yes
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	Sindora POM is located in Sindora Estate and there is no customary rights issue within the lands. This is further verified during interview with the surrounding communities and stakeholders that there is no disputes.	Yes
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	Sindora POM is located in Sindora Estate and there is no customary rights issue within the lands. This is further verified during interview with the surrounding communities and stakeholders that there is no disputes.	Yes
4.4 Principle 4: Social responsibility, health, safety and employment condition			

Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>Social Impact Assessment was conducted on 16/5/2019 and 18/6/2019 by Sustainability Team of Kulim (M) Berhad. Seen the interview checklists with the relevant stakeholders that been utilized during the assessment. The stakeholders that participated in the assessment were such as school’s representative, internal workers, contractors and etc. The topics that discussed during the assessment are child labour issue, discrimination, complaints, policies and etc. Based on the assessment, no 3 negative impacts and 6 positive impacts were identified. Recommended improvement measures detailed out in the Social Improvement Plan dated September 2019.</p>	Yes
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>Kulim (Malaysia) Berhad has implemented SPO Grievance Procedure dated 4/9/2007. The objective of the procedure is to ensure that Kulim has a documented system for dealing with complaints and grievances that is agreeable to all sides and accepted by all stakeholders. The management shall process and resolve the complaints within 25 work days.</p> <p>Besides, the company has developed Right of Employees Policy dated 8/1/2017 where the company will establish, implement and monitor a documented grievance procedure which will be made accessible to all our employees.</p> <p>In addition, the company also developed Grievance Policy dated 1/1/2008 where the company will resolved all the grievances and unsatisfied to ensure good relationship</p>	Yes
4.4.2.2	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p>- Major compliance -</p>	<p>The complaint and grievances is open to effected parties including internal and external stakeholders. The time to process the complaints or grievances is within 25 work days.</p>	Yes
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p>	<p>The complaint form is made available in the mill office. In case the complainant would want to make an anonymity complaint it can be made through electronic Complaint form or email to Senior Director or Whistleblowing committee or toll free number or fax or</p>	Yes

	- Minor compliance -	by mail. This information is available in notice boards in the mill.	
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 conducted with workers to confirm their understanding of the complaint and grievance process. There is no grievance recorded for the pass one year. Only request for maintenance housing are made by workers.	Yes
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 -	The complaint record for request for maintenance are available and kept for 10 years according to the Standard Operation Manual Section 4; Sub-section 4.2.3 Control of Documents.	Yes
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 mill management has made contribution to the stakeholders such as contributed of cooking oil to all the workers during festive season, subsidized of electricity and water, provide clinic facilities and etc. Programme with stakeholders (internal and external) was also plan and included in the social improvement plan such as family days, soport event etc.	Yes
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 -	Sindora POM continued to maintain Kulim's (M) Berhad Occupational Safety and Health Policy which has been signed by Executive Director dated 1/5/2018. It is available in Bahasa Malaysia and English language. OSH plan for 2019 has been established. The OSH plan comprises of OSH legal compliance, emergency response plan (ERP), OSH management system, risk management and safety committee activities, all these were established to harmonize with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967. More details are discussed in 4.4.4.2 below.	Yes

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<p>4.4.4.2</p>	<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> <p>i. All employees involved are adequately trained on safe working practices;</p> <p>ii. All precautions attached to products should be properly observed and applied;</p> <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 and storage in accordance to Occupational Safety</p>	<p>a) The OSH policy dated 1.5.2018 has been implemented and communicated to all employees via:</p> <ul style="list-style-type: none"> • Display at notice boards • MSPO training • Published on its website: kulim.com.my • Morning muster call <p>b) HIRARC Register was last reviewed on 26/07/2018. Sampled among others HIRARC work activities at Workshop, Lubricant Store, Schedule Waste Store, Laboratory, Water Treatment Plant, Grading Station, Loading Ramp, Vertical Sterilizer, Threshing Station, Press Station, Kernel Station and Boiler Room.</p> <p>c) Awareness training program has been established and workers involved with chemical handling were trained on safe work practices. All precautions attached to the products including the need to correctly wear the PPE were continuously reminded during muster call. Training by workstation attended by 13 workers was conducted on 09.06.2019.</p> <p>Chemicals were sighted arranged and segregated accordingly in the chemical store. The CDS/SDS for chemicals were available at point of use. Chemicals were handled as per USECHH Regulations 2000 and CLASS Regulations 2013 of the OSHA Act 1994. Sindora POM has issued PPE to its employees free of charge for their protection at workplace, much in line with risk assessed. During the site visit the staff/workers were noted worn appropriate PPE relevant to the task undertaken.</p> <p>Records of PPE issued were maintained individually for all employees. Acknowledgement of receipt was recorded. Examples of PPE given include respirators, face mask, gloves, aprons, ear plug as well as head, eye and foot protection. There were also special PPE for workers assigned to work at height and confined space.</p> <p>d) Sindora POM had established Work Instruction for Handling of Chemicals to ensure proper and safe handling and storage per OSH (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000, OSH (Classification Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013 and EQ (Scheduled Wastes) Regulations 2005.</p>	<p>Yes</p>
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	<p>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 and 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</p>	<p>Chemicals were handled as per the requirements in SDS, CHRA, HIRARC and the above work instructions.</p> <p>e) Senior Assistant Manager was appointed as responsible person(s) for workers' safety and health. Sighted appointment letter dated January 2019.</p> <p>f) The Mill Manager, appointed as the Chairman for the OSH committee, among other duties, preside the OSH meetings.</p> <p>The quarterly OSH Committee meetings were carried out accordingly and the minutes of the meeting was maintained. Sighted the minutes in below table and agenda discussed that include Safety Performance, Accidents, Training, Workplace Inspections/Audit.</p> <table border="1" data-bbox="619 1003 1257 1169"> <thead> <tr> <th>Meeting No.</th> <th>Date held</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>24.12.2018</td> </tr> <tr> <td>2</td> <td>25.02.2019</td> </tr> <tr> <td>3</td> <td>23.05.2019</td> </tr> <tr> <td>4</td> <td>26.08.2019</td> </tr> </tbody> </table> <p>g) The following procedures to address accident and emergency were sighted exist:</p> <ul style="list-style-type: none"> • Accident Notification and Investigation Procedure as per NADOPOOD Guideleims • Emergency Response Procedure - SM/WI/29 • Flowchart "Pelan Tindakan Kecemasan" displayed on notice board. • Emergency Telephone Contact No. (internal and External) also posted on notice board and made publicly available. <p>Random interview with employees at selected workstation such as ramp, sterilizer, boiler, workshop and water treatment plant confirmed that all employees were aware and understood actions to be taken during emergency as they had been briefed on the procedure and participated in annual Emergency Response and Evacuation drill.</p> <p>h) First Aid training has been conducted by Estate Hospital Assistant on 03/10/2019 for 9 persons from mill work stations and office.</p> <p>h) There was zero accident recorded in 2018. One (1) accident case was reported involving 15 days LTI that happened on 13.05.2019. JKKP 6 form was</p>	Meeting No.	Date held	1	24.12.2018	2	25.02.2019	3	23.05.2019	4	26.08.2019	
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	<p>reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>sent to DOSH promptly and the accident case was discussed on 23.05.2019 OSH Committee meeting.</p> <p>i) Records of accident were kept, reviewed and compiled for submission to DOSH annually before 31 January for preceding year safety performance through form JKPP 8.</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>Kulim (M) Berhad had established and implemented good social practice regarding human rights in respect of industrial harmony. The practice was mentioned in the Mission Policy, Core Labour Standard Policy, People Policy and Ethics Policy. All the policies were dated 01 May 2018 and signed by the Executive Director. These policies were communicated to all employees through trainings and briefings due muster/roll calls.</p>	Yes										
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 Mill has employed Migrant Indonesian and Local workers. Migrant Indonesian workers were recruited on a 2 years contract basis while Local workers were employed on a long-term basis. Both Migrant and Local workers were provided with the wage structure, amenities, etc. No discrimination was noted. Job opportunities and amenities such as free housing, water and medical care are given to all employees without discrimination.</p>	Yes										
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>All the workers are under direct employment. The payslip has included basic income, allowance pay, working days, medical leave, and deduction of salary and others as per employment contract. The payroll for the following sampled workers for October 2018 (peak), July 2019 (normal) and March 2019 (low) were verified to be consistent with the Minimum Wages Order 2016 and 2018.</p> <table border="1" data-bbox="619 1771 1230 2009"> <thead> <tr> <th>Passport/NRIC No.</th> <th>Employee no.</th> </tr> </thead> <tbody> <tr> <td>AU042269</td> <td>623190</td> </tr> <tr> <td>AU042272</td> <td>623191</td> </tr> <tr> <td>AU253355</td> <td>623199</td> </tr> <tr> <td>B1220992</td> <td>623222</td> </tr> </tbody> </table>	Passport/NRIC No.	Employee no.	AU042269	623190	AU042272	623191	AU253355	623199	B1220992	623222	Yes
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		<table border="1"> <tr> <td>910714015435</td> <td>623217</td> </tr> <tr> <td>780313016805</td> <td>623076</td> </tr> </table> <p>There was no records or complaint observed during the interview with workers. All the sampled workers had achieved the minimum wage in accordance to Minimum Wage Order 2016 which was RM1,000.00 per month or RM 38.46 per day and for the New Minimum Wages Order 2018, they are able to achieved RM1,100 per month or RM 42.31.</p>	910714015435	623217	780313016805	623076	
910714015435	623217						
780313016805	623076						
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>	There were no employees of contractors in the mill.	Yes				
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	The workers master list was reviewed. The list includes date of birth, date joined, gender etc.	Yes				
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employees hadl been provided with fair contracts that have been signed by both employee and employer.</p> <p>Migrant Indonesian workers are recruited with 2 years contract. Local workers are on a long-term employment basis.</p> <p>The following contracts has been verified to confirm that workers have binding working agreement with the company:</p> <table border="1"> <tr> <td>Passport/NRIC No.</td> <td>Employee no.</td> </tr> <tr> <td>AU042269</td> <td>623190</td> </tr> </table>	Passport/NRIC No.	Employee no.	AU042269	623190	Yes
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4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>The management had established a time recording system that makes working hours and overtime transparent using the Punch Card and Pocket Check roll system.</p> <p>Sighted the Punch Cards and pocket check roll of the following workers:</p> <table border="1"> <thead> <tr> <th>Passport/NRIC No.</th> <th>Employee no.</th> </tr> </thead> <tbody> <tr><td>AU042269</td><td>623190</td></tr> <tr><td>AU042272</td><td>623191</td></tr> <tr><td>AU253355</td><td>623199</td></tr> <tr><td>B1220992</td><td>623222</td></tr> <tr><td>910714015435</td><td>623217</td></tr> <tr><td>780313016805</td><td>623076</td></tr> </tbody> </table> <p>The terms of employment were as per MAPA/NUPW agreement.</p>	Passport/NRIC No.	Employee no.	AU042269	623190	AU042272	623191	AU253355	623199	B1220992	623222	910714015435	623217	780313016805	623076	Yes
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4.4.5.8	<p>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.</p> <p>- Major compliance -</p>	<p>The working hours and breaks of the individual worker indicated in the time records complied with legal regulations and collective agreements. The working hours and break times was exhibited on notice boards. Working time from 7.30am to 4.00pm were given a 1 hour and 15 minutes break. The workers could take their breaks at their own convenient times.</p>	OFI														
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>The payslip and the inputs were reviewed to confirm the wages and overtime is in line with legal requirements of Employment Act 1955 and worker's employment contract. The payroll for the following sampled workers for October 2018, March 2019 and July 2019 were</p>	Yes														

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	- Major compliance -	verified to be consistent with the Minimum Wages Order 2016 and 2018.															
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4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. - Minor compliance -	Sindora Palm Oil Mill provided free bus service and school uniforms for employees' school going children. The company also provides free medical benefit to workers dependent at the Sedenak Estate clinic. Family Day and Sports Days were conducted and appreciation dinner given.	Yes														
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	Kulim (M) Berhad has provided free housing and medical assistance to all the workers. Water and electricity was provided without any charges from workers. Linesite inspection was conducted on weekly basis by Hospital Assistant and twice a month together with VMO. Latest inspection was carried out on 20/9/19. Domestic water supplies was either from the government or own treatment with samples taken and sent for analysis to ensure compliance with drinking water standard for own treated water.	Yes														
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	The Sexual Harassment Policy dated 01 may 2018 and signed by the Executive Director defined sexual harassment and mentioned that the company endeavour to prevent sexual harassment and all other forms of violence against women and workers in the workplace or in the course of an employee's work.	Yes														
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers' own	The management respected the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations.	Yes														

	<p>representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>This was mentioned in the Core Labour Standard Policy dated 01 May 2018 and signed by the Executive director.</p> <p>The workers have their freedom to join the NUPW. This was evident from NUPW membership subscription deductions made in the pay slips. Latest union meeting was carried out on 16/5/19.</p>													
<p>4.4.5.14</p>	<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>The Core Labour Standard Policy dated 01 May 2018 and signed by the Executive director covered the commitment not to engage in or use of Child Labour. The master list of employees was verified.</p>	<p>Yes</p>												
<p>Criterion 4.4.6: Training and competency</p>															
<p>4.4.6.1</p>	<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>Sighted Awareness and training programme had been carried to ensure all workers involved have been adequately trained in understanding SDS, all SOPs', safe working practices, the correct use of PPE, all aspects of the MSPO/RSPo and others.</p> <p>Training records for employees were available and maintained at the office. Records for 2019 were verified on a sampling basis as follows:</p> <table border="1" data-bbox="620 1709 1252 1966"> <thead> <tr> <th colspan="3">Sindora POM</th> </tr> <tr> <th>Date</th> <th>Training Title</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>19-21.03.2019</td> <td>FFB Grading</td> <td>1</td> </tr> <tr> <td>11.04.2019</td> <td>LOTO for Workshop</td> <td>12</td> </tr> </tbody> </table>	Sindora POM			Date	Training Title	Attendees	19-21.03.2019	FFB Grading	1	11.04.2019	LOTO for Workshop	12	<p>Yes</p>
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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 and training programme [doc. No.: SPOM-SNPOM/SOP/7.8-F5] was established by the management in early January 2019. The establishment of the plan is guided by its Training procedure [SNPOM/SOP/7.8, issue 3, dated 1/2/2018].</p> <p>Overall workforce profile was developed to determine</p> <ul style="list-style-type: none"> the skill and knowledge required for specific roles and responsibilities, and matrix of organizational compliance requirements <p>From the mapped out workforce profiles the training needs to be conducted was provided to ensure knowledge or skill gap is closed, competency is developed, workers are motivated, work safely and become productive. Post training evaluation was conducted by the trainee's Supervisor to evaluate the effectiveness of training.</p> <p>Cross verified during interviews with FFB Graders, Workstation Operators at sterilizer, press, oil room, laboratory, water treatment plant, workshop, store, etc. they were found knowledgeable and possessed the skill sets required to perform their job safely.</p>	Yes																								
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</p>	<p>A continuous training programme and documented training procedure had been established. Guided by the procedure above, under Clause 6.7, a meeting will be conducted before end of the year to discuss about training requirements for the following year for workers and staff of the mill. The meeting would be attended by all head of department and chaired by the Mill Manager.</p>	Yes																								

	documented training procedure. - Minor compliance -	The POM own the training program that were updated annually. Please see indicator 4.4.6.1 for training courses that had been identified and delivered.	
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	Environmental Policy signed by Executive Director, Mr. Zulkifly Zakariah dated 1/5/2018 has been established and communicated to all employees, displayed at notice board and its spirit implemented. The policy can also be found at http://www.kulim.com.my/ourpolicy.aspx	Yes
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations - Major compliance -	Environmental aspects and impacts analysis was done through utilization of Environmental Risk Assessment form (MP-SNPOM-2018). The evaluation form has the information about aspect/impact identified, risk assessment and risk control. Among the areas of the mill assessed were: - chemical mixing and storage - CPO storage - generation of power - lab operation - machine and vehicle maintenance - POME treatment - storage of SW - composting plant	Yes
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 Improvement Plan was available and last updated on 12/9/2018 where the mitigation measures were registered in. The objective is to mitigate and monitor the identified significant activities that give impacts on environment. Specific persons in-charged have been identified to monitor and ensure the plan is effectively implemented. Among the sampled activities to verify the methods of mitigation were: Biogas plant Method to reduce the level of impact: <ul style="list-style-type: none"> • Regular checking on critical parts such as pipe joint and pumps • Prompt action on leaking parts • Contained the effluent within plant area Effluent Treatment Plant (ETP)	Yes

		<p>Methods to reduce the level of impact:</p> <ul style="list-style-type: none"> Regular desludging of effluent ponds and disposal to land application furrows <p>Operation of biogas plant</p>	
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Based on the identification and evaluation of environmental aspects and impacts by the mill, the positive impacts identified and continued practice are:</p> <ol style="list-style-type: none"> Empty Fruit Bunch use as fertilizer by Estates POME use as liquid fertilizer by the Estate Empty Fertilizer bags utilization for Loose Fruit Collection Methane gas captured for use by Biogas Plant to generate electricity 	Yes
4.5.1.5	<p>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.</p> <p>- Major compliance -</p>	<p>Formal training programs for 2019 that covered aspects of the MSPO / RSPO / ISCC /ISO requirements, with regular assessments of training needs were presented to auditor by Sindora POM. The training on RSPO & MSPO awareness included on the policy and objectives of the safety, environmental social and management and improvement plans.</p> <p>The policy, objectives and management plan were regularly reminded during morning briefing. Interview with the employees showed that their understandings towards the safety, social and environmental were good</p>	Yes
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The Environmental Performance Monitoring Committee (EPMC) has been established to comply with the DOE requirement on Guidance Self-Regulation (GSR). The meeting held on 30.04.2019 and 27.08.2019 was participated by Mill Manager, Engineers, Supervisors and Engine Drivers to discuss environmental performance that include presentation by GSR sub-committee whose input include listening to concerns raised by workers, if any.</p> <p>Feedback from the GSR sub-committee presentations were used as input for management action plan.</p>	Yes
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should</p>	<p>Baseline value for diesel consumption was established through implementation of objective and target. The mill has taken 0.6 lt/mt FFB processed to be used as its baseline value. Based on the records, the mill has achieved 0.48 lt/mt FFB in two successive year, 2017 and 2018 and at YTD September 2019, the mill has achieved 0.60 lt/mt FFB. It plan to control usage of diesel for 2019 not to exceed the set target.</p>	Yes

	<p>be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period</p> <p>- Major compliance -</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>Electricity generation was through steam turbine and boiler where Palm fibre and PK shells were used as renewable energy/fuel on a rule of thumb 70:30 ratio basis. Other electricity generation is coming from biogas plant operation.</p> <p>Monthly records of energy consumption of non-renewable and renewable fuel per metric tonne of palm product at the Mill were available.</p> <p>The following data summarized annually is tabulated for diesel (non-renewable) and fibre/shell (renewable) used against the CPO produced to determine the efficiency of their operations;</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2018</th> <th>2019YTD Sep</th> </tr> </thead> <tbody> <tr> <td>FFB processed, mt</td> <td>242,679.44</td> <td>184,711.37</td> </tr> <tr> <td>Fiber produced</td> <td>28,573.42</td> <td>22,798.63</td> </tr> <tr> <td>% Fiber/FFB</td> <td>11.77</td> <td>12.34</td> </tr> <tr> <td>Shell produced</td> <td>13,993.89</td> <td>11,716.75</td> </tr> <tr> <td>% Shell/FFB</td> <td>5.77</td> <td>6.34</td> </tr> <tr> <td>Diesel (Genset), liters</td> <td>50965</td> <td>62830</td> </tr> <tr> <td>Transport & Machineries, liters</td> <td>64976</td> <td>48271</td> </tr> </tbody> </table>	Year	2018	2019YTD Sep	FFB processed, mt	242,679.44	184,711.37	Fiber produced	28,573.42	22,798.63	% Fiber/FFB	11.77	12.34	Shell produced	13,993.89	11,716.75	% Shell/FFB	5.77	6.34	Diesel (Genset), liters	50965	62830	Transport & Machineries, liters	64976	48271	Yes
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4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>Fibre and shell were used as bio-fuel for boiler operation. The quantity of biomass was also monitored to achieve the expected percentage of fibre and shell quantities being consumed.</p> <p>Please refer to above table in indicator 4.5.2.2 for the biomass consumed per mt FFB processed.</p>	Yes																								
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>The identification of wastes products and sources of pollution were documented in EAI and also DOE's SW Second Schedule. In general, among the wastes identified were domestic wastes, recyclable wastes, scheduled wastes and sewerage waste water.</p>	Yes																								

	<p>- Major compliance -</p>	<p>Domestic waste – rubbish from the mill complex and employees quarters.</p> <p>Recycled waste – Fibre, palm kernel shell, boiler ash, scrap iron.</p> <p>Scheduled waste – Spent IPA, hexane, filter, lubricants, hydraulic oil, grease, used batteries.</p> <p>The source of mill pollution generated from the mill is smoke from the boiler is monitored from the stack emission during the entire operations. These reports are reviewed by the mill and submitted to DOE as per Compliance Schedule.</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.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>Wastes management plan were established based on environmental aspect identification and spelt out in Environmental Improvement Plan. The plan includes the method of disposal of each identified waste.</p> <p>The document has the information about type of waste, source of waste, quantity generated/month and method of disposal.</p> <p>Recycling of mill by-products and converting them to value-added products were discussed in indicator 4.5.1.4, 4.5.2.2. and 4.5.3.1 above.</p>	Yes
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</p>	<p>At Sindora POM, the source of used chemical containers were generally from workshop (lubricant, hydraulic oil, grease and paints) laboratory, boiler and water treatment plant.</p> <p>The Assistant Mill Manager (Process) together with assigned Executive from office of Regional Controller are responsible to oversee and guide the Mill PIC on Waste handling to follow established procedures, namely, Scheduled Waste Management Guidelines, dated January 2016.</p> <p>All Scheduled Wastes were disposed through DOE Approved contractor, Kualiti Alam Sdn Bhd. Sighted records of disposal as follows:</p>	Yes

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	<p>Waste) Regulations, 2005 - Major compliance -</p>	<table border="1"> <thead> <tr> <th>Date</th> <th>SW Code</th> <th>Quantity (mt)</th> </tr> </thead> <tbody> <tr> <td>11/09/2019</td> <td>SW 110</td> <td>0.027</td> </tr> <tr> <td>11/09/2019</td> <td>SW 305</td> <td>1.250</td> </tr> <tr> <td>11/09/2019</td> <td>SW 306</td> <td>1.280</td> </tr> <tr> <td>11/09/2019</td> <td>SW 410</td> <td>0.060</td> </tr> <tr> <td>11/09/2019</td> <td>SW 429</td> <td>0.027</td> </tr> </tbody> </table>	Date	SW Code	Quantity (mt)	11/09/2019	SW 110	0.027	11/09/2019	SW 305	1.250	11/09/2019	SW 306	1.280	11/09/2019	SW 410	0.060	11/09/2019	SW 429	0.027	
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<p>4.5.3.4</p>	<p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -</p>	<p>Domestic wastes from Sindora mill and its line site were collected 3 times per week and disposed at Sindora Estate designated landfill. The location of the landfill was far from residential area and water ways. Recyclable waste were disposed through 3rd party contractor.</p>	<p>Yes</p>																		
<p>Criterion 4.5.4: Reduction of pollution and emission</p>																					
<p>4.5.4.1</p>	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -</p>	<p>An assessment of identified polluting activities is being conducted and monitored, inclusive of gaseous emissions, particulate / soot emissions, scheduled waste, solid waste and effluent. Derived from the Environmental Aspect/Impact analysis the 'Pollution and Emission Management Plan' – is used to identify the waste products and sources of pollution and is being reviewed accordingly. The most significant environmental receptors for the mill operations were:</p> <table border="1"> <thead> <tr> <th></th> <th>Receptor</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Air</td> <td>Source from boiler stack (smoke and particulate), vehicle & generator (smoke and gases), anaerobic processes (ETP, EFB dumping – GHG emission)</td> </tr> <tr> <td>2</td> <td>Water</td> <td>Cleaning water/run-off/process station waters (hydro cyclone/clay bath /sterilizer condensate/clarification waste) & boiler quenching water and blow down</td> </tr> <tr> <td>3</td> <td>Land</td> <td>Scheduled waste, domestic waste and industrial/process waste.</td> </tr> </tbody> </table> <p>Implementation and monitoring of GHG emissions is carried out and submitted to RSPO. using palm GHG version 3.01 was made available during audit. The 2018 emission of greenhouse gases calculation was estimated at 0.11 t/CO2eq/t FFB.</p>		Receptor	Source	1	Air	Source from boiler stack (smoke and particulate), vehicle & generator (smoke and gases), anaerobic processes (ETP, EFB dumping – GHG emission)	2	Water	Cleaning water/run-off/process station waters (hydro cyclone/clay bath /sterilizer condensate/clarification waste) & boiler quenching water and blow down	3	Land	Scheduled waste, domestic waste and industrial/process waste.	<p>Yes</p>						
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3	Land	Scheduled waste, domestic waste and industrial/process waste.																			

<p>4.5.4.2</p>	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Significant pollutants and greenhouse gas (GHG) emissions were identified and their Pollution & Emission Management Plan established. It includes methane capture from effluent as fuel to operate the Biogas plant, permissible black smoke emission and safeguard final effluent discharge within the stipulated limit as per DOE Compliance Schedule have been implemented.</p> <p>POME is treated using aerobic and anaerobic ponds. Effluent waste-water samples were taken as per DOE requirement and quarterly reports sent to DOE via the latest "OER" @ Online Environmental Reporting.</p> <p>Tools and systems used to monitor significant black smoke emission includes the DOE CEMS monitoring system, water quality analysis at discharge points as per DOE regulations and Scheduled Waste disposal as per the DOE requirements via E-Swis.</p> <p>The isokinetic chimney/stack sampling for boiler is done at six monthly interval to monitor particulate and gases emission. The quality monitoring report submitted to DOE has been reviewed and it is confirmed that one of the two parameters for each Boiler No. 3 and 4 exceed DOE permissible limit. Installation of Electrostatic Precipitator is plan to meet the EQ (Clean Air) Regulation 2014.</p>	<p>Yes</p>
<p>4.5.4.3</p>	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>The POME is treated with open anaerobic, aerobic and stabilization lagoon. Monthly monitoring on the final discharge is conducted. The effluent at the final discharge is tested to ensure it compliance to the DOE Licence discharge limits. The permitted limit for BOD of the effluent final discharge is 500 ppm. Based on the mill's four last quarterly report, the BOD results never exceed the regulated limit. Its around 100 ppm.</p>	<p>Yes</p>
<p>Criterion 4.5.5: Natural water resources</p>			

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<p>4.5.5.1</p>	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>The mill water management plan has been established with the recent review made on 01/8/2019. 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="619 902 1278 1966"> <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 Drought Wastage</td> <td>Enforcement of buffer zone as non-spraying activities</td> </tr> <tr> <td>2</td> <td></td> <td>General upkeep</td> <td>Pollution Drought Wastage</td> <td>Follow WI & SOP to avoid water pollution Follow SW SOP to avoid pollution caused from SW</td> </tr> <tr> <td>3</td> <td></td> <td>Line site</td> <td>Pollution Drought Wastage</td> <td>Every house is supplied with containers. To schedule water supply to avoid wastage. Awareness on water usage efficiency.</td> </tr> </tbody> </table>	No	Source	Activity	Threat	Action Plan	1	Reservoir /pond SAJ/Rain	Chemical Mixing	Pollution Drought Wastage	Enforcement of buffer zone as non-spraying activities	2		General upkeep	Pollution Drought Wastage	Follow WI & SOP to avoid water pollution Follow SW SOP to avoid pollution caused from SW	3		Line site	Pollution Drought Wastage	Every house is supplied with containers. To schedule water supply to avoid wastage. Awareness on water usage efficiency.	<p>Yes</p>
No	Source	Activity	Threat	Action Plan																			
1	Reservoir /pond SAJ/Rain	Chemical Mixing	Pollution Drought Wastage	Enforcement of buffer zone as non-spraying activities																			
2		General upkeep	Pollution Drought Wastage	Follow WI & SOP to avoid water pollution Follow SW SOP to avoid pollution caused from SW																			
3		Line site	Pollution Drought Wastage	Every house is supplied with containers. To schedule water supply to avoid wastage. Awareness on water usage efficiency.																			

					Outsource from neighboring estates	
		4		Drain upkeep	Interruption of water flow at drainage system. Every house is supplied with containers. To schedule water supply to avoid wastage. Awareness on water usage efficiency. Outsource from neighboring estates.	
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 -	Sindora POM discharges its POME to land application and composting plant (stop operation) as stipulated in its DOE's Compliance Scheduled, License No. 005343.				Yes
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 -	To ensure best practice is implemented, SOPs for core process were available. Among the procedures were: <ul style="list-style-type: none"> - Marketing [SNPOM/SOP/8.1] - weighbridge station SOP 8.2 - Loading ramp Station SOP 8.3 - Loading ramp station – FFB grading SOP 8.4 - Sterilisation station SOP 8.5 - Treshing and Press Station SOP/8.6 - Clarification station SOP/8.7 - Depericarper station SOP 8.8 - Kernel station SOP 8.9 - Boiler house SOP 8.10 - Power house SOP 8.11 - WTP SOP 8.12 - ETP & Storm Pond SOP 8.13 				OFI



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		- Lab SOP 8.14 - Control of non-conforming product SOP 8.15 - Inspection and testing SOP 8.16	
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	There were various methods used to ensure implementation of the procedures, e.g.: - Mill advisor Visit – once in 2 months - ISO 9001 audit – once a year - JAKIM Halal audit - once a year - MPOB Code of Practice audit - once a year - Internal Audit – twice a year - Third Party Environment audit - once a year	Yes
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Sindora 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).	Yes
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 -	Pricing mechanisms for the products and other services were clearly written in the contract and purchase order. For CPO transporter, fees of services is mentioned under the contract agreement. For supplier, specific terms and conditions are mentioned under notes and conditions on the transport and payment documentation.	Yes
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	This requirement is in compliance. All contracts and purchases are documented i.e in the form of purchase orders, invoices, contracts for the larger transaction. All documents are signed by both vendor and mill. All contracts terms and conditions were made transparent with evidence of stamp duty for legalization and agreed from both parties. Verified during stakeholder interview, no pending payment as to date and all previous payments are prompt.	Yes
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required	Sindora POM had informed its contractors Regarding the need to follow the MSPO requirements. Awareness briefing was done the stakeholders including contractors on the MSPO requirements. As for the CPO transporter, a revised contract agreement was sent to the transporter (Syarikat Buana Kita Sdn Bhd)	Yes

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	documentation and information. - Major compliance -	to include special clause on MSPO compliance.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Evidence of agreed contracts (contract extension) with the contractors were verified. Signed document dated 28/2/18 was made available for verification.	Yes
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	The requirement of accepting MSPO accredited auditors to audit against the contractors are being stated in the formal letter attachment to the contractors.	Yes

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
<p>Based on the findings during the assessment Kulim (M) Berhad – Sindora POM and Group Estates complies with the MS 2530-3:2013 and MS 2530-3:2013. It is recommended that the certification of Kulim (M) Berhad – Sindora POM and Group Estates is continued.</p> <p>Based on the assessment result, Kulim (M) Berhad – Sindora POM and Group Estates complies with the MS 2530-3:2013 MSPO Part 3: General principles for oil palm plantations and organized smallholder and MS 2530-4:2013 Part 4: General principles for palm oil mills is recommended for continued certification.</p>	
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: 10.02.2020	Signature:  Date: 6th February 2020

Appendix A: Assessment Plan

PRELIMINARY AGENDA				
Date	Time	Subjects	Hidhir	Mahzan
Sunday 6/10/19	PM	Audit team travelling to Johor Bahru and hotel check-in at Mutiara Hotel, JB	√	-
Monday 7/10/19	0900- 1700	RSPO Supply Chain audit (Sindora POM)	√	-
	PM	Audit team travelling to Johor Bahru and hotel check-in at Mutiara Hotel, JB	-	√
Tuesday 8/9/19 REM Estate	0730 am	Audit team travelling to REM Estate	√	√
	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	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. Stakeholder consultation		
	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.	√	√
Wednesday 9/10/2019 Sg Papan Estate	0730 AM	Traveling to Sg Papan 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)	√	√

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Date	Time	Subjects	Hidhir	Mahzan
	16.30 - 17.00	Interim Closing briefing.	√	√
Thursday 10/10/2019 Sindora POM	0730	Travelling to Sindora POM	√	√
	09.00 – 13.00	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	√	√
	10.00-12.00	Stakeholder consultation	√	-
	13.00 – 14.00	Lunch	√	√
	14.00 – 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	Closing meeting	√	√

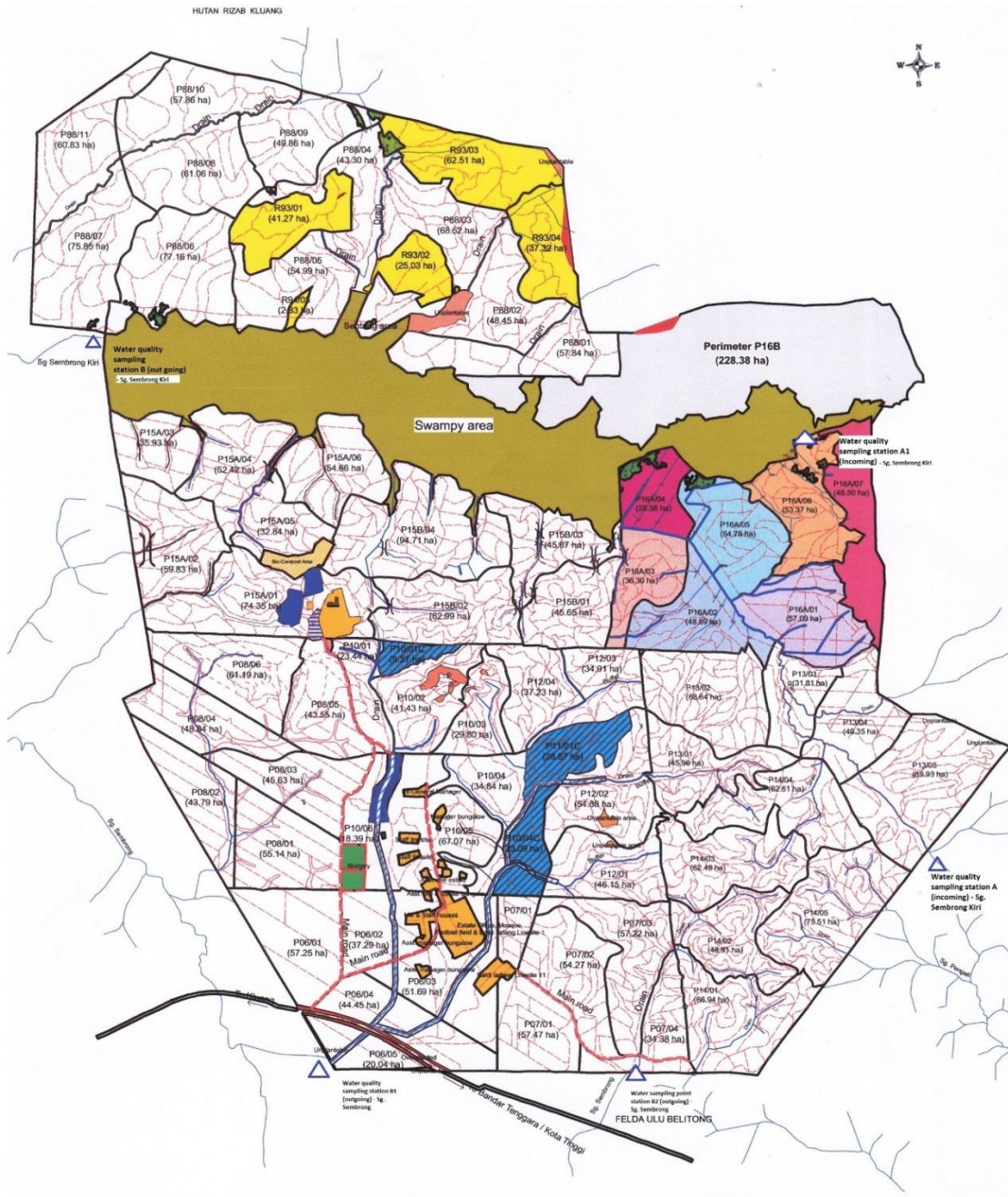
Appendix B: List of Stakeholders Contacted

Government Bodies/External Stakeholder	Internal Stakeholders: Workers Representatives (Foreign Worker) Gender Committee Representative Estate workers
NGO: Nil	Contractors: FFB transporter Supplier

Appendix C: Smallholder Member Details

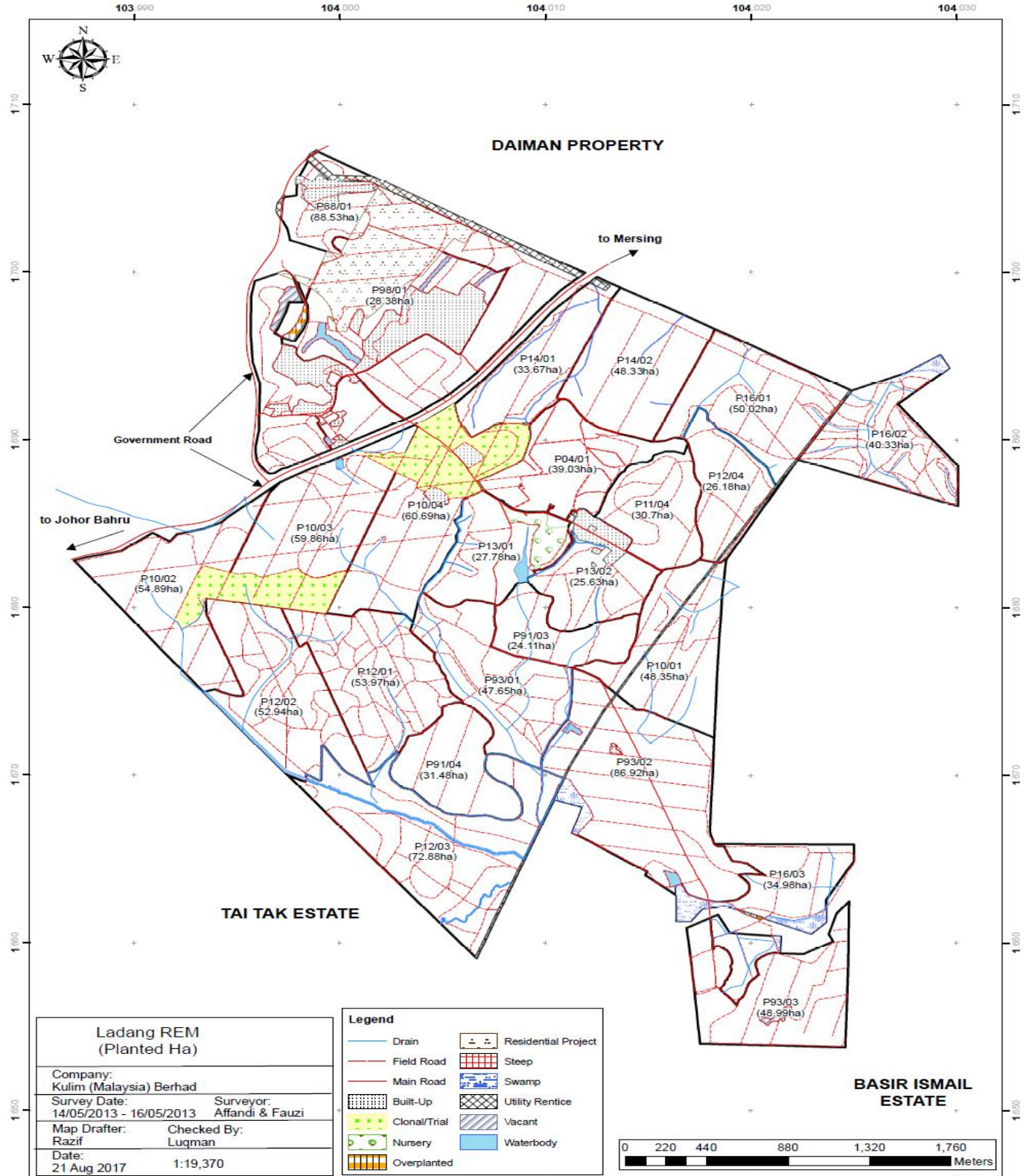
No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1	NA. No smallholders in the scope of certification.	-	-	-
2				
3				
4				
5				
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21				
22				
23				
TOTAL				

Appendix F: Location and Field Map



<p>Title: LADANG SINDORA (PLANTED HA)</p> <p>Company: MAHAMURNI PLANTATIONS SDN BHD</p>	<p>Legend</p> <ul style="list-style-type: none"> Building / Compound Rubber Swapped/underplant Swampy area Overplanted area Seeding area Rubber tree 	<p>Water sampling point</p> <ul style="list-style-type: none"> Pond Sludge Area RR Compound Area Critical area RR Rubber 	<ul style="list-style-type: none"> Field road Perimeter road Drain <p>Scale: 0 75 150 meters</p>	<p>Surveyed by: AFFENDI & FAUZI</p> <p>Surveyed date: 25/09/2016 - 28/09/2016</p> <p>Digitized by: MOHAMAD RAZIF WAHIDON</p>	<p>Checked by: LUQMAN MOHAMMED</p> <p>Date: 17/10/2016</p> <p>File name: M:\Mapping\Central Region\ Sindora\Completed map</p>
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REM Estate Map



Appendix G: 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