

**MALAYSIAN SUSTAINABLE PALM OIL  
- SURVEILLANCE ASSESSMENT (ASA 1)  
Public Summary Report**

<b>Kulim (Malaysia) Berhad</b>
Client company Address: Kulim (Malaysia) Berhad K.B 705 80990 Johor Bahru Johor, Malaysia
Certification Unit: Bukit Layang Estate
Location of Certification Unit: Lot 712-713, 718-719, 720, 745, 778, 971, 31, 283, 293, Mukim Sg Tiram, 81909 Kota Tinggi, Johor, Malaysia

**Report prepared by:**  
**Muhamad Naquiddin Mazeli** (Lead Auditor)

**Report Number: 3164592**

**Assessment Conducted by:**  
BSI Services Malaysia,  
(DSM Accreditation Number: MSPO 09112018 CB 12)  
Suite 29.01 Level 29 The Gardens North Tower,  
Mid Valley City Lingkaran Syed Putra,  
59200 Kuala Lumpur, Malaysia  
Tel +60392129638 Fax +60392129639  
[www.bsigroup.com](http://www.bsigroup.com)

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### Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Kulim (Malaysia) Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	592627002000	31/12/2020	
Address	K.B. 705, Ulu Tiram, 80990 Johor Bahru, Johor, Malaysia		
Certification Unit	Bukit Layang Estate		
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	MSPO 726057		
Issue Date	30/03/2019	Expiry date	29/03/2024
Scope of Certification	Production of Sustainable Oil Palm Fruits		
Standard	MS 2530:2013 Part 3		
Stage 1 Date	-		
Stage 2 / Initial Assessment Visit Date (IAV)	-		
Continuous Assessment Visit Date (CAV) 1	23-24/06/2020		
Continuous Assessment Visit Date (CAV) 2	N/A		
Continuous Assessment Visit Date (CAV) 3	N/A		
Continuous Assessment Visit Date (CAV) 4	N/A		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 720133	RSPO Generic 2018 MYNI 2019	BSI Services Malaysia Sdn. Bhd.	07/04/2021

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

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Bukit Layang Estate	Lot 712-713, 718-719, 720, 745, 778, 971, 31, 283, 293, Mukim Sg Tiram, 81909 Kota Tinggi, Johor, Malaysia	103.963037	1.582417
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#### 1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Bukit Layang Estate	383.25	2.92	11.59	397.76	96.35
<b>TOTAL</b>	<b>383.25</b>	<b>2.92</b>	<b>11.59</b>	<b>397.76</b>	

#### 1.5 Plantings & Cycle

Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Bukit Layang Estate		78.75	304.50			383.25	
<b>Total (ha)</b>		<b>78.75</b>	<b>304.50</b>			<b>383.25</b>	

#### 1.6 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (April 2019 - May 2020)	Actual (April 2019 - May 2020)	Forecast (April 2020 - May 2021)
Bukit Layang Estate	9,361	8,963.15	9,763
<b>Total</b>	<b>9,361</b>	<b>8,963.15</b>	<b>9,763</b>

**Note:**

Nil

#### 1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (April 2019 - May 2020)	Actual (April 2019 - May 2020)	Forecast (April 2020 - May 2021)
N/A			
<b>Total</b>	<b>N/A</b>		

**Note:**

Nil

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<b>1.8 Certified Tonnage</b>			
<b>Mill Capacity:</b> <b>N/A MT/hr</b>  <b>SCC Model:</b> <b>SG/MB</b>	<b>Estimated</b> <b>(April 2019 - May 2020)</b>	<b>Actual</b> <b>(April 2019 - May 2020)</b>	<b>Forecast</b> <b>(April 2020 - May 2021)</b>
	<b>FFB</b>	<b>FFB</b>	<b>FFB</b>
	N/A	N/A	N/A
	<b>CPO (OER: %)</b>	<b>CPO (OER: %)</b>	<b>CPO (OER: %)</b>
	<b>PK (KER: %)</b>	<b>PK (KER: %)</b>	<b>PK (KER: %)</b>

<b>1.9 Actual Sold Volume (CPO)</b>					
<b>CPO (MT)</b>	<b>MSP0 Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
		<b>ISCC</b>	<b>RSPO</b>		
N/A					

<b>1.10 Actual Sold Volume (PK)</b>					
<b>PK (MT)</b>	<b>MSP0 Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
		<b>ISCC</b>	<b>RSPO</b>		
N/A					

## Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 190 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 23-24/06/2020. The audit programme is included as Appendix A. The approach to the audit was to treat the Bukit Layang Estate 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 HBVs, 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 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

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

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

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

All the previous nonconformities are remains closed. The assessment findings for the initial assessment are detailed in Section 4.2.

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

This report was externally reviewed by MSPO approved Peer Reviewer prior to certification decision by BSI.

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

Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Bukit Layang Estate	√	√	√	√	√

**Tentative Date of Next Visit: January 26, 2021 - January 27, 2021**

**Total No. of Mandays: 2**

**2.1 BSI Assessment Team**

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Muhamad Naquiuddin Mazeli	Team Leader	He graduated with Bachelor of Science Horticulture at University Putra Malaysia. He started his career in 2009 as Researcher at Sime Darby Research Seed Centre and manage for Quality control for seed production for paddy, chilli and corn with collaboration with Malaysian Agricultural Research and Development Institute (MARDI) for 4 years. During the period, he was also involved with Nestle project on Red Rice production. He later joins the Sime Darby Plantation Berhad Sustainability Team in 2013 as Sustainability Executive. Joining the sustainability team, he managed, implemented and monitored the RSPO, ISCC, MSP0 and ISO 9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also support in providing training and internal audits related to RSPO, MSP0 and other certifications where applicable to the operations within Sime Darby Plantation. He is a trained Safety Officer and he managed the Occupation Safety and Health of Northern Region Sime Darby Plantation Berhad operations. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health and workers consultation.

## 2.2 Assessment Plan

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

Date	Time	Subjects	MNM
Monday 22/6/2020	-	Travel from KL to Johor Bahru	√
Tuesday 23/6/2020	0800-0830 0830-0900	Opening Meeting with MSPO: <ul style="list-style-type: none"> <li>Opening Presentation by Audit team leader.</li> </ul> Confirmation of assessment scope and finalize Audit plan.	√
	0900-1230	Bukit Layang Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√
	1230-1330	Lunch	√
	1330-1630	Document review (MS:2530 Part 3), P1: Management commitment and responsibility, P5: Environment, natural resources, biodiversity and ecosystem services.	√
	1630-1700	Interim Closing briefing	√
Wednesday 24/6/2020	0830-1000	Document review (MS:2530 Part 3), P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition.	√
	1000-1100	Stakeholder Consultation	√
	1100-1230	Continue Document review (MS:2530 Part 3), P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition.	√
	1230-1330	Lunch	√
	1330-1600	Document review (MS:2530 Part 3), P6 : Best practices, P7: Development of New Planting.	√
	1600-1700	Interim Closing briefing	√
	1600-1700	Finalization of audit findings & preparation of closing meeting	√
	1700-1730	Closing meeting	√
Thursday 25/6/2020	0800-1700	Travelling back from JB to Kuala Lumpur	√



## 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 the Certification Assessment there were no Major & no Minor nonconformities raised.

Noteworthy Positive Comments	
1	Good cooperation by management team/staff/sustainability team
2	Good hospitality and good relationship with stakeholder

### 3.3 Status of Nonconformities Previously Identified and OFI

Not applicable.

### 3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
No non-conformities			

### 3.5 Issues Raised by Stakeholders

IS #	Description
1.	<b>Issues:</b> <b><u>Sq Rezeki Sdn Bhd</u></b> Good prompt payment received from company upon invoicing.
	<b>Management Responses:</b> Positive feedback noted.
	<b>Audit Team Findings:</b> No further issue.
2.	<b>Issues:</b> <b><u>Alfian (Smallholder)</u></b> Road condition is quite bad especially after rain

	<p><b>Management Responses:</b> Issue was noted and discussed during stakeholder meeting and estate management already took action to maintain road conditions accordingly.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
<p><b>3.</b></p>	<p><b>Issues:</b> <b><u>Ang Chia Yok (Smallholder)</u></b> The management always do consultative if any issue happen. Always invite during stakeholder meeting. No issue with management.</p> <p><b>Management Responses:</b> Positive feedback noted.</p> <p><b>Audit Team Findings:</b> No further issue.</p>

**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment Bukit Layang Estate Certification Unit complies with the <i>MS 2530-3:2013</i> . It is recommended that the certification of Bukit Layang Estate Certification Unit is approved and/or continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name:</b> SALASAH ELIAS	<b>Name:</b> Muhamad Naquiuddin Mazeli
<b>Company name:</b> KULIM (MALAYSIA) BERHAD	<b>Company name:</b> BSI Service (M) Sdn Bhd
<b>Title:</b> DEPUTY GENERAL MANAGER	<b>Title:</b> Client Manager
<b>Signature:</b>  SALASAH ELIAS Deputy General Manager Sustainability Department	<b>Signature:</b> 
<b>Date:</b> 13.07.2020	<b>Date:</b> 12/7/2020

**Appendix A: Summary of the findings by Principles and Criteria**

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. - <b>Major compliance</b> -	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
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. - <b>Major compliance</b> -	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
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - <b>Major compliance</b> -	Kulim Bukit Layang Estate: The first internal audit for MSPO was conducted 29/4/2020. The internal audit had covered all the MSPO MS2530 elements specifically on part 3. This was conducted yearly basis and previous record was on March 2019.	Yes
<b>4.1.2.2</b>	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. - <b>Major compliance</b> -	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

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		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. 5 OFI were raised during last audit. All finding has been followed up and closed by lead auditor on 30/4/2020.	
<b>4.1.2.3</b>	Report shall be made available to the management for their review. <b>- Major compliance -</b>	The internal audit report has distributed to the estate's management and reported to Kulim (M) Berhad management. Refer to internal audit report dated 29/4/2020.	Yes
Criterion 4.1.3 – Management Review			
<b>4.1.3.1</b>	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. <b>- Major compliance -</b>	The latest management review was conducted on 6/5/2020 for Bkt Layang Estate. 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 8 people.	Yes
Criterion 4.1.4 – Continual Improvement			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. <b>- Major compliance -</b>	The Continual Improvement Plan for Bkt Layang Estate are available. Among the sampled document reviewed: i) Housing repair and repainting ii) Rewiring and drainage repair iii) Establishment of buffer zone as per DID requirements iv) Signages installation at work station and conservation area v) Upgrading of chemical store.	Yes

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4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. <b>- Major compliance -</b>	Introduction of projects and innovation by Kulim group of estates were evident. Among completed projects: 1. Fertilizer Mechanical 3(FM3) project for increase fertilizer application.	Yes
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. <b>- Major compliance -</b>	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. <b>- Major compliance -</b>	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	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 Department will ensure that the following documents are available if requested and	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>or social outcomes.</p> <p><b>- Major compliance -</b></p>	<p>they do not impinge on confidentiality and will not cause detrimental sustainability or social outcome.</p> <p>Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> <li>• Land title (held as hard copy by the property department)</li> <li>• Health and safety plan</li> <li>• Plans and impact assessment- environmental &amp; social</li> <li>• Pollution prevention plans</li> <li>• Details of complaints and grievances</li> <li>• Negotiation procedures</li> <li>• Continuous improvement plan</li> <li>• Biodiversity plans</li> <li>• Policy documents (sustainability handbook)</li> </ul> <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, estate offices and muster ground notice boards for employees and visitors to view</p>	
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p><b>- Major compliance -</b></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. Sighted records of “Penerangan kepada kontraktor bagi mamenuhi standard persijilan RSPO, ISCC, MSPO” dated 3/9/2018</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. <b>- Minor compliance -</b>	Regional Head from Plantation Operation of Kulim (Malaysia) Berhad has issued a letter dated 1 Jan 2019 to inform that all Executive Regional Controller of each complex has been automatically appointed as Social person-in-charge. The head of audit, risk management and compliance has appointed the regional controller executive to be the Social Person In Charge Refer to letter.	Yes
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. <b>- Major compliance -</b>	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 dated 1/1/2020  The latest stakeholder meeting was conducted on 16/6/2020 with stakeholders (FFB transporter, Authorities, supplier and neighboring villages). No issue was raised during the meeting. Meeting minutes was sighted.	Yes
<b>Criterion 4.2.3 – Traceability</b>			
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). <b>- Major compliance -</b>	The traceability SOP; Sustainable Management System, Traceability, Doc: No: SQD/SMS/1.2 Rev 04 Date 20/09/2019 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. <b>- Major compliance -</b>	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.	Yes



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		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 and ticket DB A No. 233089 updated 15 June 2020.	
<b>4.2.3.3</b>	The management should identify and assign suitable employees to implement and maintain the traceability system. <b>- Minor compliance -</b>	PIC for traceability system is head of operating unit, refer to letter from Head of Plantation ref: SQD/ADMIN/005/19 dated 1 Jan 2019.	Yes
<b>4.2.3.4</b>	Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b>	Records of sales and delivery checked. Bkt Layang Estate Date of delivery: 15/6/20, D/O# 233089, vehicle :JDK8701, weight: 7 mt	Yes
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. <b>- Major compliance -</b>	Bkt Layang Estate a)MPOB license 592627002000 valid from 1/1/2020 to 31/12/2020 b) Diesel license, KPDKKK.J/KTG/permit 0334 (PD), serial no. J000634, diesel: 5,460 liter valid from 14 Nov 2019 until 13 Nov 2020 c) Water Abtraction License, license no.:07/A/K/026, no. file:BAKAJ/334/300/05/08/07/23, maximum abstraction volume per day: 20 m3/day valid until 31/12/20	Yes

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		<p>d) Electrical Installation license, license no.:2019/02067, serial no. 38218 for 59.5 kW valid until 15/8/2019.</p> <p>e) SPAN license, private water supply system, license class no.: SPAN/EKS/(PT)/800-4(1)9/14 (class 1&amp;2) valid until 25/8/20.</p>	
<b>4.3.1.2</b>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	<p>Kulim Group Compliance Framework dated 12/3/19 for Kulim Bkt Layang was made available for review.</p> <p>The new Minimum Wages Order 2020 and Workers Minimum Standard of Housing and Amenities Act 1990 (amend on 2019) has been incorporated in the list.</p>	Yes
<b>4.3.1.3</b>	<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><b>- Major compliance -</b></p>	<p>The new Minimum Wages Order 2018 has been incorporated in Kulim Group Compliance Framework dated 1 June 2020</p>	Yes
<b>4.3.1.4</b>	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></p>	<p>Sighted letter dated 2/5/2019, for the appointment of RC executive Siang Complex as the Person In-Charge for updating changes in Laws and compliance monitoring. For Siang Complex, the person in charge is Regional Controller executive. Refer to appointment letter, ref: (06)RMC/COM/GM/19/05. Tracking system available to identify changes in the relevant regulations through head office under. Risk Management and Compliance Department and site representative. Tracking system on any changes in the law been well implemented.</p>	Yes
<b>Criterion 4.3.2 – Lands use rights</b>			

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Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	The usage of all land titles are for agriculture purposes and no land encroachment occur verified as per site verification and interview.	Yes
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. <b>- Major compliance -</b>	Bkt Layang Estate: Total of 12 land titles registred under Kulim (M) Berhad. Legal ownership is under Kulim (M) Berhad where all the land titles are freehold and actual use of land is for agriculture. Sample of land title checked: i) Grant no. 105393, Mukim Sg Tiram , lot no. 712 total hectare: 34.5753 ha ii) Grant no. 105390, Mukim Sg Tiram , lot no. 713 total hectare: 120.672 ha	Yes
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	Legal boundaries were marked clearly using wooden pegs (red and white) at all visited estates. Sighted at Bukit Layang Estates the following markers that were visibly maintained. Sampling between P00 Block 3 with Pian smallholder.	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). <b>- Minor compliance -</b>	There was 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 / Indicator		Assessment Findings	Compliance
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - <b>Major compliance -</b>	The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.	Yes
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - <b>Minor compliance -</b>	The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.	Yes
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - <b>Major compliance -</b>	The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.	Yes
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - <b>Minor compliance -</b>	Social impact Assessment June 2020 has been identified based on consultative process to to mitigate the negative impacts and promote the positive one. Based on the social impact improvement plan, total of 4 negative impact and 10 positive impacts identified with proposed mitigation plan for improvement.	Yes
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented.	There is Communication and Consultation Management Guideline, communication procedure V2.0 available in Bkt Layang Estate. The	Yes

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	- <b>Major compliance</b> -	aims are to effectively communicate the social and environmental aspects and impacts, social and environmental performance and OHS.	
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.  - <b>Major compliance</b> -	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.	Yes
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.  - <b>Minor compliance</b> -	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.	Yes
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.  - <b>Minor compliance</b> -	The complaints and feedback has been communicated to all stakeholders through the stakeholder's meeting conducted by SQD. The stakeholder meeting has been conducted on 16/6/2020.	Yes
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.  - <b>Major compliance</b> -	Sighted the record for complaints and feedbacks available since 2019 in Enquiry Register Book/Records.	Yes
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
4.4.3.1	Growers should contribute to local development in consultation with the local communities.  - <b>Minor compliance</b> -	The Estate management have made contribution to both internal and external stakeholders. Records of contribution to the communities such as donation to Persatuan Veteran ATM (PVATM), internal programme	Yes

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		such as Sedenak Complex Sports Carnival 2019 were sighted. Seen the petty cash vouchers for all the donation made.	
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.  <b>- Major compliance -</b>	<p>An Occupational Safety &amp; Health Policy had been established and implemented. The policy was signed by the Managing Director of Kulim (Malaysia) Berhad on 1 January 2008 and is displayed prominently on notice boards in Bahasa Malaysia</p> <p>An OSH Plan had been established and Implemented. Sample as per below:</p> <p><b><u>Chemical Health Risk Assessment (CHRA)</u></b></p> <p>In Bkt Layang Estate, CHRA conducted on 13 September 2018 – 20 September 2018 by registered assessor, Noormahani Harun, JKPP HQ/03/ASS/00/154 &amp; Zairulakmar Mosmin (JKPP HQ/07/ASS/00/236) of QMSPRO Sdn Bhd on the CHRA.</p> <p>Medical surveillance done by KulimSafety Training and Services Sdn Bhd (OHD: HQ/17/DOC/00/00053) dated 7 Nov 2019. 15 workers involved all result was fit to work with chemical.</p> <p>OSH Meeting conducted on 18 June 2020 and previously was on Dec 2019. This meeting due because of COVID 19. Osh appointment letter available dated 1 Jan 2019.</p>	Yes
<b>4.4.4.2</b>	The occupational safety and health plan shall cover the following:	The safety and health policy, was communicated and implemented through daily tool box meetings/briefings and trainings. The briefing includes among others to priorities safety, execute work safely,	Yes

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<ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risks of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:               <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> </li> <li>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).</li> <li>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.</li> <li>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</li> <li>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</li> </ul>	<p>adherence to all safety rules and regulations and to target for zero accident. The policy has been communicated to the staff and workers dated 24 Jan 2020. On site supervisors and estate assistant managers ensure the implementation of it.</p> <p>b) A Hazard Identification Risk Assessment and Risk Control (HIRARC) document for Asam Bubuk Estate and Bkt Layang Estate cooperation was made available. Risk assessment was carried on activities such as spraying, fertilizer, harvesting, pruning and other activities. The latest annual review was done in 28 October 2018.</p> <p>c) Awareness training programme was established and workers involved with chemical handling were trained. Chemicals were arranged and segregated accordingly in the chemical store. The CCDS/SDS for chemicals available at point of use. In addition to specific training courses, safety briefings are given during muster to reinforce awareness, such as correct wearing of PPE.</p> <p>d) During the audit it was noted that all employees were provided with and were wearing appropriate personal protective equipment (PPE). Records were available of PPE issued to individual workers, including signatures to confirm receipt. PPE issued was based on CHRA assessor's recommendation, HIRARC and SOPs.</p> <p>e) The management had established Standard Operating Procedure for handling of chemicals, Doc SDM / WI / 9 Rev 0 dated 01.07.2017 to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p>	

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	<p>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><b>- Major compliance -</b></p>	<p>Chemicals were handled as per the requirements in SDS/CSDS, CHRA, HIRARC and SOP (Doc SDM / WI / 9 Rev 0 dated 01.07.2017).</p> <p>Medical Surveillance in Bkt Layang Estate already been sent on 7 nov 2019 by Dr Muhammad Sayuti Bin Zakaria(HQ/17/DOC/00/00053) from Klinik FALCK Bestari, from result all fit to work with chemical.</p> <p>g) Records showed that in 2020 OSH committee meetings were conducted on 18 June 2020 and Dec 2019. These meetings were to conduct regular two-way communication with their employees.</p> <p>i) The estate had employees trained in First Aid present at all Bkt Layang operations worksites. Latest training done was on 17/7/2019</p> <p>j) Records of all accidents were kept and reviewed periodically at OSH meetings. The JKPP 8 (JKPP 8/49548/2019) sent to DOSH on 21.01.2020 showed that in 2020 there were no accident cases.</p>	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p><b>- Major compliance -</b></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
<b>4.4.5.2</b>	<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,</p>	<p>Bukit Layang 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</p>	Yes



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	nationality, social origin or any other distinguishing characteristics. - <b>Major compliance</b> -	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.															
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. - <b>Major compliance</b> -	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 December 2018 were verified to be consistent with the Minimum Wages Order 2016. For the new Minimum Wages Order 2018 implementation, Sampled payslips (December 2019, March 2019 and Jan 2019) of workers verified are: Bukit Layang Estate: <table border="1" data-bbox="1048 901 1870 1361"> <thead> <tr> <th>Passport/NRIC No.</th> <th>Employee No.</th> </tr> </thead> <tbody> <tr> <td>AU003435</td> <td>619093</td> </tr> <tr> <td>B5359912</td> <td>619095</td> </tr> <tr> <td>B9968180</td> <td>619099</td> </tr> <tr> <td>AU207976</td> <td>619114</td> </tr> <tr> <td>960710016882</td> <td>619124</td> </tr> <tr> <td>960512015475</td> <td>619123</td> </tr> </tbody> </table>	Passport/NRIC No.	Employee No.	AU003435	619093	B5359912	619095	B9968180	619099	AU207976	619114	960710016882	619124	960512015475	619123	Yes
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		SOKO ENTERPRISE																			
		C0817191	-																		
		C0818021	-																		
		C4659443	-																		
<b>4.4.5.4</b>	<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><b>- Minor compliance -</b></p>	<p>There are total of 10 contractor’s workers under SOKO SK Enterprise for contract harvesting at P14 for 78.75 ha. The payslips for Jan 2019, March 2019 and Dec 2019 of workers checked:</p> <table border="1"> <thead> <tr> <th>Passport/NRIC No.</th> <th>Employee No.</th> </tr> </thead> <tbody> <tr> <td>AU003435</td> <td>619093</td> </tr> <tr> <td>B5359912</td> <td>619095</td> </tr> <tr> <td>B9968180</td> <td>619099</td> </tr> <tr> <td>AU207976</td> <td>619114</td> </tr> <tr> <td>960710016882</td> <td>619124</td> </tr> <tr> <td>960512015475</td> <td>619123</td> </tr> <tr> <td>SOKO ENTERPRISE</td> <td></td> </tr> <tr> <td>C0817191</td> <td>-</td> </tr> </tbody> </table>	Passport/NRIC No.	Employee No.	AU003435	619093	B5359912	619095	B9968180	619099	AU207976	619114	960710016882	619124	960512015475	619123	SOKO ENTERPRISE		C0817191	-	Yes
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		C0818021	-											
		C4659443	-											
<b>4.4.5.5</b>	<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><b>- Major compliance -</b></p>	<p>The workers master list was reviewed. The list includes names, NRIC &amp; Passports numbers, Expiry dates of Passports &amp; Work Permits, date of birth, date joined, gender etc.</p>		Yes										
<b>4.4.5.6</b>	<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><b>- Major compliance -</b></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. The following contracts has been verified to confirm that workers have binding working agreement with the company:</p> <table border="1"> <thead> <tr> <th>Passport/NRIC No.</th> <th>Employee No.</th> </tr> </thead> <tbody> <tr> <td>AU003435</td> <td>619093</td> </tr> <tr> <td>B5359912</td> <td>619095</td> </tr> <tr> <td>B9968180</td> <td>619099</td> </tr> <tr> <td>AU207976</td> <td>619114</td> </tr> </tbody> </table>		Passport/NRIC No.	Employee No.	AU003435	619093	B5359912	619095	B9968180	619099	AU207976	619114	Yes
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		960710016882	619124	
		960512015475	619123	
		SOKO ENTERPRISE	-	
		C0817191	-	
		C0818021	-	
		C4659443	-	
<b>4.4.5.7</b>	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p><b>- Major compliance -</b></p>	<p>The management of Bkt Layang Estate has established a time recording system that makes working hours and overtime transparent. No 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 Jan 2019 and Dec 2019.</p> <p>For Bkt Layang Estate, the new IDEAS system is being used. Records for December 2018 and April 2019 available for verification.</p>		Yes
<b>4.4.5.8</b>	<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><b>- Major compliance -</b></p>	<p>In Bukit Layang Estate 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

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<p><b>4.4.5.9</b></p> <p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p><b>- Major compliance -</b></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>Sampled payslips (January 2019, March 2019 and December 2019) of workers verified are:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Passport/NRIC No.</th> <th style="width: 40%;">Employee No.</th> </tr> </thead> <tbody> <tr> <td>AU003435</td> <td>619093</td> </tr> <tr> <td>B5359912</td> <td>619095</td> </tr> <tr> <td>B9968180</td> <td>619099</td> </tr> <tr> <td>AU207976</td> <td>619114</td> </tr> <tr> <td>960710016882</td> <td>619124</td> </tr> <tr> <td>960512015475</td> <td>619123</td> </tr> <tr> <td>SOKO ENTERPRISE</td> <td>-</td> </tr> <tr> <td>C0817191</td> <td>-</td> </tr> <tr> <td>C0818021</td> <td>-</td> </tr> <tr> <td>C4659443</td> <td>-</td> </tr> </tbody> </table>		Passport/NRIC No.	Employee No.	AU003435	619093	B5359912	619095	B9968180	619099	AU207976	619114	960710016882	619124	960512015475	619123	SOKO ENTERPRISE	-	C0817191	-	C0818021	-	C4659443	-	<p>Yes</p>
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<p><b>4.4.5.10</b> 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><b>- Minor compliance -</b></p>	<p>The company provides free medical benefit and free housing to foreign workers. 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>	<p>Yes</p>
<p><b>4.4.5.11</b> In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p><b>- Major compliance -</b></p>	<p>Estate worker lived in 1 house with 3 rooms, which only a person in a room (maximum 3 person per dwelling).</p> <p>Bukit Layang Estate</p> <p>No electricity and water supply from government and estate totally rely on own water treatment and genset supply. Water analysis tested on 6 monthly basis as per SPAN requirements.</p> <p>1st half of 2019 : date of monitoing – 10/6/19, report ref: LW/416/19 dated 10/6/19.</p> <p>2nd half of 2019 : date of monitoing – 18/12/2019, report ref: LW/1092/19 dated 18/12/19</p> <p>All parameter tested complied with National Drinking Water Standard. Line site inspection was done weekly basis last was done 18 June 2020.</p>	<p>Yes</p>
<p><b>4.4.5.12</b> The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>The Sexual Harassment Policy dated 01 may 2018 and signed by the Executive Director defined sexual harassment and mentioned that the company endeavor 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>Yes</p>

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		<p>On Bukit Layang Estates, a Gender committee named "Women On Wards" (WOW) had been established.</p> <p>Latest WOW meeting was carried out on 17/10/2019. Sighted minute of meeting which chaired by the chairlady, Puan Rahimah Ramli. Supposedly meeting was done on March 2020 however Covid 19 issue the meeting was delay, as per letter invitation new date will be conduct on July 2020.</p>	
<b>4.4.5.13</b>	<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><b>- Major compliance -</b></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. The workers have their freedom to join the NUPW. This was evident form NUPW membership subscription deductions made in the pay slips. During the interview with workers, there no evidence to show that the management had restricted its workers and staff from joining a trade union.</p>	Yes
<b>4.4.5.14</b>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p><b>- Major compliance -</b></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 Bkt Layang Estates were verified and no children or young persons had been employed.</p>	Yes
<b>Criterion 4.4.6: Training and competency</b>			

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<p><b>4.4.6.1</b> All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p><b>- Major compliance -</b></p>	<p>The training program included all aspects of RSPO Principles and Criteria, RSPO Supply Chain and MSPO standards.</p> <p>The records included the title of training, name and signature of the attendees, name of the trainer, time and venue.</p> <p>Some of the trainings verified were:</p> <table border="1" data-bbox="1048 671 1704 1378"> <thead> <tr> <th>Trainings</th> <th>Date of training</th> <th>No. of Participants</th> </tr> </thead> <tbody> <tr> <td>Fertiliser Training</td> <td>9 Jan 2020</td> <td>3</td> </tr> <tr> <td>Scheduled waste training</td> <td>11 Jan 2019</td> <td>3</td> </tr> <tr> <td>Spraying training</td> <td>3 Feb 2020</td> <td>5</td> </tr> <tr> <td>Tractor training</td> <td>4 May 2019</td> <td>10</td> </tr> <tr> <td>MSPO &amp; OSH training to contractor</td> <td>16 June 2020</td> <td>10</td> </tr> <tr> <td>Triple Rinsing and Scheduled waste</td> <td>24 April 2019</td> <td>2</td> </tr> <tr> <td>ERP training</td> <td>25 Feb 2019</td> <td>19</td> </tr> <tr> <td>Harvesting training for contractor workers</td> <td>2 Jan 2020</td> <td>11</td> </tr> </tbody> </table>	Trainings	Date of training	No. of Participants	Fertiliser Training	9 Jan 2020	3	Scheduled waste training	11 Jan 2019	3	Spraying training	3 Feb 2020	5	Tractor training	4 May 2019	10	MSPO & OSH training to contractor	16 June 2020	10	Triple Rinsing and Scheduled waste	24 April 2019	2	ERP training	25 Feb 2019	19	Harvesting training for contractor workers	2 Jan 2020	11	<p>Yes</p>
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Spraying training	3 Feb 2020	5																											
Tractor training	4 May 2019	10																											
MSPO & OSH training to contractor	16 June 2020	10																											
Triple Rinsing and Scheduled waste	24 April 2019	2																											
ERP training	25 Feb 2019	19																											
Harvesting training for contractor workers	2 Jan 2020	11																											



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Criterion / Indicator		Assessment Findings				Compliance
		Rat Baiting training application	9 Jan 2020	3		
<b>4.4.6.2</b>	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.  - <b>Major compliance</b> -	Training needs of individual employees had been identified prior to the planning and implementation of the training programmes. This was in order to provide the specific skill and competency required to all employees based on their job description. The training matrix for 2020 "Annual Awareness Program 2020" doc no SQD/SMS/3.				Yes
<b>4.4.6.3</b>	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.  - <b>Minor compliance</b> -	It was evident that from the training matrix for 2020 and Refresher & Awareness Program 2020, the training records for year 2020 that all trainings had been planned and implemented to ensure that all employees are well trained in their job function and responsibility.				Yes
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>						
<b>Criterion 4.5.1: Environmental Management Plan</b>						
<b>4.5.1.1</b>	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.  - <b>Major compliance</b> -	The new revised Environmental Policy dated 1/5/18 signed by Kulim's (M) Bhd Executive Director . The policy has emphasis commitment towards protecting the environment and conserving biodiversity through sustainable development.				Yes

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Criterion / Indicator		Assessment Findings	Compliance
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) An environmental policy and objectives;</li> <li>b) The aspects and impacts analysis of all operations.</li> </ul> <p><b>- Major compliance -</b></p>	<p>The environment management plan dated 2020 has included all pertinent environmental receptors and in lined with company’s policy and legal requirement as per EQA 1974.</p> <p>Documented Environmental Risk Assessment Form (Form No: EPA-LAB-2019; Activity code: ER003–ER014; Rev. 1/2019) available. Register dated 15 March 2019 verified. Aspects and impacts analysis of all operations during normal/abnormal/emergency situation were identified. No changes from previous audit, no new activities in Bkt Layang Estate.</p>	Yes
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>Environmental management plan for 2018 (Pollution &amp; Emission) available. Significant environmental issues identified:</p> <ol style="list-style-type: none"> <li>1. Buffer zone</li> <li>2. Chemical handling</li> <li>3. Domestic waste</li> <li>4. Scheduled waste</li> <li>5. Zero burning</li> </ol> <p>Assistant manager has been appointed to monitor the overall implementation of the management plan.</p>	Yes
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>	<p>Programmed to promote positive impacts on environment was verified example such as Programmed of beneficial plant will be done on Target year 2020.</p>	Yes
4.5.1.5	<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>A training program is available in Training Plan updated on a yearly basis or revised as per the management requirement. Included in this programme are subjects related to environment e.g. environmental, safety &amp; health policy, scheduled waste management, environmental responsibility, HCV &amp; Biodiversity training.</p>	Yes

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Criterion / Indicator		Assessment Findings	Compliance										
	- Major compliance -												
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.  - Major compliance -	Latest environmental meeting was done on 10 Jan 2020 at Bkt Layang Estate Office. This meeting discuss regarding to their concerns about environmental quality.	Yes										
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>													
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.  - Major compliance -	The record of Diesel usage was available for Bkt Layang Estate. All electrical power at the visited estates are supplied through national electricity grid. Diesel at estates are consumed by farm tractors. The tractor servicing period is monitored to ensure its operating efficiency, thus less consumption of diesel fuel. Similarly, planting of beneficial plants reduce the usage of fuel (and chemical) by motorize spray	Yes										
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 -	<p>Kulim (M) Berhad estates has maintained records of energy usage, which is compiled on monthly basis for monitoring. The use of the fossil fuel against the FFB production is being monitored. For example;</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Year</th> <th>Diesel/ mt FFB</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Bkt Layang Estate</td> <td>2018</td> <td>4.07</td> </tr> <tr> <td>2019</td> <td>4.65</td> </tr> <tr> <td>2020 (Todate)</td> <td>4.98</td> </tr> </tbody> </table> <p>High diesel usage in Bkt Layang Estate cause by Genset usage for electricity generate and low crop production.</p>	Estate	Year	Diesel/ mt FFB	Bkt Layang Estate	2018	4.07	2019	4.65	2020 (Todate)	4.98	Yes
Estate	Year	Diesel/ mt FFB											
Bkt Layang Estate	2018	4.07											
	2019	4.65											
	2020 (Todate)	4.98											

Criterion / Indicator		Assessment Findings	Compliance												
4.5.2.3	The use of renewable energy should be applied where possible. - <b>Minor compliance</b> -	No renewable energy in estate.	Yes												
<b>Criterion 4.5.3: Waste management and disposal</b>															
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - <b>Major compliance</b> -	<p>All waste and pollution are identified and documented in the Waste &amp; Pollution Management Plan 2020 made on the Regional level.</p> <p>a) Details of waste generated from the estates/mill activities among others as shown below;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Type of waste</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Domestic waste rubbish</td> <td>Line sites, office complex</td> </tr> <tr> <td>2</td> <td>Industrial waste-fertilizer bags</td> <td>Empty bags store</td> </tr> <tr> <td>3</td> <td>Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,</td> <td>Scheduled waste store</td> </tr> </tbody> </table>	No	Type of waste	Location	1	Domestic waste rubbish	Line sites, office complex	2	Industrial waste-fertilizer bags	Empty bags store	3	Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,	Scheduled waste store	Yes
No	Type of waste	Location													
1	Domestic waste rubbish	Line sites, office complex													
2	Industrial waste-fertilizer bags	Empty bags store													
3	Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,	Scheduled waste store													
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products	The waste management plan was available. Waste been identified and monitoring by estate such as Domestic waste Collection/disposal min 2x-3x /week internally. The record of collection was available latest is on 21 June 2020.	Yes												

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>The procedures for handling used chemicals classified under Environment Quality Regulation (Scheduled Waste) 2005, Environmental Quality Act, 1974 are available prepared on Group level by SQD and implemented in all estates and mills for all the applicable practices. The operational control procedures provide guidelines as follows ;</p> <ul style="list-style-type: none"> <li>a) Management of class 2 (and higher) chemical containers</li> <li>b) Management of fertilizer bags</li> </ul> <p>Latest disposal referred consignment note 20200130163FRXDM dated 30 Jan 2020 at Kualiti Alam Sdn Bhd for SW 305 and 307. The record was available for review.</p> <p>License of Kualiti Alam 003319 valid until 30 April 2020</p> <p>Inventory of Scheduled waste record File reference No; AS(B)J11/123/000/217 for May 2020. From the record found SW 305,306, 307,408 and 410 was registered.</p> <p>Notification of SW 305,306, 307,408 and 410.</p>	Yes
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in a n 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</p>	<p>Empty pesticide container was been triple rinsing and dispose at G – Planters. Latest record disposal dated 4/4/2019 with total 166 pieces have been dispose. License from DOA, JPKRP 207/12/471 JLD VI dated 16 Jan 2014.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance																								
	national programme on recycling of used HDPE pesticide containers. <b>- Major compliance -</b>																										
<b>4.5.3.5</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. <b>- Minor compliance -</b>	Domestic waste disposal for the Bkt Layang Estate has been made simpler through the collection and disposal to the estate landfill situated in field no P03/1. Collection 2 to 3 times a week.	Yes																								
<b>Criterion 4.5.4: Reduction of pollution and emission</b>																											
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	<p>The assessment of GHG, scheduled waste and solid waste was available under aspect and impact assessment dated October 2018.</p> <p>The assessment of all polluting activities is defined in the Estate – Pollution &amp; Emission Plan endorsed on 01/5/20. Details as provided therein among others as given below:</p> <p>a) Bkt Layang Estates</p> <table border="1"> <thead> <tr> <th>No</th> <th>Emission</th> <th>Source</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Dark smoke</td> <td>Running vehicles</td> <td>Daily</td> </tr> <tr> <td rowspan="2">2</td> <td rowspan="2">Noise</td> <td>Diesel engine</td> <td>Operational hours</td> </tr> <tr> <td>Running vehicles</td> <td>Daily</td> </tr> <tr> <td rowspan="2">3</td> <td rowspan="2">Air pollution</td> <td>Diesel engine</td> <td>Operational hours</td> </tr> <tr> <td>Running vehicles</td> <td>Operational hours</td> </tr> <tr> <td>4</td> <td>Waste water</td> <td>PCD</td> <td>Scheduled inspection</td> </tr> </tbody> </table>	No	Emission	Source	Frequency	1	Dark smoke	Running vehicles	Daily	2	Noise	Diesel engine	Operational hours	Running vehicles	Daily	3	Air pollution	Diesel engine	Operational hours	Running vehicles	Operational hours	4	Waste water	PCD	Scheduled inspection	Yes
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Criterion / Indicator		Assessment Findings				Compliance																											
				Septic tank spillage	Weekly inspection																												
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.  - <b>Major compliance</b> -	<p>The management action plan is documented under Environmental Management Plan (Emission and Pollution) for 2020. Implementation of management plan will be reviewed every quarter environmental meeting. Details of action plan for identified pollutants as shown below and is a continuation from the 4.5.4.1 above.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Emission</th> <th>Action Plan</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Dark smoke</td> <td>Inspection of vehicle condition</td> <td>Exec/staff</td> </tr> <tr> <td rowspan="2">2</td> <td rowspan="2">Noise</td> <td>Scheduled maintenance</td> <td>Exec/staff</td> </tr> <tr> <td>Inspection of vehicle inspection</td> <td>Exec/staff</td> </tr> <tr> <td rowspan="2">3</td> <td rowspan="2">Air pollution</td> <td>Routine maintenance as schedule</td> <td>Exec/staff</td> </tr> <tr> <td>Inspection of vehicle condition</td> <td>Exec/staff</td> </tr> <tr> <td rowspan="4">4</td> <td rowspan="4">Waste water</td> <td>Inspection of PCD for functional</td> <td rowspan="4">Exec/staff/foreman</td> </tr> <tr> <td>Adherence to SW guidelines</td> </tr> <tr> <td>Weekly line site inspection</td> </tr> <tr> <td>Appropriate action on spillage</td> </tr> </tbody> </table>				No	Emission	Action Plan	PIC	1	Dark smoke	Inspection of vehicle condition	Exec/staff	2	Noise	Scheduled maintenance	Exec/staff	Inspection of vehicle inspection	Exec/staff	3	Air pollution	Routine maintenance as schedule	Exec/staff	Inspection of vehicle condition	Exec/staff	4	Waste water	Inspection of PCD for functional	Exec/staff/foreman	Adherence to SW guidelines	Weekly line site inspection	Appropriate action on spillage	Yes
No	Emission	Action Plan	PIC																														
1	Dark smoke	Inspection of vehicle condition	Exec/staff																														
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		Appropriate action on spillage																															
<b>Criterion 4.5.5: Natural water resources</b>																																	
<b>4.5.5.1</b>	The management shall establish a water management plan to maintain the quality and availability of natural water resources	The Water Management Plan for the estates has been established. On Bukit Layang Estate the focus was:				Yes																											

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<p>(surface and ground water). The water management plan may include:</p> <p>a. Assessment of water usage and sources of supply.</p> <p>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</p> <p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones 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><b>- Major compliance -</b></p>	<ul style="list-style-type: none"> <li>• Buffer Zone management – No spraying and manuring</li> <li>• Carry out water analysis</li> <li>• Follow SOPs to avoid water pollution by schedule waste</li> <li>• Rain water harvesting</li> <li>• Obtain water from other estates during shortage/draughts.</li> <li>• Monitor domestic water consumption</li> <li>• Educate workers to conserve water</li> <li>• Monitor leakages and periodic maintenance of piping/equipment</li> <li>• Keep drains clean and to have bunds to conserve/retain water</li> </ul> <p>Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines are detailed in the SOP No 12: Protection of River Reserves (Riparian &amp; Buffer Zone).</p> <p>Bkt Layang Estate monitored the water outlet. Water analysis was done by UTCL Laboratory dated 8 Nov 2019.</p> <p>Report No. WI/1911/1444-1445 dated 8/11/2019 of test results of samples from in and out points were verified.</p>	
<p><b>4.5.5.2</b> No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p><b>- Minor compliance -</b></p>	<p>At time of visit no bunds, weirs and dams were observed across waterways passing through both estates.</p>	<p>Yes</p>



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<b>4.5.5.3</b>	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p><b>- Minor compliance -</b></p>	<p>During the site visit it was observed that water harvesting was practised. Surface run of waters were directed into field drains, conservation terraces and moisture pits.</p>	Yes
<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>			
<b>4.5.6.1</b>	<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><b>- Major compliance -</b></p>	<p>HCV assessment was conducted in 14 March 2019 for Bkt Layang in Johor. The assessment was conducted by Muhammad Syam Zakaria. The report has identified the list of natural habitats that is possible present in the operating units. The report details the findings of a rapid appraisal of the biodiversity in the estates and addresses the RSPO P&amp;C relevant to biodiversity conservation and HCV. Therein being provided details relating to the following;</p> <ul style="list-style-type: none"> <li>a) General biodiversity issues</li> <li>b) Watercourses and drainage</li> <li>c) Habitats natural and man-made</li> <li>d) Wildlife</li> <li>e) Ponds and reservoirs</li> <li>f) Wetlands /watercourses</li> <li>g) Legal aspects</li> <li>h) Immediate and long term effect.</li> </ul> <p>In Bkt Layang Estate, there are 3 type high conservation (HCV 3,4 and 6) value area been identified with total hectare 2.92 Ha.</p>	Yes
<b>4.5.6.2</b>	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p>	<p>There is not RTE recorded. Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented.</p> <p>a) Signage as well as routine patrolling activities were utilized as</p>	Yes

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	a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <b>- Major compliance -</b>	part of creating awareness among employees and maintain HCVs. b) The estates established a Biodiversity Improvement Plan 2019 such as briefing/training to workers on protection of river buffers for all existing and designated natural watercourses to all employees, contractors and suppliers that encroachment and hunting are not allowed.	
<b>4.5.6.3</b>	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. <b>- Major compliance -</b>	The Biodiversity Improvement Plan dated 17/10/2018 had identified the plan. Among others; a) To continue educating the workers regarding RTE. Workers interviewed confirmed that they are aware of no hunting is permitted in and within the estate. b) Regular educating the employees via morning muster briefing about the need to protect the RTE species. c) Appropriate disciplinary measures will be taken if found violated. d) Information pertaining RTE and relevant CU policies were displayed at the display boards. e) Training in relation to the RTE/Biodiversity has been organized in the following sessions.	Yes
<b>Criterion 4.5.7: Zero burning practices</b>			
<b>4.5.7.1</b>	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. <b>- Major compliance -</b>	There is no land preparation by burning at Bkt Layang Estate. Sustainability handbook described on Environmental policy including Zero open burning policy dated January 2008. Management complied with the Malaysian environmental law –EQA and Regulations 1974. On the 2014 replants visited on Bkt Layang Estate it was observed that palms had been mechanically felled, chipped and windrowed; no burning was observed	Yes

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4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.  - Major compliance -	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting was not practised by Kulim (Malaysia) Berhad Estates.  Furthermore, previous crop were not highly diseased and there was no significant risk of disease spread or continuation into the next crop.	Yes
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.  - Major compliance -	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting was not practised by Kulim (Malaysia) Berhad Estates. It was observed that palms had been mechanically felled, chipped and windrowed; no burning was observed.	Yes
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.  - Minor compliance -	As observed in the 2014 replants in Bkt Layang, all previous oil palms were felled, chipped, shredded, windrowed and left to decompose.	Yes
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.  - Major compliance -	In Kulim (Malaysia) Berhad SOPs for plantations/estates were documented in: <ul style="list-style-type: none"> <li>• Kulim (Malaysia) Berhad – Agricultural Manual – 01.07.2013</li> <li>• Work Instructions – 01.04.2018</li> <li>• Buku Panduan Anggota Perkerja Perladangan – 01.09.2018</li> <li>• Panduan Kerja Selamat (SOP) 01.05.2009</li> </ul>	Yes

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		Standard operating procedures had been consistently implemented and monitored. On Bukit Layang Estate SOPs were consistently implemented and monitored by on-site visits, inspections and discussions with relevant personnel and by conducting audits such as Internal. No Changes from previous report.															
<b>4.6.1.2</b>	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.  - <b>Major compliance</b> -	<p>Topographic Maps provided showed that the terrain was as follows:</p> <table border="1"> <thead> <tr> <th>Terrain (Degree)</th> <th>Percentage in Bkt Layang</th> </tr> </thead> <tbody> <tr> <td>Rata (0 – 2 °)</td> <td>1.99</td> </tr> <tr> <td>Beralum ( 2° – 6°)</td> <td>23.51</td> </tr> <tr> <td>Berombak (6° -12°)</td> <td>74.5</td> </tr> <tr> <td>Berbukit (12° - 20°)</td> <td>-</td> </tr> <tr> <td>Sangat Berbukit</td> <td>-</td> </tr> <tr> <td>Total</td> <td>100</td> </tr> </tbody> </table>	Terrain (Degree)	Percentage in Bkt Layang	Rata (0 – 2 °)	1.99	Beralum ( 2° – 6°)	23.51	Berombak (6° -12°)	74.5	Berbukit (12° - 20°)	-	Sangat Berbukit	-	Total	100	Yes
Terrain (Degree)	Percentage in Bkt Layang																
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Sangat Berbukit	-																
Total	100																
<b>4.6.1.3</b>	A visual identification or reference system shall be established for each field.  - <b>Major compliance</b> -	All fields were marked and identified. Information like field no, year planting and total hectare is shown in all markers. Stone boundary markers were placed at field boundaries were observed.	Yes														
<b>Criterion 4.6.2: Economic and financial viability plan</b>																	
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.  - <b>Major compliance</b> -	Bkt Layang Estates had documented annual business plan (budgets) for 2020 and projections up to 2025 The business plans were prepared as guidance for future planning. The budget contains monthly budget per operating units including FFB, CPO and PK. Component of operating expenditure includes Administration, harvesting & collection,	Yes														

Criterion / Indicator		Assessment Findings	Compliance
		field upkeep, transportation, road and bridges, labour overhead, EVIT (running accounts for engines, vehicles, implements & tractors. Inclusive in the business plan is also Capital Expenditure (CAPEX) includes building-general, tractors and agricultural implement, office equipment and others as per the annual budget for 2020 for estate was sighted and verified.	
<b>4.6.2.2</b>	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.  <b>- Major compliance -</b>	For Bukit Layang Estate, the next replanting programmed will be in 2024.	Yes
<b>4.6.2.3</b>	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment  <b>- Major compliance -</b>	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.	Yes
<b>4.6.2.4</b>	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.	The management plan was effectively implemented and achievements of the goals and objectives regularly monitored, periodically reviewed and documented by performance monitoring. The estates' performance was recorded in the monthly progress reports. Details on	Yes

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	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.	
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
<b>4.6.3.1</b>	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
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	In estates all contracts verified were fair, legal and transparent and agreed payments were made in timely manner. All contracts and purchases are documented i.e. in the form of purchase orders, invoices, and contracts for the larger transaction. All documents are signed by both vendor and management.  Bukit Layang Estate: Contract No. MPSB/LBL 2/2018 for harvesting of FFB at P14 (78.75 ha) Contractor: SOKO SK Enterprise  Records verified: contract work (20000029) dated 31/5/20, work distribution for May 2020  Post verification records: Contract work (Payment order number, 20000087 OC dated 4/6/20, general ledger post dated 16/6/2020). Payment was made within 30 days from invoice submission.	Yes
<b>Criterion 4.6.4: Contractor</b>			

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	The Estates had informed its contractors regarding the need to follow the MSPO requirements through MSPO training/briefing. The latest session was carried out on 26/4/19.	Yes
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	Evidence of agreed contracts with the contractors were verified. Bukit Layang Estate: Contract No. MPSB/LBL 2/2018 for harvesting of FFB at P14 (78.75 ha) Contractor: SOKO SK Enterprise Validity: 16/6/2020 – 15/6/2021	Yes
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. <b>- Minor compliance -</b>	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/LBL 2/2018 under SOKO SK Enterprise.	Yes
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. <b>- Major compliance -</b>	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: Bukit Layang Estate: Contract No. MPSB/LBL 2/2018 for harvesting of FFB at P14 (78.75 ha) Contractor: SOKO SK Enterprise	Yes

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Criterion / Indicator	Assessment Findings	Compliance
	Records verified: contract work (20000029) dated 31/5/20, work distribution for May 2020. Payment was made within 30 days from invoice submission.	
<b>4.7 Principle 7: Development of new planting (Not applicable because no new planting as per site verification and interview)</b>		



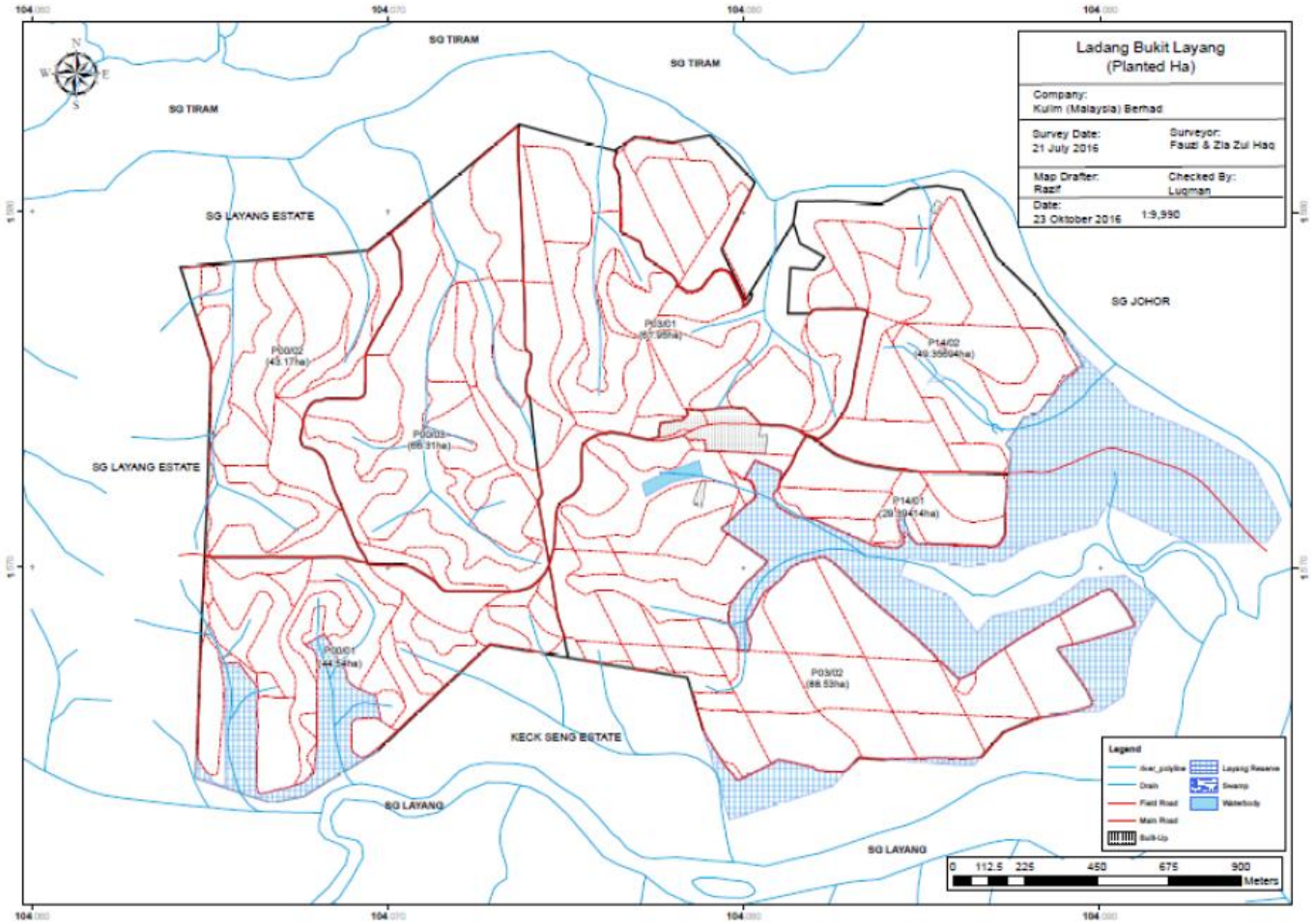
**Appendix B: List of Stakeholders Contacted**

<p><b>Government Officer:</b> Nil</p>	<p><b>Community/neighbouring village:</b> Alfian (SmallHolder) Ang Chia Yok (Shrimp Farm)</p>
<p><b>Suppliers/Contractors/Vendors:</b> Sungai Rezeki Sdn Bhd</p>	<p><b>Worker’s Representative/Gender Committee:</b> Gender Committee Representative Workers Representatives (Foreign Worker) Estate workers</p>

**Appendix C: Smallholder Member Details**

N/A

**Appendix D: Location and Field Map**



**Appendix E: 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