

**MALAYSIAN SUSTAINABLE PALM OIL
2nd ANNUAL SURVEILLANCE ASSESSMENT
Public Summary Report**

Kulim (Malaysia) Berhad
Client company Address: 705, 80990 Johor Bahru Johor, Malaysia
Certification Unit: Sedenak Palm Oil Mill & Plantations of Sedenak Complex (Sedenak Estate, Kuala Kabong Estate, Ulu Tiram Estate, Basir Ismail Estate, Asam Bubok Estate & Bukit Layang Estate)
Location of Certification Unit: Lot 136, Geran 237961, Mukim Sedenak Daerah Kulai, Johor Darul Takzim

Report prepared by:
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Report Number: 3091780

Assessment Conducted by:
BSI Services Malaysia,
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TABLE OF CONTENTS	Page No
Section 1: Executive Summary	3
1.1 Organizational Information and Contact Person	3
1.2 Certification Information	3
1.3 Location of Certification Unit	4
1.4 Certified Area	5
1.5 Plantings & Cycle	5
1.6 Certified Tonnage of FFB	6
1.7 Uncertified Tonnage of FFB.....	6
1.8 Certified Tonnage	7
1.9 Actual Sold Volume (CPO).....	7
1.10 Actual Sold Volume (PK).....	7
Section 2: Assessment Process	8
2.1 BSI Assessment Team	9
2.2 Accompanying Persons	10
2.3 Assessment Plan	10
Section 3: Assessment Findings	12
3.1 Details of audit results	12
3.2 Details of Nonconformities and Opportunity for improvement.....	12
3.3 Status of Nonconformities Previously Identified and OFI	15
3.4 Summary of the Nonconformities and Status.....	16
3.5 Issues Raised by Stakeholders	17
Section 4: Assessment Conclusion and Recommendation	18
Appendix A: Summary of the findings by Principles and Criteria.....	19
Appendix B: List of Stakeholders Contacted	105
Appendix C: Smallholder Member Details.....	106
Appendix D: Location and Field Map.....	107
Appendix E: List of Abbreviations.....	111

Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Kulim (Malaysia) Berhad Sedenak Palm Oil Mill		
Mill/Estate	MPOB License No.	Expiry Date	
	Sedenak Palm Oil Mill - 500058304000	31/12/2021	
	Sedenak Estate - 501224702000	31/03/2021	
	Ulu Tiram Estate - 501257302000	31/03/2021	
	Kuala Kabong Estate - 503896302000	31/03/2021	
	Basir Ismail Estate - 501258102000	31/03/2021	
	Asam Bubok Estate - 501796602000	30/09/2021	
	Bukit Layang Estate - 592627002000	31/12/2021	
Address	Lot 136, Geran 237961, Mukim Sedenak, Daerah Kulai, Johor, Malaysia		
Certification Unit	Sedenak Palm Oil Mill		
Contact Person Name	Mdm. Salasah Elias (Deputy General Manager)		
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 697948 Plantations: MSPO 697947		
Issue Date	30/03/2019	Expiry date	29/03/2024
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 Part 3 and MS 2530-4:2013 Part 4		
Stage 1 Date	N/A (The certification unit is RSPO certified)		
Stage 2 / Initial Assessment Visit Date (IAV)	09 - 11/10/2018 22 - 23/05/2019 (Extension of Scope)		
Continuous Assessment Visit Date (CAV) 1	30/09 - 03/10/2019		
Continuous Assessment Visit Date (CAV) 2	12 - 15/10/2020		
Continuous Assessment Visit Date (CAV) 3	N/A		
Continuous Assessment Visit Date (CAV) 4	N/A		
Other Certifications			

MSPO Public Summary Report
Revision 1 (Feb 2020)

Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-DE119-60202022	ISCC EU	ASG Cert GmbH	12/03/2021
A116162	MS 1500:2009	JAKIM	30/05/2021
QMS 00705	ISO 9001:2015	SIRIM QAS International Sdn Bhd	14/10/2021
RSPO 537873	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2013; Malaysian National Interpretation: 2014; RSPO Supply Chain Certification June 2017 for CPO Mills (Module D: Identity Preserved)	BSI Services Malaysia Sdn Bhd	22/01/2021
BVC-MSPO/SC-0027	MSPO Supply Chain Certification Standard	Bureau Veritas Certification (M) Sdn Bhd	11/03/2021

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
Sedenak Palm Oil Mill	Lot 136, Geran 237961, Mukim Sedenak, Daerah Kulai, Johor, Malaysia	103.53892	1.73044
Sedenak Estate	Lot 136, Geran 237961, Mukim Sedenak, Daerah Kulai, Johor, Malaysia	103.52667	1.71355
Ulu Tiram Estate	PTD 105763, HSD 354243, Mukim Tebrau, Daerah Johor Bahru, Johor, Malaysia	103.79067	1.62996
Kuala Kabong Estate	PTD 35021, HSD 71140, Mukim Bukit Batu, Daerah Kulai, Johor, Malaysia	103.43358	1.68892
Basir Ismail Estate	Lot 1419, Geran 22664, Mukim Sg. Tiram, Daerah Johor Bahru, Johor, Malaysia	103.91446	1.62996
Asam Bubok Estate	PTD 19085, HSD 58579, Mukim Tg. Semberong, Daerah Batu Pahat, Johor, Malaysia	103.91444	1.72972
Bukit Layang Estate	PTD 713, Geran 105390, Mukim Sg. Tiram, Daerah Johor Bahru, Johor, Malaysia	103.96304	1.58242

MSP0 Public Summary Report
Revision 1 (Feb 2020)

1.4 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Sedenak Estate	2,617.47	26.39	164.14	2,808.00	93.21
Ulu Tiram Estate	478.08	23.11	196.86	698.05	68.49
Kuala Kabong Estate	1,622.70	12.01	83.61	1,718.32	94.44
Basir Ismail Estate	2,906.77	50.69	239.17	3,196.63	90.93
Asam Bubok Estate	651.53	0	130.08	781.61	83.92
Bukit Layang Estate	377.20	12.89	7.67	397.76	93.30
TOTAL	8,653.75	125.09	821.53	9,600.37	98.96

Note:

- i) Sedenak Estate = Decreased of 2.22 ha for total planted area and increased of 2.22 ha for infrastructure & other due to resurvey conducted on 02/03/2020.
- ii) Kuala Kabong Estate = Human error during keyed in data for last year by not included 256.24 ha for highland planted area. This has verified the land statement during assessment.
- iii) Basir Ismail Estate = Human error during keyed in data for last year. This has verified the land statement during assessment.
- iv) Asam Bubok = Human error during keyed in data for last year. This has verified the land statement during assessment.
- v) Bukit Layang Estate has been removed since last audit from the scope of registration. However, the management decided to include the estate into the scope of registration during this assessment.

1.5 Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Sedenak Estate	303.27	309.81	1,601.73	402.66	0	2,314.20	303.27
Ulu Tiram Estate	3.30	211.91	0	24.15	238.72	474.78	3.30
Kuala Kabong Estate	0	0	1,622.70	0	0	1,622.70	0
Basir Ismail Estate	208.05	1,422.42	782.71	493.59	0	2,698.72	208.05
Asam Bubok Estate	328.94	266.59	56.00	0	0	322.59	328.94
Bukit Layang Estate	0	78.75	298.45	0	0	377.20	0
Total (ha)	843.560	2,289.48	4,361.59	920.4	238.72	7,810.19	843.56

MSP0 Public Summary Report
Revision 1 (Feb 2020)

1.6 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Mar 20 - Feb 21)	Actual (Sep 2019 - Sep 20)	Forecast (Mar 21 - Feb 22)
Sedenak Estate	52,808.00	55,568.85	51,886.00
Ulu Tiram Estate	10,886.00	10,894.70	10,227.00
Kuala Kabong Estate	34,674.00	28,788.80	27,360.00
Basir Ismail Estate	67,933.00	67,857.54	63,183.00
Asam Bubok Estate	7,076.00	7,484.78	8,101.00
Bukit Layang Estate	0	0	<i>8,799.00 (FFB send to outsider mill)</i>
Siang Estate	0	5,795.87	0
Rengam Estate	0	1,280.67	0
Sungai Papan Estate	0	1,267.80	0
Total	173,377.00	178,939.01	160,757.00
Note:			
Sept 2019 – Feb 20 = 76,058.07 MT			
March 20 – Sept 20 = 102,880.94 MT			

1.7 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Mar 20 - Feb 21)	Actual (Sep 2019 - Sep 20)	Forecast (Mar 21 - Feb 22)
Kebun Sedenak	3,582.00	3,641.83	4,554.00
Ree Fong	8,827.00	5,896.02	7,757.00
Koperasi Pesara	1,200.00	2,411.01	2,502.00
Peladang Jb	2,349.00	1,502.90	5,934.00
Bukit Siput	19,134.00	6,580.96	15,289.00
Sedenak Bahru	2,280.00	5,070.85	5,007.00
Che Yu Trading	13,813.00	7,162.44	17,678.00
Per. Sri Mahtai	10,254.00	2,109.17	3,113.00
Hong Hui	43,920.00	58,820.86	69,316.00
Choon Guan	29,789.00	14,311.21	24,628.00
Per. Sri Misan	14,057.00	26,160.66	24,856.00
Fong Tak	11,989.00	3,654.60	7,652.00

MSPO Public Summary Report
Revision 1 (Feb 2020)

Keng Ann	12,884.00	11,111.12	17,098.00
Guan Leng	68,278.00	67,525.41	80,683.00
Peladang Kulai	3,020.00	1,794.01	2,163.00
Per. Md Sangidi	19,193.00	16,465.80	18,672.00
Az Iman	4,854.00	9,055.95	10,838.00
Hwa Lee Trading	7,200.00	13,557.53	16,503.00
Kcl Dagang	0	1,501.71	0
Bousted Chamek	0	196.67	0
Bousted Kulai Yong	0	144.35	0
Bousted Eldred	0	291.32	0
Total	276,623.00	258,966.38	334,243.00

1.8 Certified Tonnage

	Estimated (Mar 20 - Feb 21)	Actual (Sept 2019 - Sept 20)	Forecast (Mar 21 - Feb 22)
	FFB	FFB	FFB
Mill Capacity: 90 MT/hr	173,377.00	178,939.01	160,757.00
	CPO (OER: 22.48%)	CPO (OER: 20.54%)	CPO (OER: 22.06%)
SCC Model: MB	38,975.15	36,752.67	35,462.00
	PK (KER: 5.85%)	PK (KER: 5.28%)	PK (KER: 5.40%)
	10,142.55	9,440.25	8,687.00

1.9 Actual Sold Volume (CPO)

CPO (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
36,752.67	0	4,322.74	2,436.99	28,055.47	34,815.20

1.10 Actual Sold Volume (PK)

PK (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
9,440.25	0	0	2,207.54	6,743.90	8,951.44

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 12 – 15/10/2020. The audit programme is included as Section 2.3. The approach to the audit was to treat the Sedenak Palm Oil Mill and 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 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 and MS 2530-4:2013 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

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

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.

MSPO Public Summary Report
Revision 1 (Feb 2020)

The following table would be used to identify the locations to be audited each year in the 5 years 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)
Sedenak Palm Oil Mill	√	√	√	√	√
Sedenak Estate	√	-	√	-	√
Ulu Tiram Estate	√	√	√	-	√
Kuala Kabong Estate	-	√	-	√	-
Basir Ismail Estate	-	√	-	√	-
Asam Bubok Estate	-	-	√		√
Bukit Layang Estate	√	-		√	√

Tentative Date of Next Visit: August 30, 2021 - September 2, 2021

Total No. of Mandays: 8

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>
Hu Ning Shing	Team Leader	She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011. She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in her previous certification body. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She attended Endorsed MSPO Auditor and MSPO SCCS Lead Auditor Course in 2019. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the aspects of social, legal, workers & stakeholders consultation and SCC for CPO mill. She is fluent in Bahasa Malaysia and English languages.
Mohamad Zulkefli bin Md Isa	Team Member	He holds MBA – Occupational Safety & Health Management UTM and Bachelor of Science from UPM. He has more than 17 years of working experience from various sectors like semi-conductor, rubber & plastic, electronics, engineering, transportation & plantation. Attend MSPO Lead Assessor (SIRIM STS)- Endorsed by MPOCC August 2017. He has attended more than 40 hours QMS related training e.g. ISO 9001 std requirements,

		internal audit. He had also attended several trainings related to EMS & OHSAS. He is qualified lead auditor for sustainability certification such as RSPO, ISCC, SCCS etc during his job in Sime Darby Plantation Sdn Bhd. 7 years experienced in Performs ISO 9001 internal audit, RSPO consultative assessment and ISCC internal assessment. Competence Lead Auditor for scheme ISO9001 and ISO14001 since 2017.
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2.2 Accompanying Persons

No.	Name	Role
N/A		

2.3 Assessment Plan

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

Date	Time	Subjects	HNS	MZ
Sunday 11/10/2020	PM	Audit team travelling to Mutiara Hotel, JB	√	√
Monday 12/10/2020 Sedenak Palm Oil Mill	0830 - 0900	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation). Verification on previous audit findings 	√	√
	0900 - 1300	Sedenak Palm Oil Mill 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.	√	√
	1300 – 1400	Lunch	√	√
	1400 - 1630	Sedenak Palm Oil Mill Document Review P1 – P6 (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 and P6: Best practices	√	√
	1630 - 1700	Interim Closing Briefing	√	√
Tuesday 13/10/2020 Sedenak Estate	0830 - 1300	Sedenak 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.	√	√
	1000 - 1200	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	-
	1300 -1400	Lunch	√	√

Date	Time	Subjects	HNS	MZ
	1400 - 1630	Sedenak Estate Document review P1 – P6 (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	√	√
	1630 - 1700	Interim Closing Briefing	√	√
Wednesday 14/10/2020	0830 - 1300	Asam Bubok 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.	√	√
	1300 - 1400	Lunch	√	√
	1400 - 1630	Asam Bubok Estate Document review P1 – P6 (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	√	√
	1630 - 1700	Interim Closing Briefing	√	√
Thursday 15/10/2020	0830 - 1300	Ulu Tiram 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.	√	√
	1300 - 1400	Lunch	√	√
	1400 - 1600	Ulu Tiram Estate Document review P1 – P6 (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	√	√
	1600 - 1630	Preparation of Closing Meeting	√	√
	1630 - 1700	Closing Meeting	√	√

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were two (2) Major and three (3) Opportunity for Improvement raised. The Sedenak Palm Oil Mill and Estates Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment.

Major Nonconformities:		
Ref: 1971590-202009-M1	Area/Process: Sedenak Palm Oil Mill	Clause: 4.4.5.8 Part 4
	Issue Date: 15/10/2020	Due Date: 13/01/2021
Requirements:	i) 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. ii) Employment Act 1955, section 60 (4) (a) - No employer shall require or permit an employee to work overtime exceeding such limit as may be prescribed by the Minister from time to time by regulations made under this Act. iii) Employment (Limitation of Overtime Work) Regulations 1980; Overtime limit shall be a total of 104 hours per month.	
Statement of Nonconformity:	Evidence of compliance of the overtime was not implemented effectively.	
Objective Evidence:	Sedenak POM: Sampled of the workers below found that they worked exceeded 104 hours of overtime per month for June 2020: i. Employee No.: 615523 – 129 hours ii. Employee No.: 615605 – 123.5 hours iii. Employee No.: 615609 – 107.5 hours	
Corrections:	1. Mill to continue applying permission from Jabatan Tenaga Kerja (JTK) to offer overtime more than 104 hours. 2. Mill & HCMD to have a discussion with JTK in relation to the application for OT at 140 hours/months on 2nd November 2020.	
Root cause analysis:	Inadequate monitoring over overtime works by mill management	

MSPO Public Summary Report
Revision 1 (Feb 2020)

Corrective Actions:	<p>Mill to conduct proper preventive planning that includes:</p> <ol style="list-style-type: none"> a. Conduct Mill manpower planning by reviewing back the required OT, potential leave, absent and sick leave on weekly basis to ensure adequate manpower for mill processing for coming operational week. b. Increase manpower requirement per shift base on weekly analysis to ensure the shift having enough manpower without requesting workers to do OT and OT limit not to be offended.
Assessment Conclusion:	<p>Verification for closure: The mill management has re-applied to the Jabatan Tenaga Kerja (JTK) on 05/10/2020 and additional documentation required by the authority was sent on 02/11/2020. Seen the email correspondence with the authority. The application is still under process where the mill has follow-up with the authority on 05/01/2021. Meanwhile, the management has monitored the workers' overtime through the Workers Overtime Hour Monitoring Form by the Head of Department. Reviewed the monitoring form from October 2020 to December 2020 found that no overtime has exceeded 104 hours. The overtime has been captured in the system and seen the Attendance Summary Mill report. In additional, the mill has employed additional total 12 workers from September 2020 to November 2020 to resolve the lack of manpower issue. Seen the Registration Card of employment for the total 12 workers.</p> <p>The implementation of the corrective action was found effective. Thus, the major non-conformance was closed on 12/01/2021.</p>

Major Nonconformities:																							
Ref:	Area/Process: Estates	Clause: 4.4.5.9 Part 3																					
1971590-202009-M2	Issue Date: 15/10/2020	Due Date: 13/01/2021																					
Requirements:	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.																						
Statement of Nonconformity:	Deduction of wages for water and electricity is not in accordance to permit issued from JTK Johor.																						
Objective Evidence:	<p>Ulu Tiram Estate:</p> <p>Reviewed the payslips of workers in Ulu Tiram Estate found that the management has made deduction of wages for electricity and water bill more than the allowable limit from Jabatan Tenaga Kerja Negeri Johor as stated in permit with Ref. No.: TK(NJ)U-21 dated 09/08/2018. The maximum for deduction is RM 10/ single and RM 50/ family for water bill and RM 20/ single and RM 60/ family for electricity. Sampled of the workers' payslips for deduction for August 2020 as below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Employee No.</th> <th style="width: 33%;">Water Bill</th> <th style="width: 33%;">Electricity Bill</th> </tr> </thead> <tbody> <tr> <td>601605</td> <td>RM 49.90</td> <td>RM 29.80</td> </tr> <tr> <td>601571</td> <td>RM 12.10</td> <td>RM 20.50</td> </tr> <tr> <td>601625</td> <td>RM 13.70</td> <td>-</td> </tr> <tr> <td>601591</td> <td>-</td> <td>RM 29.00</td> </tr> <tr> <td>601533</td> <td>-</td> <td>RM 29.70</td> </tr> <tr> <td>601557</td> <td>-</td> <td>RM 29.00</td> </tr> </tbody> </table>		Employee No.	Water Bill	Electricity Bill	601605	RM 49.90	RM 29.80	601571	RM 12.10	RM 20.50	601625	RM 13.70	-	601591	-	RM 29.00	601533	-	RM 29.70	601557	-	RM 29.00
Employee No.	Water Bill	Electricity Bill																					
601605	RM 49.90	RM 29.80																					
601571	RM 12.10	RM 20.50																					
601625	RM 13.70	-																					
601591	-	RM 29.00																					
601533	-	RM 29.70																					
601557	-	RM 29.00																					
Corrections:	The management to discuss with JTK Negeri Johor on the possibilities to amend the statement coordinated with company intentions. The respective HCMD, UTE and SQD met JTK official on 18.10.2020 to rectify the permit.																						
Root cause analysis:	Misinterpretation on the statement of allowable deduction limit as per permits issued by Jabatan Tenaga Kerja Negeri Johor.																						

MSP0 Public Summary Report
Revision 1 (Feb 2020)

Corrective Actions:	Estate management to monitor on the allowable deduction limit made to workers. The estate will review the calculation template for water and electricity charging. This will guide the data transfer to pay slip.
Assessment Conclusion:	<p>Verification for closure:</p> <p>The management of Ulu Tiram Estate has re-applied the permit from <i>Pejabat Tenaga Kerja Johor Bahru</i> on the deduction of wages for both electricity and water bill from the workers with the subsidize of 4.77m³ for water bill and 50kwh for electricity bill. Seen the letters dated 20/10/2020 with consent letters from the workers for deduction and received by the authority on 10/11/2020. Besides, seen the summary template for water and electricity bill for December 2020 and the payslips for December 2020 was found no deduction was made more than the allowable limit. The balance of the bill was absorbed by the management. Sampled the payslips as below:</p> <ol style="list-style-type: none"> 1. Employee No.: 601605 2. Employee No.: 601523 3. Employee No.: 601511 4. Employee No.: 601513 5. Employee No.: 601531 <p>The implementation of the corrective action was found effective. Thus, the major non-conformance was closed on 12/01/2021.</p>

Opportunity For Improvement		
Ref: 1971590-202009-I1	Area/Process: Estates	Clause: 4.3.1.1 Part 3
Objective Evidence:	Sedenak Estate and Ulu Tiram Estate: Sedenak Estate and Ulu Tiram Estate's management to follow up with the status of permit renewal for the workers of contractor to ensure they have valid permit during the period working in the plantation.	

Opportunity For Improvement		
Ref: 1971590-202009-I2	Area/Process: Sedenak Palm Oil Mill	Clause: 4.5.2.3 Part 4
Objective Evidence:	Sedenak POM: Noted management using shell as renewable energy and the management should further improved on the monitoring usage of renewable energy.	

Opportunity For Improvement		
Ref: 1971590-202009-I3	Area/Process: Estates	Clause: 4.4.4.2 Part 3
Objective Evidence:	<p>Asam Bubok Estate: HIRARC could be further reviewed to reflect the current situation such as spraying activity.</p> <p>Sedenak Estate, Asam Bubok Estate and Ulu Tiram Estate: The management could enhance the drill to other emergency such as accident.</p>	

MSPO Public Summary Report
Revision 1 (Feb 2020)

Noteworthy Positive Comments	
1	Good relationship being maintained with surrounding communities and stakeholders.
2	Good commitment from the management on maintaining the certification.

3.3 Status of Nonconformities Previously Identified and OFI

Opportunity For Improvement		
Ref: 1830918-201906-I1	Area/Process: Sedenak Palm Oil Mill	Clause: 4.2.2.3 – Part 4
Objective Evidence:	<p>Timely maintenance of records for communications and action taken in response to feedbacks/requests/enquiries from stakeholders could be further improve by the Sedenak Mill and relevant department involved.</p> <p>During ASA2 verification, Stakeholder meeting was conducted on 4/09/2020 for whole Sedenak Complex that involved the participation of affected parties such as local communities, government authorities, contractors, FFB suppliers, neighboring plantations and etc. Issues raised during the meeting was responded by the management on the spot. Meeting minutes was sighted with recorded all the issues and responses.</p>	

Opportunity For Improvement		
Ref: 1830918-201906-I2	Area/Process: Estates	Clause: 4.4.5.10 – Part 3
Objective Evidence:	<p>Accurate and timely transition of Foreign Workers Compensation Scheme contribution to mandatory Social Security Organisation contribution could be further improved by Kuala Kabong Estate.</p> <p>During ASA2 verification, Reviewed that all the foreign workers were contributed for the Social Security Organization in the sampled estates.</p>	

Opportunity For Improvement		
Ref: 1830918-201906-I3	Area/Process: Sedenak Palm Oil Mill	Clause: 4.5.3.2 – Part 4
Objective Evidence:	<p>Waste management plan could be further improved for pollution prevention and control by the mill.</p> <p>During ASA2 verification, Management identified and listed waste product as per Waste and Pollution Management Plan dated 01/08/2020 and listed Schedule waste- empty chemical containers, batteries, contaminated rags etc, Liquid waste- waste water, Domestic waste and garden waste.</p> <p>Management promote impact by establish the Pollution & Emmision Management Plan and sighted updated 01/08/2020. The plan include below pollution</p> <p>a) Emmission of dark smoke Action plan: Boiler house log book smoke density, CEMS monitoring etc</p> <p>b) Emmision of dust Action plan: Routine maintenance and placed in area far from water sources</p>	

MSPO Public Summary Report
Revision 1 (Feb 2020)

	c) Effluent (POME) Action plan: maintain effluent pond, established polishing plant for POME
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Opportunity For Improvement		
Ref: 1830918-201906-I4	Area/Process: Estates	Clause: 4.5.3.3 – Part 3
Objective Evidence:	<p>Consistency in the handling of used chemical containers could be further improved by all estates.</p> <p>During ASA2 verification, Sedenak Estate Used Empty pesticide container were sighted done triple rinsing and punctured. Noted the punctured empty pesticide container was sold to G-Planter on 05/10/2020 with quantity 336 units.</p> <p>Asam Bubok Estate Used Empty pesticide container were sighted done triple rinsing and punctured. Noted the punctured empty pesticide container with current inventory 39 units as at 09/10/2020.</p>	

Opportunity For Improvement		
Ref: 1830918-201906-I5	Area/Process: Estates	Clause: 4.5.5.1 b – Part 3
Objective Evidence:	<p>The analysis of outgoing water samples by estates could be further improved its monitoring of analysis results for parameters that might negatively impacted the natural waterways.</p> <p>During ASA2 verification, Management established the 'Inlet and Outlet Analysis 2020' and keep monitoring the result by of the water analysis. Review the result for October 2020 and sighted the result for Phosphate (0.95) was exceed the limit (0.2) and sighted management give an explanation for the over limit result.</p>	



3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1778445-201905-N1	Minor	23/05/2019	Closed on 03/10/2019
1778445-201905-N1	Minor	23/05/2019	Closed on 03/10/2019
1971590-202009-M1	Major	15/10/2020	Closed on 12/01/2021
1971590-202009-M2	Major	15/10/2020	Closed on 12/01/2021

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: School's Representative – They informed that they have good relationship with the management. Assistance was provided by the management whenever requested.</p> <p>Management Responses: Management will continue to maintain good relationship with the stakeholders.</p> <p>Audit Team Findings: No further issue.</p>
2	<p>Issues: Contractors – They informed that the payment was made promptly. They are aware of the complaint procedure and so far, they have no issue with the management.</p> <p>Management Responses: The management will ensure the payment will be made accordingly.</p> <p>Audit Team Findings: No other issue.</p>
3	<p>Issues: Workers' Representatives – The workers are satisfied with the management and they informed that their wages have achieved Minimum Wage Order 2020. They are aware of the complaint procedure. No discrimination from the management.</p> <p>Management Responses: The management will ensure comply to legal requirements and respect all the workers without discrimination.</p> <p>Audit Team Findings: No other issue.</p>
4	<p>Issues: Gender Committee Representatives – No sexual harassment or violence case reported during the time of assessment. They are aware of the function of the committee and informed that no discrimination from the management regardless of gender.</p> <p>Management Responses: The management will continue to monitor if there is any case of sexual harassment or violence.</p> <p>Audit Team Findings: No further issue.</p>
5	<p>Issues: JTK Officers (JB & Putrajaya) – They informed that the company shall comply with Employment Act 1955 where overtime can only be exceeded after obtained approval from the authority. No overtime can be exceeded the allowable limit without approval.</p> <p>Management Responses: The management takes note on the requirement and will comply accordingly.</p> <p>Audit Team Findings: Raise as Major NC under indicator 4.4.5.8 – Part 4, 1971590-202009-M1.</p>

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Sedenak Palm Oil Mill and Estates Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Sedenak Palm Oil Mill and Estates Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Salasah Elias	Name: Hu Ning Shing
Company name: Kulim (Malaysia) Berhad	Company name: BSI Services Malaysia Sdn Bhd
Title: Deputy General Manager	Title: Lead Auditor
Signature: 	Signature: 
Date: 17/01/2021	Date: 12/01/2021

Appendix A: Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	Kulim (Malaysia) Berhad has established Malaysian Sustainable Palm Oil Policy dated 1/05/2018 for Bahasa Malaysia and 30/11/2019 for English version signed by Executive Director. The company is committed to implement all Principles and Criteria set out by the MSPO.	Yes
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The company is committed to implement all Principles and Criteria of MSPO. KULIM will make every effort to achieve the balance between people, planet and profit in all management decisions and operations through continual program. The policy has been communicated to the workers on 22/05/2020 and relevant stakeholders during the stakeholder meeting conducted on 04/09/2020.	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 -	An integrated internal audit for RSPO/ MSPO/ ISCC was carried out on 05/10/2020 in Sedenak Estate, 06/09/2020 in Asam Bubok Estate and 07/09/2020 in Ulu Tiram Estate by Sustainability team. Seen the RSPO, ISCC & MSPO List of Documentation Audit where it has covered all the principles and criteria of MSPO. There was one non-conformance raised or MSPO in Sedenak Estate, two non-conformances raised in	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		Asam Bubok Estate and one non-conformance raised in Ulu Tiram Estate.	
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 (Malaysia) Berhad has developed Internal Audit Procedure with Doc. No.: SQD/SMS/3.2 dated 01/08/2020. The aim of the procedure is to ensure that the implementation of the company's RSPO, ISCC and MSPO management system is in line with the defined policies, procedures and other requirements. The frequency of the audit to be carried out is at least once within 12 months (before expiry of the certificate). The result of internal audit was recorded in the Non-Conformance Report. There was one non-conformance raised or MSPO in Sedenak Estate, two non-conformances raised in Asam Bubok Estate and one non-conformance raised in Ulu Tiram Estate. Corrective Action Plan dated 09/10/2020 in Sedenak Estate, 20/09/2020 in Asam Bubok Estate and 21/09/2020 in Ulu Tiram Estate was developed with root cause identified, immediate action and preventive action.	Yes
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	The Non-Conformance Report and RSPO, ISCC & MSPO List of Documentation Audit was distributed to the estate after the audit was completed and the Estate Manager has acknowledged on the report.	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.	Sedenak Estate's management has carried out Management Review Meeting for RSPO/ MSPO/ ISCC on 06/10/2020. Seen the meeting minutes with the following agendas discussed during the meeting: i. Follow up actions from management review ii. Process performance and product conformity	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<ul style="list-style-type: none"> iii. Customer Feedback iv. Changes that could affect management system v. Results of Internal Audit vi. Preventive and Corrective Action status vii. Recommendation for improvement viii. Complaints and Grievances ix. Other Matters <p>Management Review Meeting for MSPO was conducted on 08/09/2020 in Asam Bubok Estate with total 8 participants and 11/09/2020 in Ulu Tiram Estate with total 14 participants. Seen the meeting minutes with the following agendas discussed during the meeting:</p> <ul style="list-style-type: none"> i. Internal Audit ii. Training Needs iii. Other Matters for improvement 	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>Management establish and implement a continual improvement plan for:</p> <ul style="list-style-type: none"> a) Environmental Management Plan 2020 b) Pollution Management Plan 2020 c) Water Management Plan 2020 d) Environmental Risk Assessment and sighted management established continual improvement for all impact. 	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	As to date management maintain current technology such as usage of mechanized MB and tractor.	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. - Major compliance -	As to date management maintain current technology such as usage of mechanized MB and tractor.	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 (M) Berhad has developed Transparency Procedure with Doc. No.: SQD/SMS/1.0 dated 1/08/2020 where operating units to provide adequate information when requested by stakeholders on sustainability, social and legal issues when appropriate. Briefing of the adequate information was conducted on 04/09/2020 to all the stakeholders during stakeholder meeting.	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	Sedenak Estate has implemented Enquiry Register Book to record any requests from stakeholders. Most of the enquiries are related to job request from local communities.	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
	<p>or social outcomes.</p> <p>- Major compliance -</p>	<p>The documents may be publicly available are such as:</p> <ul style="list-style-type: none"> i. Land tilte ii. OSH plan iii. Plans and impact assessment relating to environmental and social impacts iv. HCV documentation v. Pollution prevention and reduction plans vi. Complaint and grievances details vii. Human Rights policy viii. Procedure for negotiation on compensation ix. Results of FPIC processes x. HCS documentation xi. Continuous Improvement Plan xii. And etc <p>Besides, the stakeholders could access to company's website, http://www.kulim.com.my/ to get the information such as annual report.</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>KULIM (M) Berhad has established Consultation and Communication Procedure with Doc. No.: SQD/SMS/1.1 dated 1/08/2020 to ensure KULIM has an open and transparent communication methods with local communities and other internal & external stakeholders. Modes of the communication are such as muster, meetings, campaigns, suggestion boxes, letter, email, social media, face to face communication and etc.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>Regional Head of Plantation Operation has issued a memo dated 23/10/2016 where all the Executive Regional Controller will be automatically be the Social Person In-charge for the respective complex.</p> <p>Senior Manager of Sedenak Estate has appointed the Chief Clerk as Social Person In-Charge and seen the appointment letter dated 01/01/2017.</p> <p>Acting Chief Clerk has been appointed as Social Person In-Charge in Asam Bubok Estate and appointment letter dated 16/04/2019 was sighted.</p> <p>Manager of Ulu Tiram Estate has appointed Chief Clerk as Social Person In-Charge and appointment letter dated 16/01/2020 was sighted.</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>Sedenak Estate, Asam Bubok Estate and Ulu Tiram Estate has developed List of Stakeholders for Year 2020. The stakeholder list has included categories such as government authorities, neighbouring plantations, local communities, contractors and suppliers.</p> <p>Stakeholder meeting was conducted on 4/09/2020 for whole Sedenak Complex that involved the participation of affected parties such as local communities, government authorities, contractors, FFB suppliers, neighboring plantations and etc. Issues raised during the meeting was responded by the management on the spot. Meeting minutes was sighted with recorded all the issues and responses.</p>	Yes
<p>Criterion 4.2.3 – Traceability</p>			

Criterion / Indicator		Assessment Findings	Compliance
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 -	Kulim (Malaysia) Berhad has developed Traceability Procedure with Doc. No.: SQD/SMS/1.2 dated 1/08/2020. The aim of the procedure is to ensure that the implementation of company's sustainable management system (RSPO/ MSPO/ ISCC/ RSPO SCCS/ MSPO SCCS) is in line with the defined policies, procedures and other requirements.	Yes
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Estate Managers have been appointed as the person responsible for traceability system to comply with the requirements. Seen the appointment letter dated 22/09/2019. Inspection during the receiving of FFB was conducted. The estates are using IDEAS system to record the incoming of FFB.	Yes
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	Estate Managers have been appointed as the person responsible for traceability system to comply with the requirements. Seen the appointment letter dated 22/09/2019 issued by the Head of Plantation Division.	Yes
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	There was no sale of FFB carried out by Sedenak Estate, Asam Bubok Estate and Ulu Tiram Estate because all its FFB were sent to own company's mill. Records of FFB delivery to the mill were maintained and sampled recorded as below: i. Estate: Sedenak Estate dated 30/09/2020 DB A No.: 91207 Lorry No.: T 45 Field/ Year: 1998 Ticket No.: 402676 Weight: 10,230 kgs ii. Estate: Asam Bubok Estate dated 30/09/2020	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator	Assessment Findings	Compliance	
		<p>DB A No.: 155371 Lorry No.: JPH 4452 Field/ Year: 2012, 2016 Ticket No.: 402724 Weight: 17,750 kgs</p> <p>iii. Estate: Asam Bubok Estate dated 23/09/2020 DB A No.: 155367 Lorry No.: JPH 4452 Field/ Year: 1999, 2010, 2011 Ticket No.: 402276 Weight: 33,860 kgs</p> <p>iv. Estate: Ulu Tiram Estate dated 30/09/2020 DB A No.: 009806 Lorry No.: JMU 7913 Field/ Year: 1990B, 2013 Ticket No.: 402710 Weight: 20,530 kgs</p> <p>v. Estate: Ulu Tiram Estate dated 23/09/2020 DB A No.: 009699 Lorry No.: JMU 7913 Field/ Year: 2012, 1986, 1989, 1992P Ticket No.: 402269 Weight: 25,330 kgs</p>	
<p>4.3 Principle 3: Compliance to legal requirements</p>			

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>Sedenak Estate:</p> <p>Verified permit and license as below:</p> <ul style="list-style-type: none"> a) Lesen Mengutip Tol: Siri# 0972 valid until 31/12/2020 b) Petrol and Diesel Permit# P:J001971 valid until 30/03/2021 c) MPOB License# 501224702000 valid until 31/03/2021 d) SPAN, Permit# SPAN/EKS/(PT)800-4(1)2/14 valid until 12/04/2023 <p>Asam Bubok Estate:</p> <p>Verified permit and license as below:</p> <ul style="list-style-type: none"> a) Petrol and Diesel Permit# J834063 valid until 31/07/2021 b) MPOB License# 501224702000 valid until 31/03/2021 <p>Ulu Tiram Estate:</p> <p>Verified permit and license as below:</p> <ul style="list-style-type: none"> a) MPOB License# 501257302000 valid until 31/03/2021 b) Diesel permit# PDBHEP,J-JB/26/05A/11/811(P/D)(P3) valid from 09/10/2019 to 09/10/2020 Review an application form dated 17/09/2020 pending approval from the KPDHEP. Verified the purchasing of diesel and sighted last purchased before the permit expired on 11/09/2020. c) Weighbridge: Permit# B1241292 (Borang D) valid until 19/09/2020 from Metrology Corporation Malaysia Sdn Bhd. 	<p>OFI</p>

Criterion / Indicator		Assessment Findings	Compliance
		<p>Verified other license and permit for DOSH, JTK and found available and valid until 2021.</p> <p><u>Ulu Tiram Estate:</u></p> <p>Ulu Tiram Estate has obtained approval from <i>Jabatan Tenaga Kerja Negeri Johor</i> for the deduction of wages as below:</p> <ul style="list-style-type: none"> i. Ref. No.: TK (NJ)U-21 dated 09/08/2018 for electricity after subsidized for RM 20/ per worker and RM 60 for family. ii. Ref. No.: TK (NJ)U-21 dated 09/08/2018 for water after subsidized for RM 10/ per worker and RM 50 for family. iii. Ref. No.: TK (NJ)U-21 dated 09/08/2018 for mosque fund of RM 1/ month. <p><u>Sedenak Estate and Ulu Tiram Estate:</u></p> <p>Sedenak Estate and Ulu Tiram Estate's management to follow up with the status of permit renewal for the workers of contractor to ensure they have valid permit during the period working in the plantation.</p> <p><i>Thus, an OFI was raised.</i></p>	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Legal register was sighted available and listed applicable legal as below:</p> <ul style="list-style-type: none"> a) OSHA 1994 b) DOE 1974 c) Arms Act 1960 d) MPOB (Perlesenan) 2005 e) Akta Kerja 1977 	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	Legal register was review and updated regularly once in two months and last review 31/08/2020. There is additional legal requirement was added on the Akta Penyakit Berjangkit 1988 related with pandemic Covid 19.	Yes
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	Management appoint Ms Handayani as person responsible to monitor compliance to legal and appointment letter dated 27/06/2018 was sighted.	Yes
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	The usage of the lands in KULIM are under Oil Palm cultivation and do not diminish the land use rights of other users through interviewed with the communities.	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. - Major compliance -	The lands are belonging to Mahamurni Plantations Sdn Bhd which is subsidiary of KULIM (M) Berhad by verified the land title. Sampled the land titles as below: Sedenak Estate: There are total 10 land titles found in the estate. i. Title No.: 354796; Lot 817 Total HA: 1,225.3881 ha ii. Title No.:237392; Lot 964 Total HA: 21.4357 ha	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator	Assessment Findings	Compliance
	<p>iii. Title No.:236656; Lot 1387 Total HA: 558.0606 ha</p> <p><u>Asam Bubok Estate:</u></p> <p>KULIM does not own the estate but managed on behalf of Asam Bubok Sdn Bhd. Appointment letter for the management control of Mahamurni Plantations Sdn Bhd dated 12/10/2020 was sighted. Seen the draft agreement and it was still in progress to finalized. There are total 5 land titles found in the estate. The titles are as below:</p> <p>i. Title No.: 58581; Lot PTD 19088 Total HA: 213.58 ha</p> <p>ii. Title No.: 58550; Lot PTD 19084 Total HA: 32.688 ha</p> <p>iii. Title No.: 58579; Lot PTD 19085 Total HA: 374.69 ha</p> <p><u>Ulu Tiram Estate:</u></p> <p>There are total 10 land titles found in the estate. The titles are as below:</p> <p>i. Title No.: 3358854; Lot PTD 105798 Total HA: 144.653 ha owned by KULIM (M) Berhad</p> <p>ii. Title No.: 354255; Lot PTD 105775 Total HA: 65.912 ha owned by KULIM (M) Berhad</p>	

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>Site visit sighted boundary marking are available by maintain the boundary stone and documented as per Boundary Stone map.</p>	Yes
4.3.2.4	<p>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).</p> <p>- Minor compliance -</p>	<p>There is no land dispute in the Sedenak Estate and Ulu Tiram Estate at the time of audit. The land belongs to Kulim (Malaysia) Berhad and land ownership documents verified.</p> <p>However, there was land encroachment by the local communities in Asam Bubok Estate. This issue was identified during the internal audit conducted on 2018 and 1st meeting was arranged on 14/03/2019 between the management and local communities. Follow up meeting was last conducted on 12/08/2020 and report of land survey dated 22/01/2020 was sighted. The issue was still in progress where the management requested the local communities to submit relevant proof of ownership to the management. The management will submit the evidence to Kulim HQ. Interviewed with the local community confirmed that the issue was explained as stipulated in the meeting minutes. They are just waiting for the results from the management.</p>	Yes
Criterion 4.3.3 – Customary rights			
4.3.3.1	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- Major compliance -</p>	<p>There is no customary land or negotiated agreements within the Sedenak Estate, Asam Bubok Estate and Ulu Tiram Estate land area confirmed through document reviewed and interviewed with the communities.</p>	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - Minor compliance -	There is no customary land or negotiated agreements within the Sedenak Estate, Asam Bubok Estate and Ulu Tiram Estate land area confirmed through document reviewed and interviewed with the communities.	Yes
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no customary land or negotiated agreements within the Sedenak Estate, Asam Bubok Estate and Ulu Tiram Estate land area confirmed through document reviewed and interviewed with the communities.	Yes
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	Sustainability & Quality Department has carried out Social Impact Assessment on 05/10/2020 in Sedenak Estate, 06/09/2020 in Asam Bubok Estate and 07/09/2020 in Ulu Tiram Estate during internal audit. The assessment has involved participation of schools' representatives, contractors and internal workers. Checklist Interview was utilized during interview with the contractor for SIA. The social impact register is developed based on the scoring of frequency, consequence and likelihood. Social Management Plan will be developed after the social impact register established. The last review of the social management plan was on 15/10/2020 in Sedenak Estate, 06/09/2020 in Asam Bubok Estate and 07/09/2020 in Ulu Tiram Estate with identification of negative and positive impacts. Mitigation and promotion actions were taken accordingly to the impacts identified. For eg: Ulu Tiram Estate management has identified positive impact of giving job opportunity to local communities. The management has arranged an interview	Yes

Criterion / Indicator		Assessment Findings	Compliance
		session with Labour Office JB on 12/08/2020. Total 12 applicants have been participated.	
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 (M) Berhad has developed Grievance Procedure with Doc. No.: SQD/SMS/4.1 dated 01/08/2020 to ensure KULIM has a documented system for dealing with complaints and grievances that is agreeable to all sides and accepted by all stakeholders. Dispute resolution mechanisms are established through open and consensual agreements with affected parties. Procedure has outlined the process of complaint management. The timeline to resolve the grievances is clearly stated in the procedure which is within 26 days for internal employees and 21 days for other stakeholders.</p> <p>Besides, KULIM has developed Grievance Policy dated 1/05/2019 to ensure that there is a transparent process for ensuring stakeholder's grievances and complaints are dealt with fairly, consistently and promptly. Briefing of the policy was conducted on 23/01/2020 to the workers in Sedenak Estate, 14/01/2020 in Asam Bubok Estate and 04/09/2020 to other stakeholders during stakeholder meeting.</p>	Yes
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Sedenak Estate, Asam Bubok Estate and Ulu Tiram Estate has implemented Complaint Book for housing repair and Enquiry Register Book to record any complaint and grievances from internal and external stakeholders. Sampled the complaints as below:</p> <ul style="list-style-type: none"> i. House No.: A22 dated 17/08/2020 Issue: Broken window frame, door, windows, electric wiring and plug point malfunction. 	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		<p>Action: The management has instructed the contractor to carry out the repair work on 18/08/2020 and seen the invoice# 1525 and 1526 dated 07/09/2020 for the job done.</p> <p>ii. House No.: 1 dated 03/08/2020 Issue: Socket plug was malfunction. Action: The management has instructed the foreman to repair on 03/08/2020 and seen the Sundry Record Book.</p>	
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p>- Minor compliance -</p>	Complaint/ Suggestion Form was available in front of the office where the complaint box is. The stakeholders are aware of the complaint form and suggestion box as a method to lodge complaint.	Yes
4.4.2.4	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p>- Minor compliance -</p>	Complaint/ Suggestion Form was available in front of the office where the complaint box is. The stakeholders are aware of the complaint form and suggestion box as a method to lodge complaint.	Yes
4.4.2.5	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	Request for Repair records since Y2011 were maintained.	Yes
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	<p>Growers should contribute to local development in consultation with the local communities.</p>	Sedenak Estate has made contribution to the local communities such as provide job opportunities to the local people. Besides, donation to the stakeholders such as school for National Day's event, sport's day.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	<p>The management also support the events organized by the WOW committee and made donation for the events. The management of Sedenak Estate and Ulu Tiram Estate has provided free school bus to send the children to school.</p> <p>Asam Bubok Estate’s management has made donation to the local communities upon request from communities such as football event and religion event.</p> <p>Besides, the management of Asam Bubok Estate and Ulu Tiram Estate has contributed food supply to the one in needs during the pandemic period such as rice, cooking oil and flour.</p>	
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Management establish OSH policy as per “Polisi Berkaitan Keselamatan Dan Kesehatan Pekerjaan’ and approved by Pengarah Eksekutif, Mr Zulkifly Zakariah dated 01/05/2018.</p>	Yes
4.4.4.2	<p>The occupational safety and health plan shall cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks 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 pesticides:</p>	<p>a) Communication of the policy was sighted during morning briefing and sighted record dated 01/09/2020. The policy was communicated to the external party during stakeholder meeting on 04/09/2020. Policy also communicated by display at the notice board within the complex.</p> <p>b) Management established the HIRARC for all activity in the mill. The establishment of the HIRARC are as per HIRARC Guidelines by DOSH. Verified the HIRARC for below activity</p>	OFI

Criterion / Indicator	Assessment Findings	Compliance
<ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues 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. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. 	<p>Sedenak Estate:</p> <ul style="list-style-type: none"> i) MB operator dated 10/05/2020 and sighted all activity was rank as LOW and MEDIUM ii) Workshop dated 07/04/2020 and sighted all activity was rank as LOW and MEDIUM <p>Asam Bubok Estate:</p> <ul style="list-style-type: none"> i) Spraying dated 24/05/2020 and sighted activity was rank as HIGH risk for the Biology hazard. ii) Fertilizer dated 22/05/2020 and sighted activity was rank LOW risk <p>Ulu Tiram Estate:</p> <ul style="list-style-type: none"> i) Road Maintenance dated 24/11/2019 and sighted activity rank as LOW risk ii) Rat baiting dated 24/11/2019 and sighted activity rank as LOW risk. <p>c) Training record was review and sighted Chemical Handling Training was conducted:</p> <p>Sedenak Estate:</p> <ul style="list-style-type: none"> i) Spraying SOP dated 26/02/2020. ii) Manuring SOP dated 08/10/2020. <p>Asam Bubok Estate:</p> <ul style="list-style-type: none"> i) Latihan Meraacun Bulatan dated 19/01/2020 ii) Latihan Menabur Baja dated 14/09/2020 <p>Ulu Tiram Estate:</p>	

Criterion / Indicator	Assessment Findings	Compliance
<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>i) Chemical Handling Training dated 03/10/2020</p> <p>ii) Spraying Training dated 20/02/2020</p> <p>Site visit sighted precaution attached to product area available such as safety signage, SDS and PPE.</p> <p>d) PPE record was sighted and issuance of PPE to below employee: Sedenak Estate: i) Suandi- apron, filter issuance on 07/09/2020 ii) Joni- apron, glove, filter issuance on 17/07/2020</p> <p>Asam Bubok Estate: i) Jurimi- Goggle issuance on 04/01/2020 ii) Indra- Goggle, rubber boot issuance on 04/01/2020</p> <p>Ulu Tiram Estate: i) Safrullah- Respirator issuance on 02/10/2020 ii) Rahman- Chemical gloves issuance on 05/03/2020</p> <p>e) Management established the work instruction for chemical handling as below: i) Weed & Pest Usage And Application Control (LSD-OP-WI-W01) ii) Fertilizer Usage & Application Control (LSD-OP-WI-W02)</p> <p>Sedenak Estate:</p>	

**MSPO Public Summary Report
Revision 1 (Feb 2020)**

Criterion / Indicator	Assessment Findings	Compliance
	<p>CHRA report was available (Report#:JKKP HQ/03/ASS/00/154-2018/042). Medical surveillance was perform to all employee involve with chemical on 28/07/2020 at KPJ Dato Onn. Verified summary report dated 21/08/2020 and all employee are fit to work.</p> <p>Asam Bubok Estate: CHRA report was available (Report#:JKKP HQ/03/ASS/00/154-2018/044). Medical surveillance was perform to all employee involve with chemical on 21/08/2020 at KPJ Dato Onn. Verified summary report dated 21/08/2020 and all employee are fit to work.</p> <p>Ulu Tiram Estate: CHRA report was available (Report#:JKKP HQ/03/ASS/00/154-2018/040). Medical surveillance was perform to all employee involve with chemical on 21/08/2020 at KPJ Dato Onn. Verified summary report dated 06/10/2020 and all employee are fit to work.</p> <p>f) Sedenak Estate: Management appoint Manager, Mr Zairul Azmin as person responsible to the employee safety & health and he was appointed as Chairman of OSH Committee.</p> <p>Asam Bubok Estate:</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Management appoint Manager, Mr Wan Rusdi as person responsible to the employee safety & health and he was appointed as Chairman of OSH Committee.</p> <p>Ulu Tiram Estate: Management appoint Manager, Mr Md Nizam as person responsible to the employee safety & health and he was appointed as Chairman of OSH Committee</p> <p>g) Sedenak Estate: Management maintain a two-way communication related with OSH matter by conducting OSH Committee Meeting and sighted meeting minute dated 29/09/2020, 28/07/2020.</p> <p>Asam Bubok Estate: Management maintain a two-way communication related with OSH matter by conducting OSH Committee Meeting and sighted meeting minute dated 10/06/2020, 11/08/2020.</p> <p>Ulu Tiram Estate: Management maintain a two-way communication related with OSH matter by conducting OSH Committee Meeting and sighted meeting minute dated 16/06/2020, 29/09/2020.</p> <p>h) Emergency response procedure was sighted for accident, fire and dated 10/02/2008. Sighted management established the Emergency Response Team (ERT) and sighted the SOP for the chemical spillage, fire, and accident. Noted LAB conducted Fire</p>	

Criterion / Indicator	Assessment Findings	Compliance
	<p>Drill exercise on 09/10/2020 and Ulu Tiram Estate conducted on 09/10/2020.</p> <p>i) First Aid box was sighted and located at the workstation such as harvesting, workshop, spraying etc and inspection was done by HA by monthly basis.</p> <p>Sedenak Estate: Sighted record of inspection dated 02/10/2020, 13/09/2020, 05/08/2020 etc. First aid training was conducted on 24/03/2020 conducted by HA and attended by all employee.</p> <p>Asam Bubok Estate: Sighted record of inspection dated 09/10/2020, 04/09/202, 07/08/2020 etc. First aid training was conducted on 08/10/2020 conducted by HA and attended by mandore.</p> <p>Ulu Tiram Estate: Sighted record of inspection dated 09/10/2020, 04/09/202, 07/08/2020 etc. First aid training was conducted on 28/02/2020 conducted by HA and attended by mandore</p> <p>j) Sedenak Estate: Accident record was updated and discussed during the OSH Committee Meeting. Management submitted the JKPP 8 to DOSH by yearly basis and sighted the latest submission on 16/02/2020.</p>	

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		<p>Asam Bubok Estate: Accident record was updated and discussed during the OSH Committee Meeting. Management submitted the JKPP 8 to DOSH by yearly basis and sighted the latest submission on 16/01/2020.</p> <p>Ulu Tiram Estate: Accident record was updated and discussed during the OSH Committee Meeting. Management submitted the JKPP 8 to DOSH by yearly basis and sighted the latest submission on 24/10/2020.</p> <p>Asam Bubok Estate: HIRARC could be further reviewed to reflect the current situation such as spraying activity.</p> <p>Sedenak Estate, Asam Bubok Estate and Ulu Tiram Estate: The management could enhance the drill to other emergency such as accident.</p> <p><i>Thus, an OFI was raised.</i></p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	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.	KULIM (Malaysia) Berhad has developed Sustainability Policy where the company respects, supports and upholds fundamental human rights and does not engage in any discrimination of race, religion and gender. Briefing of the policy was conducted on 27/03/2020 to the workers in Sedenak Estate, 03/09/2020 in Asam Bubok Estate,	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	01/09/2020 in Ulu Tiram Estate and 04/09/2020 for stakeholders. The policy was displayed inside the office and notice board at the muster ground.	
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 -	KULIM (Malaysia) Berhad has established Core Labour Standard Policy dated 01/05/2018 where the company will not engage in nor support discrimination in any form. Briefing of the policy was conducted on 22/05/2020 to the workers in Sedenak Estate, 02/10/2020 in Asam Bubok Estate and 04/09/2020 for stakeholders. The policy was displayed inside the office and notice board at the muster ground. Interviewed with the workers confirmed that the management treated all the workers equally. Overtime was offered to anyone who is willing to work without forcing them.	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 -	There were employment contracts for checkroll workers and contractors' workers. Pay and conditions are documented and above the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly and have been signed by the worker. Sampled of payslip for March 2020, April 2020, June 2020 and August 2020 found that the workers have achieved Minimum Wage Order 2020. Interviewed with the workers confirmed that their wages are in accordance to legal requirements.	Yes
4.4.5.4	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. - Minor compliance -	Sedenak Estate: Sedenak Estate has engaged contractors for activities such as harvesting of FFB, loading & transporting of FFB and etc. Sampled of the pay slips of contractors' workers for June 2020 – September 2020 as below: i. Passport No.: AS 656215 ii. Passport No.: AR 532503 iii. Passport No.: AS 010164	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator	Assessment Findings	Compliance
	<p>iv. Passport No.: B 2906380 v. Passport No.: B 9254274</p> <p><u>Asam Bubok Estate:</u></p> <p>The management has engaged one contractor to carry out harvesting of FFB in P17 and he has total 5 local workers (all are relatives of the contractor). Sampled of the payslips from February 2020 to September 2020 as below:</p> <p>i. I/C No.: 001015-01-08XX ii. I/C No.: 760716-01-67XX iii. I/C No.: 730103-01-50XX iv. I/C No.: 781012-01-54XX v. I/C No.: 711024-01-54XX</p> <p><u>Ulu Tiram Estate:</u></p> <p>Contractor has been engaged to harvest in Field P88 and P92P and he has employed two harvesters. The harvesters not fully working in Ulu Tiram Estate. Sampled the payslips from May 2020 to August 2020 as below:</p> <p>i. Passport No.: C 3820548 ii. Passport No.: C 6902851</p> <p>All of the contractors' workers were paid as per Minimum Wage Order 2020.</p>	

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Sedenak Estate has implemented I-Plantation System to record and maintain the overview of checkroll employees in Employee Master Info. Details such as full name, gender, date of birth, date of entry, job description and type of wages was found in the system.</p> <p>Besides, Sedenak Estate and Asam Bubok Estate has kept a copy of the employment contract for contractors' workers where details of the workers were recorded in the employment contract.</p>	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 is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>The employees that recruited by the estates are from local and foreign workers. They are under direct employment and contract workers to the estates. All of them have signed on the employment contract prior to work. Terms and conditions were clearly stated in the contract. Sampled of employment contracts as below:</p> <ul style="list-style-type: none"> i. Employee No.: 615433 (SE) ii. Employee No.: 615341 (SE) iii. Employee No.: 615044 (SE) iv. Employee No.: 615430 (SE) v. Employee No.: 615404 (SE) vi. Passport No.: AS 656215 (SE Contractor's Worker) vii. Passport No.: AR 532503 (SE Contractor's Worker) viii. Passport No.: AS 010164 (SE Contractor's Worker) ix. Passport No.: B 2906380 (SE Contractor's Worker) x. Passport No.: B 9254274 (SE Contractor's Worker) xi. Employee No.: 639178 (ABE) xii. Employee No.: 639238 (ABE) xiii. Employee No.: 639175 (ABE) xiv. Employee No.: 639224 (ABE) xv. Employee No.: 639239 (ABE) 	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		xvi. I/C No.: 760716-01-67XX (ABE Contractor's Worker) xvii. I/C No.: 730103-01-50XX (ABE Contractor's Worker) xviii. I/C No.: 781012-01-54XX (ABE Contractor's Worker) xix. I/C No.: 711024-01-54XX (ABE Contractor's Worker) xx. Employee No.: 601439 (UTE) xxi. Employee No.: 601605 (UTE) xxii. Employee No.: 601571 (UTE) xxiii. Employee No.: 601624 (UTE) xxiv. Passport No.: C 3820548 (UTE Contractor's Worker) xxv. Passport No.: C 6902851 (UTE Contractor's Worker)	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	All the daily attendance was recorded by IDEAS system on daily basis and overtime was recorded in the Overtime Form.	Yes
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	Interview with workers and document reviewed on the Checkroll Attendance as well as payslip shown that the overtime payments are in accordance to law and workers are given freedom to work overtime.	Yes
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Wages and overtime were paid according to the IDEAS I-Plantation system. Total hours of overtime and daily attendance has recorded in Overtime Form and Attendance Edit List. Sampled the payslip based on the crop summary for March 2020, April 2020, June 2020 and August 2020 as below: i. Employee No.: 615341 (SE)	Major Non-conformance

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator	Assessment Findings	Compliance																		
	<p>ii. Employee No.: 615192 (SE) iii. Employee No.: 615128 (SE) iv. Employee No.: 615404 (SE) v. Employee No.: 615430 (SE) vi. Employee No.: 639178 (ABE) vii. Employee No.: 639239 (ABE) viii. Employee No.: 639218 (ABE) ix. Employee No.: 639175 (ABE) x. Employee No.: 639208 (ABE) xi. Employee No.: 601439 (UTE) xii. Employee No.: 601322 (UTE) xiii. Employee No.: 601565 (UTE) xiv. Employee No.: 601484 (UTE)</p> <p>All of them above have achieved the Minimum Wage 2020.</p> <p>Reviewed the payslips of workers in Ulu Tiram Estate found that the management has made deduction of wages for electricity and water bill more than the allowable limit from <i>Jabatan Tenaga Kerja Negeri Johor</i> as stated in permit with Ref. No.: TK(NJ)U-21 dated 09/08/2018. The maximum for deduction is RM 10/ single and RM 50/ family for water bill and RM 20/ single and RM 60/ family for electricity. Sampled of the workers' payslips for deduction for August 2020 as below:</p> <table border="1" data-bbox="1048 1193 1872 1391"> <thead> <tr> <th>Employee No.</th> <th>Water Bill</th> <th>Electricity Bill</th> </tr> </thead> <tbody> <tr> <td>601605</td> <td>RM 49.90</td> <td>RM 29.80</td> </tr> <tr> <td>601571</td> <td>RM 12.10</td> <td>RM 20.50</td> </tr> <tr> <td>601625</td> <td>RM 13.70</td> <td>-</td> </tr> <tr> <td>601591</td> <td>-</td> <td>RM 29.00</td> </tr> <tr> <td>601533</td> <td>-</td> <td>RM 29.70</td> </tr> </tbody> </table>	Employee No.	Water Bill	Electricity Bill	601605	RM 49.90	RM 29.80	601571	RM 12.10	RM 20.50	601625	RM 13.70	-	601591	-	RM 29.00	601533	-	RM 29.70	
Employee No.	Water Bill	Electricity Bill																		
601605	RM 49.90	RM 29.80																		
601571	RM 12.10	RM 20.50																		
601625	RM 13.70	-																		
601591	-	RM 29.00																		
601533	-	RM 29.70																		

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings		Compliance
		601557	- RM 29.00	
		<i>Thus, a major NC was raised.</i>		
4.4.5.10	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. - Minor compliance -	The company provided free medical facilities to all the workers. Free water and electricity were supplied to all the workers. Sedenak Estate's management has provided free school bus to send the children to school.		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 in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	The management has provided free living facilities to all the workers with free water and electricity supply. KULIM has developed a procedure of Linesite with Doc. No.: SQD/WI/10 dated 01/01/2020 to explain the cleanliness and maintenance of the housing area. Linesite inspection was carried out on weekly basis as per the procedure in Sedenak Estate and Asam Bubok Estate. The last inspection was conducted on 09/10/2020 by Estate Hospital Assistant and verified by the Assistant Manager and Manager in Sedenak Estate and 10/10/2020 in Asam Bubok Estate by Field Staff.		Yes
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	KULIM (Malaysia) Berhad has developed Sexual Harassment Policy dated 01/05/2018 where the company seeks to eradicate all forms of sexual harassment in the workplace and wherever possible influence the behavior of its employees. KULIM has a zero tolerance on sexual harassment. Besides, the company has established Core Labour Standard Policy dated 01/05/2018 where the company recognized and respects the right of employees of their rights and freedoms relating to reproduction and reproductive health. Briefing of the policy was conducted on 20/03/2020 and 22/05/2020 to the workers in Sedenak		Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		<p>Estate and 04/09/2020 for stakeholders. The policy was displayed inside the office and notice board at the muster ground.</p> <p>A Women on Ward (WOW) committee was established in the estates and meeting was conducted on 06/10/2020 in Sedenak Estate and 10/09/2020 in Asam Bubok Estate. Seen the meeting slides found that the chairman has briefed on the complaint procedure and function of committee to all the members. No issue was reported during the meeting. Interviewed with the female workers in the mill confirmed that they are aware of the complaint procedure and informed that no sexual harassment and violence case report so far. Their rights were respected by the management.</p>	
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>Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1/05/2018 where the company recognized and respected the rights of employees to form and/ or join trade unions of their choice which are given due recognition by KULIM. The policy was in bi-lingual which is Bahasa Malaysia and English. Briefing of the policy was conducted on 22/05/2020 to the workers in Sedenak Estate and 04/09/2020 for stakeholders. Interviewed with the workers confirmed that they are allowing to join UNION freely.</p> <p>The last NUPW meeting was carried out with the representatives from employer and NUPW in Sedenak Estate on 09/10/2020, 03/09/2020 in Asam Bubok Estate and 07/10/2020 in Ulu Tiram Estate. There were issues raised by the committee in Sedenak Estate during the meeting and recorded in the meeting minutes. The management is in the progress to escalate the issue to top management. Minor issues were</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
		raised in Ulu Tiram Estate and the management is in progress to take action to rectify the issues.	
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>KULIM (Malaysia) Berhad has established Core Labour Standard Policy dated 1/05/2018 where they are not engaged in or support the use of Child Labour and will provide adequate support to enable children of its employees to attend and remain in school until no longer a child. Besides, the company has developed Buku Panduan Anggota Pekerja Perladangan dated 1/9/2018 where the company comply with the Children and Young Persons Employment Act 1966. Briefing of the policy was conducted on 22/05/2020 to the workers in Sedenak Estate, 01/10/2020 in Ulu Tiram Estate and 04/09/2020 for stakeholders. Document verified the master list of the workers confirmed that the minimum age of workers employed are above 18 years.</p>	Yes
Criterion 4.4.6: Training and competency			
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>Management established Annual Training Program 2020 and listed training related with operation, safety, environment etc. Verified training record and sighted management maintain the training records include the attendance list, training material and training report. Verified below training records:</p> <p>Sedenak Estate:</p> <ul style="list-style-type: none"> a) Fertilizer SOP Training dated 25/03/2020 b) Schedule waste Training dated 20/10/2020 c) Tractor and MB Safety Training dated 16/02/2020. 	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		<p>Asam Bubok Estate:</p> <ul style="list-style-type: none"> a) Waste Cleaning and Landfill Training dated 09/02/2020 b) Safety Work at Chemical Store dated 09/02/2020 c) Tractor and MB Driver Training dated 28/02/2020 <p>Ulu Tiram Estate:</p> <ul style="list-style-type: none"> a) MRS 5 Loose Fruit Training dated 3-4/06/2020 b) MSPO Awareness Training dated 04/09/2020 and 02/10/2020 c) Triple Rinsing Training dated 03/01/2020 	
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 was done by issuance of ‘Proposal for Executive/ Staff/ Workers Training’ by the HOD and sighted documented proposal for conducted Refresh Training MSPO, Lab Procedure, MSPO Awareness etc.</p>	Yes
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>Management established Annual Training Program 2020 and listed training related with operation, safety, environment etc. Verified training record and sighted management maintain the training records include the attendance list, training material and training report.</p>	Yes
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Criterion 4.5.1: Environmental Management Plan			

Criterion / Indicator		Assessment Findings	Compliance
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 -	Management established “Environmental Policy” dated 01/05/2018 and approved by Executive Director, Mr. Zulkifly Zakariah. The policy was communicated during the briefing, training, and display at notice board.	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 -	a) Estate established environmental objective as below: Sedenak Estate: Objective was established and sighted 3 objectives as below: i) To increase rainwater harvesting from 1 to 2 units in 2019 ii) Established beneficial plant nursery and field planting program iii) To optimize barn owl boxes in the field. Asam Bubok Estate: i) To minimize environmental impact from all estate ii) To ensure high natural water way water quality as per standard iii) To maintain the Zero Burning culture among the employee Ulu Tiram Estate: i) To minimize environmental impact from all estate ii) To ensure high natural water way water quality as per standard iii) To maintain the Zero Burning culture among the employee b) Environmental Aspect & Impact	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Sedenak Estate: Review the Environmental Risk Assessment Form and sighted impact analysis for all activity. The risk assessment was updated on 02/04/2020 and sighted rank I and II which the risk is LOW and MEDIUM. Sighted management assess the environmental risk for all activity in estate.</p> <p>Asam Bubok Estate: Review the Environmental Risk Assessment Form and sighted impact analysis for all activity. The risk assessment was updated on 01/03/2020 and sighted rank I and II which the risk is LOW and MEDIUM. Sighted management assess the environmental risk for all activity in estate.</p> <p>Ulu Tiram Estate: Review the Environmental Risk Assessment Form and sighted impact analysis for all activity. The risk assessment was updated on 25/08/2020 and sighted rank I and II which the risk is LOW and MEDIUM. Sighted management assess the environmental risk for all activity in estate.</p>	
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>- Major compliance -</p>	As per 4.5.1.2	Yes

Criterion / Indicator		Assessment Findings	Compliance
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>Refer to EAI and sighted management promote the positive impact from the activity of:</p> <ul style="list-style-type: none"> a) EFB apply to field- Moisture to the land and decompose for fertilizer b) Tree planting- planting of the beneficial plant such as durian c) Establishment of the land fill area 	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>- Major compliance -</p>	<p>Management established Annual Training Program 2020 and listed training related with environment. Verified training record and sighted management maintain the training records include the attendance list, training material and training report. Verified below training records:</p> <ul style="list-style-type: none"> a) Schedule waste Training dated 20/10/2020 for Sedenak Estate b) Waste Cleaning and Landfill Training dated 09/02/2020 for Asam Bubok Estate c) Triple Rinsing Training dated 03/01/2020 for Ulu Tiram Estate 	Yes
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Meeting related with environmental was conducted regularly by management and verified last meeting minute held as below:</p> <p>Sedenak Estate:</p> <p>Sighted management conduct meeting related with environment on 08/09/2020 and discuss issues such as buffer zone, land fill, legal compliance, and schedule waste</p> <p>Asam Bubok Estate:</p>	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		<p>Sighted management conduct meeting related with environment on 08/09/2020 and discuss issues such as buffer zone, land fill, legal compliance, and schedule waste.</p> <p>Ulu Tiram Estate:</p> <p>Sighted management conduct meeting related with environment on 10/06/2020 and discuss issues such as buffer zone, land fill, legal compliance, and schedule waste.</p>	
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 an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>Review the diesel usage monitoring for year 2020, sighted data for below usage:</p> <p>Sedenak Estate:</p> <p>Sept 2020= 1.12 Liter/ MT August 2020 = 0.94 Liter/MT July 2020 = 0.69 Liter/MT</p> <p>Asam Bubok Estate:</p> <p>Sept 2020 = 1.29 Liter/MT August 2020 = 0.97 Liter/ MT July 2020 = 1.57 Liter/ MT</p> <p>Ulu Tiram Estate:</p>	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		Sept 2020 = 0.44 Liter/MT August 2020 = 0.30 Liter/ MT July 2020 = 0.43 Liter/ MT	
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	<p>Sedenak Estate: Estimation of the direct usage of diesel was sighted as per budget year 2020 with estimation of usage of 1.1 Liter/ MT.</p> <p>Asam Bubok Estate: Estimation of the direct usage of diesel was sighted as per budget year 2020 with estimation of usage of 1.93 Liter/ MT.</p> <p>Ulu Tiram Estate: Estimation of the direct usage of diesel was sighted as per budget year 2020 with estimation of usage of 0.80 Liter/ MT.</p>	Yes
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	As to date no any renewable energy apply by the estate management.	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 -	Management identified and listed waste product as per Waste and Pollution Management Plan dated 01/08/2020 and listed below waste: a) Schedule waste- empty chemical containers, batteries, contaminated rags etc b) Liquid waste- waste water	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> c) Domestic waste d) Garden waste 	
4.5.3.2	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products <p>- Major compliance -</p>	<p>Management identified and listed waste product as per Waste and Pollution Management Plan dated 01/08/2020 and listed Schedule waste- empty chemical containers, batteries, contaminated rags etc, Liquid waste- waste water, Domestic waste and garden waste.</p>	Yes
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>Schedule waste Work Instruction was sighted as below:</p> <ul style="list-style-type: none"> a) Labelling, Handling, Storage od Schedule Waste b) Handling, storage and disposal of used gloves and rags <p>Management manage Schedule as per procedure and verified below:</p> <ul style="list-style-type: none"> a) Inventory <ul style="list-style-type: none"> Sedenak Estate: Updated inventory through EsWISS system for month of September with current inventory SW305- Spent lub oil= 0.025MT SW307- Emission mineral oil = 0.01 MT SW408- Contaminated soil = 0.0058 MT SW409- Machinery filter = 0.003 MT Asam Bubok Estate: 	Yes

Criterion / Indicator	Assessment Findings	Compliance
	<p>Updated inventory through ESWISS system for month of October with current inventory as below: SW305- Spent Lub Oil = 0.018MT</p> <p>Ulu Tiram Estate:</p> <p>Updated inventory through ESWISS system for month of October with current inventory as below: SW305- Spent Lub Oil = 0.132MT</p> <p>b) Disposal</p> <p>Sedenak Estate:</p> <ul style="list-style-type: none"> i) SW305 = 0.588 MT Disposal on 04/09/2020 to Kualiti Alam Sdn Bhd ii) SW307- 0.0076 MT Disposal on 04/09/2020 to Kualiti Alam Sdn Bhd iii) SW408- 0.0038 MT Disposal on 04/09/2020 to Kualiti Alam Sdn Bhd. <p>Asam Bubok Estate:</p> <ul style="list-style-type: none"> i) SW307 = 0.0090MT Disposal on 10/02/2020 to Kualiti Alam iii) SW408 = 0.85MT Disposal on 10/02/2020 to Kualiti Alam Sdn Bhd iii) SW305 = 0.0480 MT Disposal on 10/02/2020 to Kualiti Alam Sdn Bhd 	

Criterion / Indicator		Assessment Findings	Compliance
		<p>Ulu Tiram Estate:</p> <ul style="list-style-type: none"> i) SW109 = 0.025MT Disposal on 27/09/2020 to Kualiti Alam Sdn Bhd ii) SW305 = 0.0586MT Disposal on 27/09/2020 to Kualiti Alam Sdn Bhd iii) SW409 = 0.021 MT Disposal on 27/09/2020 to Kualiti Alam Sdn Bhd 	
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>Sedenak Estate:</p> <p>Used Empty pesticide container were sighted done triple rinsing and punctured. Noted the punctured empty pesticide container was sold to G-Planter on 05/10/2020 with quantity 336 units.</p> <p>Asam Bubok Estate:</p> <p>Used Empty pesticide container were sighted done triple rinsing and punctured. Noted the punctured empty pesticide container with current inventory 39 units as at 09/10/2020.</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>Sedenak Estate:</p> <p>Domestic waste was manageable with regular collection from the line site twice a week and disposed at the land fill area at Block P98 Block 2.</p> <p>Asam Bubok Estate:</p> <p>Domestic waste was manageable with regular collection from the line site twice a week and disposed at the land fill area at Block P12 Block 1.</p>	Yes

MSP0 Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		<p>Ulu Tiram Estate:</p> <p>Domestic waste was manageable with regular collection from the line site twice a week and disposed at the land fill area at Block P12 Block 1.</p>	
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>Management do assessment on all pollution activities as per Environmental Risk. Sighted management monitored usage of herbicide & pesticide which is to date total use as below:</p> <p>Glyphosate= 5140 Litre Ken-amine= 123.5 Litre Ranger 250 = 1132 Litre</p>	Yes
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Sedenak Estate/ Asam Bubok Estate</p> <p>Action to reduce significant pollution are established as per Waste & Pollution Management Plan updated on 01/08/2020</p>	Yes
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a. Assessment of water usage and sources of supply.</p>	<p>Water management was sighted with last review on August 2020 and sighted plan for below:</p> <p>a) Sedenak Estate/Asam Bubok Estate/ Ulu Tiram Estate Spraying:Action Plan:</p>	Yes

Criterion / Indicator	Assessment Findings	Compliance
<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>- Major compliance -</p>	<p>i) Inlet an outlet water analysis was conducted</p> <p>ii) Maintain the buffer zone area</p> <p>Household activity:Action Plan:</p> <p>i) To schedule water supply to avoid overuse</p> <p>ii) Monitor any leakage and periodically maintenance</p> <p>Interruption of the water supply:Action plan:</p> <p>i) Upkeep drain by desilting drain periodically</p> <p>ii) Building up sand in the drain</p> <p>b) Sedenak Estate:</p> <p>Management monitor the water quality of Sg Skudai and verified the water sampling analysis result dated 08/09/2020 as per below:</p> <p>Nitrate nitrogen= <0.04 mgNO3/L</p> <p>Phosphate = <0.20 mgPO4/L</p> <p>Asam Bubok Estate:</p> <p>Management monitor the water quality of 5 sample point and verified the water sampling analysis result dated 05/10/2020 as per below:</p> <p>Nitrate nitrogen= SP 1 (1.84 mgNO3/L) SP 2 (1.09 mgNO3/L)</p> <p>Phosphate = SP 1 (0.69 mgNO3/L), SP2 (0.95 mgPO4/L)</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>Ulu Tiram Estate:</p> <p>Management monitor the water quality of 5 sample point and verified the water sampling analysis result dated 05/10/2020 as per below:</p> <p>Nitrate nitrogen= WI-1300 (0.65 mgNO₃/L) WI-1301 (0.61 mgNO₃/L)</p> <p>Phosphate = WI-1300 (<0.20 mgPO₄/L), WI-1301 (<0.20 mgPO₄/L)</p> <p>c) Site visit sighted Sedenak Estate maintain the buffer zone at Sg Skudai, Asam Bubok Estate, Ulu Tiram Estate maintain the buffer zone at natural waterways across the estate.</p> <p>d) Site visit at Sg Skudai sighted no any natural vegetation was removed at riparian area.</p> <p>e) Noted bore well not implement at the estate.</p>	
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>Sedenak Estate:</p> <p>Site visit no construction of bund, weirs and dams across the main river at Sg Sekudai.</p> <p>Asam Bubok Estate/ Ulu Tiram Estate:</p> <p>Site visit no construction of bund, weirs and dams across the main natural waterways across the estate.</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	<p>Verified Water Management Plan and sighted management include the water harvesting by implement the silt pit and rain harvesting at workshop.</p> <p>Site visit sighted management maintain the silt pit for the rain harvesting at field Blok 1 (Sedenak Estate) and Blok P11 (Asam Bubok Estate).</p>	Yes
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <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 information and identification of the high biodiversity value was sighted as per Rapid Biodiversity Assessment, January 2008.</p> <p>Refer to the list sighted for year 2020 below sample of species was found is phyton, wild boar, tenggiling etc.</p> <p>Refer to above sighted no any endangered species as per IUCN list was available.</p>	Yes
4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the</p>	<p>Refer to the Biodiversity Report and noted no any endangered species was found at the estate area.</p> <p>Site visit and sighted management erect signage of “No Hunting” and ‘No Fishing” at the riparian zone area.</p>	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
	<p>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>Biodiversity Improvement Plan for year 2020 was sighted and maintain below activity</p> <p>a)Sedenak Estate</p> <p>Bird survey- SQD department organized bird survey dated 17/11/2011</p> <p>b)Asam Bubok Estate</p> <p>Water Quality- To implement water quality monitoring by monthly basis</p> <p>Encroachment control- Continuously monitor and reported the sign of encroachment</p> <p>c) Ulu Tiram Estate</p> <p>Water Quality- To implement water quality monitoring by monthly basis</p> <p>Encroachment control- Continuously monitor and reported the sign of encroachment</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>Kulim (M) Bhd has established the Polisi Sawit Mampan Malaysia and include the commitment on the maintaining the Zero Burning. In the SOP stated the prohibition of burning in land preparation. Previous</p>	Yes

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	
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 -	Kulim (M) Bhd has established the Polisi Sawit Mampan Malaysia and include the commitment on the maintaining the Zero Burning. In the SOP stated the prohibition of burning in land preparation. Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	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 -	Kulim (M) Bhd has established the Polisi Sawit Mampan Malaysia and include the commitment on the maintaining the Zero Burning. In the SOP stated the prohibition of burning in land preparation. Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	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 -	Kulim (M) Bhd has established the Polisi Sawit Mampan Malaysia and include the commitment on the maintaining the Zero Burning. In the SOP stated the prohibition of burning in land preparation. Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	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 -	Management establish SOP for site management as per Agriculture Manual dated 03/10/2020.	Yes

Criterion / Indicator		Assessment Findings	Compliance
		<p>Sedenak Estate: Site visit at Blok 1 observe the harvesting activity and interview harvester. Training on the SOP was conducted by the management for MB operator.</p> <p>Asam Bubok Estate: Site visit at Blok P11 observe the spraying activity and interview harvester. Training on the SOP was conducted by the management for spraying and chemical handling.</p> <p>Ulu Tiram Estate: Site visit at Blok P12 observe the manuring activity and interview the workers. Training on the SOP was conducted by the management for manuring activity and chemical handling.</p>	
4.6.1.2	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p>- Major compliance -</p>	<p>The terrain on Sedenak Estate, Asam Bubok Estate and Ulu Tiram Estate was flat while and undulating (>25°) based on the Topographic Map provided. Planting of cover crop and maintenance of soft grasses in interlines to prevent soil erosion was observed during the visit.</p>	Yes
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) and the total hectare is shown in all markers. There are both</p>	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	stencilled at the palm trees and also displayed in signage at the boundary/corners of every fields	
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 -	Management established the yearly budget for year 2020.	Yes
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	<p>Sedenak Estate: Management established the Replanting Program for 2020-2046 as below: 2022 – Field (P98) – 402.66ha 2023- Field (P99) – 302.31 ha 2024- Field (P00) – 94.25 ha</p> <p>Asam Bubok Estate: 2024: P99 = 56 Ha 2035: P10 = 55.86 Ha</p>	Yes
4.6.2.3	The business or management plan may contain: a) Attention to quality of planting materials and FFB	Review the yearly budget for 2020 and sighted below information: a) Quality planting FFB= OER (20.0) b) Crop projection = Sedenak Estate (2,467 MT), Asam Bubok Estate (7,076 MT), Ulu Tiram Estate (9,888 MT)	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
	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 - Major compliance -	c) Cost of production = Sedenak Estate (RM263.08 /MT), Asam Bubok Estate (RM328.39/ MT), Ulu Tiram Estate (RM438.17/ MT) d) Price forecast= RM425	
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	Sedenak Estate/ Asam Bubok Estate Management regularly monitored and review the achievement of the budget goal and objective during Mision 30:30 Monthly Meeting. Meeting minute was sighted.	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 -	The payment shall be paid not later than the 10 th of each calendar month provided the contractor submits the invoices/ statement of account for the preceding month by the 5 th of the said month. Interviewed with the contractors confirmed that payment was made promptly.	Yes
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Sampled of the payment records for contractors as below: i. INV# LCT 0920 dated 30/092020; Payment Voucher No.: 20000501 dated 06/10/2020 ii. INV# 1881 dated 30/09/2020; Payment No.: 20000504 dated 06/10/2020.	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> iii. INV dated 30/09/2020 for contractor in Plot 17 in Asam Bubok Estate; Payment Voucher No.: 200000349 dated 05/10/2020 iv. INV# TBK-UT2020/016 dated 30/08/2020; Payment Voucher No.: 20000445 dated 04/09/2020 v. INV# 20/08 dated 30/08/2020; Payment Voucher No.: 20000452 dated 04/09/2020 	
Criterion 4.6.4: Contractor			
4.6.4.1	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.</p> <p>- Major compliance -</p>	<p>The contractors have acknowledged on the terms and conditions for complying with all RSPO, ISCC, MSPO requirements related to the execution of the contract. The contractors have been briefed on the MSPO requirements prior to work. Interviewed with the contractors confirmed that they are aware and understand the MSPO requirements. Seen the training records in Asam Bubok Estate conducted on 08/01/2020.</p>	Yes
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>Estates' Management has engaged contractors for varieties of works such as harvesting and maintenance work. Sampled of the agreement as below:</p> <ul style="list-style-type: none"> i. Contract No.: MPSB/C1/6/47(20202) for harvesting of FFB in field P00 and P01 and loading of FFB into bin at Sedenak Estate which valid from 01/08/2020 to 31/07/2021. ii. Contract No.: MPSB/C1/06/19 (2018) for loading, transporting and application of fibre from shredding station into field at Sedenak Estate which valid from 01/10/2018 to 30/09/2021. iii. Contract No.: LAB.3/2020 for harvesting FFB P17 in Asam Bubok Estate which valid from 02/05/2020 to 31/12/2020. 	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
		iv. Contract No.: KMB/UTE 1/2017 for loading and transporting FFB which extended to 31/12/2020. v. Contract No.: UTE 01/2020 for school children transport which valid from 01/01/2020 to 30/11/2020.	
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	The contractors have acknowledged that they are subject to any certification audit assessment through a physical inspection if required when agreement was signed.	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. - Major compliance -	The contractors engaged by the estates' management has acknowledged the agreement where they need to follow the RSPO, ISCC, MSPO requirements. Interviewed with the contractors confirmed that they were provided with training on MSPO and understood the compliance of sustainability.	Yes
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	There is no development of new planting at all visited estates.	Yes
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and	There is no development of new planting at all visited estates.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	<p>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>		
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>	There is no development of new planting at all visited estates.	Yes
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>	There is no development of new planting at all visited estates.	Yes
4.7.3.2	<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>	There is no development of new planting at all visited estates.	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

Criterion / Indicator		Assessment Findings	Compliance
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	There is no development of new planting at all visited estates.	Yes
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	There is no development of new planting at all visited estates.	Yes
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	There is no development of new planting at all visited estates.	Yes
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	There is no development of new planting at all visited estates.	Yes
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national	There is no development of new planting at all visited estates.	Yes

Criterion / Indicator		Assessment Findings	Compliance
	laws. - Major compliance -		
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	There is no development of new planting at all visited estates.	Yes
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	There is no development of new planting at all visited estates.	Yes
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	There is no development of new planting at all visited estates.	Yes
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	There is no development of new planting at all visited estates.	Yes

Criterion / Indicator		Assessment Findings	Compliance
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 -	There is no development of new planting at all visited estates.	Yes
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 -	There is no development of new planting at all visited estates.	Yes
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	There is no development of new planting at all visited estates.	Yes
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	There is no development of new planting at all visited estates.	Yes
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	There is no development of new planting at all visited estates.	Yes

Criterion / Indicator	Assessment Findings	Compliance
<p>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.</p> <p>- Minor compliance -</p>	<p>There is no development of new planting at all visited estates.</p>	<p>Yes</p>

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	Kulim (Malaysia) Berhad has established Malaysian Sustainable Palm Oil Policy dated 1/05/2018 for Bahasa Malaysia and 30/11/2019 for English version signed by Executive Director. The company is committed to implement all Principles and Criteria set out by the MSPO.	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 company is committed to implement all Principles and Criteria of MSPO. KULIM will make every effort to achieve the balance between people, planet and profit in all management decisions and operations through continual program. The policy has been communicated to the workers on 01/09/2020 and relevant stakeholders during the stakeholder meeting conducted on 04/09/2020.	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 -	An integrated internal audit for RSPO/ MSPO/ ISCC was carried out on 15/09/2020 by Sustainability team. Seen the RSPO, ISCC & MSPO List of Documentation Audit where it has covered all the principles and criteria of MSPO. There was one non-conformance raised for MSPO.	Yes
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of	KULIM (Malaysia) Berhad has developed Internal Audit Procedure with Doc. No.: SQD/SMS/3.2 dated 01/08/2020. The aim of the procedure	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

	<p>strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p>- Major compliance -</p>	<p>is to ensure that the implementation of the company’s RSPO, ISCC and MSPO management system is in line with the defined policies, procedures and other requirements. The frequency of the audit to be carried out is at least once within 12 months (before expiry of the certificate). The result of internal audit was recorded in the Non-Conformance Report. There was one non-conformance raised for MSPO during the last internal audit conducted on 15/09/2020. Corrective Action Plan dated 20/09/2020 was developed with root cause identified, immediate action and preventive action.</p>	
4.1.2.3	<p>Reports shall be made available to the management for their review.</p> <p>- Major compliance -</p>	<p>The Non-Conformance Report and RSPO, ISCC & MSPO List of Documentation Audit was distributed to the mill after the audit was completed and the Mill Manager has acknowledged on the report.</p>	Yes
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>Sedenak Palm Oil Mill has carried out Management Review Meeting for RSPO, MSPO, RSPO SCCS and MSPO SCCS on 20/09/2020. Seen the meeting minutes with the following agendas discussed during the meeting:</p> <ul style="list-style-type: none"> i. Follow up action from previous meeting ii. Result of Internal and external audit iii. Review of process performance and product conformity (2019 & Jan – July 2020) iv. Changes that could affect the management system, review on management and improvement plan v. Continuous improvement vi. Opportunities for improvement vii. Other matters 	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 -	Management establish and implement a continual improvement plan for: a) Environmental Management Plan 2020 b) Pollution Management Plan 2020 c) Water Management Plan 2020	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 -	Management will implement the bio methane generation plant project by year 2021. Noted the project was initiated with Gas Malaysia Bhd. This project is to improve the practices of the waste management technique.	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 adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	KULIM (M) Berhad has developed Transparency Procedure with Doc. No.: SQD/SMS/1.0 dated 1/08/2020 where operating units to provide adequate information when requested by stakeholders on sustainability, social and legal issues when appropriate. Briefing of the adequate information was conducted on 04/09/2020 to all the stakeholders during stakeholder meeting.	Yes
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	Sedenak POM has implemented Enquiry Register Book to record any requests from stakeholders. The documents may be publicly available are such as: i. Land tilte	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

	<p>- Major compliance -</p>	<ul style="list-style-type: none"> ii. OSH plan iii. Plans and impact assessment relating to environmental and social impacts iv. HCV documentation v. Pollution prevention and reduction plans vi. Complaint and grievances details vii. Human Rights policy viii. Procedure for negotiation on compensation ix. Results of FPIC processes x. HCS documentation xi. Continuous Improvement Plan xii. And etc <p>Besides, the stakeholders could access to company's website, http://www.kulim.com.my/ to get the information such as annual report.</p>	
<p>Criterion 4.2.2 – Transparent method of communication and consultation</p>			
<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>KULIM (M) Berhad has established Consultation and Communication Procedure with Doc. No.: SQD/SMS/1.1 dated 1/08/2020 to ensure KULIM has an open and transparent communication methods with local communities and other internal & external stakeholders. Modes of the communication are such as muster, meetings, campaigns, suggestion boxes, letter, email, social media, face to face communication and etc.</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 <i>indicator 1</i>.</p> <p>- Minor compliance -</p>	<p>Assistant Manager of the mill has been appointed as Social Person In-charge and appointment letter dated 1/01/2020 was sighted.</p>	<p>Yes</p>

MSPO Public Summary Report
Revision 1 (Feb 2020)

<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>List of stakeholders was developed which has included FFB suppliers, group estates, contractors, suppliers, government authorities and local communities.</p> <p>Stakeholder meeting was conducted on 4/09/2020 for whole Sedenak Complex that involved the participation of affected parties such as local communities, government authorities, contractors, FFB suppliers, neighboring plantations and etc. Issues raised during the meeting was responded by the management on the spot. Meeting minutes was sighted with recorded all the issues and responses.</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>Kulim (Malaysia) Berhad has developed Traceability Procedure with Doc. No.: SQD/SMS/1.2 dated 1/08/2020. The aim of the procedure is to ensure that the implementation of company’s sustainable management system (RSPO/ MSPO/ ISCC/ RSPO SCCS/ MSPO SCCS) is in line with the defined policies, procedures and other requirements.</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>Mill Manager has been appointed as the person responsible for traceability system to comply with the requirements. Seen the appointment letter dated 21/09/2020. Inspection during the receiving of FFB and outgoing of CPO/ PK was conducted. The mill is using DOMAIN system to record the incoming of FFB and outgoing of CPO/ PK.</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>Head of Operating Unit will be automatically be appointed as person responsible for traceability system. Therefore, Mill Manager has been appointed as the person responsible for traceability system to comply with the requirements. Seen the appointment letter dated 21/09/2020.</p>	<p>Yes</p>

**MSPO Public Summary Report
Revision 1 (Feb 2020)**

<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>The records of CPO and PK sales has been verified. The despatch of the CPO and PK are determined by HQ Marketing and will be recorded into the DOMAIN System. The weighbridge operator will check the system before releasing the despatch. Sedenak POM received FFB from own supplying estates, group estates and external crops from traders and external estates. Sampled of the records of the FFB received as below:</p> <ul style="list-style-type: none"> i. Estate: Kuala Kabong Estate dated 30/09/2020 DB A No.: 029992 W/B ticket# 402693 Weight: 25,810 kgs Field: 1999, 2000, 2001, 2002 ii. Estate: Basir Ismail Estate dated 30/09/2020 DB A No.: 089448 W/B ticket# 402696 Weight: 35,020 kgs Field: 1997, 1998A iii. Supplier: Keng Ann Rubber Sdn Bhd dated 29/09/2020 A No.: 20092 W/B ticket# 402600 Weight: 32,720 kgs Field: 2008 iv. Supplier: Hwa Lee Oil Palm Trading Sdn Bhd dated 30/09/2020 FFB Delivery Note# 8618 W/B ticket# 402723 Weight: 33,480 kgs Field: 2010 	<p>Yes</p>
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**MSPO Public Summary Report
Revision 1 (Feb 2020)**

		<p>CPO and PK production from September 2019 – September 2020 as below:</p> <p>Total FFB processed: 442,706.69 MT</p> <p>Total CPO produced: 90,086.96 MT</p> <p>Total PK produced: 23,149.22 MT</p> <p>Total CPO despatched: 88,629.91 MT</p> <p>Total PK despatched: 23,033.72 MT</p> <p>Sampled of the despatch weighbridge ticket as below:</p> <p><u>CPO:</u></p> <ul style="list-style-type: none"> i. Ticket No.: C29998 dated 30/09/2020 Nett Weight: 44,140 kgs Vehicle No.: JRW 7211 Customer: XXXXX ii. Ticket No.: C29999 dated 30/09/2020 Nett Weight: 29,900 kgs Vehicle No.: NAU 3025 Customer: XXXXX <p><u>PK:</u></p> <ul style="list-style-type: none"> i. Ticket No.: K08550 dated 30/09/2020 Nett Weight: 36,940 kgs Vehicle No.: JMX 7199 Customer: XXXXX 	
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		ii. Ticket No.: K08552 dated 30/09/2020 Nett Weight: 37,560 kgs Vehicle No.: JTK 9881 Customer: XXXXX	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	Verified availability and validity of the license and permit as below: a) MPOB License= 50005830400 valid from 01/01/2020 to 31/12/2020 b) Jabatan Alam Sekitar= Permit# 004532 validity from 01/07/2020 to 30/06/2021 c) Lesen Melencong atau menbabstrak Air Sungai (Seksyen 7)- No fail: BAKAJ/334/300/05/02/08/1 validity until 31/12/2020 d) Permit Barang Kawalan Berjadual- No Siri: J001972 validity 16/01/2020 until 15/01/2021 Verified the list of licenses and permit and sighted other license from Suruhanjaya Tenaga, SPAN, JTK and sighted all the license and permit are valid until next year. Sedenak Palm Oil Mill has obtained approval from Jabatan Tenaga Kerja Negeri Johor for deduction of wages as below: i. Ref. No.: TK(NJ)U-21 dated 31/3/2019 for Skim Khairat Keluarga Perbadanan Johor for RM 5/ month and premium not more than RM 37.50.	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

		ii. Ref. No.: BHG.PU/9/129/1(21) dated 29/6/2018 for AIA Personal Accident Group Scheme and Great Eastern Life Insurance (GELA).	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. - Major compliance -	Management established and listed all applicable legal requirement as per Kulim Group Compliance Framework and updated once in every two month and latest update on 31/08/2020 with additional legal for Akta Kawalan Penyakit Berjangkit 1988 applicable for the Covid 19 situaton.	Yes
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	Management established and listed all applicable legal requirement as per Kulim Group Compliance Framework and updated once in every two month and latest update on 31/08/2020 with additional legal for Akta Kawalan Penyakit Berjangkit 1988 applicable for the Covid 19 situaton.	Yes
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	Management appoint Ms Handayani Bagong as a person responsible to monitor legal compliance and sighted appointment letter date 27/06/2018.	Yes
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	Sedenak POM is located inside the land of Sedenak Estate. A copy of land title was kept in the mill. The land is belonging to Mahamurni Plantations Sdn Bhd which is subsidiary of KULIM (M) Berhad by verified the land title Lot No.: 136.	Yes
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.	Sedenak POM is located inside the land of Sedenak Estate. A copy of land title was kept in the mill. The land is belonging to Mahamurni Plantations Sdn Bhd which is subsidiary of KULIM (M) Berhad by verified the land title Lot No.: 136.	Yes

	- Major compliance -		
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Site visit sighted the legal parameter was demarcated by fencing and the mill was located in the Sedenak Estate area which is still under the Kulim (M) Bhd.	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 -	There is no land dispute in the mill area as this is fall under the vicinity of Sedenak Estate. The land is belonging to Mahamurni Plantations Sdn Bhd which is subsidiary of KULIM (M) Berhad by verified the land title Lot No.: 136.	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 -	There is no customary land within the certified area. The land is belonging to Mahamurni Plantations Sdn Bhd which is subsidiary of KULIM (M) Berhad by verified the land title Lot No.: 136. No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.	Yes
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	There is no customary land within the certified area. The land is belonging to Mahamurni Plantations Sdn Bhd which is subsidiary of KULIM (M) Berhad by verified the land title Lot No.: 136. No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.	Yes
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	There is no customary land within the certified area. The land is belonging to Mahamurni Plantations Sdn Bhd which is subsidiary of KULIM (M) Berhad by verified the land title Lot No.: 136. No issues	Yes

		related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit.	
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>Sustainability & Quality Department has carried out Social Impact Assessment on 15/09/2020 during internal audit. The assessment has involved participation of contractors and internal workers. Checklist Interview was utilized during interview with the contractor for SIA. The social impact register is developed based on the scoring of frequency, consequence and likelihood. Social Management Plan will be developed after the social impact register established. The last review of the social management plan was on 15/09/2020 with identification of negative and positive impacts. Mitigation and promotion actions were taken accordingly to the impacts identified.</p> <p>For eg: Serial No.: KSED02 Issue: to take care the safety and health of the workers from pandemic virus. Action taken: Follow the SOP issued by MKN and company. Face mask was prepared to the workers.</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>Sedenak POM has implemented Request for Repair form for the workers to lodge any complaint on housing and Enquiry Register Book to record any other grievances. Sampled the complaints as below:</p> <p>i. House No.: SM 14 dated 27/09/2020 for broken sink.</p>	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

		<p>Action: The management has purchased the sink on 23/09/2020 with invoice# I2001119 and repair work has been carried out on 29/09/2020.</p> <p>ii. House No.: 16 dated 05/09/2020 for clogged toilet. Action: The management has instructed the carpenter to clean the septic tank on 5/09/2020 and seen the Request Form for job done by carpenter dated 7/09/2020.</p>	
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>Complaint/ Suggestion Form was available in the security post. The stakeholders are aware of the complaint form and suggestion box as a method to lodge complaint.</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>- Minor compliance -</p>	<p>Complaint/ Suggestion Form was available in the security post. The stakeholders are aware of the complaint form and suggestion box as a method to lodge complaint.</p>	Yes
4.4.2.4	<p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p>- Minor compliance -</p>	<p>Request for Repair records since Y2019 and records of Enquiry Register Book since Y2007 were maintained.</p>	Yes
4.4.2.5	<p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p>- Major compliance -</p>	<p>Sedenak POM has implemented Request for Repair form for the workers to lodge any complaint on housing and Enquiry Register Book to record any other grievances. Sampled the complaints as below:</p> <p>iii. House No.: SM 14 dated 27/09/2020 for broken sink. Action: The management has purchased the sink on 23/09/2020 with invoice# I2001119 and repair work has been carried out on 29/09/2020.</p> <p>iv. House No.: 16 dated 05/09/2020 for clogged toilet.</p>	Yes

		Action: The management has instructed the carpenter to clean the septic tank on 5/09/2020 and seen the Request Form for job done by carpenter dated 7/09/2020.	
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	<p>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.</p> <p>- Minor compliance -</p>	<p>Sedenak POM has made contribution to the local communities such as donation to the schools' events. Besides, donation for NUPW Johor Branch for renovation works was sighted. Petty Cash Voucher# 20000036 dated 20/07/2020 was sighted. The mill management has supplied a set of school uniform to all the children of the workers once a year. Food aid such as sugar, cooking oil and rice were provided to the less fortunate group of people such as single mothers during the pandemic period.</p>	Yes
Criterion 4.4.4: Employees safety and health			
4.4.4.1	<p>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.</p> <p>- Major compliance -</p>	<p>Management establish OSH policy as per "Polisi Berkaitan Keselamatan Dan Kesihatan Pekerjaan" and approved by Pengarah Eksekutif, Mr Zulkifly Zakariah dated 01/05/2018.</p>	Yes
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: 	<ul style="list-style-type: none"> a) Communication of the policy was sighted during morning briefing and sighted record dated 01/09/2020. The policy was communicated to the external party during stakeholder meeting on 04/09/2020. b) Management established the HIRARC for all activity in the mill. The establishment of the HIRARC are as per HIRARC Guidelines by DOSH. Verified the HIRARC for below activity 	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

	<ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements. g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded. h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees. i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite. 	<ul style="list-style-type: none"> i) Laboratory dated 10/05/2020 and sighted all activity was rank as LOW and MEDIUM ii) Workshop dated May 2020 and sighted all activity was rank as LOW and MEDIUM iii) Noted management review HIRARC for accident happen for welding activity and sighted management recommend control measures such as EN12477 glove, high cut safety boot, flame retardant jacket etc. c) Training record was review and sighted Chemical Handling Training was conducted on <ul style="list-style-type: none"> i) Latihan ERP- Tumpahan Minyak, Bahan Kimia dated 28/07/2020. ii) Chemical Safety Handling dated 29/01/2020. <p>Site visit sighted precaution attached to product area available such as safety signage, SDS and PPE.</p> d) PPE record was sighted and issuance of PPE to below employee: <ul style="list-style-type: none"> i) Muhammad Fahmie- safety helmet, safety shoe, glove issuance on 02/01/2020 ii) Khairul Azuan- glove, safety shoe, ear plug issuance on 02/01/2020 iii) Ramu a/l Raju- apron, dust musk, goggle issuance on 06/01/2020 e) Management established the work instruction for chemical handling as below: <ul style="list-style-type: none"> i) Chemical Control (SDM/WI/17) ii) Handling of Schedule Waste (SDM/WI/5) iii) Handling of Chemical (SDM/WI/9) 	
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**MSPO Public Summary Report
Revision 1 (Feb 2020)**

	<p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>CHRA report was available (Report#:JKKP HQ/03/ASS/00/154-2018/059). Refer to the report laboratory personal not required for medical surveillance for n-Hexane as per result of air monitoring performed in 2016 and 2017.</p> <p>f) Management appoint Sr Assistant, Muhammad Nasir Mohd Shah and he was appointed as Secretary of OSH Committee.</p> <p>g) Management maintain a two-way communication related with OSH matter by conducting OSH Committee Meeting and sighted meeting minute dated 29/09/2020, 01/06/2020.</p> <p>h) Emergency response procedure was sighted for accident, fire and boiler dated 10/02/2008. Sighted management established the Emergency Response Team (ERT) and sighted the SOP for the chemical spillage, fire, and accident. Noted management conducted Fire Drill exercise on 10/03/2020.</p> <p>i) First Aid box was sighted and located at the work station such as boiler station, office etc and inspection was done by HA by monthly basis. Sighted record of inspection dated 07/10/2020, 03/09/2020, 05/08/2020 etc.</p> <p>j) Accident record was updated and discussed during the OSH Committee Meeting. Management submitted the JKKP 8 to DOSH by yearly basis and sighted the latest submission on 16/02/2020.</p>	
<p>Criterion 4.4.5: Employment conditions</p>			

MSPO Public Summary Report
Revision 1 (Feb 2020)

<p>4.4.5.1</p>	<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 (Malaysia) Berhad has developed Sustainability Policy where the company respects, supports and upholds fundamental human rights and does not engage in any discrimination of race, religion and gender. Briefing of the policy was conducted on 01/09/2020 to the workers and 04/09/2020 for stakeholders. The policy was displayed inside the office and notice board at the plant area.</p>	<p>Yes</p>
<p>4.4.5.2</p>	<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>KULIM (Malaysia) Berhad has established Core Labour Standard Policy dated 01/05/2018 where the company will not engage in nor support discrimination in any form. Briefing of the policy was conducted on 01/09/2020 to the workers and 04/09/2020 for stakeholders. The policy was displayed inside the office and notice board at the plant area. Interviewed with the workers confirmed that the management treated all the workers equally. Overtime was offered to anyone who is willing to work without forcing them.</p>	<p>Yes</p>
<p>4.4.5.3</p>	<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>Employment contract was signed by the workers. Pay and conditions are documented and above the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined as per NUPW/ MAPA collective agreement and have been signed by the worker. Sampled of payslip for March 2020, April 2020, June 2020 and August 2020 as below:</p> <ul style="list-style-type: none"> i. Employee No.: 615280 ii. Employee No.: 615620 iii. Employee No.: 615609 iv. Employee No.: 615627 v. Employee No.: 615523 	<p>Yes</p>
<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>Sedenak POM has not engaged permanent contractors for work in the mill. Only project basis.</p>	<p>Yes</p>

MSPO Public Summary Report
Revision 1 (Feb 2020)

	- Minor compliance -		
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>Sedenak POM has implemented I-Plantation System to record and maintain the overview of employees in Employee Master. Details such as full name, gender, date of birth, date of entry, job description and type of wages was found in the system.</p>	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>The employees that recruited by the mill are from local and foreign workers. They are all under direct employment to the mill. All of them have signed on the employment contract prior to work. Terms and conditions were according to MAPA/ NUPW Agreement. Sampled of employment contracts as below:</p> <ul style="list-style-type: none"> i. Employee No.: 615280 ii. Employee No.: 615620 iii. Employee No.: 615609 iv. Employee No.: 615627 v. Employee No.: 615523 	Yes
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>All the daily attendance was recorded by punch card system on daily basis and overtime was recorded in the Attendance Summary Mill.</p>	Yes
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>Interview with workers and document reviewed on the punch card as well as payslip shown that the overtime payments are in accordance to law and workers are not forced to work overtimes.</p>	Major Non-Conformance

MSPO Public Summary Report
Revision 1 (Feb 2020)

		<p>Sampled of the workers below found that they worked exceeded 104 hours of overtime per month for June 2020:</p> <ul style="list-style-type: none"> i. Employee No.: 615523 – 129 hours ii. Employee No.: 615605 – 123.5 hours iii. Employee No.: 615609 – 107.5 hours <p>The mill is in the progress to apply permit from JTK on 05/10/2020. <i>Thus, a Major NC was raised.</i></p>	
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>Wages and overtime were paid according to the “punch card system”. Total hours of overtime and daily attendance has recorded in Attendance Summary Mill. Sampled of payslip for March 2020, April 2020, June 2020 and August 2020 as below:</p> <ul style="list-style-type: none"> i. Employee No.: 615280 ii. Employee No.: 615620 iii. Employee No.: 615609 iv. Employee No.: 615627 v. Employee No.: 615523 <p>All of them above have achieved the Minimum Wage 2020.</p>	Yes
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p>- Minor compliance -</p>	<p>The company provided free medical facilities to all the workers. Besides, the management also gave chicken and beef during festive season to all the workers. Free water and electricity were supplied to all the workers.</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.</p>	<p>The workers were provided with free housing facilities, free water and electricity. Estate Hospital Assistant has carried out lineiste inspection on weekly basis. The last inspection was carried out on 09/10/2020. Any issues sighted during linesite inspection was recorded in the checklist with proposed action sighted. Site visit to the housing area</p>	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

	- Major compliance -	found that the housing area are well maintained with proper waste disposal and grass cutting.	
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	KULIM (Malaysia) Berhad has developed Sexual Harassment Policy dated 01/05/2018 where the company seeks to eradicate all forms of sexual harassment in the workplace and wherever possible influence the behavior of its employees. KULIM has a zero tolerance on sexual harassment. Besides, the company has established Core Labour Standard Policy dated 01/05/2018 where the company recognized and respects the right of employees of their rights and freedoms relating to reproduction and reproductive health. Briefing of the policy was conducted on 01/09/2020 to the workers and 04/09/2020 for stakeholders. The policy was displayed inside the office and notice board at the plant area. A Women on Ward (WOW) committee was established in the mill and meeting was conducted on 06/10/2020. No issue was reported during the meeting. Interviewed with the female workers in the mill confirmed that they are aware of the complaint procedure and informed that no sexual harassment and violence case report so far. Their rights were respected by the management.	Yes
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance -	Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1/05/2018 where the company recognized and respected the rights of employees to form and/ or join trade unions of their choice which are given due recognition by KULIM. The policy was in bi-lingual which is Bahasa Malaysia and English. Briefing of the policy was conducted on 01/09/2020 to the workers and 04/09/2020 for stakeholders. Interviewed with the workers confirmed that they are allow to join UNION freely. The last NUPW meeting was carried out on 20/09/2020 with the representatives from employer, AMESU and NUPW. There was no issue reported during the meeting by verified the meeting minutes.	Yes

<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>KULIM (Malaysia) Berhad has established Core Labour Standard Policy dated 1/05/2018 where they are not engaged in or support the use of Child Labour and will provide adequate support to enable children of its employees to attend and remain in school until no longer a child. Besides, the company has developed Buku Panduan Anggota Pekerja Perladangan dated 1/9/2018 where the company comply with the Children and Young Persons Employment Act 1966. Briefing of the policy was conducted on 01/09/2020 to the workers and 04/09/2020 for stakeholders. Document verified the master list of the workers confirmed that the minimum age of workers employed are above 18 years.</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>Management established Annual Training Program 2020 and listed training related with operation, safety, environment etc. Verified training record and sighted management maintain the training records include the attendance list, training material and training report. Verified below training records:</p> <ul style="list-style-type: none"> a) SOP Permit to Work Training dated 03/06/2020 b) Supply Chain Awareness Training dated 06/10/2020 c) Boiler Mackenzie Maintenance Training dated 11/09/2020. 	<p>Yes</p>
<p>4.4.6.2</p>	<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 was done by issuance of 'Proposal for Executive/ Staff/ Workers Training' by the HOD and sighted documented proposal for conducted Refresh Training MSPO, Lab Procedure, MSPO Awareness etc.</p>	<p>Yes</p>

4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	As per 4.4.6.1	Yes
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 -	Management established "Environmental Policy" dated 01/05/2018 and approved by Executive Director, Mr. Zulkifly Zakariah. The policy was communicated during the briefing, training and display at notice board.	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 -	a) Objective are as per Environmental Management Plan 2020 and sighted objective for emission reduction, POME and waste water. b) Review the Environmental Risk Assessment Form and sighted impact analysis for all activity. The risk assessment was updated on 04/06/2020 and sighted rank I and II which the risk is LOW and MEDIUM.	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 -	Refer to Environmental Risk Assessment and sighted management identified the impact for the environmental and sighted the mitigation plan, sample as below: a) Chemical used- Impact: Disposal of used chemical. Mitigation plan: Update inventory, training and disposal to registered DOE contractor	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

		<p>b) Implement PCD- Impact: water pollution Mitigation plan: Done inspection by twice a month.</p>	
<p>4.5.1.4</p>	<p>A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -</p>	<p>Management promote impact by establish the Pollution & Emission Management Plan and sighted updated 01/08/2020. The plan includes below pollution</p> <p>a) Emission of dark smoke Action plan: Boiler house log book smoke density, CEMS monitoring etc</p> <p>b) Emission of dust Action plan: Routine maintenance and placed in area far from water sources</p> <p>c) Effluent (POME) Action plan: maintain effluent pond, established polishing plant for POME</p>	<p>Yes</p>
<p>4.5.1.5</p>	<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. - Major compliance -</p>	<p>Refer to training plan 2020 and sighted management plan training related to environmental and sighted conducted for</p> <p>a) POME Management dated 01/03/2020 b) Refresh course for biogas, water treatment dated 01/03/2020.</p>	<p>Yes</p>
<p>4.5.1.6</p>	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -</p>	<p>The meeting was sighted conducted during the Mesyuarat Ketua Bahagian by monthly basis on 29/09/2020, 29/01/2020 etc. Refer to meeting minute and sighted discuss on the status of effluent, schedule waste etc. Management also conducted Environmental Regulatory Compliance Monitoring Meeting on 27/10/2020.</p>	<p>Yes</p>

Criterion 4.5.2: Efficiency of energy use and use of renewable energy			
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	Review the diesel usage monitoring for year 2020 and base line values of 1.1 liter/ FFB MT. Sighted data for below usage: Sept 2020= 0.45 Liter/ MT August 2020 = 0.39 Liter/MT July 2020 = 0.69 Liter/MT	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 -	Estimation of the direct usage of diesel was sighted as per budget year 2020 with estimation of usage of 1.1 Liter/ MT	Yes
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Renewable energy was sighted on the usage of fiber and shell for boiler operation to generate steam for operation. Sedenak POM: Noted management using shell as renewable energy and the management should further improved on the monitoring usage of renewable energy. <i>Thus, an OFI was raised.</i>	OFI
Criterion 4.5.3: Waste management and disposal			
4.5.3.1	All waste products and sources of pollution shall be identified and documented.	Management identified and listed waste product as per Waste and Pollution Management Plan dated 01/08/2020 and listed below waste:	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

	- Major compliance -	<ul style="list-style-type: none"> e) Schedule waste- empty chemical containers, batteries, contaminated rags etc f) Liquid waste- waste water g) Domestic waste h) Garden waste 	
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> <ul style="list-style-type: none"> a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. <p>- Major compliance -</p>	<ul style="list-style-type: none"> a) Management identified and listed waste product as per Waste and Pollution Management Plan dated 01/08/2020 and listed Schedule waste- empty chemical containers, batteries, contaminated rags etc, Liquid waste- waste water, Domestic waste and garden waste. b) EFB-supply to estate to apply in the field and convert to compose. 	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 Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>Schedule waste Work Instruction was sighted as below:</p> <ul style="list-style-type: none"> c) Labelling, Handling, Storage od Schedule Waste d) Handling, storage and disposal of used gloves and rags <p>Management manage Schedule as per procedure and verified below:</p> <ul style="list-style-type: none"> c) Inventory <p>Updated inventory through EsWISS system for month of October with current inventory</p> <p>SW110- Electrical and electronic= 0.05MT</p> <p>SW307- spent oil = 0.1 MT</p> <p>SW429- Used discard chemical = 0.018</p>	Yes

		<ul style="list-style-type: none"> d) Disposal <ul style="list-style-type: none"> iv) SW110- 0.1 MT Disposal on 17/09/2020 to Kualiti Alam Sdn Bhd v) SW305- 3.6 MT Disposal on 17/09/2020 to Kualiti Alam Sdn Bhd vi) SW409- 0.2 MT Disposal on 17/09/2020 to Kualiti Alam Sdn Bhd. 	
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	Domestic waste was managed by estate management by collecting 3 times per week.	Yes
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Sighted the assessment was done as per to Environmental Risk Assessment and sighted management identified the impact for the environmental and sighted the mitigation plan	Yes
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The plan includes below pollution: <ul style="list-style-type: none"> a) Emission of dark smoke Action plan: Boiler house log book smoke density, CEMS monitoring etc b) Emission of dust 	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

		<p>Action plan: Routine maintenance and placed in area far from water sources</p> <p>c) Effluent (POME)</p> <p>Action plan: maintain effluent pond, established polishing plant for POME</p>	
4.5.4.3	<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>Refer to DOE Permit and sighted approval for 100% land application by the management. Review the Laporan Harian Sistem Rawatan Pome and sighted discharge capacity below:</p> <p>11/10/2020 = 5916 m3 10/10/2020= 5522 m3 09/10/2020= 5329 m3</p> <p>Sample of POME was done, and sample was analysed by UTCL Laboratory and sighted Test Report dated 28/09/2020. Below parameter was sighted for final discharge water quality</p> <p>BOD= 500 mg/L COD = 3,530 mg/L Ammoniacal Nitrogen = 304 mg/L Total Nitrogen = 766 mg/L</p>	Yes
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p>	<p>Noted management abstract water for domestic waste from the natural water catchment and treated the water for the domestic used.</p>	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

	<p>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> <p>- Major compliance -</p>	<p>a) Assessment water used by maintain the Water Usage record and sighted record for Sept (51.006 m3), Aug (59,770 m3) and July (66,491m3). b) Monitoring of outgoing water was sighted for final discharge to Anak Sungai Sayong. The water monitoring was conducted by monthly basis and verified the test report dated 28/09/2020. c) Refer to Mill Water Management Plan and sighted action taken as below: i) To schedule water supply ii) Outsource water from neighboring estate iii) Desilting of reservoir/ pond to maintain water level.</p>	
<p>4.5.5.2</p>	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>Refer to DOE Permit and sighted approval for 100% land application by the management. Review the Laporan Harian Sistem Rawatan Pome and sighted discharge capacity below: 11/10/2020 = 5916 m3 10/10/2020= 5522 m3 09/10/2020= 5329 m3</p> <p>Sample of POME was done, and sample was analyzed by UTCL Laboratory and sighted Test Report dated 28/09/2020. Below parameter was sighted for final discharge water quality BOD= 500 mg/L COD = 3,530 mg/L</p>	<p>Yes</p>

		Ammoniacal Nitrogen = 304 mg/L	
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 -	Management established the SOP for operation as per Quality Manual dated 01/02/2018. Site visit sighted management establish the record for monitoring such as below: <ul style="list-style-type: none"> a) Buku Log Harian Boiler b) Boiler Water Analysis Training on SOP was constantly conducted as per Training Program 2020.	Yes
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	Site visit to the mill operation and sighted management implement the best practices as per SOP. Review all record and form available in the mill operation and sighted was updated daily.	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 -	Management establish the Budget 2020 & Projection 2021- 2025. Review and sighted budget for 2020 as below: Mill throughput = 450,000MT Production cost = RM47.65/ MT Capital budget = RM34.76/ MT	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

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 of the work was stated in the Section 5 of Schedule 1 and Appendix B of the agreement. Prior to the payment, the contractor is required to submit invoices and payment of fees will be made within 30 days from the date of certification of the submitted invoices. Interviewed with the contractors confirmed that payment was made promptly.	Yes
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Sampled of the payment records for contractors and FFB suppliers as below: <ul style="list-style-type: none"> i. INV# 20090059 dated 18/08/2020; Payment Voucher No.: 20000638 dated 28/08/2020 ii. INV# Bil (01)/AE/2020 dated 09/08/2020; Payment No.: 19000599 dated 22/09/2020. The management has informed the contractor on the late payment due to unforeseen circumstances on 07/09/2020 via email and the contractor has acknowledged on the late payment. Payment was made 3 times per month and seen the payment voucher# PV2002262 dated 05/10/2020 and PV2002269 dated 05/10/2020 for both FFB suppliers.	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 documentation and information. - Major compliance -	The contractors have acknowledged on the terms and conditions for complying with all RSPO, ISCC, MSPO requirements related to the execution of the contract. The contractors have been briefed on the MSPO requirements prior to work and signed on the Permit to Work after being briefed.	Yes

MSPO Public Summary Report
Revision 1 (Feb 2020)

<p>4.6.4.2</p>	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>Mill Management has engaged contractors for varieties of works such as maintenance/ repair works and transporters. Sampled of the agreement as below:</p> <ul style="list-style-type: none"> i. Contract No.: MPSB/SKPOM 2/43/2020 for repair of bund works at anaerobic pond which commenced from 15/07/2020 and completion date is 14/10/2020. ii. Contract No.: MPSB/SKPOM 1/52/2020 for repair work for breakdown of AC alternator for steam turbine which valid until 6/06/2020. iii. Contract No.: MPSB/CPO 1/2020 for transport of CPO from mill to refineries which valid until 31/05/2023. 	<p>Yes</p>
<p>4.6.4.3</p>	<p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> <p>- Minor compliance -</p>	<p>The contractors have acknowledged that they are subject to any certification audit assessment through a physical inspection if required when agreement was signed.</p>	<p>Yes</p>

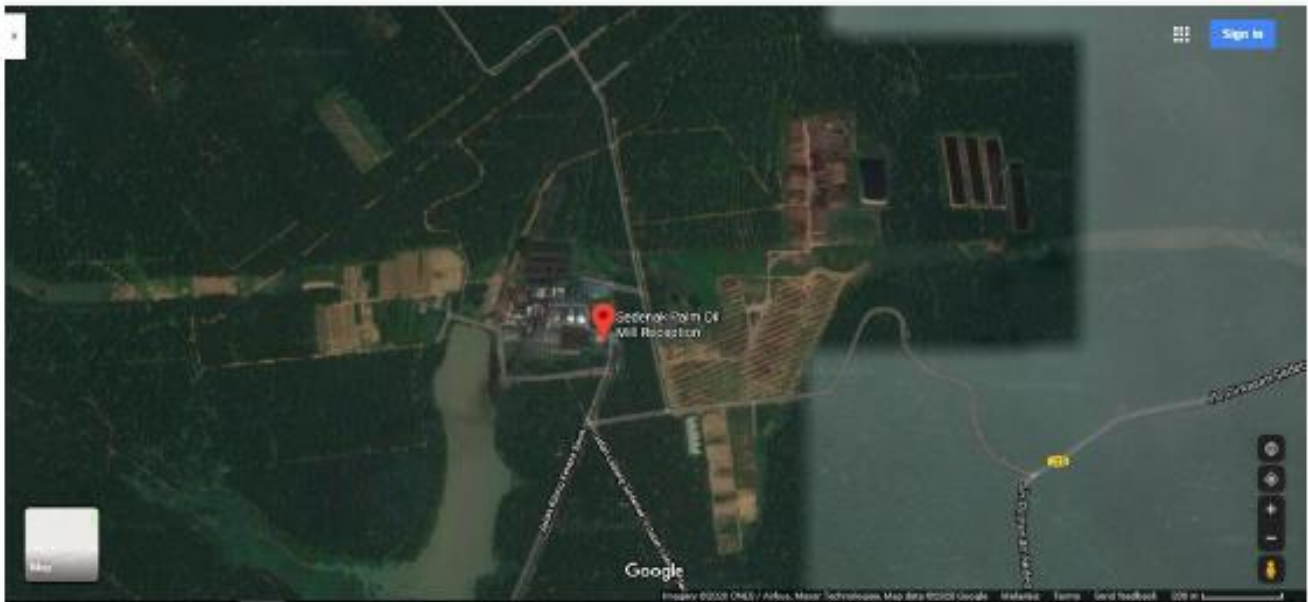
Appendix B: List of Stakeholders Contacted

<p>Government Officer: SK Seri Bandan JTK, JB Officer JTK Putrajaya Officer</p>	<p>Community/neighbouring village: FFB Suppliers</p>
<p>Suppliers/Contractors/Vendors: Contractors</p>	<p>Worker’s Representative/Gender Committee: Workers’ Representatives Gender Committee Representatives NUPW Representative</p>

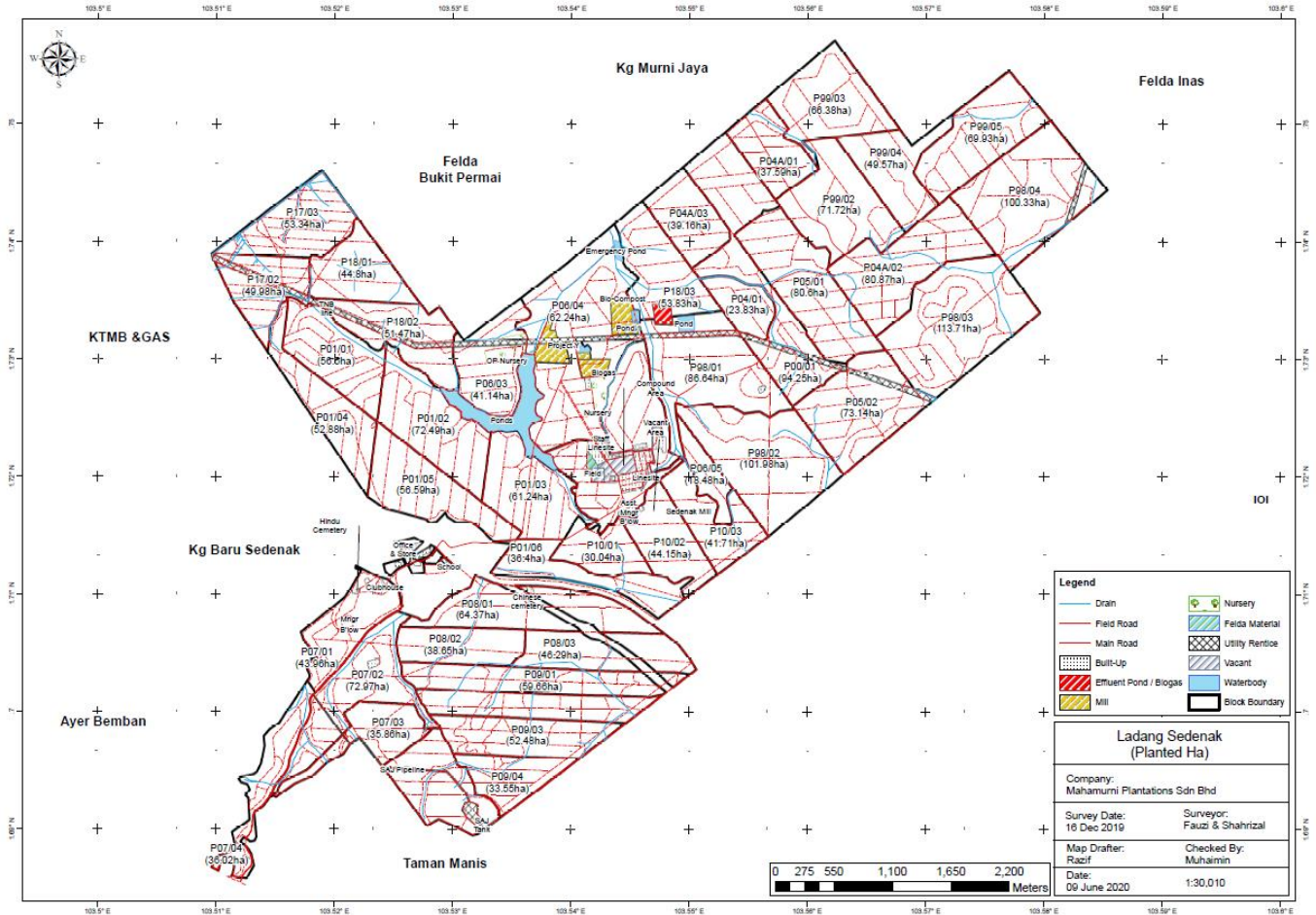
Appendix C: Smallholder Member Details

Not applicable.

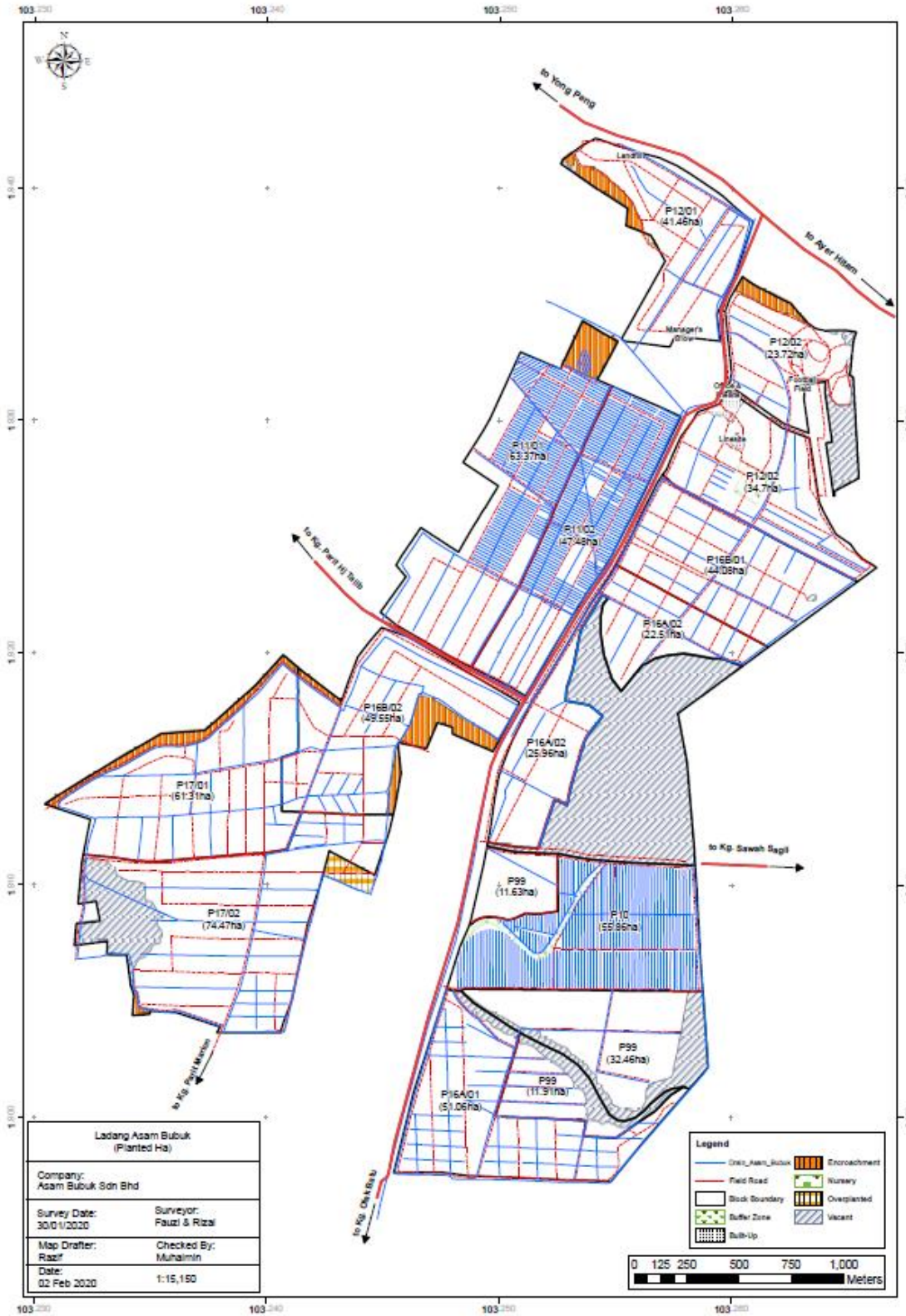
Appendix D: Location and Field Map



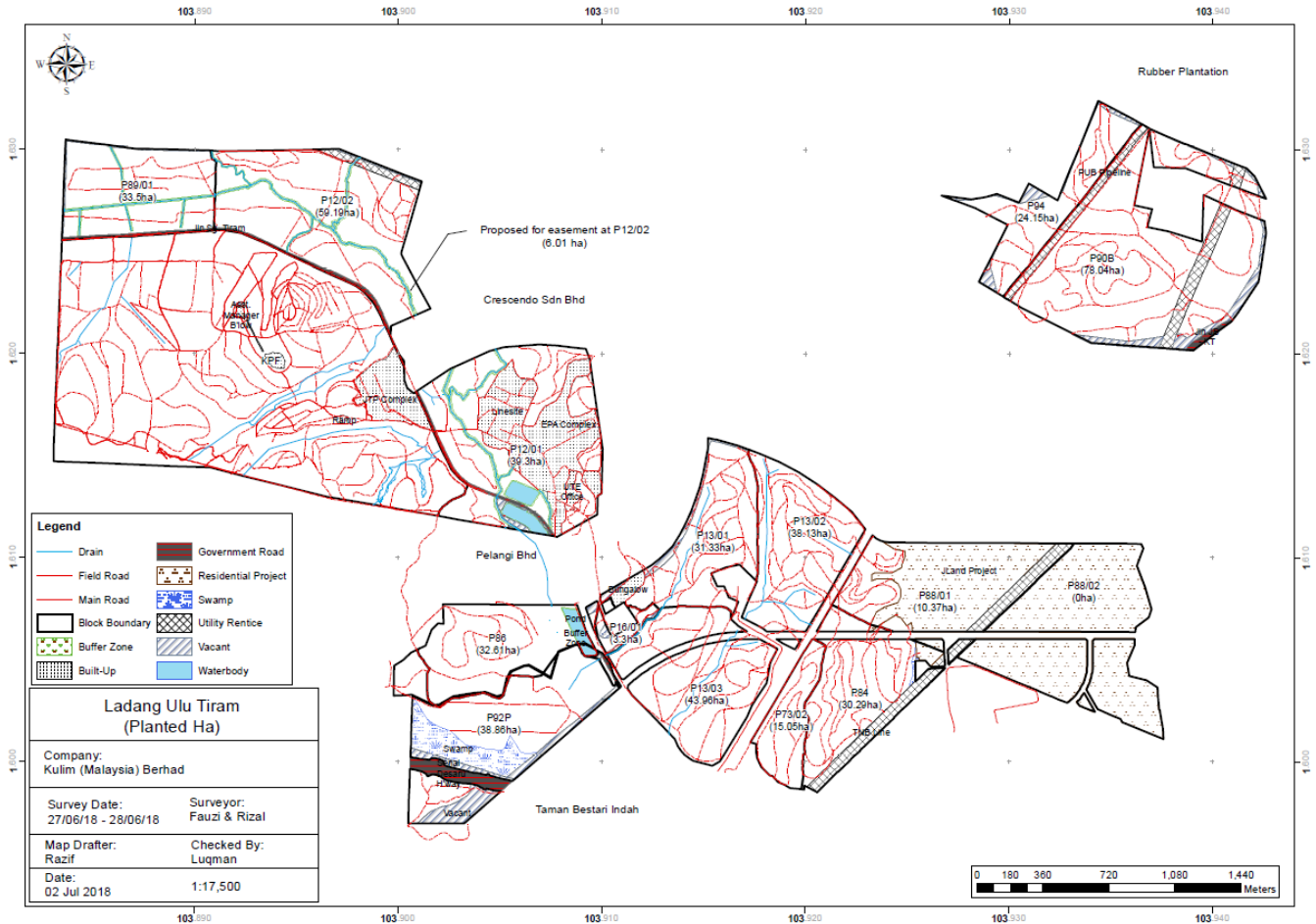
Sedenak Estate's Map



Asam Bubok Estate's Map



Ulu Tiram Estate's 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