

**MALAYSIAN SUSTAINABLE PALM OIL
- ANNUAL SURVEILLANCE ASSESSMENT 2 (ASA2)
Public Summary Report**

Kulim (Malaysia) Berhad
Client company Address: K.B. 705 Ulu Tiram, 81900 Johor Bahru, Johor, Malaysia
Certification Unit: Tereh Palm Oil Mill & Plantations of Tereh Complex (Tereh Utara Estate, Tereh Selatan Estate, Selai Estate, Enggang Estate, Mutiara Estate, Sg. Sembrong Estate, Sg. Tawing Estate and Rengam Estate)
Location of Certification Unit: Batu 26, Road Committee, Jalan Kampung Peta, Jalan Mersing 86000 Kluang, Johor, Malaysia

Report prepared by:
Mohamed Hidhir Zainal Abidin (Lead Auditor)

Report Number: 3091782

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

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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Kulim (Malaysia) Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	Tereh POM	500048604000	31 st May 2021
	Tereh Utara Estate	501673102000	30 th April 2021
	Tereh Selatan Estate	501674902000	30 th April 2021
	Rengam Estate	501225502000	31 st March 2021
	Selai Estate	504229402000	31 st July 2021
	Enggang Estate	504229402000	31 st July 2021
	Mutiara Estate	502458002000	31 st October 2021
	Sg. Sembrong Estate	502457102000	31 st October 2021
	Sg. Tawing Estate	532878002000	30 th September 2021
Address	HQ: K.B. 705 Ulu Tiram, 81900 Johor Bahru, Johor, Malaysia Site: Batu 26, Road Committee, Jalan Kampung Peta, Jalan Mersing, 86000 Kluang, Johor, Malaysia		
Certification Unit	Tereh POM certification Tereh complex group estate's certification		
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 698004 Estates : MSPO 698005		
Issue Date	02/04/2019	Expiry date	01/04/2024
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 MS 2530-4:2013		
Stage 1 Date	N/A. This is RSPO certified company.		
Stage 2 / Initial Assessment Visit Date (IAV)	24-27/09/2018		
Continuous Assessment Visit Date (CAV) 1	14-17/10/2019		
Continuous Assessment Visit Date (CAV) 2	09-12/11/2020		

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Continuous Assessment Visit Date (CAV) 3	TBA		
Continuous Assessment Visit Date (CAV) 4	TBA		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 613086	RSPO	BSI Services (M) Sdn Bhd	22/01/2021
EU-ISCC-Cert-DE119-60202023	ISCC	ASG	12/03/2021
A116160	HALAL MS1500:2009	JAKIM	30/06/2021
QMS 00706	ISO 9001:2015	SIRIM QAS International Sdn. Bhd.	14/10/2021
BVC-MSPO/SC-0029	MSPO SCCS 1 st October 2018	BVC	10/03/2025

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
Tereh Palm Oil Mill	Batu 26, Road Committee, Jalan Kampung Peta, Jalan Mersing, 86000 Kluang, Johor, Malaysia	103.35138	2.21751
Tereh Utara Estate	K.B. 536, 86009 Kluang, Johor, Malaysia	103.35138	2.21751
Tereh Selatan Estate	K.B. 537, 86009 Kluang, Johor, Malaysia	103.35210	2.19281
Selai Estate	K.B. 529, 86009 Kluang, Johor, Malaysia	103.38750	2.27465
Enggang Estate	K.B. 503, 86009 Kluang, Johor, Malaysia	103.42682	2.27002
Mutiara Estate	P.O. Box 21, Kampung Baru Kahang, 86700 Kahang, Johor, Malaysia	103.48114	2.28795
Sg. Sembrong Estate	P.O. Box 21, Kampung Baru Kahang, 86700 Kahang, Johor, Malaysia	103.46374	2.31523
Sg. Tawing Estate	K.B. 531, 86009 Kluang, Johor, Malaysia	103.35321	2.29632
Rengam Estate	K.B. 104, 86300 Rengam, Johor, Malaysia	103.41361	1.88943

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1.4 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Tereh Utara Estate	2,858.56	73.42	155.39	3,087.37	92.59
Tereh Selatan Estate	2,537.37	7.36	170.08	2,714.81	93.73
Selai Estate	1,622.57	32.94	144.66	1,800.17	90.13
Enggang Estate	1,655.81	15.35	63.74	1,734.90	95.44
Mutiara Estate	2,311.15	24.85	115.53	2,451.53	94.24
Sg Sembrong Estate	1,181.98	7.89	52.89	1,242.76	95.11
Sg Tawing Estate	2,083.02	28.38	114.37	2,225.77	93.59
Rengam Estate	2,337.97	14.11	62.44	2,414.52	96.68
Total	16,588.43	204.3	879.1	17,671.83	

1.5 Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Tereh Utara Estate	0	0	2,086.70	771.86	0	2,858.56	0
Tereh Selatan Estate	272.19	0	1,960.85	304.33	0	2,265.18	272.19
Selai Estate	0	1,041.13	581.44	0	0	1,622.57	0
Enggang Estate	0	1,216.81	439	0	0	1,655.81	0
Mutiara Estate	1,048.66	393.37	570.1	49.72	249.3	1,262.49	1,048.66
Sg Sembrong Estate	0	0	586.72	595.26	0	1,181.98	0
Sg Tawing Estate	0	625.09	1,259.19	167.79	30.95	2,083.02	0
Rengam Estate	672.04	504.47	992.09	0	173.09	1,669.65	672.04
Total (ha)	1,992.89	3,780.87	8,476.09	1,888.96	453.34	14,599.26	1,992.89

1.6 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Sep 19 - Aug 20)	Actual (Sep 2019 - Oct 20)	Forecast (Nov 20 - Oct 21)
Tereh Utara	73,303	76,624.36	65,848.00
Tereh Selatan	58,086	53,870.89	53,966.00

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Selai	36,785	50,199.07	42,353.00
Enggang	35,170	46,649.54	40,224.00
Mutiara	32,809	37,732.39	30,799.00
Sungai Sembrong	30,984	26,710.37	24,544.00
Sungai Tawing	44,190	48,610.40	40,530.00
Rengam	39,746	41,160.52	38,126.00
Total	351,073	381,557.54	336,390

Note: Forecast volume is 12 months vs actual volume (14 months)

1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Sep 19 - Aug 20)	Actual (Sep 2019 - Oct 20)	Forecast (Nov 20 - Oct 21)
NIL			
Total			

1.8 Certified Tonnage

Mill Capacity: 60 MT/hr	Estimated (Sep 19 - Aug 20)	Actual (Sep 2019 - Oct 20)	Forecast (Nov 20 - Oct 21)
	FFB	FFB	FFB
	351,073	381,557.54	336,390
SCC Model: SG	CPO (OER: 22.07%)	CPO (OER: 21.08 %)	CPO (OER: 21.50 %)
	77,474	80,427.78	72,323.85
	PK (KER: 5.56%)	PK (KER: 5.52%)	PK (KER: 5.6 %)
	19,532	21,056.78	18,837.84

1.9 Actual Sold Volume (CPO)

CPO (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
80,427.78	0	0	70,102.79	8,965.75	79,068.54

1.10 Actual Sold Volume (PK)

PK (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
21,056.78	0	0	18,371.28	1,644.49	20,015.77

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 09-12/11/2020. The audit programme is included as Section 2.3. The approach to the audit was to treat the mill and plantations 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 defer 1, 1.5 and 2 depending on risk), where n is total number of group members. The sampled smallholder listed in Appendix C.

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

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

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

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

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

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

Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Tereh POM	✓	✓	✓	✓	✓
Tereh Utara Estate	-	-	✓	-	-
Tereh Selatan Estate	-	-	✓	-	-
Enggang Estate	✓	-	-	✓	-
Selai Estate	✓	-	✓	-	✓
Sg Tawing Estate	✓	-	-	✓	-
Sg Sembrong Estate	-	✓	-	✓	-
Rengam Estate	-	✓	-	-	✓
Mutiara Estate	-	✓	-	-	✓

Tentative Date of Next Visit: November 1, 2021 - November 4, 2021

Total No. of Mandays: 8 man days

2.1 BSI Assessment Team

Team Member Name	Role (Team Leader or Team member)	Qualifications (Short description of the team members)
Mohamed Hidir Zainal Abidin	Team Leader	He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSP0 and RSPO in his previous work with another certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSP0 Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in various plantation companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.
Ismadi Ismail	Team Member	He holds Diploma in Planting Industry Management from MARA Institute of Technology, Kuantan Pahang. 24 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in CoP, MSP0 and OSHAS. Qualified as Lead

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		Auditor/Auditor for MSPO and CoP. Involved in MSPO assessment since 2017. Completed and certified MSPO Auditor course in 2017 held by SGS (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. During this assessment, he assessed on the aspects of Field best practices, OSH, HCV, Legal, Environment, waste management, Social issues, stakeholder interview etc. Able to speak and understand Bahasa Malaysia and English.
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2.2 Accompanying Persons

Nil

2.3 Assessment Plan

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

PRELIMINARY AGENDA				
Date	Time	Subjects	Hidhir	Ismadi
Sunday 08/11/2020	PM	Audit team travelling to Kluang. Check in at Aneka Hotel	√	√
Monday 09/11/2020 Tereh POM	0730 am	Audit team travelling to Tereh POM	√	√
	08.30 - 09.00	<ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit Plan 		
	09.30 - 12.30	Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc		
	10.00 - 12.30	Stakeholder interview	√	-
	12.30 - 13.30	Lunch	√	√
	13.30 - 16.30	Continue with document review (MSPO part 4), P1: Management commitment and responsibility, P2: Transparency P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition. P5: Environment, natural resources, biodiversity and ecosystem services P4: Social responsibility, health safety and employment condition, P6: Best practices	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√

Date	Time	Subjects	Hidhir	Ismadi
Tuesday 10/11/2020 Tereh Selatan Estate	0730 AM	Traveling to Tereh Selatan Estate	√	√
	09.00 - 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√
	10.00 - 12.30	Stakeholder interview	√	-
	12.30 - 13.30	Lunch	√	√
	13.30 - 16.30	Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√
Wednesday 11/11/2020 Selai Estate	0730	Travelling to Selai Estate	√	√
	09.00 - 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.		
	10.00 - 12.30	Stakeholder interview	√	-
	12.30 - 13.30	Lunch	√	√
	13.30 - 16.00	Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√
Thursday 12/11/2020 Tereh Utara Estate	0730	Travelling to Tereh Utara Estate	√	√
	09.00 - 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.		
	10.00 - 12.30	Stakeholder interview	√	-
	12.30 - 13.30	Lunch	√	√

Date	Time	Subjects	Hidhir	Ismadi
	13.30 - 16.00	Document review P1 – P6 (MSPO part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting (if any)	√	√
	16.00 - 16.30	Audit team discussion	√	√
	16.30 - 17.00	Closing meeting for MSPO	√	√
Friday 22/10/2020	AM	Audit team travel back to KL	√	√

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has to be 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 0 Major & 0 Minor nonconformities and 2 Opportunity for improvement raised.

Opportunity For Improvement		
Ref: 1985297-202011-11	Area/Process: Tereh POM and Estates	Clause: 4.4.5.3 (part 3)
Objective Evidence:	KASH card or cash payment are the options used for salary payment. Implementation has yet to be further checked to ensure condition stated in the contract employment in-lined with site implementation for improvement.	

Opportunity For Improvement		
Ref: 1985297-202011-12	Area/Process: Tereh POM and Estates	Clause: 4.5.1.2 (part 3)
Objective Evidence:	The Sustainability and Quality Department has developed the Environmental Risk Assessment base on quantitative and qualitative methods. The methodology needs to be review and simplified in order to mitigate the Environmental issues. Furthermore, legal reference has yet to be correctly reflected with the environment aspect for improvement.	

Noteworthy Positive Comments	
1	Good cooperation given to the audit team during audit
2	Good positive feedback received from the stakeholders

3.3 Status of Nonconformities Previously Identified and OFI

Major/Minor Nonconformities:		
Ref: 1831668-201906-M1	Area/Process: Tereh POM and Estates	Clause: 4.5.5.1
	Issue Date: 17/10/19	Due Date: 16/1/20

Requirements:	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: 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.
Statement of Nonconformity:	The maintenance of buffer zone was not satisfactorily demonstrated.
Objective Evidence:	During the site visit at Sungai Sembrong Estate’s raw water pond, which is to be treated for potable water, it was observed that there were traces of herbicides spraying within the demarcated buffer zone of the pond.
Corrections:	Estate had immediately conducted a re-training during muster briefing for all workers with regards to working (spraying & manuring) at Buffer Zone and water catchment management guides.
Root cause analysis:	Estate want to retain only grasses in Buffer Zone areas instead of noxious weeds i.e clidemia, melastoma and jungle cripers. Workers were not adequately brief by estate management on buffer zone maintenance. Eradication noxious weed i.e Clidemia and Melastome was done by selective spraying using Class 4 chemical (Ally) instead of manual weeding.
Corrective Actions:	Estate will established SOP on buffer zone management. Training will be conducted on Buffer Zone management to mandore and staff. Mandore will be available at all time during spraying work near to buffer zone area.
Assessment Conclusion:	ASA 2 verification: SOP for buffer zone maintenance documented under Agriculture Reference Manual (ARM), A17 - Protection of Natural Water Courses dated 1/11/18. Refresher training was carried out every year to all employees. For example, buffer zone training was last done on 24/9/20 at Tereh Selatan Estate, 7/9/20 at Selai Estate and 13/1/20 at Tereh Utara Estate. Observed during site visit, there was no evidence of herbicides training at buffer zone area identified with visited estates.
Verification Statement	No recurrence of issue noted, thus the previous NC is remain closed.

3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1689024-201806-M1	Major	27/09/2018	Closed on 24/12/2018
1689024-201806-M2	Major	27/09/2018	Closed on 24/12/2018
1831668-201906-M1	Major	17/10/2019	Closed on 16/01/2020

3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: Contractors – G-planter: to supply agrochemical and collection of empty chemical container under national programme for HDPE container recycling. No issue of overdue payment so far with Kulim (M) Bhd. Payment was made in timely manner.</p> <p>Management Responses: Will continue good relationship with the supplier.</p>

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	Audit Team Findings: No other issue.
2	Issues: SK Ladang Tereh - Full support given by the estate management for any programme organized together with parent and teacher association. Most of the members are working with KMB estate and mill. KMB management is always open for any request or assistance whenever required.
	Management Responses: The management will maintain good relationship with the local communities/neighbouring estate and provide any CSR if necessary.
	Audit Team Findings: No other issue.
3	Issues: Selai Cattle – cattle grazing project initiated for Kulim group. Each participating estates will allocate a specific field/block for cattle grazing. This also towards reduction of chemical application in the estate. Each allocated area will be fenced (movable fence) around the parameter.
	Management Responses: Will increase the cattle grazing area over the years. This also depends on the suitability of estate terrain for cattle grazing.
	Audit Team Findings: No other issue.
4	Feedbacks: Gender Representatives – They are aware of the function of the committee and reported that there was no sexual harassment case reported. They were given equal opportunity to work in the company.
	Management Responses: The management will ensure the welfare and safety of female workers are protected.
	Audit Team Findings: No further issue.
5	Feedbacks: Gender Representatives (WOW) – They are aware of the function of the committee and reported that there was no sexual harassment case reported. They were given equal opportunity to work in the company.
	Management Responses: The management will ensure the welfare and safety of female workers are protected.
	Audit Team Findings: No further issue.
6	Feedbacks: Workers representative: No issue with the management and always open for consultation and assistance. Equal opportunity to all workers regardless of their nationality, gender and race.
	Management Responses: No favouritism and all workers are equally treated.
	Audit Team Findings: No further issue.

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment <i>Kulim (M) Berhad Tereh POM and Tereh Group Estate's</i> Certification Unit comprises of Tereh POM and 8 estates complies with the MS 2530-3:2013 and MS 2530-4:2013 . It is recommended that the certification of <i>Kulim (M) Berhad Tereh POM and Tereh Group Estate's</i> Certification Unit is continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Salasah Elias	Name: Mohamed Hidhir Zainal Abidin
Company name: Kulim (Malaysia) Berhad	Company name: BSI Services (M) Sdn Bhd
Title: Deputy General Manager	Title: Lead Auditor
Signature:  Date: 17 February 2021	Signature:  Date: 17 th February 2020

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 (M) Berhad has established a policy on sustainable palm oil production signed by Managing Director, Mr Mohd Faris dated 1/10/20. The policy was written in bi-lingual (english and national language) available at pertinent location in the estate compound. The new sustainability policy briefing session was done on 10/10/20 at Selai Estate and 1/10/20 at Tereh Utara Estate.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	The established policy has emphasized on the commitment to comply with all applicable legal requirements, contribute to local community development, and environmental consideration with the objective of improving the milling and estate operation	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit was carried by SQD Department for all operating under Sindora Complex. Audit covered both documentation and field operation. Summary of audit findings at all audited estates as per the following:	Complied

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		Date of audit	Finding	Verification	Estate	
		30/9/20	3 NC raised (4.5.3.1, 4.4.4 and 4.4.5.2)	All NC were closed on 31/10/2020.	Tereh Selatan Estate	
		29/9/20	1 NC raised (4.4.5.2)	All NC were closed on 31/10/2020.	Selai Estate	
		28/9/20	1 NC raised (4.4.5.2)	All NC were closed on 28/10/2020.	Tereh Utara 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 (M) Berhad has established procedure, Sustainable Management System, Internal Audit : SQD/SMS/5.0, issue: 1 dated 1/7/18 . The procedure is designed for all applicable sustainability standards requirements such as ISCC, RSPO, MSPO and management guideline to be used as audit criteria. The procedure has incorporated the internal auditor competency requirement. Based on the procedure, internal audit is to be carried out at least once a year.				Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Internal audit report prepared by SQD @ internal audit team and made available to the management for review.				Complied
Criterion 4.1.3 – Management Review						
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for	The latest management review was conducted on after completion of internal audit at each estates. The management review has included				Complied

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	<p>effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>internal and external sustainable palm oil audit results review. The status of the correction and preventive actions are being discuss and reviewed. The meeting was chaired by Estate Manager and attended by HODs. Meeting minute at each estates were verified;</p> <p>Tereh Selatan Estate: 16/10/20</p> <p>Selai Estate: 6/10/20</p> <p>Tereh Utara Estate: 25/9/20</p>	
<p>Criterion 4.1.4 – Continual Improvement</p>			
<p>4.1.4.1</p>	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>The Continual Improvement Plan for Kulim estates are available. Among the sampled document reviewed:</p> <ul style="list-style-type: none"> i) OHSA – Risk management ii) Social – SIA improvement iii) Environmental – Awareness on biodiversity and monitoring of HCV. 	<p>Complied</p>
<p>4.1.4.2</p>	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</p>	<p>Introduction of projects and innovation by Kulim group of estates were evident. Among completed projects:</p> <ol style="list-style-type: none"> 1. Mechanization for FFB evacuation (bin system) 2. NRA (noise risk assessment) for estates 3. Power transmission for domestic supply form biogas plant. 4. Cattle grazing integration under Selai Cattle (10-11% cattle grazing area out of total planted area - Selai Estate, 50-51% cattle grazing area out of total planted area) 5. Electric fencing installation (elephant intrusion) 	<p>Complied</p>

<p>4.1.4.3</p>	<p>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.</p> <p>- Major compliance -</p>	<p>Action is detailed out in the plan and under CAPEX budget as explained under 4.1.4.1.</p>	<p>Complied</p>
<p>4.2 Principle 2: Transparency</p>			
<p>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</p>			
<p>4.2.1.1</p>	<p>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.</p> <p>- Major compliance -</p>	<p>Tereh Complex has organized an external stakeholder meeting on 26th August 2020. During this meeting, it was communicated to the external stakeholders the following information which included:</p> <ul style="list-style-type: none"> - Relevant information on environmental, social and legal issues. - Company's policy on MSPO implementation. - MSPO certification requirements - Legal compliance 	<p>Complied</p>
<p>4.2.1.2</p>	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>The management documents that are publicly available include company's policies, SIA report, HCV report, public summary of certification documents, relevant laws and legal register and land titles.</p>	<p>Complied</p>
<p>Criterion 4.2.2 – Transparent method of communication and consultation</p>			

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<p>4.2.2.1</p>	<p>Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -</p>	<p>Kulim (M) Berhad has established a procedure under Sustainable Management System (SMS), Consultation and Communication Procedure, Doc. No. SQD/SMS/1.0, issue:1 rev.:0 dated 1st August 2020 The aim of this plan is to ensure an open and transparent communication methods with local communities and other stakeholders. Any request for information that publicly available shall be recorded in the Enquiry Register and acted upon within 7 working days. Any grievance shall be recorded in the enquiry register and responded as per SQD/SMS/4.1 – Grievance. Finding shall be communicated to the party concerned and records are kept.</p>	<p>Complied</p>												
<p>4.2.2.2</p>	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -</p>	<p>The management officials nominated are as follows:</p> <table border="1" data-bbox="1050 775 1870 1070"> <thead> <tr> <th>Estate/Mill</th> <th>Person appointed</th> <th>Letter of appointment</th> </tr> </thead> <tbody> <tr> <td>Tereh Selatan Estate</td> <td>Senior Assistant</td> <td>1st November 2018</td> </tr> <tr> <td>Selai Estate</td> <td>Assistant manager</td> <td>1st February 2018</td> </tr> <tr> <td>Tereh Utara Estate</td> <td>Assistant manager</td> <td>19th August 2020</td> </tr> </tbody> </table> <p>Their duties and responsibilities include assisting the Manager in implementing the requirements of MSPO certification standards, stakeholder engagement and consultations, conduct management review based on internal audit report, monitor compliance and track update on changes in regulatory requirements. Interviews conducted with the nominated management officials indicate that they understand their roles and responsibilities.</p>	Estate/Mill	Person appointed	Letter of appointment	Tereh Selatan Estate	Senior Assistant	1 st November 2018	Selai Estate	Assistant manager	1 st February 2018	Tereh Utara Estate	Assistant manager	19 th August 2020	<p>Complied</p>
Estate/Mill	Person appointed	Letter of appointment													
Tereh Selatan Estate	Senior Assistant	1 st November 2018													
Selai Estate	Assistant manager	1 st February 2018													
Tereh Utara Estate	Assistant manager	19 th August 2020													

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<p>4.2.2.3</p>	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p> <p>- Major compliance -</p>	<p>Each of the audited estates has its own stakeholder list. These lists comprise their external stakeholders such as:</p> <ul style="list-style-type: none"> - Relevant government agencies (e.g. DOE, DOA, Immigration Department, Department of Safety and Health, Labour Department) - Contractors - Suppliers - Consultants - Neighbouring estates - Clinics, hospitals, fire brigade, police, etc. <p>Correspondence with stakeholders are properly maintained and records of all consultation and communication during the past one year and records of action taken are also properly maintained.</p>	<p>Complied</p>
<p>Criterion 4.2.3 – Traceability</p>			
<p>4.2.3.1</p>	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>The traceability SOP; Sustainable Management System, Traceability, Doc: No: SQD/SMS/1.2 rev:4 dated 1/8/20 available and outlines the preparations, dispatch and receive of FFB, CPO, Kernel and other by products at KULIM’s estate and mill, job assignments and recordings of transport productivity for payment purpose and statistics.</p>	<p>Complied</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>Traceability records is maintained by each estates by using delivery note which include information such as lorry number, field/block number, numbers of bunches. This will be check by field supervisor or estate assistant prior to delivery. Daily inspection and checking is done to cross check the bunch count records and mill’s weighbridge ticket information to ensure daily production data is consistent and tally. Sample of FFB deliveries checked:</p> <p>i) <u>Tereh Selatan Estate</u></p>	<p>Complied</p>

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		<p>D.O no. DB A No. 09239, lorry: JNF9549 field/year: P06/13, weight:5.88 mt, MSPO cert. no.: MSPO 698005 valid until 1/4/2024.</p> <p>ii) <u>Selai Estate</u> D.O no. DB A No. 91266, lorry: NAY9903, field/year: P13/1 weight: 8.2 mt, MSPO cert. no MSPO 698005 valid until 1/4/2024.</p> <p>iii) <u>Tereh Utara Estate</u> D.O no LTU.78111, lorry: JNY9549, field/year: P97/5 weight: 6.24 mt, MSPO cert. no MSPO 698005 valid until 1/4/2024.</p>													
4.2.3.3	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>Personal in charge for traceability system is head of operating unit, refer to letter from Head of Plantation ref: SQD/ADMIN/017/19 dated 22/9/19.</p>	Complied												
4.2.3.4	<p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p>- Major compliance -</p>	<p>All production of the estate is being recorded on daily basis into FFB Record Book. The information recorded including daily crop (mt), to date crop (mt), and yield. Delivery documents are being retained accordingly as per established SOP.</p>	Complied												
4.3 Principle 3: Compliance to legal requirements															
Criterion 4.3.1 – Regulatory requirements															
4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>The legal compliance lists of permits & licences are available for all Estate and being monitored and updated periodically by person in-charge of Legal Requirements. Details as below: -</p> <table border="1" data-bbox="1064 1257 1863 1396"> <thead> <tr> <th colspan="3">Tereh Selatan Estate</th> </tr> <tr> <th></th> <th>License / Permit / Regulatory Requirement</th> <th>Validity</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>MPOB No 5016-7490-2000</td> <td>30/4/2021</td> </tr> <tr> <td>2</td> <td>KPDNKK – Diesoline storage – BPGK JH</td> <td>17/6/2021</td> </tr> </tbody> </table>	Tereh Selatan Estate				License / Permit / Regulatory Requirement	Validity	1	MPOB No 5016-7490-2000	30/4/2021	2	KPDNKK – Diesoline storage – BPGK JH	17/6/2021	Complied
Tereh Selatan Estate															
	License / Permit / Regulatory Requirement	Validity													
1	MPOB No 5016-7490-2000	30/4/2021													
2	KPDNKK – Diesoline storage – BPGK JH	17/6/2021													

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			(KLU)0766 SK	
		3	KPDNKK – Petrol storage – BPGK JH (KLU) 063/13/SK2	21/12/2020
		4	Suruhanjaya Perkhidmatan Air Negara 1. SPAN/EKS/(PT)/800-4/(1)/3/14 2. SPAN/EKS/(PT)/800-4/(2)/3/14	4/12/2023
		5	Permit Pemotongan Gaji Pekerja 1. Khairat 2. Masjid/Surau/Sukan/Masyarakat 3. Elektrik 4. Kenderaan Sekolah 5. Insuran Great Eastern Life Assurance 6. AIA 7. Tabung Haji	
		6	Arms and Ammunition 1. KLG/A/1691 2. KLG/B/1594 3. KLG/B / 2183,2184,2185,2186	30/6/2021
		7	Overtime more than 104 hours – JTK/KG/1010300249/01117	
		8	Genset – Lesen Bagi Pemasangan Persendirian 2020/02392	10/10/2021
		9	BAKAJ – 07/A/KLG/049	31/12/2020
		10	Air Compressor – JH PMT 20401	10/6/2021
		11	Manager Vehicle – JSF 3180	11/7/2021
		12	Van – JSJ 4407	29/9/2021
		13	Weighbridge - C200833	28/9/2021
			Selai Estate	
			License / Permit / Regulatory Requirement	Validity
		1	MPOB No 504229402000	31/7/2021
		2	KPDNKK – Diesoline storage – BPGK JH (KLU)	8/4/2021

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			1994 SK	
		3	Suruhanjaya Perkhidmatan Air Negara 1. SPAN/EKS/(PT)/800-4/(1)/4/14 2. SPAN/EKS/(PT)/800-4/(2)/4/14	12/4/2023
		4	Permit Pemetongan Gaji Pekerja 1. Khairat 2. Masjid/Surau/Sukan/Masyarakat 3. Elektrik 4. Kenderaan Sekolah 5. Insuran Great Eastern Life Assurance 6. AIA 7. Tabung Haji	
		5	Arms and Ammunition 1. KLG/A/1637 2. KLG/B/2179 3. KLG/B /2187	19/6/2020 in the process of renewal.
		6	Genset – Lesen Bagi Pepasangan Persendirian 2019/02546	20/8/2021
		7	BAKAJ – 07/A/KLG/020	31/12/2020
		8	Air Compressor – JH PMT 18281	10/6/2021
		9	Manager Vehicle – JSS 2576	11/4/2021
		10	Van – JSJ 4407	29/9/2021
			Tereh Utara Estate	
			License / Permit / Regulatory Requirement	Validity
		1	MPOB No 5016-7310-2000	30/4/2021
		2	KPDNKK – Diesoline storage – BPGK JH (KLU) 0726 SK	3/5/2021
		3	Suruhanjaya Perkhidmatan Air Negara 1. SPAN/EKS/(PT)/800-4/(1)/3/14 2. SPAN/EKS/(PT)/800-4/(2)/3/14	12/4/2023
		4	Permit Pemetongan Gaji Pekerja	

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			<ol style="list-style-type: none"> 1. Khairat 2. Masjid/Surau/Sukan/Masyarakat 3. Elektrik 4. Kenderaan Sekolah 5. Insuran Great Eastern Life Assurance 6. AIA 7. Tabung Haji 											
		6	Genset – Lesen Bagi Pemasangan Persendirian 2020/00803	28/4/2021										
		7	BAKAJ – 07/A/KLG/022	31/12/2020										
		8	Air Compressor – JH PMT 21938	10/6/2021										
		9	Manager Vehicle – JQG5582	8/10/2021										
		10	Van – JTM 3607	6/7/2021										
		11	KPDNKK – Petrol storage – BPGK JH (KLU) 015/13/SK2	19/3/2021										
		12	Nursery - 619204011000	28/2/2021										
<p>4.3.1.2</p>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Kulim (Malaysia) Berhad has established and updated list of applicable laws and regulations that are applicable for the Estate The list and summary of legal, has divided into four (4) Segment namely: -</p> <table border="1" data-bbox="1048 1038 1868 1319"> <thead> <tr> <th>No</th> <th>Segment</th> <th>No of Laws & Regulations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Law and Acts that applicable to Plantation Industry in Malaysia and other requirement</td> <td>76</td> </tr> <tr> <td>2</td> <td>Covid-19 – Pandemic Diseases</td> <td>10</td> </tr> </tbody> </table>			No	Segment	No of Laws & Regulations	1	Law and Acts that applicable to Plantation Industry in Malaysia and other requirement	76	2	Covid-19 – Pandemic Diseases	10	<p>Complied</p>
No	Segment	No of Laws & Regulations												
1	Law and Acts that applicable to Plantation Industry in Malaysia and other requirement	76												
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		<table border="1"> <tr> <td data-bbox="1048 368 1133 518">3</td> <td data-bbox="1133 368 1547 518">Code of Practice and Guidelines that applicable to Plantation Industry in Malaysia and other requirement</td> <td data-bbox="1547 368 1872 518">5</td> </tr> <tr> <td data-bbox="1048 518 1133 582">4</td> <td data-bbox="1133 518 1547 582">Internal Policy</td> <td data-bbox="1547 518 1872 582">15</td> </tr> </table>	3	Code of Practice and Guidelines that applicable to Plantation Industry in Malaysia and other requirement	5	4	Internal Policy	15		
3	Code of Practice and Guidelines that applicable to Plantation Industry in Malaysia and other requirement	5								
4	Internal Policy	15								
<p>4.3.1.3</p>	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>The legal register is prepared by Sustainability Quality & Department and being updated every 2 months, latest on 31st October 2020. Some of applicable laws sighted includes:</p> <ul style="list-style-type: none"> • MPOB Act 1998 • Children and Young Persons (Employment) Act 1966 (Act 350) • Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446) • Workmen's Compensation Act 1952 (Act 273) • Minimum Wages Order 2020 <p>Etc</p> <p>The mechanism used for tracking changes in laws/regulations is made through the following methods;</p> <ol style="list-style-type: none"> 1. News release through daily newspaper. 2. Law change tracked by book publisher (MDC Book Publications). 3. Circulars from relevant association (eg. MPOA, MPOB, MAPA) 4. Internet (e-federal gazette, www.lawnet.com.my, www.e-warta.com.my) <p>The Kulim (M) Berhad Legal Department from headquarters will disseminate the updates via email or Management meetings.</p>	<p>Complied</p>							

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4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>The Estate Manager is responsible for the monitoring of compliance of the entire regulatory requirement needed for the Estate operations.</p> <p>In addition, Executive - Regional Controller Tereh Complex, Cik Nuraini Abdul Hamid will assist in the monitoring of the legal compliance. Job responsibilities among others include the following;</p> <ul style="list-style-type: none"> I. Identify and assess compliance II. Monitoring of compliance action plan III. Prepare & report compliance status to RMC dept. <p>Maintain highest alert on both internal and external activities of consequences to KMB</p>	Complied										
Criterion 4.3.2 – Lands use rights													
4.3.2.1	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>The usage of all land titles area for agriculture purposes and no land encroachment occur.</p>	Complied										
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>The management Kulim (M) Berhad group estates have provided documents to show legal ownership. Sighted during the audit were the title documents issued as summarized below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Name of Estate</th> <th style="width: 15%;">Grant details</th> <th style="width: 15%;">Land size (Ha)</th> <th style="width: 20%;">Legal ownership/ Tenure</th> <th style="width: 35%;">Land use type</th> </tr> </thead> <tbody> <tr> <td>Tereh Selatan Estate</td> <td>No. HSD 6061,</td> <td>607.027 5 ha</td> <td>Lease hold for 99 years</td> <td>No specific term</td> </tr> </tbody> </table>	Name of Estate	Grant details	Land size (Ha)	Legal ownership/ Tenure	Land use type	Tereh Selatan Estate	No. HSD 6061,	607.027 5 ha	Lease hold for 99 years	No specific term	Complied
Name of Estate	Grant details	Land size (Ha)	Legal ownership/ Tenure	Land use type									
Tereh Selatan Estate	No. HSD 6061,	607.027 5 ha	Lease hold for 99 years	No specific term									

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			lot/PT no. PTD 3509 4 land titles with total of 2,707.32 ha		until 27 June 2079		
		Selai Estate	i) No. HSD 8848, lot/no. PT PTD3081 3,178.83 ha ii) No. HSD 8847, lot/no. PT PTD 2057 356.2407 ha	3,535.07 ha	Freehold	Cultivation of oil palm	
		Tereh Utara Estate	i) No. HSD 5655, lot/no. PT PTD3504 8 title with total of	1,210.3237 ha	Lease hold for 99 years until 27 August 2078	Cultivation of oil palm	

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		3,087.37 ha				
4.3.2.3	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Although only some of the boundary stones were managed to be found by the company, the demarcation of boundaries at the visited estates using concrete pole painted with red and white was very obvious, especially at the boundaries with third parties				Complied
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	So far there has no issue on land dispute at the visited estates and verified through stakeholder’s consultation and documentation of land ownership. However, management has the SOP – Land Encroachment, PROP/MP/5 rev:4 isseu:0 dated 9/6/20 to ensure that any negotiations with regards to compensation for loss of local rights are dealt with fairly.				Complied
Criterion 4.3.3 – Customary rights						
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.				Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.				Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.				Complied

4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>Social impact has been identified based on consultative process to mitigate the negative impacts and promote the positive one. Based on the social impact improvement plan, total of 12 negative and 2 positive impacts identified with proposed mitigation plan for improvement. Social management plan for Tereh Complex Estates dated 30/9/20 is referred to. Changes with regards to Workers Minimum Housing Standard and Amenities Regulation 2020 effective 1st September 2020 has been captured in the social management plan. Consultation with JTK and NUPW will be done to ensure compliance with the new regulation and improve living condition for workers.</p>	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>Grievance Procedure, Doc. No. SQD/SMS/4.1 issue:1 dated 1st August 2020 has been established by Kulim (M) Berhad. This procedure is referred to when managing complaints and grievances raised by all parties including internal (employees) and external stakeholders (statutory bodies, local communities, smallholders and NGOs)</p>	Complied
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Based on the procedure, the Company's dispute resolution mechanism is able to resolve disputes in an effective, timely and appropriate manner. Timeline for resolution as per the following: Employee – matter to be settled within 10 working days. Others – to obtain satisfaction within 7 working days. The Company's whistle blowing Policy which approved by Kulim (M) Berhad's board of director dated 10th September 2020 provides</p>	Complied

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		anonymity and assurance against retaliation and immunity to the whistle blower.	
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	The complaint form is made available together with the Enquiry Register Record in the suggestion box in front of office and compiled in Enquiry Register Book. The form is made for complaint, requisition or visit/inspection.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	There is evidence that employees are made aware that complaints or suggestions can be made anytime during muster briefings. Formal complaints need to be recorded in the form created for tracking and updates. For external stakeholders, this was made aware during the stakeholder meeting held on 26 th August 2020. All issues were discussed and recorded in the meeting minutes.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	All complaints and resolutions for the past 24 months were available upon request.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	The management has made contribution to the local communities and workers such as donation to the school and activities upon request by the stakeholders. As for Tereh Complex Estate's, water and electricity. The company also provided job opportunity to the local communities. Other contributions sighted; i) Donation for Hari Raya preparation	Complied

		<ul style="list-style-type: none"> ii) Food ration supply during Movement Control Order @ MCO iii) School attire donation iv) Donation for school activities (Cocurricular day, Parents and Teachers Association etc) 	
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>The Group Occupational Safety & Health Management Policy had been established and implemented. The policy was signed by Tuan Zulkifly Zakariah, the Executive Director of Kulim (Malaysia) Berhad on 1st May 2018 and being displayed prominently on notice boards in English and local language Bahasa Malaysia.</p> <p>The Policy is implemented through the OSH activities by the SQD Executives and monitored by SQ Department at Head Office. Included in the policy is the commitment of the Company to;</p> <ul style="list-style-type: none"> a) Comply or where practicable exceed applicable OSH legislation, regulations and codes of practices. b) Regularly review and audit the OSH management systems to ensure that they remain relevant and appropriate. c) Effective communication of this policy to all employees and other affected parties d) Regularly and continuously conduct education, training and awareness program on OSH to all parties concerned. <p>The implementation of OSH plan was monitored by internal audits conducted by OSH executives from SQ Department and Regional Office.</p>	Complied
4.4.4.2	The occupational safety and health plan shall cover the following:	<p>The Group Occupational Safety & Health Management Policy had been established and implemented. The policy was signed by Tuan Zulkifly Zakariah, the Executive Director of Kulim (Malaysia) Berhad on 1st May</p>	Complied

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<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> <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p>	<p>2018 and being displayed prominently on notice boards in English and local language Bahasa Malaysia.</p> <p>Risk assessment was conducted by ESH Committee and being reviewed yearly and if any accident occurred. HIRARC sighted for the followings work operation: -</p> <table border="1" data-bbox="1048 563 1888 978"> <tr><td>1</td><td>Manuring</td><td>2</td><td>Chemical Mixing</td><td>3</td><td>Landfill</td></tr> <tr><td>4</td><td>Trunk Injection</td><td>5</td><td>Harvesting</td><td>6</td><td>Pruning</td></tr> <tr><td>7</td><td>FFB Transport</td><td>8</td><td>Road Maintenance</td><td>9</td><td>Census</td></tr> <tr><td>10</td><td>Roto slashing</td><td>11</td><td>Upkeep drain</td><td>12</td><td>Gen-set</td></tr> <tr><td>13</td><td>Supplying</td><td>14</td><td>EFB Application</td><td>15</td><td>Fogging</td></tr> <tr><td>16</td><td>Rat Baiting</td><td>17</td><td>Bio-compost</td><td>18</td><td>Clinic</td></tr> <tr><td>19</td><td>Water Treatment</td><td>20</td><td>Pulling creepers</td><td>21</td><td>Line site</td></tr> <tr><td>22</td><td>Diesel and Lubricant store</td><td>23</td><td>Schedule waste</td><td>24</td><td>Office</td></tr> <tr><td>25</td><td>Workshop</td><td>26</td><td>Beneficial Plant</td><td>27</td><td>Security</td></tr> <tr><td>28</td><td>Electric fencing</td><td>29</td><td>Mosque</td><td>30</td><td>Canteen</td></tr> <tr><td>31</td><td>Mini Tractor</td><td></td><td></td><td></td><td></td></tr> </table> <p>The Estate has a comprehensive OSH Annual Training Plan 2020 for the Staffs and Workers and this was sighted in the training records file for each staffs and workers. Training Plan includes: -</p> <table border="1" data-bbox="1061 1118 1874 1393"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2"></th> <th colspan="2">Tereh Selatan</th> <th colspan="2">Selai</th> <th colspan="2">Tereh Utara</th> </tr> <tr> <th>Program</th> <th>Actual</th> <th>Program</th> <th>Actual</th> <th>Program</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Manuring - Manual application</td> <td>3/2020</td> <td>4/2/2020</td> <td>3/2020</td> <td>16/7/2020</td> <td>3/2020</td> <td>6/3/2020</td> </tr> <tr> <td>2</td> <td>Spill Containment</td> <td>6/2020</td> <td>5/3/2020</td> <td>7/2020</td> <td>18/6/2020</td> <td>6/2020</td> <td>16/9/2020</td> </tr> <tr> <td>3</td> <td>Harvesting</td> <td>3/2020</td> <td>8/1/2020</td> <td>8/2020</td> <td>10/8/2020</td> <td>3/2020</td> <td>11/1/2020</td> </tr> <tr> <td>4</td> <td>Waste</td> <td>2/2020</td> <td>5/3/2020</td> <td>5/2020</td> <td>10/5/2020</td> <td>2/2020</td> <td>17/7/2020</td> </tr> </tbody> </table>	1	Manuring	2	Chemical Mixing	3	Landfill	4	Trunk Injection	5	Harvesting	6	Pruning	7	FFB Transport	8	Road Maintenance	9	Census	10	Roto slashing	11	Upkeep drain	12	Gen-set	13	Supplying	14	EFB Application	15	Fogging	16	Rat Baiting	17	Bio-compost	18	Clinic	19	Water Treatment	20	Pulling creepers	21	Line site	22	Diesel and Lubricant store	23	Schedule waste	24	Office	25	Workshop	26	Beneficial Plant	27	Security	28	Electric fencing	29	Mosque	30	Canteen	31	Mini Tractor							Tereh Selatan		Selai		Tereh Utara		Program	Actual	Program	Actual	Program	Actual	1	Manuring - Manual application	3/2020	4/2/2020	3/2020	16/7/2020	3/2020	6/3/2020	2	Spill Containment	6/2020	5/3/2020	7/2020	18/6/2020	6/2020	16/9/2020	3	Harvesting	3/2020	8/1/2020	8/2020	10/8/2020	3/2020	11/1/2020	4	Waste	2/2020	5/3/2020	5/2020	10/5/2020	2/2020	17/7/2020
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<p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	cleaning ad landfill																	
	5	Spraying	2/2020	13/1/2020	3/2020	12/3/2020	7/2020	8/11/2020										
	6	Schedule waste	2/2020	9/2/2020	2/2020	3/2/2020	8/2020	20/10/2020										
	7	Water Treatment	4/2020	5/1/2020	2/2020	14/2/2020	4/2020											
	8	Water sampling	7/2020	9/2/2020	2/2020	13/2/2020	7/2020											
	9	First Aid	7/2020	17/2/2020	3/2020	9/3/2020	7/2020	9/11/2020										
	10	Safety work at Fertiliser store	1/2020	14/1/2020	6/2020	11/6/2020	1/2020											
	11	Safety work at chemical store	1/2020	14/1/2020	6/2020	13/6/2020	1/2020											
	12	Rat Baiting	1/2020	7/1/2020	1/2020	2/1/2020	1/2020	19/2/2020										
	<p>Estate has provided appropriate PPE for all workers in their operations. Sighted PPE Issuance and replacement record of all Estates. During field visit, the workers have been trained with safety and the workers wear the PPE required by his/her works.</p> <table border="1"> <thead> <tr> <th></th> <th>Workers category</th> <th>Type of PPE</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Harvesting</td> <td>Hand Glove, Wellington boots, Sickle & Chisel cover, Safety Helmet</td> </tr> <tr> <td>2</td> <td>Spraying</td> <td>Nitrile Glove, Wellington boots, Safety Helmet, Respirator, Goggles, Apron</td> </tr> </tbody> </table> <p>The estates have established SOP for chemical handling. This is available in Agriculture manual and SOP provided in the Company's documents - Operational Control Procedure under subject Chemical Safety Management. This includes compliance related to;</p>										Workers category	Type of PPE	1	Harvesting	Hand Glove, Wellington boots, Sickle & Chisel cover, Safety Helmet	2	Spraying	Nitrile Glove, Wellington boots, Safety Helmet, Respirator, Goggles, Apron
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		<ul style="list-style-type: none"> - Conduct/reassess CHRA - Review of chemical register - Chemical management assessment review - Conduct health surveillance. <p>Sample taken on Spill Containment Training dated 5/03/2020 by En. Md Rizam Thikiran, Estate Assistant Manager of Tereh Selatan Estate attended by 5 participants</p> <p>CHRA report for all Estates being conducted and reported by Hajah Noormahani Harun – JKPP HQ/03/ASS/00/154 from QMS Pro Sdn Bhd dated 13.09.2018. The assessment covering 6 works unit, namely:</p> <ul style="list-style-type: none"> • Diesel Handler • Fertilizer Application • Fogging Personnel • Pesticides application • Water treatment • Workshop <p>Sighted the Manager’s Response to Assessor Recommendation in Form F and action need to be taken on yearly basis in January.</p> <p>Medical Surveillance have been conducted on 15th October 2020 for 22 workers from Tereh Selatan, 42 workers from Tereh Utara and 26 workers from Selai Estate. They were tested on Physical examination, Glycosuria, Hematuria, BUSE, Renal Profile, Liver function test & S. Cholinesterase. The assessment being conducted by Dr. Zainudin Muid, JKPP HQ/08/doc/00/458 Poliklinik Intan, Kluang. All the workers are fit for work.</p>	
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		<p>Kulim (M) Berhad has appointed En. Noordin bin Saian , HQ/18/PEB/00/00018 as the Noise Risk Assessor for all Estates in February 2020. However, the Assessment yet to be conducted due to outbreak of Pandemic Covid 19.</p> <p>OSH Committee Chart 2020 sighted. Seen, letter of appointment for committee members in the file. Estate Manager is the Chairman of OSH Committee and being appointed on 21st September 2020 by En. Juharudin Ahmad, Chairman Safety and Health. The committee meeting has been conducted on quarterly basis as sample follows: -</p> <table border="1" data-bbox="1050 730 1733 863"> <thead> <tr> <th></th> <th>Tereh Selatan</th> <th>Tereh Utara</th> </tr> </thead> <tbody> <tr> <td>1st</td> <td>5th March 2020</td> <td>17th March 2020</td> </tr> <tr> <td>2nd</td> <td>3rd June 2020</td> <td>24th June 2020</td> </tr> <tr> <td>3rd</td> <td>6th September 2020</td> <td>29th September 2020</td> </tr> </tbody> </table> <p>The meeting to discuss all issues regarding worker’s safety and health. All issues raised and discussed during conducted meeting has been resolve and taken action by management with proper action and target date.</p> <p>Sighted the emergency procedure for the Estate Emergency response plan available in local language (Malay and English). The ERP has been explained to all workers and staffs during training which has been conducted concurrently with MSPO Policy Briefing.</p> <p>Sample taken at Selai Estate training conducted to all workers during morning Muster dated 26th February 2020.</p>		Tereh Selatan	Tereh Utara	1 st	5 th March 2020	17 th March 2020	2 nd	3 rd June 2020	24 th June 2020	3 rd	6 th September 2020	29 th September 2020	
	Tereh Selatan	Tereh Utara													
1 st	5 th March 2020	17 th March 2020													
2 nd	3 rd June 2020	24 th June 2020													
3 rd	6 th September 2020	29 th September 2020													

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		<p>Emergency response plan include the emergency contact number, and also have Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board.</p> <p>First Aid Box being placed in various stations or activity areas, namely:</p> <table border="1" data-bbox="1050 531 1865 692"> <thead> <tr> <th>No</th> <th>Estate</th> <th>No of Units</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Tereh Selatan</td> <td>14</td> <td rowspan="3">Water treatment plant, surau, line site, store, workshop, clinic, bungalow</td> </tr> <tr> <td>2</td> <td>Selai</td> <td>10</td> </tr> <tr> <td>3</td> <td>Tereh Utara</td> <td>7</td> </tr> </tbody> </table> <p>1st Aider for Tereh Selatan is En. Muhammad Huzairia, who attended Course on Pertolongan Cemas Asas dan CPR dated 12th March 2020 organised by Persatuan Bulan Sabit Merah Malaysia. The certificate valid until 11th December 2022</p> <p>As for Selai Estate, En. Muhammad Najib bin Yusof and En Raja Muhammad Iskandar, who attended Course on Pertolongan Cemas Asas dan CPR dated 28th December 2018 organised by Persatuan Bulan Sabit Merah Malaysia. The certificate valid until 8th August 2021.</p> <p>In Tereh Utara, En Jufridin bin Atan @ Abdul Rahim as the 1st aider who attended Course on Pertolongan Cemas Asas dan CPR dated 12th March 2020 organised by Persatuan Bulan Sabit Merah Malaysia. The certificate valid until 11th December 2022</p> <p>Seen, the Fire Extinguisher Location Map of Estate and the details as below: -</p> <table border="1" data-bbox="1050 1278 1865 1385"> <thead> <tr> <th>No</th> <th>Estate</th> <th>No of Units</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Tereh Selatan</td> <td>54</td> <td rowspan="2">Water treatment plant, surau, line site, store,</td> </tr> <tr> <td>2</td> <td>Selai</td> <td>49</td> </tr> </tbody> </table>	No	Estate	No of Units	Location	1	Tereh Selatan	14	Water treatment plant, surau, line site, store, workshop, clinic, bungalow	2	Selai	10	3	Tereh Utara	7	No	Estate	No of Units	Location	1	Tereh Selatan	54	Water treatment plant, surau, line site, store,	2	Selai	49	
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		3	Tereh Utara	106	workshop, clinic, bungalow																					
<p>Records of all accidents are kept in both estates for a min of 10 years. Accident incidences are reviewed during safety meetings. Records in 2019 as extracted from the JKPP 8 submitted to DOSH as shown below;</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>No of Cases</th> <th>LTI</th> <th>Non LTI</th> <th>JKPP 8 Submission</th> </tr> </thead> <tbody> <tr> <td>Tereh Selatan</td> <td>18</td> <td>73</td> <td>0</td> <td>15/1/2020</td> </tr> <tr> <td>Selai</td> <td>7</td> <td>33</td> <td>0</td> <td>5/1/2020</td> </tr> <tr> <td>Tereh Utara</td> <td>10</td> <td>134</td> <td>0</td> <td>3/1/2020</td> </tr> </tbody> </table>							Estate	No of Cases	LTI	Non LTI	JKPP 8 Submission	Tereh Selatan	18	73	0	15/1/2020	Selai	7	33	0	5/1/2020	Tereh Utara	10	134	0	3/1/2020
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Criterion 4.4.5: Employment conditions

4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>Tereh POM and estates subscribe to Kulim (M) Berhad’s sustainability policy which newly revised and approved by Kulim’s Sustainability & Initiatives Council Meeting on 29th July 2020. Transition period for the (new MD) effective 1st October 2020.</p> <p>This Policy is documented and affirms the Company’s commitment to protect and advance human rights, including prohibiting retaliation, intimidation, and harassment against Human Rights Defenders, whistle blowers, complainants and community spokespersons.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p>	<p>The implementation of this Policy was confirmed by workers interviewed, where they confirmed that no form of discrimination exists.</p>	Complied

	- Major compliance -		
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Workers' pay slips were sighted for the months of June 2020 (peak crop), January 2020 (low crop) and May 2020 (normal). Pay slips belong to the following workers were verified and it showed that all sampled workers receive minimum wages of RM1,200 and above, which is in compliance with the Minimum Wages (Amendment) Order 2020. The Malaysian workers' wages are deducted for statutory payments such as the EPF, SOCSO and EIS.</p> <ul style="list-style-type: none"> - Tereh Selatan Estate (Employee ID 612140, 612215, 612559, 612262, 612335, 612138, 612141) - Selai Estate (Employee ID 616556, 616617, 616637, 616823, 616147, 616732, 616894, 616882, 616918) - Tereh Utara Estate (Employee ID 611462, 611445, 611470, 611273, 611257, 611522, 611540, 611541, 611248, 611306) 	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Management for the Estates ensure employees of contractors are paid in accordance with the provisions of the Minimum Wages Order by making it compulsory for contractors to submit their workers' monthly pay slips. For Tereh Selatan Estate, harvesting contractor (Jeevandren Enterprise) submits the workers' monthly wage payment slip. Sighted during the audit were monthly wage payment slip for September 2020 and October 2020 for Bangladeshi worker ID (BL0274876).</p>	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p>	<p>All the Estates has records of all employees including contractors' employees. The record containing details such as full name, gender, nationality, date of birth, date of employment, job description, wage and period of employment.</p>	Complied

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	- Major compliance -		
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>All employees (local and foreign) sign employment contracts which contents comply with Employment Act 1955. All contracts are signed by both the employer and the employee and are made available for all workers.</p> <p>The employment contracts of local workers state that the duration as until retirement age, in accordance with the Minimum Retirement Age Act 2012. For foreign workers, the duration is for 2-3 years and based on nationalities. Among the other terms and conditions in the employment contract include overtime pay, rest day, working hours, rate for working on rest day, termination notice period, public holidays, paid annual leave, paid medical leave, etc. Based on review, the contracts are deemed fair.</p>	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>The Estates have established a time recording system which is transparent for both employees and employers. At Tereh Estate Complex, the daily punch card/master chit was sighted for May 2020. It contains name of worker, block he/she worked, working time, rest hours, and total hours of work. This record is checked by the mandores and further verified by assistant manager and approve by the estate manager.</p>	Complied
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>The working hours and breaks of each individual employee is recorded in their respective employment contracts which clearly stipulate that working hours is 8 hours from 0630 AM to 1430 PM inclusive of 30 minutes of break time. Based on records available, and interviews conducted with the workers confirmed that they work 8 hours. Any</p>	Complied

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		overtime work is paid in accordance with the provisions of the Employment Act 1955.	
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>Based on January 2020 (low crop), May 2020 (normal) and June 2020 (peak crop) pay slips reviewed at Tereh Complex Estates, workers receive wages and overtime pay in accordance with the Minimum Wages Order, which is RM1,200 and above per month. Sample of workers as per the following:</p> <ul style="list-style-type: none"> - Tereh Selatan Estate (Employee ID 612140, 612215, 612559, 612262, 612335, 612138, 612141) - Selai Estate (Employee ID 616556, 616617, 616637, 616823, 616147, 616732, 616894, 616882, 616918) - Tereh Utara Estate (Employee ID 611462, 611445, 611470, 611273, 611257, 611522, 611540, 611541, 611248, 611306) 	Complied
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>Workers of Tereh complex estates receive various social benefits and this include free housing with amenities such as football field, badminton/takraw fields, places of worship, free medical treatment for workers and their dependents as well as creche facilities.</p>	Complied
4.4.5.11	<p>In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>Workers of Tereh complex estates are provided with on-site living quarters with basic amenities such as playground, badminton/takraw fields, sundry shop, community hall, places of worship. Each house has 3 rooms. Workers confirmed that any repair works that need to be done are being carried out promptly. Weekly line site inspection was carried</p>	Complied

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		<p>out by EHA. Sighted inspection records for September and October 2020 and recorded in the checklist " Rekod Pemeriksaan Perumahan Pekerja".</p> <p>VMO visit carried out was carried out very fortnightly by Dr Helen Tan . Log book record (clinic visit/review patient) dated 4/10/20, 25/10/20 and 8/11/20 at Tereh Utara Estate.</p>	
4.4.5.12	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Tereh Group estates subscribed to the sexual harassment policy signed by Executive Director on 1/5/2018. Kulim (M) Berhad is committed to ensure by providing safe workplace with no abuse and no sexual harassment to direct and indirectly to all workers and stakeholders. The latest gender committee meeting was last carried out on 11th October 2020 at Tereh Selatan Estate.</p> <p>At Selai Estate, the latest gender committee meeting was carried out on 9th February 2020 and 31st January 2020 at Tereh Utara Estate.</p>	Complied
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>The management respected the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. This was mentioned in the Core Labour Standard Policy dated 01 May 2018 and signed by the Executive director. The workers have their freedom to join the NUPW. This was evident from NUPW membership subscription deductions made in the pay slips. During the interview with workers, there no evidence to show that the management had restricted its workers and staff from joining a trade union. Latest union meeting was carried out on 8/9/20 at Tereh Selatan Estate and 2/10/20 at Selai Estate. As for Tereh Utara Estate, the last meeting was carried out on 14/7/20. No unresolved issues reported in the meeting.</p>	Complied

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<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. 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>No workers less than 16 years old will be recruited and less than 18 years old for hazardous work. Verified the document Employee Master List confirmed that all the workers employed were above 18 years old.</p>	<p>Complied</p>																																																																		
<p>Criterion 4.4.6: Training and competency</p>																																																																					
<p>4.4.6.1</p>	<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>The Estate has a comprehensive annual training plan for its staff and workers and this was sighted in the training records file for each staffs and workers. Apart from OSH Training in 4.4.4.2, listed below the training related to Sustainable and Environmental: -</p> <table border="1" data-bbox="1066 863 1874 1204"> <thead> <tr> <th colspan="2"></th> <th colspan="2">Selai Estate</th> <th colspan="2">Tereh Utara</th> </tr> <tr> <th colspan="2"></th> <th>Program</th> <th>Actual</th> <th>Program</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Polisi Kilanan</td> <td>1/2020</td> <td>10/1/2020</td> <td>7/2020</td> <td>3/8/200</td> </tr> <tr> <td>2</td> <td>Polisi Whistle Blowing</td> <td>10/2020</td> <td>2/10/2020</td> <td>3/2020</td> <td>6/10/2020</td> </tr> <tr> <td>3</td> <td>Polisi OSH</td> <td>2/2020</td> <td>17/2/2020</td> <td>5/2020</td> <td>20/5/2020</td> </tr> <tr> <td>4</td> <td>Polisi Etika – Anti Rasuah</td> <td>2/2020</td> <td>17/2/2020</td> <td>4/2020</td> <td>1/6/2020</td> </tr> <tr> <td>5</td> <td>Polisi MSPO</td> <td>2/2020</td> <td>26/2/2020</td> <td>1/2020</td> <td>8/5/2020</td> </tr> <tr> <td>6</td> <td>Polisi Alam Sekitar</td> <td>3/2020</td> <td>13/3/2020</td> <td>1/2020</td> <td>18/5/2020</td> </tr> <tr> <td>7</td> <td>Zero Burning</td> <td>9/2020</td> <td>25/9/2020</td> <td>1/2020</td> <td>20/9/2020</td> </tr> <tr> <td>8</td> <td>Pengasingan Sisa Pepejal</td> <td>9/2020</td> <td>21/9/2020</td> <td>3/2020</td> <td>4/9/2020</td> </tr> <tr> <td>9</td> <td>HCV /Biodiversity</td> <td>9/2020</td> <td>7/9/2020</td> <td>3/2020</td> <td>12/3/2020</td> </tr> </tbody> </table>			Selai Estate		Tereh Utara				Program	Actual	Program	Actual	1	Polisi Kilanan	1/2020	10/1/2020	7/2020	3/8/200	2	Polisi Whistle Blowing	10/2020	2/10/2020	3/2020	6/10/2020	3	Polisi OSH	2/2020	17/2/2020	5/2020	20/5/2020	4	Polisi Etika – Anti Rasuah	2/2020	17/2/2020	4/2020	1/6/2020	5	Polisi MSPO	2/2020	26/2/2020	1/2020	8/5/2020	6	Polisi Alam Sekitar	3/2020	13/3/2020	1/2020	18/5/2020	7	Zero Burning	9/2020	25/9/2020	1/2020	20/9/2020	8	Pengasingan Sisa Pepejal	9/2020	21/9/2020	3/2020	4/9/2020	9	HCV /Biodiversity	9/2020	7/9/2020	3/2020	12/3/2020	<p>Complied</p>
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<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 Need Analysis being documented for all employees under Doc No: LTS/SMS/3.-F2, Issue No: 1, Rev:0 dated 1st August 2020.</p> <p>Seen, all the training need / matrix of all the personnel in the files. Training Need Analysis of all workers are based on their competencies and job description.</p>	<p>Complied</p>
<p>4.4.6.3</p>	<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>All workers involved in the operations have been adequately trained in safe working practice. The Estate has a comprehensive Training Needs Analysis for staffs and workers and this was sighted in the training records file.</p> <p>Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training.</p>	<p>Complied</p>
<p>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</p>			
<p>Criterion 4.5.1: Environmental Management Plan</p>			
<p>4.5.1.1</p>	<p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Kulim (Malaysia) Berhad do established the Environmental Management Policy issued on Group level signed by the Executive Director, Tuan Zulkifly Zakariah dated in 1st May 2018. Kulim Malaysia Berhad is committed to the creation through team effort of a quality environment as key factor in the continuous success of business. Among others the organization shall;</p> <ul style="list-style-type: none"> a) Adhere to and comply with relevant environmental legislations of the country. b) Strive for continual improvement on our environmental performance. c) Undertake to communicate our Environmental Policy to all stakeholders and educate the employees to practice and uphold 	<p>Complied</p>

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		<p>the business commitment on caring for the environment.</p> <ul style="list-style-type: none"> d) Continue to explore and implement cost effective technology in environmental Policy and the achievement of environmental objectives and targets. e) Review, adopt and implement Good Management Practices currently established in the industry. f) Plan, assess and take judicious actions to alleviate any potential negative impacts on the environment and local community with respect to any new development. g) Adopt and implement the principles of Reduction, Reuse and recycle in all matters pertaining to the use of resources and to pollution elimination. h) Continue to enhance the knowledge and skill for employees by briefing, training and exposure to relevant new technology with respect to any new improvement or development of the industry. i) Monitor and report to the Board of Directors on the implementation of this Environmental Policy, and the achievement of environmental objectives and targets. <p>Communications to the internal and external stakeholders were through training and briefing at muster grounds. The session conducted as sample follows: -</p> <ul style="list-style-type: none"> • Sighted Schedule Waste Training being conducted on Regional Basis comprising Tereh Utara, Tereh Selatan and Selai Estate dated 20/10/2020 by Cik Nuraini Abdul Hamid, Executive Regional Office attended by 13 participants • Training on Buffer Zone/ HCV area dated 8th November 2020 conducted by Mohd Izzat Ismail, Assistant Manager attended by 4 participants at Tereh Utara Estate. • Sustainability Policy training was conducted by En Mohd Izzat Ismail to all workers and staffs comprising 260 participants dated 1/10/2020 at Tereh Utara Estate 	
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<p>4.5.1.2</p>	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations.</p> <p>- Major compliance -</p>	<p>Apart from Environmental Policy, Kulim (Malaysia) Berhad has established Sustainability Policy signed by the Managing Director, Tuan Mohd Faris bin Adli Shukery dated in 1st October 2020. The policy stated that Kulim is actively seeking continually improve environmental performance through:</p> <ul style="list-style-type: none"> • Pollution prevention by minimizing emissions to air, land and water. Optimal use of renewable resources, while minimizing the use of non-renewable resource. • Provision of adequate resources for effective implementation of Sustainable Management Programs • Ensuring integration of Sustainable programs with all other company policies <p>The Estates has conducted Environmental Aspect and Impact Assessment for all its' activities in year 2020. The environmental Assessment findings are recorded in document titled Environmental Risk Assessment.</p> <p>Environmental Risk Assessment being reviewed on annual basis and last reviewed in September 2020. The Environmental Risk Assessment has covered 16 keys activities of the plantation such as: -</p> <ol style="list-style-type: none"> 1. Application of Bio-compost 2. Production of Bio-compost 3. Dispensary 4. Community 5. Harvesting 6. Manuring 7. Storage of Schedule Waste 8. Storage 9. Usage and Handling of Chemical 10. Use of machine and tractor 11. Water treatment plant for drinking water 	<p>Complied</p>
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		<p>12. Diesel Engine for Generating Power 13. Cattle rearing 14. Construction 15. Office 16. Machine Vehicle Maintenance 17.</p> <p>The company has developed quantitative and qualitative risk assessment method in order to mitigate the negatives and promote the positives impact. The methodology involves 3 main categories: -</p> <ol style="list-style-type: none"> 1. Aspect / Impact identification <ul style="list-style-type: none"> - has identified columns for sub-activity Condition of assessment, aspect, impact, 2. Risk Assessment <ul style="list-style-type: none"> - Other than column for Existing control measures and legal compliance, the Risk Control rating will be defined from herein. The methods as follows: - <p>Rating Severity for (L) from 1 to 25 consist of 4 severity impacts as follows: -</p> <ol style="list-style-type: none"> a. Environmental Concern b. Cost of Remedy c. Concern by Interested Parties d. Public Image <p>and rating for Probability (S) from 1 to 5. Subsequently, the Management need to determine the Significant Aspect, which the scoring base on severity. If Yes, the scoring is above 3 at (L) or L x S above 8.</p> 	
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		<p>A final risk score is determined by formula of L (select the highest risk number among the 4 components of severity) x S = Risk Rating.</p> <p>Risk Control will be determining the Risk Conclusion which categorized into trivial, acceptable, significant and Intolerable. The environmental ratings are classified as low (1-3), medium (4-6), (8-16) and high (20-25).</p> <p>3. Risk Control</p> <ul style="list-style-type: none"> - will define the Person in-charge, Action plan and timeline. <p>OFI - The Sustainability and Quality Department has developed the Environmental Risk Assessment base on quantitative and qualitative methods. The methodology needs to be review and simplified in order to mitigate the Environmental issues. Furthermore, legal references have yet to be correctly reflected with the environment aspect for improvement.</p>											
<p>4.5.1.3</p>	<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>	<p>Sighted, Environmental Risk Assessment for the year 2020 in all Estates has been developed and the mitigation on the negative impacts and to promote the positive one being recorded under Waste & Pollution Management Plan. Sample taken at Tereh Utara Estate as follows on the ERA: -</p> <table border="1" data-bbox="1050 1139 1886 1390"> <thead> <tr> <th>Process/ Area</th> <th>Sub Activity</th> <th>Aspect</th> <th>Impact</th> <th>Existing Control Measures</th> </tr> </thead> <tbody> <tr> <td>Workshop</td> <td>Parked Vehicles</td> <td>Leakage of engine oil onto land</td> <td>Land Pollution</td> <td>Drip Tray</td> </tr> </tbody> </table>	Process/ Area	Sub Activity	Aspect	Impact	Existing Control Measures	Workshop	Parked Vehicles	Leakage of engine oil onto land	Land Pollution	Drip Tray	<p>Complied</p>
Process/ Area	Sub Activity	Aspect	Impact	Existing Control Measures									
Workshop	Parked Vehicles	Leakage of engine oil onto land	Land Pollution	Drip Tray									

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		Manuring	Field application	Fertilizer leaching into field drain when expose to rain	Water pollution	SOP Procedure Constructed silt pit and scupper drain at steep roads Avoid application during rainy weather.													
		Storage Schedule waste	Disposal of schedule waste	Spillage of contaminat ed water into soil	Land pollution	Disposal by DOE approved contractor.													
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	<p>Programme to promote positive impacts on environment was verified through Waste & Pollution Management Plan and 2020 Capital Expenditure. Sample taken as below in all Estates: -</p> <p>a. Waste management Plan</p> <table border="1"> <thead> <tr> <th>Waste Type</th> <th>Source</th> <th>Action Plan</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>Domestic</td> <td>Line site</td> <td> <ul style="list-style-type: none"> Burning of waste must be prohibited within estate premises. Broken garbage must be repaired </td> <td> <p>Twice or thrice depending on situation</p> <p>Weekly inspection by HA</p> </td> </tr> <tr> <td>Liquid Waste – septic tank overflow</td> <td>Line site</td> <td>Where possible, to be recycled</td> <td></td> </tr> </tbody> </table>					Waste Type	Source	Action Plan	Frequency	Domestic	Line site	<ul style="list-style-type: none"> Burning of waste must be prohibited within estate premises. Broken garbage must be repaired 	<p>Twice or thrice depending on situation</p> <p>Weekly inspection by HA</p>	Liquid Waste – septic tank overflow	Line site	Where possible, to be recycled		Complied
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		<table border="1"> <tr> <td data-bbox="1048 363 1227 579">Spent Oil</td> <td data-bbox="1227 363 1375 579">Workshop</td> <td data-bbox="1375 363 1666 579">Collect and placed in Scheduled Waste Store.</td> <td data-bbox="1666 363 1872 579">Disposed to license DOE Contractors within 180 days from date of waste generated.</td> </tr> </table>	Spent Oil	Workshop	Collect and placed in Scheduled Waste Store.	Disposed to license DOE Contractors within 180 days from date of waste generated.													
Spent Oil	Workshop	Collect and placed in Scheduled Waste Store.	Disposed to license DOE Contractors within 180 days from date of waste generated.																
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the	<p>b. Emission Management Plan</p> <table border="1"> <thead> <tr> <th data-bbox="1048 671 1227 703">Emission</th> <th data-bbox="1227 671 1397 703">Source</th> <th data-bbox="1397 671 1666 703">Action Plan</th> <th data-bbox="1666 671 1872 703">Frequency</th> </tr> </thead> <tbody> <tr> <td data-bbox="1048 703 1227 767">Dark smoke</td> <td data-bbox="1227 703 1397 767">All running vehicles</td> <td data-bbox="1397 703 1666 767">Inspection of vehicle condition</td> <td data-bbox="1666 703 1872 767">Daily</td> </tr> <tr> <td data-bbox="1048 767 1227 831">Noise</td> <td data-bbox="1227 767 1397 831">Diesel engine</td> <td data-bbox="1397 767 1666 831">To provide sound level test</td> <td data-bbox="1666 767 1872 831">Daily</td> </tr> <tr> <td data-bbox="1048 831 1227 1018"></td> <td data-bbox="1227 831 1397 1018">Harvesting with machine</td> <td data-bbox="1397 831 1666 1018">To provide sound level test To inspect, maintain all the machine and equipment used.</td> <td data-bbox="1666 831 1872 1018">Daily</td> </tr> </tbody> </table> <p>Records of periodical reporting of each of the above items were evident to support that the plans have been monitored. The plans were reviewed annually.</p>	Emission	Source	Action Plan	Frequency	Dark smoke	All running vehicles	Inspection of vehicle condition	Daily	Noise	Diesel engine	To provide sound level test	Daily		Harvesting with machine	To provide sound level test To inspect, maintain all the machine and equipment used.	Daily	Complied
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	<p>objectives.</p> <p>- Major compliance -</p>	<ul style="list-style-type: none"> • HCV & Buffer Zone Training dated 7/9/2020 by En. Nirrahim bin Abdul Rahman, Selai Assistant Manager attended by 141 participants. • Sustainability Briefing dated 22/10/2020 by En. Nirrahim bin Abdul Rahman, Selai Assistant Manager attended by 140 participants. • Training on Handling Machine dated 5/07/2020 by En. Md Rizam Thikiran, Estate Assistant Manager attended by 8 participants. • Schedule Waste Training dated 9/02/2020 by En. Mohd Fadzrul Sazali, Tereh Selatan Estate Assistant Manager attended by 1 participant. 							
<p>4.5.1.6</p>	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>Environmental Performance Monitoring Committee (EPMC) being established in all Estates to discuss on environmental aspect and The Environmental Performance Monitoring Committee (EPMC) is setup to comply with the DOE requirement on Guidance Self-Regulation (GSR).</p> <p>Sighted, at Tereh Utara Estate the meeting being conducted on 25th September 2020 attended by 15 participants. The meeting chaired by the Manager, En. Abu Bakar Mohamed.</p>	<p>Complied</p>						
<p>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</p>									
<p>4.5.2.1</p>	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>Monthly record on energy consumption for non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Following is the last 3 years data for diesel usage record at all sampled Estates: -</p> <table border="1" data-bbox="1066 1289 1736 1378"> <tr> <td colspan="3" data-bbox="1066 1289 1736 1334">Tereh Selatan Estate</td> </tr> <tr> <td data-bbox="1066 1334 1377 1378">FFB</td> <td data-bbox="1377 1334 1527 1378">Diesel</td> <td data-bbox="1527 1334 1736 1378">Lt/FFB</td> </tr> </table>	Tereh Selatan Estate			FFB	Diesel	Lt/FFB	<p>Complied</p>
Tereh Selatan Estate									
FFB	Diesel	Lt/FFB							

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		2017	232,599	60,020	3.88			
		2018	237,388	49,111	4.84			
		2019	260,352	51,125	5.09			
		2020	206,073	39,780	5.18			
			Baseline value		4.60			
		High fuel consumption due to low cropping season.						
			Selai Estate					
			FFB	Diesel	Lt/FFB			
		2017	35,570	130,320	3.66			
		2018	135,950	32,223	4.22			
		2019	149,330	34,332	4.35			
		2020	129,940	38,830	3.34			
			Baseline value		4.08			
		High fuel consumption due to low cropping season.						
			Tereh Utara Estate					
			FFB	Diesel	Lt/FFB			
		2017	77,137	230,812	2.99			
		2018	65,947	225,805	3.42			
		2019	65,328	232,938	3.57			
		2020	58,488	198,520	3.39			
			Baseline value		3.33			

		High fuel consumption due to low cropping season.																															
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>The projection consumption of diesel for all Estate has been documented on annual basis based on the financial year with the latest available is for FY2020. The details as listed below: -</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Budget 2020</th> </tr> <tr> <th>FFB</th> <th>Diesel</th> <th>Lt/FFB</th> </tr> </thead> <tbody> <tr> <td>Tereh Selatan</td> <td>56,498</td> <td>238,188</td> <td>4.22</td> </tr> <tr> <td>Selai</td> <td>38,646</td> <td>149,694</td> <td>4.08</td> </tr> <tr> <td>Tereh Utara</td> <td>69,399</td> <td>130,502</td> <td>1.88</td> </tr> </tbody> </table>		Budget 2020			FFB	Diesel	Lt/FFB	Tereh Selatan	56,498	238,188	4.22	Selai	38,646	149,694	4.08	Tereh Utara	69,399	130,502	1.88	Complied											
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4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>Monthly record on energy consumption for renewable energy sources were kept and documented. The details as listed herein: -</p> <table border="1"> <thead> <tr> <th rowspan="2">Estate</th> <th colspan="2">Bio -compost (Ha)</th> <th colspan="2">Bio -compost (MT)</th> </tr> <tr> <th>Programmed</th> <th>Actual</th> <th>Programmed</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>Tereh Selatan</td> <td>819</td> <td>819</td> <td>5,733</td> <td>5,736</td> </tr> <tr> <td>Selai</td> <td>813</td> <td>397</td> <td>5,692</td> <td>2,779</td> </tr> <tr> <td>Tereh Utara</td> <td>613</td> <td>613</td> <td>4,290</td> <td>4,290</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Estate</th> <th>EFB (Ha)</th> <th>EFB (MT)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Estate	Bio -compost (Ha)		Bio -compost (MT)		Programmed	Actual	Programmed	Actual	Tereh Selatan	819	819	5,733	5,736	Selai	813	397	5,692	2,779	Tereh Utara	613	613	4,290	4,290	Estate	EFB (Ha)	EFB (MT)				Complied
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			Programmed	Actual	Programmed	Actual	
		Tereh Selatan	217	217	6,529	6,529	
		Tereh Utara	742	653	28,827	22,771	

Criterion 4.5.3: Waste management and disposal

4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The estates had identified all the waste products and sources of pollution related to the respective activities. Details as provided below;	Complied																												
		<table border="1"> <thead> <tr> <th></th> <th>Type of waste</th> <th>Description</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Domestic waste</td> <td>Rubbish</td> <td>Line sites, office, workshop, store,</td> </tr> <tr> <td rowspan="3">2</td> <td rowspan="3">Industrial waste</td> <td>Fertilizer bags</td> <td>Empty bags store</td> </tr> <tr> <td>Scrap metal</td> <td>workshop</td> </tr> <tr> <td>POME</td> <td>ETP</td> </tr> <tr> <td>3</td> <td>Sewage waste</td> <td>Sewage</td> <td>housing toilets & office</td> </tr> <tr> <td rowspan="3">4</td> <td rowspan="3">Scheduled Waste</td> <td>SW 404 Clinical waste</td> <td>clinic</td> </tr> <tr> <td>SW rags, plastics, filters (SW 410)</td> <td>workshop</td> </tr> <tr> <td>Spent lubricant & hydraulic oil (SW 305)</td> <td>workshop</td> </tr> </tbody> </table>		Type of waste	Description	Location	1	Domestic waste	Rubbish	Line sites, office, workshop, store,	2	Industrial waste	Fertilizer bags	Empty bags store	Scrap metal	workshop	POME	ETP	3	Sewage waste	Sewage	housing toilets & office	4	Scheduled Waste	SW 404 Clinical waste	clinic	SW rags, plastics, filters (SW 410)	workshop	Spent lubricant & hydraulic oil (SW 305)	workshop	
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				Disposed containers, bags, equipment contaminated with chemicals, pesticides,	SW store, Tereh Utara and selatan only base on this sampled.																										
<p>4.5.3.2</p> <p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p>- Major compliance -</p>	<p>Details of the management plan as described below. This is a continuation of the 4.5.3.1 above.</p> <table border="1" data-bbox="1048 616 1883 1356"> <thead> <tr> <th data-bbox="1048 616 1106 715"></th> <th data-bbox="1106 616 1245 715">Source</th> <th data-bbox="1245 616 1402 715">Waste Produce</th> <th data-bbox="1402 616 1697 715">Action Plan</th> <th data-bbox="1697 616 1883 715">Responsibility</th> </tr> </thead> <tbody> <tr> <td data-bbox="1048 715 1106 847">1</td> <td data-bbox="1106 715 1245 847">Domestic Waste</td> <td data-bbox="1245 715 1402 847">Rubbish</td> <td data-bbox="1402 715 1697 847">Collection/disposal min 2-3 times/ week internally</td> <td data-bbox="1697 715 1883 847">Manager/Assistant/staff/Hospital Asst</td> </tr> <tr> <td data-bbox="1048 847 1106 1043">2</td> <td data-bbox="1106 847 1245 1043">Nursery Polybags</td> <td data-bbox="1245 847 1402 1043">Empty Polybags</td> <td data-bbox="1402 847 1697 1043">Collect and disposed into the proper constructed landfill as per SQD Work Instructions.</td> <td data-bbox="1697 847 1883 1043">Manager/Assistant/staff/</td> </tr> <tr> <td data-bbox="1048 1043 1106 1209">3</td> <td data-bbox="1106 1043 1245 1209">Spraying activities</td> <td data-bbox="1245 1043 1402 1209">Empty Chemical/pesticide container</td> <td data-bbox="1402 1043 1697 1209">Collect and place in Schedule Waste Store. If reuse, paint with red circle or RACUN</td> <td data-bbox="1697 1043 1883 1209">Manager/Assistant/staff/</td> </tr> <tr> <td data-bbox="1048 1209 1106 1356"></td> <td data-bbox="1106 1209 1245 1356"></td> <td data-bbox="1245 1209 1402 1356"></td> <td data-bbox="1402 1209 1697 1356">If to recycle, triple rinse, puncture and place in empty chemical store.</td> <td data-bbox="1697 1209 1883 1356">Manager/Assistant/staff/</td> </tr> </tbody> </table>						Source	Waste Produce	Action Plan	Responsibility	1	Domestic Waste	Rubbish	Collection/disposal min 2-3 times/ week internally	Manager/Assistant/staff/Hospital Asst	2	Nursery Polybags	Empty Polybags	Collect and disposed into the proper constructed landfill as per SQD Work Instructions.	Manager/Assistant/staff/	3	Spraying activities	Empty Chemical/pesticide container	Collect and place in Schedule Waste Store. If reuse, paint with red circle or RACUN	Manager/Assistant/staff/				If to recycle, triple rinse, puncture and place in empty chemical store.	Manager/Assistant/staff/	<p>Complied</p>
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			Disposed to licensed contractor with DOE.																																					
<p>Sighted, all the Estate disposed their Schedule Waste to the licensed contractor within the Regulation timeframe. Furthermore, the appointed contractor namely Kualiti Alam Sdn Bhd will schedule and collect on the same week within the Tereh Complex. The details as follows: -</p> <p>a. Selai Estate</p> <table border="1"> <thead> <tr> <th>SW</th> <th></th> <th>Date Generated</th> <th>Date Disposed</th> <th>Contractor</th> </tr> </thead> <tbody> <tr> <td>109</td> <td>Used Fluorescent Lamp</td> <td>3/6/2020</td> <td>13/8/2020 0.036 Mt</td> <td rowspan="6">Kualiti Alam Sdn Bhd</td> </tr> <tr> <td>305</td> <td>Waste Engine Oil</td> <td>2/3/2020</td> <td>13/8/2020 0.405 Mt</td> </tr> <tr> <td>409</td> <td>Empty pesticide containers</td> <td>1/3/2020</td> <td>13/8/2020 0.00666 Mt</td> </tr> <tr> <td>410</td> <td>Rags & Papers</td> <td>1/3/2020</td> <td>13/8/2020 0.0380 Mt</td> </tr> <tr> <td>404</td> <td>Clinical Waste</td> <td>30/4/2020</td> <td>15/10/2020 0.00065 Mt</td> </tr> </tbody> </table> <p>b. Tereh Selatan</p> <table border="1"> <thead> <tr> <th>SW</th> <th></th> <th>Date Generated</th> <th>Date Disposed</th> <th>Contractor</th> </tr> </thead> <tbody> <tr> <td>109</td> <td>Used Fluorescent Lamp</td> <td>30/10/2019</td> <td>4/2/2020 0.001 Mt</td> <td>Kualiti Alam Sdn Bhd</td> </tr> </tbody> </table>					SW		Date Generated	Date Disposed	Contractor	109	Used Fluorescent Lamp	3/6/2020	13/8/2020 0.036 Mt	Kualiti Alam Sdn Bhd	305	Waste Engine Oil	2/3/2020	13/8/2020 0.405 Mt	409	Empty pesticide containers	1/3/2020	13/8/2020 0.00666 Mt	410	Rags & Papers	1/3/2020	13/8/2020 0.0380 Mt	404	Clinical Waste	30/4/2020	15/10/2020 0.00065 Mt	SW		Date Generated	Date Disposed	Contractor	109	Used Fluorescent Lamp	30/10/2019	4/2/2020 0.001 Mt	Kualiti Alam Sdn Bhd
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		305	Used Lubricant Oil	29/2/2020	11/8/2020 0.87 Mt			
		307	Spent Mineral Oil Emulsion	30/6/2019	11/12/2019 0.024 Mt			
		404	Clinical Waste	20/9/2020	12/10/2020 0.002 Mt			
		408	Contaminated soil	13/12/2019	4/2/2020 0.02 Mt			
		410	Contaminated Rag	17/6/2020	11/8/2020 0.018 Mt			
		c. Tereh Utara						
				SW		Date Generated	Date Disposed	Contractor
				305	Lubricant oil	27/2/2020	12/8/2020 0.333 Mt	Kualiti Alam Sdn Bhd
				307	Oil Water Emulsion	27/2/2020	12/8/2020 0.076 Mt	
				409	Nalco	27/2/2020	12/8/2020 0.0576 Mt	
				409	Foxil	23/2/2020	12/8/2020 0.0380 Mt	
		409	Storm	3/4/2020	12/8/2020 0.0545 Mt			
		409	2t	3/5/2020	12/8/2020 0.0710 Mt			

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		410	Filter	2/3/2020	12/8/2020	0.0165 Mt																		
4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>The SOP on Scheduled Waste disposal is established and implemented. The standard operation procedure for the estate's operations are available which is prepared on Group basis. There are levels of the documentation identified as follows; a) Level 1 Integrated Management Manual b) Level 2 standard operating procedure/SPO OHS c) Level 3 work instruction d) Level 4 records. Amendments are made should there be requirement to suit the local issues/situation</p>						Complied																
4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p>- Major compliance -</p>	<p>Kulim (Malaysia) Berhad adopted the guidelines provided by the Agriculture Department on the empty chemical's containers management. All empty chemical containers in all estates were triple rinsed, and disposed through approved licensed contractor <i>G-Planter Sdn Bhd</i>. Sighted record of disposal in August 2020, Used Plastic Pesticides Container Recycling Collection Form (UPPCR) as follows by the estate: -</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">Tereh Selatan</th> <th>Selai</th> </tr> <tr> <th></th> <th>Chemical Container</th> <th>Quantity Sold (unit)</th> <th>Quantity Sold (kg)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>20 liters</td> <td>109</td> <td>23.40</td> </tr> <tr> <td>2</td> <td>500 gm</td> <td>154</td> <td>49</td> </tr> </tbody> </table>							Tereh Selatan		Selai		Chemical Container	Quantity Sold (unit)	Quantity Sold (kg)	1	20 liters	109	23.40	2	500 gm	154	49	Complied
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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>The estates having their own landfill to dispose all the domestic waste. Sites were visited and concluded maintained clean and tidy with proper signage displayed. The location of follows: -</p> <table border="1"> <thead> <tr> <th></th> <th>Estate</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Tereh Selatan</td> <td>PO4 / Block 1</td> </tr> <tr> <td>2</td> <td>Selai</td> <td>P10/ Block 03</td> </tr> <tr> <td>3</td> <td>Tereh Utara</td> <td>P00/ Block 04</td> </tr> </tbody> </table> <p>The frequency of collection is twice a week.</p>		Estate	Location	1	Tereh Selatan	PO4 / Block 1	2	Selai	P10/ Block 03	3	Tereh Utara	P00/ Block 04	Complied
	Estate	Location													
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2	Selai	P10/ Block 03													
3	Tereh Utara	P00/ Block 04													
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>The assessment of all polluting activities is defined in the Estate – Pollution & Emission Plan endorsed on 01/8/2020. The plan in all estates as tabulated below:-</p> <table border="1"> <thead> <tr> <th>Emission</th> <th>Source</th> <th>Frequency</th> <th>Responsibility</th> </tr> </thead> <tbody> <tr> <td>Dark Smoke</td> <td>All running Vehicles</td> <td>Daily</td> <td>Manager/ Assistant/ Staff</td> </tr> </tbody> </table>	Emission	Source	Frequency	Responsibility	Dark Smoke	All running Vehicles	Daily	Manager/ Assistant/ Staff	Complied				
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4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance –</p>	<p>Details of action plan for identified pollutants as shown below and is a continuation from the 4.5.4.1 above.</p> <table border="1"> <thead> <tr> <th>Emission</th> <th>Source</th> <th>Action</th> <th>Frequency</th> <th>Responsibility</th> </tr> </thead> <tbody> <tr> <td>Dark Smoke</td> <td>All running Vehicles</td> <td>Inspection of the vehicle condition</td> <td>Daily</td> <td>Manager/ Assistant/ Staff</td> </tr> <tr> <td>Noise</td> <td>Office – printing of paper</td> <td>To provide sound level test</td> <td>As and when required</td> <td>Manager/ Assistant/ CC</td> </tr> <tr> <td>Air Pollutant</td> <td>Operation of diesel engine</td> <td>Routine maintenance to be carried out as scheduled.</td> <td>As and when required</td> <td>Manager/ Assistant/ Foreman</td> </tr> <tr> <td>Green House Gas</td> <td>Use of Fossil oil</td> <td>Inspection of the vehicle condition</td> <td>Daily</td> <td>Manager/ Assistant/ Staff</td> </tr> </tbody> </table>	Emission	Source	Action	Frequency	Responsibility	Dark Smoke	All running Vehicles	Inspection of the vehicle condition	Daily	Manager/ Assistant/ Staff	Noise	Office – printing of paper	To provide sound level test	As and when required	Manager/ Assistant/ CC	Air Pollutant	Operation of diesel engine	Routine maintenance to be carried out as scheduled.	As and when required	Manager/ Assistant/ Foreman	Green House Gas	Use of Fossil oil	Inspection of the vehicle condition	Daily	Manager/ Assistant/ Staff	Complied
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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>The Water Management Plan has been established in all Estates with the recent review made on 01/8/2020. The plan stated the source from the followings: -</p> <p>a) rain b) water from pond and reservoir</p> <p>In summary the details as tabulated below;</p>	Complied																									

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<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>					
	1	Reservoir/ pond/ SAJ/Rain	Chemical mixing	Pollution Draught Wastage	Enforcement of buffer zone as non-spraying activities.
			General Upkeep	Pollution Draught Wastage	Follow WI & SOP to avoid water pollution. Follow SW SOP to avoid pollution caused from SW.
		Line site	Pollution Draught Wastage	Every house is supplied with containers. To schedule water supply to avoid wastage. Awareness on water usage efficiency. Outsource from neighboring estates.	

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			Drain upkeep	Interruption water flow at drainage system.	Periodic desilting Building of sand bags at specific points to contain water (weirs)																
				Water pollution	Prohibit workers from activities at water source																
<p>Kulim (Malaysia) Berhad has established Agricultural Manual first written in 1988. The Manual outlay the standard to be adhere by Management for instance to set aside a minimum of 5m riparian zone on each of the river bank and around the Water Catchment Ponds.</p>																					
<p>Guidelines of the width of the rivers and natural courses to be protected have been illustrated in the Agricultural Manual revised dated 19th November 2018.</p>																					
<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones has been verified at the estates where available. Riparian buffer zones have been identified and demarcated. Generally, no chemicals and fertilizer application observed been used in their maintenance. The buffer zones established are as following:</p>																					
<table border="1"> <thead> <tr> <th></th> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>>40 meters</td> <td>50 meters</td> </tr> <tr> <td>2</td> <td>20 - 40 meters</td> <td>40 meters</td> </tr> <tr> <td>3</td> <td>10 - 20 meters</td> <td>20 meters</td> </tr> <tr> <td>4</td> <td>5 - 10 meters</td> <td>10 meters</td> </tr> </tbody> </table>								River width	Buffer zone	1	>40 meters	50 meters	2	20 - 40 meters	40 meters	3	10 - 20 meters	20 meters	4	5 - 10 meters	10 meters
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		<table border="1" data-bbox="1068 359 1585 400"> <tr> <td>5</td> <td>< 5 meters</td> <td>5 meters</td> </tr> </table> <p>Water samples from the intake point are taken for phosphate and nitrate analysis for detection of fertilizer application effect to the water courses. Extracted record of the estates with details below;</p> <p>a. At Tereh Selatan the test being conducted at Mahamurni Plantations Sdn Bhd, UTCL Laboratory dated 11/9/2020 for Inflow and Outflow water:-</p> <table border="1" data-bbox="1068 692 1877 810"> <thead> <tr> <th>No</th> <th>Parameter</th> <th>Unit</th> <th>1</th> <th>2</th> <th>Limit</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Nitrate Nitrogen</td> <td>MgNO3- NL</td> <td>2.29</td> <td>4.40</td> <td>7</td> </tr> <tr> <td>2</td> <td>Phosphate</td> <td>MgPO4/L</td> <td><0.2</td> <td><0.2</td> <td>0.2</td> </tr> </tbody> </table> <p>b. At Selai Selatan the test being conducted at Mahamurni Plantations Sdn Bhd, UTCL Laboratory dated 16/10/2020 for Inflow and Outflow water:-</p> <table border="1" data-bbox="1068 975 1877 1093"> <thead> <tr> <th>No</th> <th>Parameter</th> <th>Unit</th> <th>1</th> <th>2</th> <th>Limit</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Nitrate Nitrogen</td> <td>MgNO3- NL</td> <td><0.04</td> <td>0.17</td> <td>7</td> </tr> <tr> <td>2</td> <td>Phosphate</td> <td>MgPO4/L</td> <td>0.57</td> <td>0.39</td> <td>0.2</td> </tr> </tbody> </table> <p>At Tereh Utara Estate the test being conducted at Mahamurni Plantations Sdn Bhd, UTCL Laboratory dated 8/9/2020 for Inflow and Outflow water:-</p> <table border="1" data-bbox="1068 1257 1877 1399"> <thead> <tr> <th>No</th> <th>Parameter</th> <th>Unit</th> <th>WI-0228</th> <th>WI-0229</th> <th>Limit</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Nitrate Nitrogen</td> <td>MgNO3- NL</td> <td>0.16</td> <td>0.19</td> <td>7</td> </tr> <tr> <td>2</td> <td>Phosphate</td> <td>MgPO4/L</td> <td>2.05</td> <td>2.04</td> <td>0.2</td> </tr> </tbody> </table>	5	< 5 meters	5 meters	No	Parameter	Unit	1	2	Limit	1	Nitrate Nitrogen	MgNO3- NL	2.29	4.40	7	2	Phosphate	MgPO4/L	<0.2	<0.2	0.2	No	Parameter	Unit	1	2	Limit	1	Nitrate Nitrogen	MgNO3- NL	<0.04	0.17	7	2	Phosphate	MgPO4/L	0.57	0.39	0.2	No	Parameter	Unit	WI-0228	WI-0229	Limit	1	Nitrate Nitrogen	MgNO3- NL	0.16	0.19	7	2	Phosphate	MgPO4/L	2.05	2.04	0.2	
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		<p>Drinking water samples of Tereh Selatan Estate being own water treatment are taken twice a year. Sampled the following analysis at Decagon Lab & Analytical Testing Sdn Bhd dated 2/6/2020. All results conform to the specification.</p> <table border="1"> <thead> <tr> <th></th> <th>P/meter</th> <th>unit</th> <th>results</th> <th>Regulation raw water</th> <th>Results</th> <th>Regulation drinking water</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>PH</td> <td>-</td> <td>5.6</td> <td>5.5-9.0</td> <td>7.1</td> <td>6.5-9.0</td> </tr> <tr> <td>2</td> <td>Turbidity</td> <td>NTU</td> <td>31.8</td> <td>1000</td> <td>4.3</td> <td>5</td> </tr> <tr> <td>3</td> <td>Al</td> <td>Mg/L</td> <td>2.22</td> <td>-</td> <td>ND (<0.2)</td> <td>0.2</td> </tr> <tr> <td>4</td> <td>Chlorine</td> <td>Mg CL/L</td> <td>-</td> <td>-</td> <td>0.8</td> <td>0.2 - 5</td> </tr> <tr> <td>5</td> <td>Coliform</td> <td>MPN</td> <td>280</td> <td>5000</td> <td>ND (<10)</td> <td>NIL</td> </tr> <tr> <td>6</td> <td>E coli</td> <td>MPN</td> <td>20</td> <td>5000</td> <td>ND (<10)</td> <td>NIL</td> </tr> </tbody> </table> <p>Drinking water samples of Selai Estate being own water treatment are taken twice a year. Sampled the following analysis at Decagon Lab & Analytical Testing Sdn Bhd dated 2/6/2020. All results conform to the specification.</p> <table border="1"> <thead> <tr> <th></th> <th>P/meter</th> <th>unit</th> <th>results</th> <th>Regulation raw water</th> <th>Results</th> <th>Regulation drinking water</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		P/meter	unit	results	Regulation raw water	Results	Regulation drinking water	1	PH	-	5.6	5.5-9.0	7.1	6.5-9.0	2	Turbidity	NTU	31.8	1000	4.3	5	3	Al	Mg/L	2.22	-	ND (<0.2)	0.2	4	Chlorine	Mg CL/L	-	-	0.8	0.2 - 5	5	Coliform	MPN	280	5000	ND (<10)	NIL	6	E coli	MPN	20	5000	ND (<10)	NIL		P/meter	unit	results	Regulation raw water	Results	Regulation drinking water								
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1	PH	-	5.4	5.5-9.0	7.0	6.5-9.0
2	Turbidity	NTU	3.3	1000	2.3	5
3	Al	Mg/L	ND (<0.2)	-	ND (<0.2)	0.2
4	Chorine	Mg CL/L	-	-	0.8	0.2 - 5
5	Coliform	MPN	ND (<10)	5000	ND (<10)	NIL
6	E coli	MPN	50	5000	ND (<10)	NIL

Drinking water samples of Tereh Utara Estate being own water treatment are taken twice a year. Sampled the following analysis at Decagon Lab & Analytical Testing Sdn Bhd dated 2/6/2020. All results conform to the specification.

	P/meter	unit	results	Regulation raw water	Results	Regulation drinking water
1	PH	-	5.6	5.5-9.0	7.3	6.5-9.0
2	Turbidity	NTU	81.4	1000	1.1	5
3	Al	Mg/L	ND (<0.2)	-	ND (<0.2)	0.2
4	Chorine	Mg CL/L	-	-	0.7	0.2 - 5

		5	Coliform	MPN	120	5000	ND (<10)	NIL	
		6	E coli	MPN	120	5000	ND (<10)	NIL	
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	During the field visit there was no construction of such observed.							Complied
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	Sighted during site visit, road side drains were constructed along the main and collection roads. Some of the road side drains were constructed towards the terraces to divert rain surface water.							Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value									
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.	There is no RTE found the entire Tereh Complex as recorded, with exception of silvered leaf monkey in patches of pieces of forest. As a standard practice where there is no other sighted RTE, animal sighting is continued at all the estates especially at the boundary areas. The assessment as according to the Rapid Biodiversity Assessment by A.J.F.M Dekker dated Sept 7 2007, identified; a) that there is potential Asian Elephant. b) That the Silvered Leaf Monkeys are still able to be sighted within the estates. This is currently rare as land outside of the boundary are already been developed into plantation base. c) Summary of record of animal sightings spotting wild boars, monkeys and squirrels among others.							Complied

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	- Major compliance -	The management conducted a regular patrol of HCV areas, access and boundary of estates. Signage, such as "No Hunting", "No Fishing", "Buffer Zone" were available. No use of chemicals observed been applied in the buffer zone as prohibited.	
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 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>	<p>There is not RTE recorded. Evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities were maintained and implemented.</p> <p>a) Signage as well as routine patrolling activities were utilized as part of creating awareness among employees and maintain HCVs.</p> <p>The estates established a Biodiversity Improvement Plan 2020 such as briefing/training to workers on protection of river buffers for all existing and designated natural watercourses to all employees, contractors and suppliers that</p>	Complied
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>The Biodiversity Improvement Plan 2020 being established at all Estates and subsequently implement it effectively. The Plan as follows:-</p> <ol style="list-style-type: none"> 1. To map area that fall into buffer zone base on Agriculture Manual. 2. To put buffer zone peg on the ground. 3. SPO Department to organize Bird Survey at the respective operating unit. 4. To map the bare area, Guatemala planting, vertivar planting, Road maintenance and SPO Department on the area. 	Complied
Criterion 4.5.7: Zero burning practices			

<p>4.5.7.1</p>	<p>Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.</p> <p>- Major compliance -</p>	<p>The Group practices of “Zero open burning” is enforced since the National The operating units adhered to the policy of “<i>Zero open burning</i>” for any replanting. From field visits and interviews with the workers there is no open burning being practiced in the estates. Both estates had replanting program spanned over the forthcoming years.</p> <p>Refer details in 4.6.2.2</p>	<p>Complied</p>
<p>4.5.7.2</p>	<p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.</p> <p>- Major compliance -</p>	<p>N/A. Details in 4.5.7.1 above</p>	<p>N/A</p>
<p>4.5.7.3</p>	<p>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.</p> <p>- Major compliance -</p>	<p>N/A. Details in 4.5.7.1 above</p>	<p>N/A</p>
<p>4.5.7.4</p>	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p>- Minor compliance -</p>	<p>This is included in the specification of work orders in event of land preparation during a replanting. It is a standard practice in Kulim Malaysia Berhad. However, there are variation of practices between inland and coastal estates. Trunk are felled and chipped without having to shred and windrowed in certain conditions. Adjustment of work requirement are finalised from the directive of the replanting unit and the Head/Regional Office.</p>	<p>Complied</p>
<p>4.6 Principle 6: Best Practices</p>			

Criterion 4.6.1: Site Management			
<p>4.6.1.1</p>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>In Kulim (Malaysia) Berhad SOPs for plantations/estates were documented in:</p> <ul style="list-style-type: none"> • Kulim (Malaysia) Berhad – Agricultural Manual – 01.07.2013 • Work Instructions – 01.04.2018 • Buku Panduan Anggota Perkerja Perladangan – 01.09.2018 • Panduan Kerja Selamat (SOP) 01.05.2009 <p>The SOPs confirmed that all activities in the estates from seedlings in nursery to planting in the fields have been included. The Agricultural Manual had chapters A to K. The chapters covered topic as follows:</p> <ul style="list-style-type: none"> A. Replanting. B. Roads, Drains, Bridges, Culverts & Fences. C. Construction of Estate Buildings D. Manuring E. Harvesting F. Pruning and Ablation G. Soil Conservation H. Justification of Chemical Use I. Weeds Management J. Integrated Pest management K. Plant Disease 	<p>Complied</p>
<p>4.6.1.2</p>	<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>Guidelines and practices are available in the Agriculture Manual and SOP.</p> <ul style="list-style-type: none"> a) The estates construct terraces at slope area of more than 6 degree. Planting of cover crop are made to retain the soil structure and conservation. b) Road side pit are made to divert water at slope areas 	<p>Complied</p>

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	- Major compliance -	<p>to prevent road erosion and surface damage.</p> <ul style="list-style-type: none"> c) Terraces are constructed inclined towards the terrace wall. d) Slope of more than 25 degrees are avoided in the planting areas due to the Policy of the Company forecasting several issues during the crop recovery on maturity. This is also to comply along with the RSPO guidelines e) Variations if any are subject to approval from the Estate Department and Regional Office. f) The management practiced to established Vertiver and Guatemala Grass to prevent severe soil erosion. 	
4.6.1.3	<p>A visual identification or reference system shall be established for each field.</p> <p>- Major compliance -</p>	<p>All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both stenciled at the palm trees and also displayed in signage at the boundary/corners of every field. This is observed during the field visit in the estate.</p>	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>The annual business plan is available as per the Group Financial Procedure. & Guidelines. Both estates and the mill had a similar format i.e. in the form of annual budget with a 3-year projection. This business plan is prepared as guidance for future planning</p>	Complied
4.6.2.2	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p>- Major compliance –</p>	<p>All the estates maintained record of replanting program until the year 2031. For purpose of auditing record the horizon is limited to 5 years.</p>	Complied

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<p>4.6.2.3</p>	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production : cost per tonne of FFB d) Price forecast e) e) Financial indicators : cost benefit, discounted cash flow, return on investment <p>- Major compliance –</p>	<p>All the estates audited possessed a similar budget format. Inclusive is a 3-year budget/forecast financial plan allocating categories among others;</p> <ul style="list-style-type: none"> a) Crop yielding area b) Mature cost c) General charges/upkeep/collection/depreciation d) Cost/ha & cost /mt FFB e) CAPEX <p>Separately the cost of immature areas is also shown which among others comprises of the following items;</p> <ul style="list-style-type: none"> a) Labour statement / Allocation of wages / Labour benefit b) Yield statement oil palm c) vehicle and running schedule / Job allocation for vehicles d) workshop running schedule e) Summary of general charges f) CAPEX. 	<p>Complied</p>
<p>4.6.2.4</p>	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	<p>The estates performance is recorded in the monthly progress report. Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed monthly. The supervisory personnel maintained a daily cost for the field operations. The Regional meeting involving the Managers sits monthly with the Regional Controller /Head Office Management for the performance review. The following mechanism is available and adopted as standard practices and procedures in the estates operations.</p> <ul style="list-style-type: none"> a) Plantation Inspectorate Visit program 2x /year b) Internal audit by Sustainability Unit 2x /year c) Task Force visits d) Monthly and weekly ad hoc meeting e) Daily /monthly production & financial report 	<p>Complied</p>

		f) Daily supervision by the field staff/Executives	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance –</p>	<p>The documentation of price mechanism for services received from contractors are contained in the respective contracts. Sighted during the audit was contract no. MPSB/LTS5/135/2019 between Mahamurni Plantations Sdn Bhd and Jeevendran Enterprise for harvesting of FFB using scissor lift at P08 at Ladang Tereh Selatan, Kluang, Johor. The contract is valid for 3 years until 30th June 2022. Details rates are clearly indicated in the contract under appendix A & B of the contract.</p> <p><u>Selai Estate</u></p> <p>The documentation of price mechanism for services received from contractors are contained in the respective contracts. Sighted during the audit was contract no. MPSB/LSPN 4/2018 between Mahamurni Plantations Sdn Bhd and Lee Kim Joo for Loading and Transporting of FFB from filed P12 (160.93 ha) and P13 (243.92 ha) to Tereh POM valid from 28th February 2019 to 28th February 2021. Refer to variation order, MPSB/SELAI 01/2016. Details rates are clearly indicated in the contract under appendix B and C for special condition of the contract.</p> <p><u>Tereh Utara Estate</u></p> <p>The documentation of price mechanism for services received from contractors are contained in the respective contracts. Sighted during the audit was contract no. MPSB/LTU 2/2017 between Mahamurni Plantations Sdn Bhd and Santrio Trading for Loading and Transporting of FFB from field P98, P00 and P01 to Tereh POM valid from 31st January 2019 to 31st December 2021. Refer to variation order, LTU/VO 6/2019. Details rates are clearly indicated in the contract under appendix B and C for special condition of the contract.</p>	Complied

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<p>4.6.3.2</p>	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -</p>	<p>Reviewed during the audit were contracts entered between the Estates and third parties. The contracts and PO are fair as they contain provisions relating to the Estates' and contractors' obligations, payment calculation, mutual termination clause, and mutually agreed between Kulim (M) Berhad and contractors. It was also stipulated that payment is to made within 30 days of issuance of invoice. Sighted during the audit was invoice from Lee Kim Joo (J00823) dated 30th September 2020 and was paid on 6th October 2020 (PV 20000488). There is evidence that payments are made in a timely manner.</p> <p><u>Selai Estate</u></p> <p>Reviewed during the audit were contracts entered between the Estates and third parties. The contracts and PO are fair as they contain provisions relating to the Estates' and contractors' obligations, payment calculation, mutual termination clause, and mutually agreed between Kulim (M) Berhad and contractors. It was also stipulated that payment is to made within 30 days of issuance of invoice. Sighted during the audit was invoice from Lee Kim Joo (J00827) dated 30th September 2020 and was paid on 5th October 2020 (PV 20000414). There is evidence that payments are made in a timely manner.</p>	<p>Complied</p>
<p>Criterion 4.6.4: Contractor</p>			
<p>4.6.4.1</p>	<p>Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -</p>	<p>Sighted during the audit was the inclusion of MSPO requirements into contracts. This insertion of this Policy is to ensure contractors are aware and comply with local, national laws such as payment of minimum wage, ratified international laws, and also with MSPO standards. This was also acknowledged by the contractors, and reiterated during the stakeholder meeting.</p>	<p>Complied</p>
<p>4.6.4.2</p>	<p>The management shall provide evidence of agreed contracts with the contractor.</p>	<p>Evidence of contracts with contractors were provided by the Estate management. Sighted during the audit was contract no.</p>	<p>Complied</p>

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	<p>- Major compliance -</p>	<p>MPSB/LTS5/135/2019 between Mahamurni Plantations Sdn Bhd and Jeevendran Enterprise for harvesting of FFB using scissor lift at P08 at Ladang Tereh Selatan, Kluang, Johor. The contracts contain provisions related to statutory obligations, EPF, SOCSO etc. Appendix A & B of contract states the payment calculation.</p> <p><u>Selai Estate</u></p> <p>Evidence of contracts with contractors were provided by the Estate management. Sighted during the audit was contract no. MPSB/LSPN 4/2018 between Mahamurni Plantations Sdn Bhd and Lee Kim Joo for Loading and Transporting of FFB from filed P12 (160.93 ha) and P13 (243.92 ha) to Tereh POM valid from 28th February 2019 to 28th February 2021. The contracts contain provisions related to statutory obligations, EPF, SOCSO etc. Appendix A & B of contract states the payment calculation. Details rates are clearly indicated in the contract under appendix B and C for special condition of the contract.</p>	
<p>4.6.4.3</p>	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p> <p>- Minor compliance -</p>	<p>Stated under clause 6 of the contract where <i>"all contract operation performs by any appointed contractors and sub-contractors in the certified mills or estates in subjected to any certification audit assessment through a physical inspection if required"</i>. Verified contract no. MPSB/LTS5/135/2019 between Mahamurni Plantations Sdn Bhd and Jeevendran Enterprise and acknowledged by both parties. The auditors have been able to have access to the contractors' workers, documentations such as contracts and workers' pay slips for verification during this audit.</p>	<p>Complied</p>
<p>4.6.4.4</p>	<p>The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.</p>	<p>Each contractor will be observed and monitored for FFB transporter and the transporters are required to show the weighbridge ticket from the mill as proof that FFB was delivered to the Mill as agreed. For harvesting contractor, FFB tonnage will be extracted from weighbridge data (from POM or estate with weighbridge) and work/job completed check by</p>	<p>Complied</p>

	<p>- Major compliance -</p>	<p>assistant/manager using work completion certificate/checklist for approval.</p>	
<p>4.7 Principle 7: Development of new planting – Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.</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 (M) Berhad has established a policy on sustainable palm oil production signed by Managing Director, Mr Mohd Faris dated 1/10/20. The policy was written in bi-lingual (English and national language) available at pertinent location in the mill compound. A few briefing sessions were carried out on 2/10/2020 (Tereh POM)	Complied								
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The established policy has emphasized on the commitment to comply with all applicable legal requirements, contribute to local community development, and environmental consideration with the objective of improving the milling and estate operation.	Complied								
Criterion 4.1.2 – Internal Audit											
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit was carried by SQD Department for all operating under Tereh Complex. Audit covered both documentation and field operation. Summary of audit findings at all audited estates as per the following:	Complied								
		<table border="1"> <thead> <tr> <th>Date of audit</th> <th>Finding</th> <th>Verification</th> <th>Estate/Mill</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Date of audit	Finding	Verification	Estate/Mill					
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Criterion / Indicator		Assessment Findings				Compliance
		4/10/20	1 NC raised (4.4.5.2)	The minor NC was closed on 31/10/20	Tereh POM	
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Kulim (M) Berhad has established procedure, Sustainable Management System, Internal Audit: SQD/SMS/5.0, issue: 1 dated 1/7/18 . The procedure is designed for all applicable sustainability standards requirements such as ISCC, RSPO, MSPO and management guideline to be used as audit criteria. The procedure has incorporated the internal auditor competency requirement. Based on the procedure, internal audit is to be carried out at least once a year.				Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	Internal audit report prepared by SQD @ internal audit team and made available to the management for review.				Complied
Criterion 4.1.3 – Management Review						
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	The latest management review was carried out on 16/10/20. The meeting was chaired by Senior Mill Manager and attended by department head. All pertinent elements in the standard has been discussed for effective implementation of MSPO towards continual improvement.				Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	Based on the Continual Improvement plan, the Mill has come up with the following action plans: - Tereh POM <ol style="list-style-type: none"> 1. Sludge de-watering system 2. New thermal deaerator 3. New 710 sludge separator 4. New water catchment 5. New integrated biogas plant with 600 kW biogas engine 6. CPO washing system (to wash chlorine content in CPO) 	Complied
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	Disseminating this information throughout the workforce was done on monthly basis during operation meeting. For example, the new sludge de-watering system for continuous @ online desludging to improve pond hydraulic retention time (HRT).	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	Tereh Complex has organized an external stakeholder meeting on 26 th August 2020. During this meeting, it was communicated to the external stakeholders the following information which included: a) Relevant information on environmental, social and legal issues.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> b) Company’s policy on MSPO implementation. c) MSPO certification requirements d) Legal compliance e) Concern raised by stakeholders. 	
4.2.1.2	<p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>The management documents that are publicly available include company’s policies, SIA report, HCV report, public summary of certification documents, relevant laws and legal register and land titles.</p>	Complied
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 a procedure under Sustainable Management System (SMS), Consultation and Communication Procedure, Doc. No. SQD/SMS/1.0, issue:1 rev.:0 dated 1st August 2020</p> <p>The aim of this plan is to ensure an open and transparent communication methods with local communities and other stakeholders. Any request for information that publicly available shall be recorded in the Enquiry Register and acted upon within 7 working days. Any grievance shall be recorded in the enquiry register and responded as per SQD/SMS/4.1 – Grievance. Finding shall be communicated to the party concerned and records are kept.</p>	Complied
4.2.2.2	<p>The management shall nominate management officials at the</p>	<p>The management officials nominated are as follows:</p>	Complied

Criterion / Indicator		Assessment Findings			Compliance
	operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	Estate/Mill	Person appointed	Letter of appointment	
		Tereh POM	Assistant Manager	1 st February 2020	
		<p>Their duties and responsibilities include assisting the Manager in implementing the requirements of MSPO certification standards, stakeholder engagement and consultations, conduct management review based on internal audit report, monitor compliance and track update on changes in regulatory requirements. Interviews conducted with the nominated management officials indicate that they understand their roles and responsibilities.</p>			
4.2.2.3	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. - Major compliance -	<p>Each of the audited estates has its own stakeholder list. These lists comprise their external stakeholders such as:</p> <ul style="list-style-type: none"> a) Relevant government agencies (e.g. DOE, DOA, Immigration Department, Department of Safety and Health, Labour Department) b) Contractors c) Suppliers d) Consultants e) Neighbouring estates f) Clinics, hospitals, fire brigade, police, etc. <p>Correspondence with stakeholders are properly maintained and records of all consultation and communication during the past</p>			Complied

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Criterion / Indicator		Assessment Findings	Compliance
		one year and records of action taken are also properly maintained.	
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	The traceability SOP; Sustainable Management System, Traceability, Doc: No: SQD/SMS/1.2 rev:5 dated 1/8/20 available and outlines the preparations, dispatch and receive of FFB, CPO, PK and other by products at KULIM’s estate and mill, job assignments and recordings of transport productivity for payment purpose and statistics.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Inspection on compliance with the traceability procedure is regularly checked through supply chain internal audit. The internal audit report, which was carried out together with other schemes such as RSPO and ISCC, was available for verification. Product stock as at 8/11/20; Stock CPO: 623.52 mt Stock PK: 103.72 mt	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	Personal in charge for traceability system is head of operating unit, refer to letter from Head of Plantation ref: SQD/ADMIN/017/19 dated 22/9/19.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	As to date no certified CPO and PK sold to customer/buyer. For MSPO certificate detail, stamp will be used on each delivery ticket which carry the certified product. Delivery of MSPO certified CPO will be accompanied by CPO Delivery Notes and Weighbridge Ticket. Monthly summary of storage, sales, delivery or transportation of crude palm oil and palm kernel reported to MPOB via http://www.e-kilangmpob.com.my/ekilang_main/	Complied

Criterion / Indicator	Assessment Findings	Compliance																					
4.3 Principle 3: Compliance to legal requirements																							
Criterion 4.3.1 – Regulatory requirements																							
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	The legal compliance lists of permits & licences are available for all Estate and being monitored and updated periodically by person in- charge of Legal Requirements. Details as below: - <table border="1" data-bbox="1086 715 1854 1353"> <thead> <tr> <th></th> <th>Licence/Permit/Regulatory Requirement</th> <th>Validity Period</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>MPOB License 50000-48604000</td> <td>31/5/2021</td> </tr> <tr> <td></td> <td>Diesel – BPGK JH (KLU) 0730 SK</td> <td>1/10/2021</td> </tr> <tr> <td></td> <td>Dept Of Environmental DOE – JP 4685</td> <td>30/6/2021</td> </tr> <tr> <td></td> <td>SPAN – SPAN/EKS /(PT)/800-4(1)/3/14</td> <td>4/12/2023</td> </tr> <tr> <td></td> <td>JTK – Wages deduction 10101-56569</td> <td>N/A</td> </tr> <tr> <td></td> <td>Permit kerja lebih masa 104 jam – BHG.PU/9/134.JLD 22(14)</td> <td>9/7/2021</td> </tr> </tbody> </table>		Licence/Permit/Regulatory Requirement	Validity Period	1	MPOB License 50000-48604000	31/5/2021		Diesel – BPGK JH (KLU) 0730 SK	1/10/2021		Dept Of Environmental DOE – JP 4685	30/6/2021		SPAN – SPAN/EKS /(PT)/800-4(1)/3/14	4/12/2023		JTK – Wages deduction 10101-56569	N/A		Permit kerja lebih masa 104 jam – BHG.PU/9/134.JLD 22(14)	9/7/2021
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Criterion / Indicator		Assessment Findings		Compliance
		Genset - Lesen bagi pemasangan persendirian -2019/02159	11/1/2021	
		BAKAJ – 07/A/KLG/115 , 08/A/KLG/040	31/12/2020	
		Weighbridge – B1696596 – 60Mt, B1696597- 80Mt	20/5/2021	
		Vertical sterilizer -JH PMT 23917	2/11/2020	
		Vertical sterilizer -JH PMT 23918	2/11/2020	
		Vertical sterilizer -JH PMT 24353	2/11/2020	
		Vertical sterilizer -JH PMT 24354	2/11/2020	
		Vertical sterilizer -JH PMT 21980	2/11/2020	
		Vertical sterilizer -JH PMT 21981	2/11/2020	
		Air Receiver JH PMT 20424	2/11/2020	
		Air Receiver JH PMT 20423	2/11/2020	
		Air Receiver PMT 34678	2/11/2020	

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Criterion / Indicator		Assessment Findings		Compliance
		Back Pressure Receiver JH PMT 26859	2/11/2020	
		Air Compressor PMT 114303	31/3/2021	
		Vickers Boiler No 5 JH PMD 404 (Boiler no 5)	31/3/2021	
		Boiler 3500 kilo pascal JH PMD80258 (Boiler No 6)	31/3/2021	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. - Major compliance -	<p>Kulim (Malaysia) Berhad has established and updated list of applicable laws and regulations that are applicable for the Mill. The legal register is prepared by Sustainability Quality & Department and being updated every 2 months, latest on 31st October 2020. Some of applicable laws sighted includes: -</p> <ul style="list-style-type: none"> • Pesticides Act 1974 and Regulations, • Environmental Quality Act and Regulations 1974 • Factories and Machinery Act and Regulations, 1967 • Weights and Measures Regulations 1981 • Electricity Regulations 1994 • Immigration Act 1959 • Employee Provident Fund 1991 • Occupational Safety and Health Act 1994 • Employment Act 1955 • Children and Young Persons (Employment) Act 1966 • MPOB Regulations (Licensing) 2005, EQ (Prescribed Premise) (Crude Palm Oil) Regulations 1977 • Electrical Supply Act 1990 		Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Etc	
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>The mechanism used for tracking changes in laws/regulations is made through the following methods;</p> <ol style="list-style-type: none"> 5. News release through daily newspaper. 6. Law change tracked by book publisher (MDC Book Publications). 7. Circulars from relevant association (eg. MPOA, MPOB, MAPA) 8. Internet (e-federal gazette, www.lawnet.com.my, www.e-warta.com.my) <p>The Kulim (M) Berhad Legal Department from headquarters will disseminate the updates via email or Management meetings.</p>	Complied
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>The Mill Manager is responsible for the monitoring of compliance of the entire regulatory requirement needed for the mill operations. Changes if any will be channelled to the Manager for further implementation in the Mill.</p> <p>In addition, Executive - Regional Controller Tereh Complex, Cik Nuraini Abdul Hamid will assist in the monitoring of the legal compliance. Job responsibilities among others include the following;</p> <ol style="list-style-type: none"> a) Identify and assess compliance b) Monitoring of compliance action plan c) Prepare & report compliance status to RMC dept. d) Maintain highest alert on both internal and external activities of consequences to KMB 	Complied
Criterion 4.3.2 – Lands use rights			

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	Tereh POM is located inside Tereh Utara land title. Title # HS (D) 6766; District: Kluang; Mukim: Niyor; Lot # PTD 3326; Area: 1608.0588 ha. Owned by Kulim Plantations (Malaysia) Sdn Bhd. The land was granted to Kulim Plantations (Malaysia) S/B with the use condition of oil palm planting.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Details of Land Titles and summary of lease history are held in file "Grant Title" on the Sustainability Department Server. The land title # HS (D) 6766; District: Kluang; Mukim: Niyor; Lot # PTD 3326; Area: 1608.0588 ha. Owned by Kulim Plantations (Malaysia) Sdn. Bhd.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Not applicable as land issues is handled by the estate.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	Not applicable as land issues is handled by the estate.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	There is no evidence that the land on which the Mill is situated is encumbered by customary rights. Therefore, this Indicator is not applicable.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	There is no evidence that the land on which the Mill is situated is encumbered by customary rights. Therefore, this Indicator is not applicable.	Complied
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 evidence that the land on which the Mill is situated is encumbered by customary rights. Therefore, this Indicator is not applicable.	Complied
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	Social Impact Assessment (SIA) was conducted on 15/9/2020 by Sustainability Team of Kulim (M) Berhad. Seen the interview checklists with the relevant stakeholders that been utilized during the assessment. The stakeholders that participated in the assessment were such as school's representative, internal workers, contractors and etc. The topics that discussed during the assessment are child labour issue, discrimination, complaints, policies and etc. Based on the assessment, 11 positive and 2 negative comments were identified. Recommended improvement measures detailed out in the Social Improvement Plan dated 4 th October 2020.	Complied
Criterion 4.4.2: Complaints and grievances			

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	Grievance Procedure, Doc. No. SQD/SMS/4.1 issue:1 dated 1 st August 2020 has been established by Kulim (M) Berhad. This procedure is referred to when managing complaints and grievances raised by all parties including internal (employees) and external stakeholders (statutory bodies, local communities, smallholders and NGOs)	Complied
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	Based on the procedure, the Company's dispute resolution mechanism is able to resolve disputes in an effective, timely and appropriate manner. Timeline for resolution as per the following: Employee – matter to be settled within 10 working days. Others – to obtain satisfaction within 7 working days. The Company's whistle blowing Policy which approved by Kulim (M) Berhad's board of director dated 10 th September 2020 provides anonymity and assurance against retaliation and immunity to the whistle blower.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	The complaint form is made available together with the Enquiry Register Record in the suggestion box in front of office and compiled in Enquiry Register Book. The form is made for complaint, requisition or visit/inspection.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	There is evidence that employees are made aware that complaints or suggestions can be made anytime during muster briefings. Formal complaints need to be recorded in the form created for tracking and updates. For external stakeholders, this was made aware during the stakeholder meeting held on 26 th August 2020. All issues were discussed and recorded in the meeting minutes.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	All complaints and resolutions for the past 24 months were available upon request.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	The management has made contribution to the local communities and workers such as donation to the school and activities upon request by the stakeholders. For Tereh complex, free electricity and water provided to workers. The company also provided job opportunity to the local communities.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	The Group Occupational Safety & Health Management Policy had been established and implemented. The policy was signed by the Executive Director of Kulim (Malaysia) Berhad, Tuan Zulkifly bin Zakariah on 01 May 2018 and displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy is implemented through the OSH activities by the SQD Executives and monitored by SQ Department at Head Office. Included in the policy is the commitment of the Company to; a) Comply or where practicable exceed applicable OSH legislation, regulations and codes of practices.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> b) Regularly review and audit the OSH management systems to ensure that they remain relevant and appropriate. c) Effective communication of this policy to all employees and other affected parties d) Regularly and continuously conduct education, training and awareness program on OSH to all parties concerned. e) The implementation of OSH plan was monitored by internal audits conducted by OSH Executives from SQ Department. 	
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"> 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). 	<p>The Group Occupational Safety & Health Management Policy had been established and implemented. The policy was signed by the Executive Director of Kulim (Malaysia) Berhad, Tuan Zulkifly bin Zakariah on 01 May 2018 and displayed prominently on notice boards in English and local language Bahasa Malaysia.</p> <p>Risk assessment was conducted by ESH Committee and being reviewed yearly and if any accident occurred. HIRARC sighted for the followings work operation: -</p> <ul style="list-style-type: none"> a) Loading Ramp b) Vertical steriliser c) Threshing d) Press station e) Clarification f) Kernel plant station g) Empty Bunch Press Station h) Water Treatment Plant i) Boiler Station 	Complied

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Criterion / Indicator	Assessment Findings	Compliance																								
<p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>j) Engine Room k) Laboratory l) Effluent Treatment m) Line site n) Storage of production oil o) Land fill p) Product Despatch q) Workshop r) Receiving and Issuing Diesel s) Emergency Response t) Biocompost u) Construction v) Biogas w) Covid 19</p> <p>The Mill has a comprehensive OSH Annual Training Plan 2020 for the Staffs and Workers and this was sighted in the training records file for each staffs and workers. Training Plan includes: -</p> <table border="1" data-bbox="1086 1050 1771 1358"> <thead> <tr> <th></th> <th>Topic</th> <th>Month programme</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Tractor & Shovel Safety</td> <td>9/2020</td> <td>1/10/2020</td> </tr> <tr> <td>2</td> <td>Chemical Handling</td> <td>8/2020</td> <td>11/9/2020</td> </tr> <tr> <td>3</td> <td>Lock Out Tag Out</td> <td>1/2020</td> <td>17/1/2020</td> </tr> <tr> <td>4</td> <td>Fire Drill & Extinguisher</td> <td>7/2020</td> <td>1/9/2020</td> </tr> <tr> <td>5</td> <td>Schedule Waste</td> <td>5/2020</td> <td>21/8/2020</td> </tr> </tbody> </table>		Topic	Month programme	Status	1	Tractor & Shovel Safety	9/2020	1/10/2020	2	Chemical Handling	8/2020	11/9/2020	3	Lock Out Tag Out	1/2020	17/1/2020	4	Fire Drill & Extinguisher	7/2020	1/9/2020	5	Schedule Waste	5/2020	21/8/2020	
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Criterion / Indicator		Assessment Findings				Compliance									
		6	First Aid	10/2020	8/10/2020										
		7	PPE Usage	9/2020	6/9/2020										
		8	Emergency Respond Plan & CPR	4/2020	1/9/2020										
		9	Eye Wash	5/2020	18/10/2020										
		<p>Mill has provided appropriate PPE for all workers in their operations. Sighted PPE Issuance and replacement in their individual record. During mill visit, sighted the workers have been trained with safety and the workers wear the PPE required by his/her works.</p> <table border="1"> <thead> <tr> <th></th> <th>Workers category</th> <th>Type of PPE</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>General Workers</td> <td>Helmet, safety Shoe, Leather / cotton gloves, earplug</td> </tr> <tr> <td>2</td> <td>Laboratory</td> <td>Helmet, safety Shoe, Leather / cotton gloves, earplug, respirator, rubber boot, safety google, Apron</td> </tr> </tbody> </table> <p>The management had established Standard Operating Procedure for handling of chemicals under Doc No: LTM/WI/9 Rev No : 2, Date: 1st January 2013 to ensure proper and safe handling and storage of any chemicals and solvent used in the laboratory, boiler and water treatment plant.</p> <p>CHRA report dated 27.03.2018 reported by Hajah Noormahani Harun – JKKP HQ/03/ASS/00/154 from QMS Pro Sdn Bhd. The assessment covering 7 works unit, namely:</p>						Workers category	Type of PPE	1	General Workers	Helmet, safety Shoe, Leather / cotton gloves, earplug	2	Laboratory	Helmet, safety Shoe, Leather / cotton gloves, earplug, respirator, rubber boot, safety google, Apron
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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> 1. Boiler 2. Diesel Handler 3. Fogging 4. Laboratory 5. Water Treatment 6. Workshop <p>Sighted the Manager's Response to Assessor Recommendation in Form F and action need to be taken on yearly basis in January.</p> <p>Medical Surveillance have been conducted on 5th August 2020 for 17 workers. They were tested on Physical examination, Glycosuria, Hematuria, BUSE, Renal Profile, Liver function test & S. Cholinesterase. The report prepared by Dr. Zainudin Muid, Poliklinik Intan. All the workers are fit for work.</p> <p>Noise Risk Assessment being conducted by Dr. Syed Abdul Hamid bin Syed Hassan, JKPP HIE 127/5/3 -1 (No 169) dated 6th February 2020. Base on the Assessment to conduct audiometry for Kernel Plant, Oil Room, Press Station, Boiler Room, Engine Room, and Sterilization Area. The matter yet to be conducted due to Pandemic outbreak.</p> <p>OSH Committee Chart 2020 sighted. Seen, letter of appointment for committee members in the file. Mill Manager is the Chairman of OSH Committee and being appointed on 21st September 2020 by Mr. Juharudin Ahmad, Chairman Safety and Health. The</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>committee meeting has been conducted on quarterly basis as follows: -</p> <ul style="list-style-type: none"> a. 19th January 2020 b. 28th June 2020 c. 20th September 2020. <p>To discuss all issues regarding worker's safety and health. All issues raised and discussed during conducted meeting has been resolve and taken action by mill management with proper action and target date. No meeting in April due to Covid 19 Pandemic Outbreak.</p> <p>Sighted the emergency procedure for the Mill Emergency response plan available in local language (Malay and English). The ERP has been explained to all workers and staffs during training which has been conducted.</p> <p>Emergency response plan include the emergency contact number, and also have Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board.</p> <p>First Aid Box being placed in 9 stations namely security guard, office, staff office, grading, laboratory, workshop, engine room, store and effluent.</p> <p>1st Aider for Mill is En. Muhammad Farhan bin Kamsani and En. Azrin Halim bin Mohd Ramdzan, who attended Course on</p>	

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Criterion / Indicator	Assessment Findings	Compliance																													
	<p>Pertolongan Cemas Asas dan CPR dated 12th March 2020 organised by Persatuan Bulan Sabit Merah Malaysia. The certificate valid until 11th December 2022.</p> <p>Seen, the Fire Extinguisher Location Map of Mill and the details as below: -</p> <table border="1" data-bbox="1088 662 1597 1026"> <thead> <tr> <th>No</th> <th>Area</th> <th>No of Units</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mill Stations</td> <td>42</td> </tr> <tr> <td>2</td> <td>Workers quarters</td> <td>18</td> </tr> <tr> <td>3</td> <td>Civil Building</td> <td>4</td> </tr> <tr> <td>4</td> <td>Bungalow</td> <td>8</td> </tr> <tr> <td>5</td> <td>Staff quarters</td> <td>11</td> </tr> <tr> <td>Total</td> <td></td> <td></td> </tr> </tbody> </table> <p>The fire extinguisher permit will be expired in 2021</p> <p>Records of all accidents are kept in both estates for a min of 10 years. Accident incidences are reviewed during safety meetings. Records in 2019 as extracted from the JKKP 8 submitted to DOSH on 9/1/20 as shown below;</p> <table border="1" data-bbox="1160 1273 1677 1361"> <thead> <tr> <th>No of Cases</th> <th>LTI</th> <th>Non LTI</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	No	Area	No of Units	1	Mill Stations	42	2	Workers quarters	18	3	Civil Building	4	4	Bungalow	8	5	Staff quarters	11	Total			No of Cases	LTI	Non LTI	Total	0	0	0	0	
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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>Sedenak POM and estates subscribe to Kulim (M) Berhad’s sustainability policy which newly revised and approved by Kulim’s Sustainability & initiatives Council Meeting on 29th July 2020. Transition period for the (new MD) effective 1st October 2020.</p> <p>This Policy is documented and affirms the Company’s commitment to protect and advance human rights, including prohibiting retaliation, intimidation, and harassment against Human Rights Defenders, whistle blowers, complainants and community spokespersons.</p>	<p>Complied</p>
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>The implementation of this Policy was confirmed by workers interviewed, where they confirmed that no form of discrimination exists.</p>	<p>Complied</p>
4.4.5.3	<p>Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Workers’ pay slips were sighted for the sampled month. Pay slips belong to the following workers were verified and it showed that all sampled workers receive minimum wages of RM1,200 and above, which is in compliance with the Minimum Wages (Amendment) Order 2020. The Malaysian workers’ wages are deducted for statutory payments such as the EPF, SOCSO and EIS. Salary payment for employee ID; (651108, 950277, 9512030, 612359, 612329, 612270, 612342, 612295) were</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>checked for January 2020 (low crop), May 2020 (normal) and June 2020 (peak crop).</p> <p>For Tereh POM, salary deduction for sport and recreation club. Sighted during the audit was a written approval from the Labour Office ref. no: TK(NJ)U-23 effective from 31st March 2020. Consent for deduction from workers included in the contract of employment for employee ID 623217, 623067, 623222, 623045, 623017, 623040, 623226, 623124 available for verification.</p>	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	No contractor work permanently at POM except for ad-hoc work for equipment repair and engineering project.	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	Sindora POM has established records of all employees including contractors' employees. The record contains details such as full name, gender, nationality, date of birth, date of employment, job description, wage and period of employment.	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>All employees (local and foreign) sign employment contracts which contents comply with Employment Act 1955. All contracts are signed by both the employer and the employee and are made available for all workers.</p> <p>The employment contracts of local workers state that the</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		duration as until retirement age, in accordance with the Minimum Retirement Age Act 2012. For foreign workers, the duration is for 2 years. Among the other terms and conditions in the employment contract include overtime pay, rest day, working hours, rate for working on rest day, termination notice period, public holidays, paid annual leave, paid medical leave, etc. Based on review, the contracts are deemed fair.	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	Sindora POM has established a time recording system which is transparent for both employees and employers. The daily punch card was sighted for January 2020 (low crop) and June 2020 (peak crop). The time recording system contains worker's ID, work group (which shift), attendance report dates, date, day, time in, time out, total hours of work, overtime, total attendance, total hours overall, total overtime, total attendance, total absence, total workday. Workers interviewed confirmed that this is a transparent way of recording their working hours and overtime.	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	The working hours and breaks of each individual employee is recorded in their respective employment contracts which clearly stipulate that working hours is 8 hours from 8 AM to 4 PM inclusive of 30 minutes of break time. Any overtime work is paid in accordance with the provisions of the Employment Act 1955. Overtime hours is permitted up to 130 hours per month and valid until 31/12/20. Refer to permit ref: BHG.PU/9/134 Jld.22 (14) dated 9 th July 2019.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	Based on January (low crop) and June 2020 (peak crop) pay slips reviewed at Tereh POM, all workers receive wages and overtime	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	pay in accordance with the Minimum Wages Order, which is RM1,e00 and above per month. Based on sample workers (employee ID 651108, 950277, 9512030, 612359, 612329, 612270, 612342, 612295), no workers have exceed the limit of 130 hours in the peak crop month of June 2020.	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. - Minor compliance -	Workers of Tereh POM receive various social benefits and this include free housing with amenities such as football field, badminton/takraw fields, surau/mosque, free medical treatment for workers and their dependents as well as creche facilities. Water and electricity were subsidized for 30 gallon and 50kWh per person and stated in the employment contract. As for Tereh complex, water and electricity is provided for free to all workers.	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	Workers of Tereh POM are provided with on-site living quarters with basic amenities such as playground, badminton/takraw fields, sundry shop, community hall, places of worship. Each house has 3 rooms. Workers confirmed that any repair works that need to be done are being carried out promptly. Weekly line site inspection was carried out by EHA. Sighted inspection records for September and October 2020 and recorded in the checklist "Rekod Pemeriksaan Perumahan Pekerja".	Complied
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Sindora POM subscribe to the sexual harassment policy signed by Executive Director on 1/5/2018. Kulim (M) Berhad is committed to ensure by providing safe workplace with no abuse and no sexual harassment to direct and indirectly to all workers and stakeholders. The latest gender committee meeting was last carried out on 25 th October 2020 at Tereh POM.	Complied

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Criterion / Indicator		Assessment Findings	Compliance																				
4.4.5.13	<p>The management shall respect the right of all employees to form and join trade union and allow workers’ own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>The management respected the right of all employees to form and join trade union and allow workers’ own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. This was mentioned in the Core Labour Standard Policy dated 01 May 2018 and signed by the Executive director. The workers have their freedom to join the NUPW. This was evident from NUPW membership subscription deductions made in the pay slips. During the interview with workers, there no evidence to show that the management had restricted its workers and staff from joining a trade union. Latest union meeting was carried out on 5/7/20 at Tereh POM. No unresolved issues reported in the meeting.</p>	Complied																				
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>No workers less than 16 years old will be recruited and less than 18 years old for hazardous work. Verified the document Employee Master List confirmed that all the workers employed were above 18 years old.</p>	Complied																				
Criterion 4.4.6: Training and competency																							
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>The Mill has a comprehensive annual training plan for its staff and workers and this was sighted in the training records file for each staffs and workers. Apart from OSH Training in 4.4.4.2, listed below the training related to Sustainable and Environmental: -</p> <table border="1"> <thead> <tr> <th></th> <th></th> <th>Program</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Polisi Kilanan</td> <td>9/2020</td> <td>8/9/2020</td> </tr> <tr> <td>2</td> <td>Polisi Insan</td> <td>10/2020</td> <td>1/11/2020</td> </tr> <tr> <td>3</td> <td>Polisi Sustainability</td> <td>7/2020</td> <td>23/8/2020</td> </tr> <tr> <td>4</td> <td>Polisi Etika – Anti</td> <td>4/2020</td> <td>8/10/2020</td> </tr> </tbody> </table>			Program	Actual	1	Polisi Kilanan	9/2020	8/9/2020	2	Polisi Insan	10/2020	1/11/2020	3	Polisi Sustainability	7/2020	23/8/2020	4	Polisi Etika – Anti	4/2020	8/10/2020	Complied
		Program	Actual																				
1	Polisi Kilanan	9/2020	8/9/2020																				
2	Polisi Insan	10/2020	1/11/2020																				
3	Polisi Sustainability	7/2020	23/8/2020																				
4	Polisi Etika – Anti	4/2020	8/10/2020																				

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Criterion / Indicator		Assessment Findings			Compliance
			Rasuah		
		5	Polisi Alam Sekitar	3/2020	6/9/2020
		7	Zero Burning	8/2020	23/8/2020
		8	MSPO Policy	2/2020	13/9/2020
		9	Complaint / Grievance Procedure	6/2020	23/8/2020
		10	OSH Policy	9/2020	13/9/2020
		11	Awareness MSPO	3/2020	8/9/2020
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 Need Analysis being documented for all employees under Doc No: LTS/SMS/3.-F2, Issue No: 1, Rev:0 dated 1st August 2020.</p> <p>Seen, all the training need / matrix of all the personnel in the files. Training Need Analysis of all workers are based on their competencies and job description.</p>			Complied
4.4.6.3	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>All workers involved in the operations have been adequately trained in safe working practice. The Mill has a comprehensive Training Needs Analysis for staffs and workers and this was sighted in the training records file.</p> <p>Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training</p>			Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services					
Criterion 4.5.1: Environmental Management Plan					
4.5.1.1	An environmental policy and management plan shall be in line with	Kulim (Malaysia) Berhad do established the Environmental Management Policy issued on Group level signed by the			

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Criterion / Indicator	Assessment Findings	Compliance
<p>the relevant country and state environmental laws shall be established, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Executive Director, Tuan Zulkifly Zakariah dated in 1st May 2018. Kulim Malaysia Berhad is committed to the creation through team effort of a quality environment as key factor in the continuous success of business. Among others the organization shall;</p> <ul style="list-style-type: none"> j) Adhere to and comply with relevant environmental legislations of the country. k) Strive for continual improvement on our environmental performance. l) Undertake to communicate our Environmental Policy to all stakeholders and educate the employees to practice and uphold the business commitment on caring for the environment. m) Continue to explore and implement cost effective technology in environmental Policy and the achievement of environmental objectives and targets. n) Review, adopt and implement Good Management Practices currently established in the industry. o) Plan, assess and take judicious actions to alleviate any potential negative impacts on the environment and local community with respect to any new development. p) Adopt and implement the principles of Reduction, Reuse and recycle in all matters pertaining to the use of resources and to pollution elimination. q) Continue to enhance the knowledge and skill for employees by briefing, training and exposure to relevant new technology with respect to any new improvement or development of the industry. r) Monitor and report to the Board of Directors on the implementation of this Environmental Policy, and the 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>achievement of environmental objectives and targets.</p> <p>Communications to the internal and external stakeholders were through training and briefing at muster grounds. The session conducted as sample follows: -</p> <ul style="list-style-type: none"> • Sustainability Policy training was conducted by Assistant Manager to all workers and staffs comprising 28 participants dated 23/8/2020 at Tereh POM • MSPO Policy training was conducted by Assistant Manager to all workers and staffs comprising 29 participants dated 13/9/2020 at Tereh POM • Environmental Policy Training was conducted by Assistant Manager to all workers and staffs comprising 28 participants dated 6/9/2020 at Tereh POM 	
4.5.1.2	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p>- Major compliance -</p>	<p>Apart from Environmental Policy, Kulim (Malaysia) Berhad has established Sustainability Policy signed by the Managing Director, Tuan Mohd Faris bin Adli Shukery dated in 1st October 2020. The policy stated that Kulim is actively seeking continually improve environmental performance through:</p> <ul style="list-style-type: none"> • Pollution prevention by minimizing emissions to air, land and water. Optimal use of renewable resources, while minimizing the use of non-renewable resource. • Provision of adequate resources for effective implementation of Sustainable Management Programs • Ensuring integration of Sustainable programs with all other company policies 	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>The Mill has conducted Environmental Aspect and Impact Assessment for all its' activities in year 2020. The environmental Assessment findings are recorded in document titled Environmental Risk Assessment.</p> <p>Environmental Risk Assessment being reviewed on annual basis and last reviewed in September 2020. The Environmental Risk Assessment has covered 25 keys activities of the Mill such as: -</p> <ol style="list-style-type: none"> 1. Chemical mixing and storage 2. CPO Storage 3. FFB Receiving and Grading 4. Generation Power 5. Lab Operation 6. Machine and Vehicle maintenance 7. Office Work 8. Oil Clarification 9. Oil pressing 10. POME Treatment 11. EFB Press 12. Storage of Schedule Waste 13. Use of Vehicle 14. Water Treatment 15. Waste Handling 16. Diesel Engine 17. Storage of Hydrocarbon 18. Composing Plant 19. Compound 20. Biogas Plant 21. Composting Plant 22. Bio compost 23. Pond Desludging 	

Criterion / Indicator		Assessment Findings	Compliance
		<p>24. New Pond Construction 25. Covid 19</p> <p>The company has developed quantitative and qualitative risk assessment method in order to mitigate the negatives and promote the positives impact. The methodology involves 3 main categories: -</p> <p>3. Aspect / Impact identification</p> <ul style="list-style-type: none"> - has identified columns for sub-activity Condition of assessment, aspect, impact, <p>4. Risk Assessment</p> <ul style="list-style-type: none"> - Other than column for Existing control measures and legal compliance, the Risk Control rating will be defined from herein. The methods as follows: - <p>Rating Severity for (L) from 1 to 25 consist of 4 severity impacts as follows: -</p> <ul style="list-style-type: none"> e. Environmental Concern f. Cost of Remedy g. Concern by Interested Parties h. Public Image <p>and rating for Probability (S) from 1 to 5.</p> <p>Subsequently, the Management need to determine the Significant Aspect, which the scoring base on severity. If Yes,</p>	

Criterion / Indicator		Assessment Findings	Compliance										
		<p>the scoring is above 3 at (L) or L x S above 8.</p> <p>A final risk score is determined by formula of L (select the highest risk number among the 4 components of severity) x S = Risk Rating.</p> <p>Risk Control will be determining the Risk Conclusion which categorized into trivial, acceptable, significant and Intolerable. The environmental ratings are classified as low (1-3), medium (4-6), (8-16) and high (20-25).</p> <p>3. Risk Control</p> <ul style="list-style-type: none"> - will define the Person in-charge, Action plan and Timeline 											
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p>- Major compliance -</p>	<p>Sighted, Environmental Risk Assessment for the year 2020 at Mill has been developed and the mitigation on the negative impacts and to promote the positive one being recorded under Waste & Pollution Management Plan. Sample taken at Tereh POM as follows on the ERA: -</p> <table border="1"> <thead> <tr> <th>Process/ Area</th> <th>Sub Activity</th> <th>Aspect</th> <th>Impact</th> <th>Existing Control Measures</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Process/ Area	Sub Activity	Aspect	Impact	Existing Control Measures						Complied
Process/ Area	Sub Activity	Aspect	Impact	Existing Control Measures									

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Criterion / Indicator		Assessment Findings					Compliance
		Chemical Store	Chemical Storage	Spillage of chemical into drain	Water Pollution	Drain channel to PCD Construct Bund	
		Receive & Grading FFB	Receive & Grading FFB at Mill Ramp	Disposal of trash from loose fruits	Land Pollution	Dispose to landfill according to SOP for disposal of debris.	
		Boiler	Power Station - Boiler	Emission of dust / ashes particles released to the air	Air pollution	Existing of conveyor cover but not properly installed.	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Programme to promote positive impacts on environment was verified through Waste & Pollution Management Plan and 2020 Capital Expenditure. Sample taken as below in all Estates: - a. Waste management Plan					Complied
		Waste Type	Source	Action Plan	Frequency		

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Criterion / Indicator		Assessment Findings				Compliance
		Domestic	Line site	<ul style="list-style-type: none"> Burning of waste must be prohibited within estate premises. Broken garbage must be repaired 	Twice or thrice depending on situation Weekly inspection by HA	
		Liquid Waste – septic tank overflow	Line site	Where possible, to be recycled		
		Spent Oil	Workshop	Collect and placed in Scheduled Waste Store.	Disposed to license DOE Contractors within 180 days from date of waste generated.	
b. Emission Management Plan						
			Emission	Action Plan		PIC

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Criterion / Indicator		Assessment Findings			Compliance	
		1	Dark smoke	Follow manual procedure to ensure compliance meets permissible limits	Execs/ Boilerman	
				Vehicle inspection	Exec/ supervisors	
		2	Noise	Noise mapping data	Exec/ supervisors	
		3	Dust particles	Routine maintenance	Exec/ supervisors	
				Storage far from	Exec/ supervisors	
		4	Air Pollutant	Routine maintenance	Exec/ supervisors	
				Inspection & Maintenance of vehicle.	Exec/ supervisors	
		5	POME	Supervise Management of effluent application.	Exec/ supervisors	
		6	Waste Water	Regular PCD inspection. Follow SW guidelines.	Exec/ supervisor	
				Conduct weekly linesite inspection. Appropriate action in event of spillages.	Exec/ Staffs/ EHA	

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Criterion / Indicator		Assessment Findings	Compliance								
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	An Environmental training program is available in Training Plan updated on a yearly basis. Sample taken as below: - <ul style="list-style-type: none"> Sustainability Policy training was conducted by Assistant Manager to all workers and staffs comprising 28 participants dated 23/8/2020 at Tereh POM MSPO Policy training was conducted by Assistant Manager to all workers and staffs comprising 29 participants dated 13/9/2020 at Tereh POM Environmental Training was conducted by Assistant Manager to all workers and staffs comprising 298 participants dated 6/9/2020 at Tereh POM 	Complied								
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	Environmental Performance Monitoring Committee (EPMC) being established in all Estates & Mill to discuss on environmental aspect and The Environmental Performance Monitoring Committee (EPMC) is setup to comply with the DOE requirement on Guidance Self-Regulation (GSR). The meeting last held in September 2020.	Complied								
Criterion 4.5.2: Efficiency of energy use and use of renewable energy											
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	Monthly record on energy consumption for non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Following is the last 3 years data for diesel usage record at all sampled Estates: - <table border="1" data-bbox="1102 1305 1771 1398"> <tr> <td></td> <td colspan="3">Tereh POM</td> </tr> <tr> <td></td> <td>FFB</td> <td>Diesel</td> <td>Lt/FFB</td> </tr> </table>		Tereh POM				FFB	Diesel	Lt/FFB	Complied
	Tereh POM										
	FFB	Diesel	Lt/FFB								

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Criterion / Indicator		Assessment Findings				Compliance
		2017	333,648	213,873	0.64	
		2018	329,966	230,976	0.70	
		2019	351,753	246,227	0.70	
		2020	271,427	165,570	0.61	
		Baseline value		0.68		
		High fuel consumption due to less FFB Processed.				
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The projection consumption of diesel for the Mill has been documented on annual basis based on the financial year with the latest available is for FY2020. The details as listed below: -				Complied
		Budget 2020				
			FFB	Diesel	Lt/FFB	
		Tereh POM	338,455	216,611	0.64	
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Monthly record on energy consumption for renewable energy sources were kept and documented. The details as listed herein: -				Complied
		Tereh POM	FFB Processed (Mt)	Fiber Produced (Mt)	% Fiber to FFB	
		2018	329,965	46,567	14.11	

Criterion / Indicator		Assessment Findings				Compliance
		2019	351,753	48,965	13.92	
		2020	271,747	37,689	13.87	
		Tereh POM	FFB Processed (Mt)	Shell Produced (Mt)	% Shell to FFB	
		2018	329,965	23,845	7.23	
		2019	351,753	23,822	6.77	
		2020	271,747	18,392	6.77	
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 -	All waste and pollution are identified and documented in the Waste & Pollution Management Plan 2020 made on the Regional level. Details of waste generated from the mill activities among others as shown below;				Complied
			Type of waste	Description	Location	
		1	Domestic waste	Rubbish	Linesites, office, workshop,	
		2	Industrial	Fertilizer bags	Empty bags store	

Criterion / Indicator		Assessment Findings				Compliance								
			waste	Scrap metal	workshop									
				POME	ETP									
		3	Sewage waste	Sewage	housing toilets & office									
		4	Scheduled Waste	SW 404 Clinical waste	clinic									
				SW rags, plastics, filters (SW 410)	workshop									
				Spent lubricant & hydraulic oil (SW 305)	workshop									
				Disposed containers, bags, equipment Contaminated with chemicals, pesticides,	SW store,									
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>Details of the management plan as described below. This is a continuation of the 4.5.3.1 above.</p> <table border="1"> <thead> <tr> <th>Source</th> <th>Waste Produce</th> <th>Action Plan</th> <th>Responsibility</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>				Source	Waste Produce	Action Plan	Responsibility					Complied
Source	Waste Produce	Action Plan	Responsibility											

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Criterion / Indicator		Assessment Findings					Compliance
		1	Domes tic Waste	Rubbish	Collection/dispos al min 2-3 times/ week internally	Manager/ Assistant/ staff/ Hospital Asst	
		2	PPE	Worn PPE used by workers	Collect and store in Scheduled Waste Store. Disposed to licensed contractor with DOE.	Manager /Assistan t/staff/	
		3	Scrap Iron	Used welding rods	Collect and place in secure area. Sufficient quantity, HQ to decide and tender for disposal.	Manager/ Assistant/ staff/	
				Broken metal equipm ents	Collect and place in secure area To seek HQ approval for written off.	Manager/ Assistant/ staff/	

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Criterion / Indicator		Assessment Findings	Compliance																												
		<p>Sighted, Tereh POM disposed their Schedule Waste to the licensed contractor within the Regulation timeframe. Furthermore, the appointed contractor namely Kualiti Alam Sdn Bhd will schedule and collect on the same week within the Estate in Tereh Complex. The details as follows: -</p> <table border="1"> <thead> <tr> <th>SW</th> <th></th> <th>Date Generated</th> <th>Date Disposed</th> </tr> </thead> <tbody> <tr> <td>110</td> <td>Electrical waste</td> <td>28/10/2019</td> <td>6/2/2020</td> </tr> <tr> <td>410</td> <td>Contaminated Rag</td> <td>9/3/2020</td> <td>11/8/2020</td> </tr> <tr> <td>409</td> <td>Empty pesticide containers</td> <td>9/3/2020</td> <td>11/8/2020</td> </tr> <tr> <td>305</td> <td>Waste Engine Oil</td> <td>9/3/2020</td> <td>11/8/2020</td> </tr> <tr> <td>408</td> <td>Contaminated soil</td> <td>10/10/2020</td> <td>6/2/2020</td> </tr> <tr> <td>404</td> <td>Clinical Waste</td> <td>18/3/2020</td> <td>18/3/2020</td> </tr> </tbody> </table>	SW		Date Generated	Date Disposed	110	Electrical waste	28/10/2019	6/2/2020	410	Contaminated Rag	9/3/2020	11/8/2020	409	Empty pesticide containers	9/3/2020	11/8/2020	305	Waste Engine Oil	9/3/2020	11/8/2020	408	Contaminated soil	10/10/2020	6/2/2020	404	Clinical Waste	18/3/2020	18/3/2020	
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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)</p>	<p>The SOP on Scheduled Waste disposal is established and implemented. The standard operation procedure for the estate's operations are available which is prepared on Group basis. There are levels of the documentation identified as follows;</p> <p>a) Level 1 Integrated Management Manual</p>	Complied																												

Criterion / Indicator		Assessment Findings	Compliance																				
	Regulations, 2005 - Major compliance -	b) Level 2 standard operating procedure/SPO OHS c) Level 3 work instruction d) Level 4 records. Amendments are made should there be requirement to suit the local issues/situation																					
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 disposal for the Tereh Mill has been made simpler through the collection and disposal to the estate landfill situated in field no P04/Block 3. The Tereh Selatan manages the collection and disposal.	Complied																				
Criterion 4.5.4: Reduction of pollution and emission																							
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	<p>The assessment of all polluting activities is defined in the Mill – Pollution & Emission Plan endorsed on 01/8/2020. The plan in all estates as tabulated below: -</p> <table border="1"> <thead> <tr> <th>Emission</th> <th>Source</th> <th>Frequency</th> <th>Responsibility</th> </tr> </thead> <tbody> <tr> <td>Dark Smoke</td> <td>All running Vehicles</td> <td>Daily</td> <td>Manager/ Assistant/ Staff</td> </tr> <tr> <td>Noise</td> <td>Operation of Diesel Engine</td> <td>As and when required</td> <td>Manager/ Assistant/ CC</td> </tr> <tr> <td>Dust /ashes particles</td> <td>Shredded EFB Process</td> <td>As and when required</td> <td>Manager/ Assistant/ Foreman</td> </tr> <tr> <td>Air Pollutant</td> <td>Combustion for boiler</td> <td>As and when required</td> <td>Manager/ Assistant/ Staff</td> </tr> </tbody> </table>	Emission	Source	Frequency	Responsibility	Dark Smoke	All running Vehicles	Daily	Manager/ Assistant/ Staff	Noise	Operation of Diesel Engine	As and when required	Manager/ Assistant/ CC	Dust /ashes particles	Shredded EFB Process	As and when required	Manager/ Assistant/ Foreman	Air Pollutant	Combustion for boiler	As and when required	Manager/ Assistant/ Staff	Complied
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Criterion / Indicator		Assessment Findings					Compliance																									
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Details of action plan for identified pollutants as shown below and is a continuation from the 4.5.4.1 above.</p> <table border="1"> <thead> <tr> <th>Emission</th> <th>Source</th> <th>Action Plan</th> <th>Frequency</th> <th>Responsibility</th> </tr> </thead> <tbody> <tr> <td>Dark Smoke</td> <td>All running Vehicles</td> <td>Inspect the vehicle condition</td> <td>Daily</td> <td>Manager/ Assistant/ Staff</td> </tr> <tr> <td>Noise</td> <td>Operation of Diesel Engine</td> <td>Boundary parameter noise mapping data keeping</td> <td>As and when required</td> <td>Manager/ Assistant/ CC</td> </tr> <tr> <td>Dust /ashes particles</td> <td>Shredded EFB Process</td> <td>Routine maintenance</td> <td>As and when required</td> <td>Manager/ Assistant/ Foreman</td> </tr> <tr> <td>Air Pollutant</td> <td>Combustion for boiler</td> <td>Conducting stack monitoring</td> <td>As and when required</td> <td>Manager/ Assistant/ Staff</td> </tr> </tbody> </table>					Emission	Source	Action Plan	Frequency	Responsibility	Dark Smoke	All running Vehicles	Inspect the vehicle condition	Daily	Manager/ Assistant/ Staff	Noise	Operation of Diesel Engine	Boundary parameter noise mapping data keeping	As and when required	Manager/ Assistant/ CC	Dust /ashes particles	Shredded EFB Process	Routine maintenance	As and when required	Manager/ Assistant/ Foreman	Air Pollutant	Combustion for boiler	Conducting stack monitoring	As and when required	Manager/ Assistant/ Staff	Complied
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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>The Effluent Treatment Plant was made in accordance to Jadual Pematuhan, AS(B)J31/152/000/045 Jld 7(09). The license valid from 1st July 2020 until 30th June 2021.</p> <p>The POME is treated with open anaerobic pond and based on the license, merely final discharge method is through land application and composting.</p>					Complied																									

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Criterion / Indicator		Assessment Findings	Compliance																														
		<p>The DOE license stated that the BOD level discharged from Anaerobic Pond C shall be below 2,500 ppm revised from 5,000 in 2019.</p> <p>The mill has conducted an analysis of Final Discharge Effluent which monitored on monthly basis by accredited 3rd party UTCL Laboratory. Refer to the latest analysis dated 15/09/2020, Report No E1/09/2020/09/5 the analysis of the effluent parameters 2020 as shown below;</p> <table border="1"> <thead> <tr> <th>Parameter</th> <th>Unit</th> <th></th> </tr> </thead> <tbody> <tr> <td>BOD @ 30°C</td> <td>mg/L</td> <td>690</td> </tr> <tr> <td>COD</td> <td>mg/L</td> <td>3451</td> </tr> <tr> <td>Ammoniacal Nitrogen</td> <td>mg/L</td> <td>327</td> </tr> <tr> <td>Total Nitrogen</td> <td>mg/L</td> <td>390</td> </tr> <tr> <td>Suspended Solids</td> <td>mg/L</td> <td>1416</td> </tr> <tr> <td>Total Solids</td> <td>mg/L</td> <td>11,496</td> </tr> <tr> <td>ph Value at 25°C</td> <td></td> <td>8.1</td> </tr> <tr> <td>Volatile Fatty Acid</td> <td>mg/L</td> <td>7</td> </tr> <tr> <td>Alkalinity</td> <td>mgCaCO3/L</td> <td>2,000</td> </tr> </tbody> </table> <p>The results from final discharge were compliance within parameter limit</p>	Parameter	Unit		BOD @ 30°C	mg/L	690	COD	mg/L	3451	Ammoniacal Nitrogen	mg/L	327	Total Nitrogen	mg/L	390	Suspended Solids	mg/L	1416	Total Solids	mg/L	11,496	ph Value at 25°C		8.1	Volatile Fatty Acid	mg/L	7	Alkalinity	mgCaCO3/L	2,000	
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Criterion 4.5.5: Natural water resources																																	
4.5.5.1	The management shall establish water management plans to maintain the quality and availability of natural water resources	The Water Management Plan has been established in the Mill with the recent review made on 01/8/2020. Sample of the plan as listed herein:-	Complied																														

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Criterion / Indicator		Assessment Findings				Compliance
<p>(surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>		Source	Activity	Threat	Action Plan	
	1	Reservoir/pond/SAJ/Rain	Cleaning process - wash vehicles, housekeeping	Draught	To schedule water supply from overuse. Outsource from neighboring Estate.	
			General Upkeep	Pollution Draught Wastage	Follow WI & SOP to avoid water pollution. Follow SW SOP to avoid pollution caused from SW.	
			Line site - Household activity	Pollution Draught Wastage	Every house is supplied with containers. To schedule water supply to	

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Criterion / Indicator	Assessment Findings	Compliance																																								
	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr> <td style="width: 5%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 55%;"> avoid wastage. Awareness on water usage efficiency. Outsource from Neighboring Estate </td> </tr> </table> <p>Drinking water samples of Tereh Selatan Estate being own water treatment are taken twice a year. Sampled the following analysis at Mahamurni Plantations Sdn Bhd, UTCL Laboratory Sdn Bhd dated 17/9/2020, Report No WI/2020/09/5. All results conform to the specification.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 20%;">P/meter</th> <th style="width: 15%;">unit</th> <th style="width: 20%;">Results</th> <th style="width: 40%;">Regulation drinking water</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>PH</td> <td>-</td> <td>8.5</td> <td>6.5-9.0</td> </tr> <tr> <td>2</td> <td>Turbidity</td> <td>NTU</td> <td>37.49</td> <td>5</td> </tr> <tr> <td>3</td> <td>Al</td> <td>Mg/L</td> <td>1.70</td> <td>0.2</td> </tr> <tr> <td>4</td> <td>Choride</td> <td>Mg CL/L</td> <td>66</td> <td>250</td> </tr> <tr> <td>5</td> <td>Coliform</td> <td>MPN</td> <td>ND</td> <td>NIL</td> </tr> <tr> <td>6</td> <td>E coli</td> <td>MPN</td> <td>ND</td> <td>NIL</td> </tr> </tbody> </table>					avoid wastage. Awareness on water usage efficiency. Outsource from Neighboring Estate		P/meter	unit	Results	Regulation drinking water	1	PH	-	8.5	6.5-9.0	2	Turbidity	NTU	37.49	5	3	Al	Mg/L	1.70	0.2	4	Choride	Mg CL/L	66	250	5	Coliform	MPN	ND	NIL	6	E coli	MPN	ND	NIL	
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Criterion / Indicator		Assessment Findings	Compliance
4.5.5.2	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. - Major compliance -	Details of effluent treatment and report as per item 4.5.4.3 above. Based on the effluent final discharge analysis, all the parameters have been complied with. Analysis was conducted monthly and submitted to the authority on quarterly basis. The following parameters (BOD, TSS, Ammonical Nitrogen, Total Nitrogen, Oil & Grease, pH, COD, Total Suspended Solids) are checked by UTCL Laboratory	Complied
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 -	The Mill operations are guided with the following documents <ul style="list-style-type: none"> ❖ Quality Manual (SM/QM) dated 1/9/14 ❖ Standards Operating Procedure (SM/SOP) dated 10/12/12 covering the following stations/operations among others; <ul style="list-style-type: none"> - loading ramp /sterilization station - threshing / press station - clarification station - kernel station/ depericarper station - effluent and water treatment plant, - boiler house / power house ❖ Work Instructions derived from SOPs and displayed the work stations/notice boards. Among others as sighted; <ul style="list-style-type: none"> - WI: Boiler Station / WI: Power House, - WI: Laboratory Manual /Waste Management, - WI: Handling chemicals - WI: Usage of hearing protection device, 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - WI: Emergency Response Procedure, - WI: Maintenance and servicing of oil trap, WI: Confined Space Management, - WI: Workshop/Working at Height/Oxy-Acetylene 	
4.6.1.2	<p>All palm oil mills shall implement best practices.</p> <p>- Major compliance -</p>	<p>The following mechanism is available and adopted as standard practices and procedures in the mill operations among others.</p> <ul style="list-style-type: none"> a) Mill inspectorate Visit program 2x /year b) Internal audit by Sustainability Unit 2x /year c) Task Force visits d) Monthly and weekly ad hoc meeting e) Daily /monthly production & financial report f) Daily and monthly lab analysis report g) Daily supervision by the mill supervisors/Executives 	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	<p>A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.</p> <p>- Major compliance -</p>	<p>The annual business plan is available as per the Group Financial Procedure. & Guidelines. Both estates and the mill had a similar format i.e. in the form of annual budget with a 3-year projection. This business plan is prepared as guidance for future planning</p>	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>The documentation of price mechanism for services received from contractors are contained in the respective contracts. Sighted during the audit were:</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		g) Crude Palm Oil Transport Agreement dated 15 th June 2020 between Mahamurni Plantations Sdn Bhd and Yewtan Enterprise Sdn Bhd valid from 1 st June 2020 until 31 st May 2023) for transportation services. The pricing mechanism and the rates for transportation of crude palm oil are detailed out in the contract under schedule 1.	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Contracts entered into between Tereh Palm Oil Mill under Mahamurni Plantations Sdn Bhd and third parties are fair as it contains provisions relating to Mill's and contractors' obligations, payment calculation, mutual termination clause, and mutually agreed between Kulim (M) Berhad and contractors. Payment record for Yewtan Enterprise Sdn Bhd was sighted and in accordance with payment term in the contract under para 5.3 <i>"payment fees shall be made within thirty (30) days from the date of certification of the submitted invoice"</i> Date of invoice, 30 th September 2020; ref.no.: YT 2009-00008, payment voucher no. PV20000741 dated 20/10/20.	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Sighted during the audit was the inclusion of MSPO requirements into contracts. This insertion of this Policy is to ensure contractors are aware and comply with local, national laws such as payment of minimum wage, ratified international laws, and also with MSPO standards. This was also acknowledged by the contractors, and reiterated during the stakeholder meeting.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Agreed contracts with the contractors sampled: h) Crude Palm Oil Transport Agreement dated 15 th June 2020 between Mahamurni Plantations Sdn Bhd and Yewtan Enterprise Sdn Bhd valid from 1 st June 2020 until 31 st May 2023) for transportation services. The pricing mechanism and the rates for transportation of crude palm oil are detailed out in the contract under schedule 1.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	The auditors have been able to have access to the contractors' workers, documentations such as contracts and workers' pay slips for verification during this audit.	Complied

Appendix B: List of Stakeholders Contacted

<p>Government Officer: Nil</p>	<p>Community/neighbouring village: Selai Cattle SK Ladang Tereh</p>
<p>Suppliers/Contractors/Vendor G-planters SA Engineering</p>	<p>Worker’s Representative/Gender Committee: Estate and mill social representative Estate and mill workers/stakeholder representative EHA Mill workers Estate/field workers Gender representative</p>

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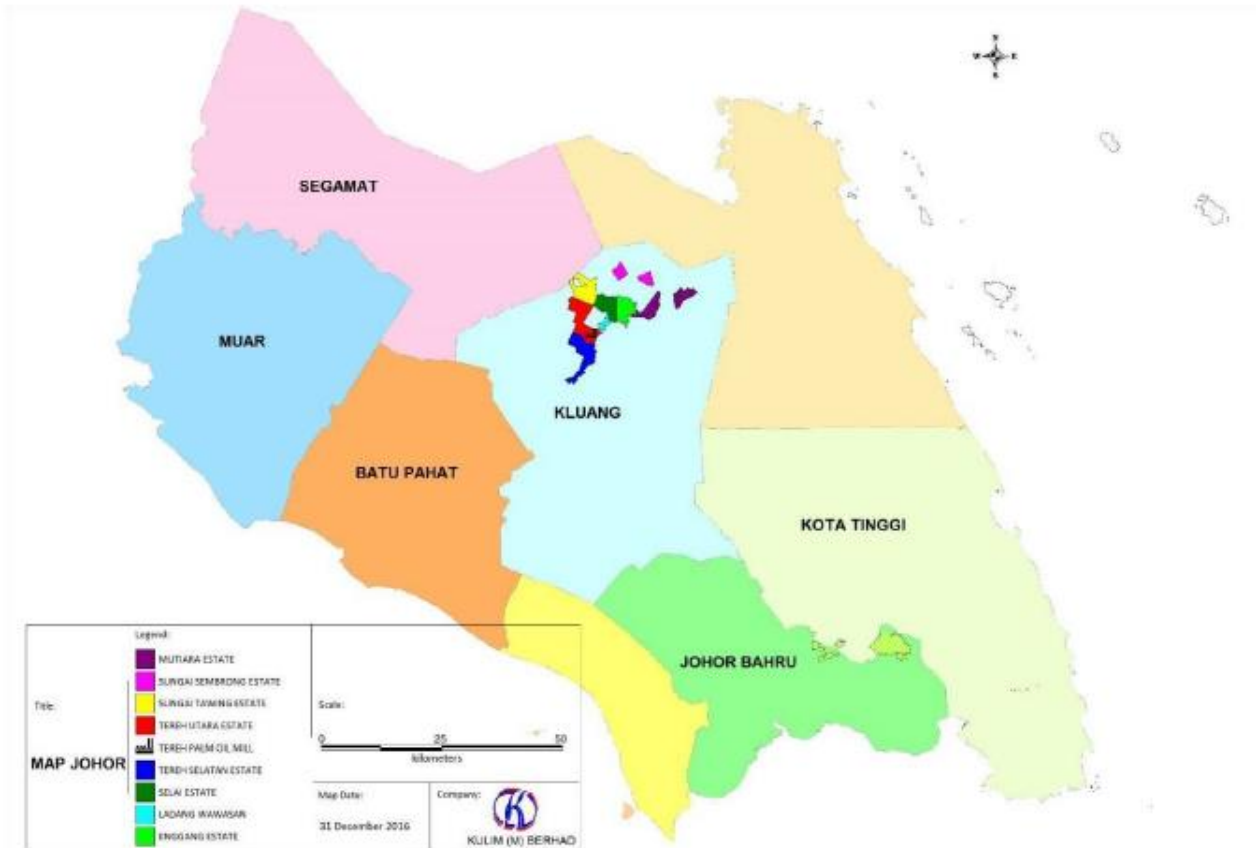
Appendix C: Smallholder Member Details

(Not applicable)

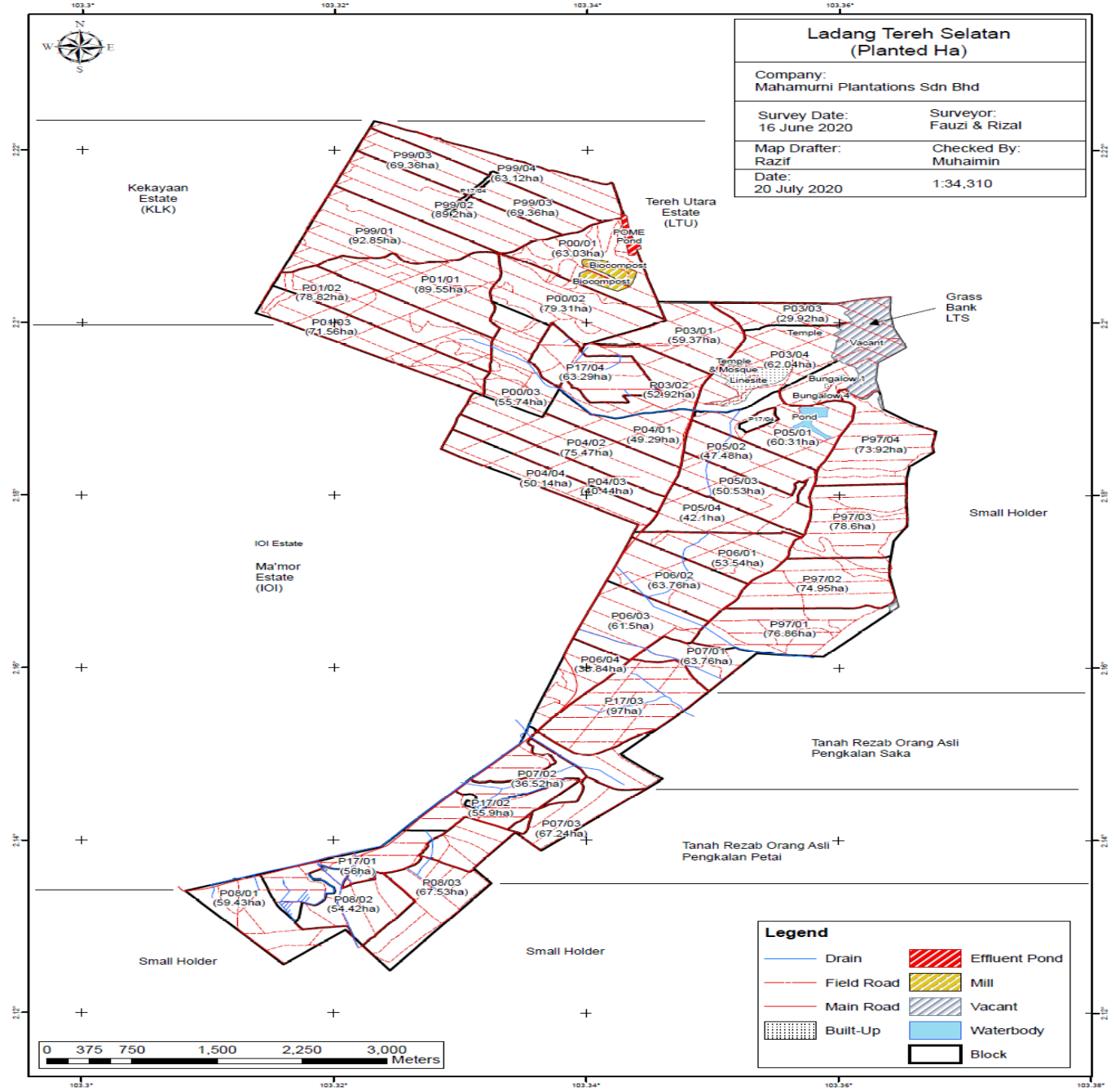
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	N/A					

Appendix D: Location and Field Map

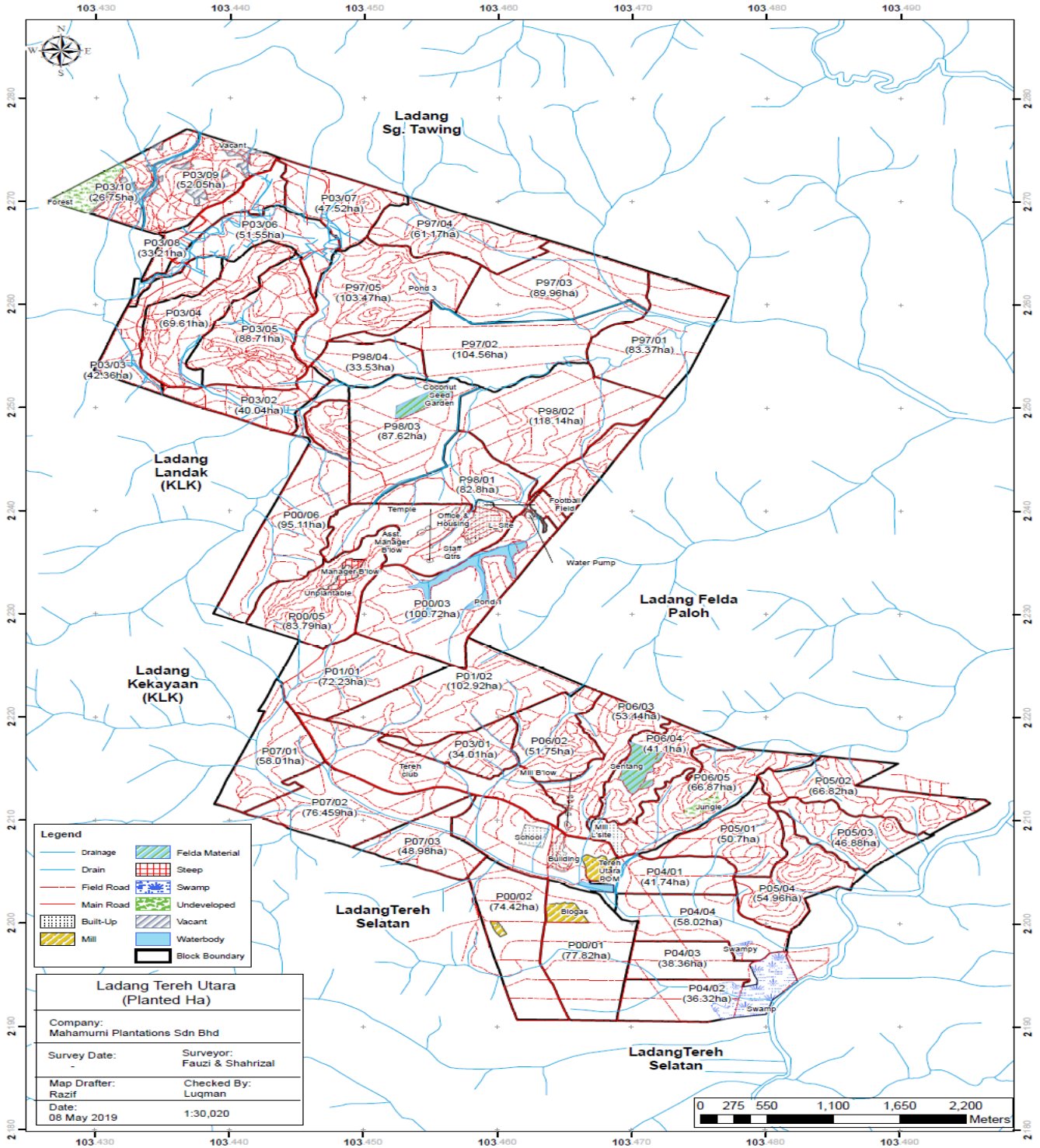
Tereh POM and Tereh Group Estate location



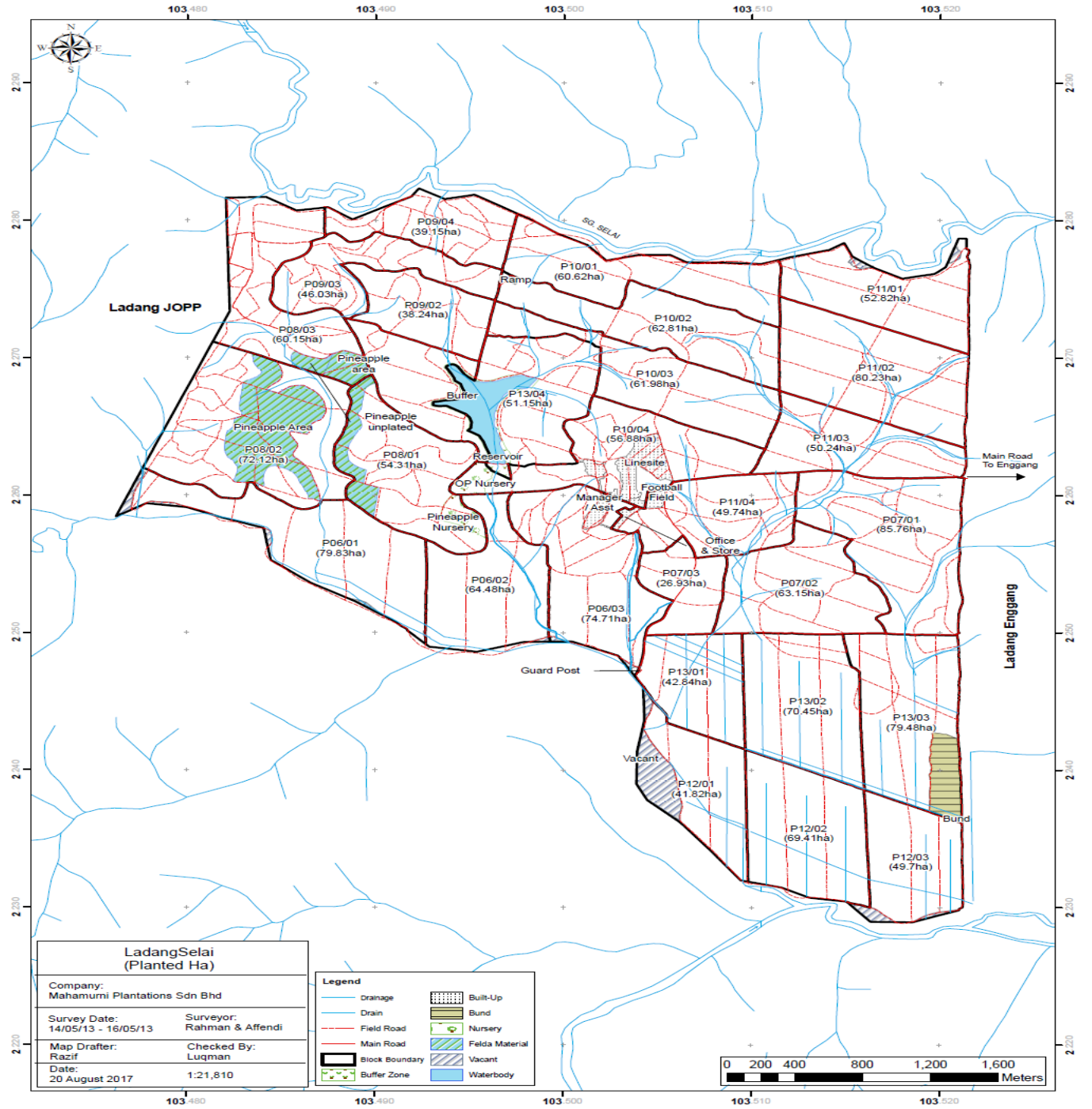
Tereh Selatan Estate



Tereh Utara Estate



Selai Estate



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