

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

<b>Kulim (Malaysia) Berhad</b>
Client company Address: HQ: K.B. 705 Ulu Tiram, 81900 Johor Bahru, Johor, Malaysia
Certification Unit: Sindora Palm Oil Mill & Plantations of Sindora Complex (Sindora Estate, Sungai Papan Estate and REM Estate)
Location of Certification Unit: KM 23 Kluang, Jalan Kota Tinggi - Kluang, 86000 Kluang, Johor, Malaysia

**Report prepared by:**  
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**Report Number: 3091781**

**Assessment Conducted by:**  
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## Section 1: Executive Summary

<b>1.1 Organizational Information and Contact Person</b>			
Company Name	Kulim (Malaysia) Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	Sindora POM - MPOB License: 500263204000	30/6/2021	
	Sindora Estate - MPOB License: 501863602000	30/11/2020	
	REM Estate - MPOB license: 501259002000	31/3/2021	
	Sg Papan Estate - MPOB license: 570243002000	29/2/2021	
Address	HQ: K.B. 705 Ulu Tiram, 81900 Johor Bahru, Johor, Malaysia Site: K.B. 501, 86009 Kluang, Johor, Malaysia		
Certification Unit	Sindora POM certification Sindora 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

<b>1.2 Certification Information</b>			
Certificate Number	Mill (Part 4): MSPO 697951 Estates (Part 3): MSPO 697952		
Issue Date	10/03/2019	Expiry date	09/03/2024
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013 MS 2530-4:2013		
Stage 1 Date	N/A. This is RSPO certified company.		
Stage 2 / Initial Assessment Visit Date (IAV)	03-05/10/2018		
Continuous Assessment Visit Date (CAV) 1	08-10/10/2019		
Continuous Assessment Visit Date (CAV) 2	19-21/10/2020		
Continuous Assessment Visit Date (CAV) 3	TBA		
Continuous Assessment Visit Date (CAV) 4	TBA		
<b>Other Certifications</b>			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
A116159	MS 1500:2009	JAKIM	30/06/2021

QMS 00722	ISO 9001:2015	SIRIM QAS International Sdn. Bhd.	21/11/2021
EU-ISCC-Cert-DE119-60202024	ISCC EU	ASG CERT	12/03/2021
EMS 0041	ISO 14001:2015	SIRIM QAS International Sdn. Bhd.	04/10/2022
BVC-MSP0/SC-0028	MSP0 Supply Chain Certification Standard Bureau	Bureau Veritas Certification (M) Sdn Bhd	11/03/2021
RSPO612392	RSPO P&C MYNI 2019	BSI Services (M) Sdn Bhd	22/01/2024

### 1.3 Location of Certification Unit

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Longitude	Latitude
Sindora Palm Oil Mill	KM 23 Kluang, Jalan Kota Tinggi - Kluang, 86000 Kluang, Johor, Malaysia	103.46225	1.98502
Sindora Estate	539, 86009 Kluang, Johor, Malaysia	103.46879	1.96343
Sungai Papan Estate	15, Bandar Penawar, 81909 Kota Tinggi, Johor, Malaysia	104.10454	1.51657
REM Estate	501, 81909 Kota Tinggi, Johor, Malaysia	103.88217	1.70171

### 1.4 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Sindora Estate	3,655.04	20.21	243.81	3,919.06	93.26
Sungai Papan Estate	2,834.42	11.49	149.94	2,995.85	94.61
REM Estate	1,865.95	21.75	313.85	2,201.55	84.76
<b>Total</b>	<b>8,355.41</b>	<b>53.45</b>	<b>707.6</b>	<b>9,116.46</b>	<b>91.65</b>

### 1.5 Plantings & Cycle

Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Sindora Estate	1,329.84	1,611	714.20	0	0	2,325.20	1,329.84
Sg Papan Estate	221.12	1,241.55	1,371.75	0	0	2,613.30	221.12

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REM Estate	724.65	593.63	66.11	28.38	452.34	1,140.46	724.65
<b>Total (ha)</b>	<b>2,275.61</b>	<b>3,446.18</b>	<b>2,152.06</b>	<b>28.38</b>	<b>452.34</b>	<b>6,078.96</b>	<b>2,275.61</b>

### 1.6 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Oct 19 - Sep 19)	Actual (Oct 19 - Sep 19)	Forecast (Oct 20 - Sep 21)
Sindora Estate	41,005	55,995.28	61,406
Sg Papan Estate	66,894	83,638.87	105,500
REM Estate	26,566	26,744.70	26,253
<b>Total</b>	<b>134,465</b>	<b>166,378.85</b>	<b>193,159</b>

### 1.7 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Oct 19 - Sep 19)	Actual (Oct 19 - Sep 19)	Forecast (Oct 20 - Sep 21)
Nilai Megah	7,659	8,530.88	N/A
Per. Sri Misan	14,875	19,068.55	N/A
Per. Md Sangidi	4,576	9,899.74	N/A
Eng Lee Heng Trading	53,798	82,940.38	N/A
Choon Guan	0	1,319.47	N/A
Kebun Sedenak	0	314.94	N/A
Asam Bubok	0	448.70	N/A
Ree Fong	0	1,164	N/A
Kind Action	0	99.44	N/A
Hup Guan	0	121	N/A
<b>Total</b>	<b>80,908</b>	<b>123,907.1</b>	<b>N/A</b>

### 1.8 Certified Tonnage

Mill Capacity: 60 MT/hr	Estimated (Oct 19 - Sep 19)	Actual (Oct 19 - Sep 19)	Forecast (Oct 20 - Sep 21)
	FFB	FFB	FFB
	134,465	166,378.85	193,159
SCC Model: SG	CPO (OER: 20.55 %)	CPO (OER: 20.81 %)	CPO (OER: 22.22%)
	27,632.84	34,623.44	42,919.93

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	<b>PK (KER: 5.43 %)</b>	<b>PK (KER: 4.99 %)</b>	<b>PK (KER: 4.86%)</b>
	7,297.66	8,302.30	9,387.53

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

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

## 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 19-21/10/2020. 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

<b>Assessment Program</b>					
<b>Name (Mill / Plantation / Group smallholders)</b>	<b>Year 1 (Certification)</b>	<b>Year 2 (ASA 1)</b>	<b>Year 3 (ASA 2)</b>	<b>Year 4 (ASA 3)</b>	<b>Year 5 (ASA 4)</b>
Sindora POM	√	√	√	√	√
Sindora Estate	√	-	√	-	√
Sg Papan Estate	√	√	√	√	√
REM Estate	-	√	-	√	-

**Tentative Date of Next Visit: October 11, 2021 - October 14, 2021**

**Total No. of Mandays: 6 man days**

**2.1 BSI Assessment Team**

<b>Team Member Name</b>	<b>Role <i>(Team Leader or Team member)</i></b>	<b>Qualifications <i>(Short description of the team members)</i></b>
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, MSPO and RSPO in his previous work with another certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in various plantation companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.
Mohamad Zulkefli bin Md Isa	Team member	He holds MBA – Occupational Safety & Health Management UTM and Bachelor of Science from UPM. He has more than 17 years of working experience from various sectors like semi-conductor, rubber & plastic, electronics, engineering, transportation & plantation. Attend MSPO Lead Assessor (SIRIM STS)- Endorsed by MPOCC August 2017. He has attended more than 40 hours QMS related training e.g. ISO 9001 std requirements, internal audit. He had also attended several trainings related to EMS & OHSAS. He is qualified lead auditor for sustainability certification such as RSPO, ISCC, SCCS etc during his job in Sime Darby Plantation Sdn Bhd. 7 years experienced in Performs ISO 9001 internal audit, RSPO consultative



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		assessment and ISCC internal assessment. Competence Lead Auditor for scheme ISO9001 and ISO14001 since 2017.
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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	Zulkifli
Sunday 18/10/2020	PM	Audit team travelling to Johor Bahru. Check in at Mutiara Hotel, Johor Bahru	√	√
Monday 19/10/2020  <b>Sindora Estate</b>	0730 am	Audit team travelling to Sindora POM/Estate	√	√
	08.30 - 09.00	<ul style="list-style-type: none"> <li>Opening Presentation by Audit team leader.</li> <li>Confirmation of assessment scope and finalize Audit Plan</li> </ul>		
	09.30 - 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.	√	√

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Date	Time	Subjects	Hidhir	Zulkifli
Tuesday 20/10/2020  <b>Sindora POM</b>	0730 AM	Traveling to Sindora Estate	√	√
	09.00 - 12.30	Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	√	√
	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.	√	√
Wednesday 21/10/2020  <b>Sg Papan Estate</b>	0730	Travelling to Sg Papan Estate	√	√
	09.00 - 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.		
	10.00 - 12.30	Stakeholder 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)	√	√
	16.00 - 16.30	Audit team discussion	√	√
	16.30 - 17.00	Closing meeting for MSPO	√	√
Thursday 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 & 1 Minor nonconformities and 3 Opportunity for improvement raised. The Sindora POM and Sindora Group Estate’s Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Major/Minor Nonconformities:		
<b>Ref: 1972926-202010-N1</b>	<b>Area/Process: Sindora Group Estates</b>	<b>Clause: 4.5.5.1 (part 3)</b>
	<b>Issue Date: 21/10/2020</b>	<b>Due Date: In the next surveillance audit</b>
Requirements:	The water management plan is not include the impact of activity near to the artificial drain which connected to the natural waterways or river.	
Statement of Nonconformity:	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water).	
Objective Evidence:	Ladang Sg Papan Site visit at the Blok P04 Blok 1 & 2 and sighted the bank erosion along the artificial drain.	
Corrections:	i. Stop use of Chemical at the said area effective immediately to allow natural growth of soil cover for the area. ii. Water sampling and test for water quality on Trace of chemicals to be conducted. In Addition, signage of no spraying activity will be put at the said planting area.	
Root cause analysis:	Estate management was not adequately identify the risk of erosion at artificial drain cause by Chemical application.	
Corrective Actions:	Rehabilitation plan for the said area will include: The management has identified and establish the water management plan for the affected area. Planting of soft grasses will be done at circle area to develop ground cover to avoid erosion at artificial drain	

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	bank. Training and awareness to be conducted on chemical application along the artificial drain to the workers.
Assessment Conclusion:	The corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next audit.

<b>Opportunity For Improvement</b>		
<b>Ref: 1972926-202010-I1</b>	<b>Area/Process: Sindora POM and Estates</b>	<b>Clause: 4.3.1.1 (part 3)</b>
Objective Evidence:	Salary deduction permit obtained and based on self-regulation permit, ref: (4)dlm. PTKJB/10104/44989 (PMT) dated 29/8/12. This to be further checked with Labour Department on the validity and applicability of the permit for compliance.	

<b>Opportunity For Improvement</b>		
<b>Ref: 1972926-202010-I2</b>	<b>Area/Process: Sindora POM and Estates</b>	<b>Clause: 4.5.1.1 (part 3)</b>
Objective Evidence:	To check on the drain gradient to ensure no stagnant water at the parameter drain which might lead to unpleasant smell/odor at the area.	

<b>Opportunity For Improvement</b>		
<b>Ref: 1972926-202010-I3</b>	<b>Area/Process: Sindora POM and Estates</b>	<b>Clause: 4.4.4.2 (part 3)</b>
Objective Evidence:	c) SDS was sighted available at the chemical storage area and for further improvement the SDS can be made available at the chemical activity apply such at spraying and manuring activity in the field.	

<b>Noteworthy Positive Comments</b>	
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**

<b>Opportunity For Improvement</b>		
<b>Ref: 1832068-201906-I1</b>	<b>Area/Process: Sindora POM and Estates</b>	<b>Clause: 4.4.5.8 (part 4)</b>
Objective Evidence:	Sindora POM has obtained overtime (OT) permit for 130 hours per month based on approval letter ref: BHG. PI/9/134 Jld 1(11) dated 23/1/19. Monitoring of approval conditions in the permit to be effectively demonstrated with regards to maximum limit per day (OT) and resting hours to ensure compliance to the said conditions.	
ASA2 verification:	Based on review of pay slip for sample workers, no issue of OT limit exceed 130 hours. Monitoring mechanism is in place to monitor daily OT, weekly OT and monthly to ensure approval limit is being comply with.	

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<b>Opportunity For Improvement</b>		
<b>Ref: 1832068-201906-I2</b>	<b>Area/Process: Sindora POM and Estates</b>	<b>Clause: 4.4.4.2 (b) (part 3)</b>
Objective Evidence:	<p>Although The LSP HIRARC Register has been reviewed following the accident on 2.7.2019 the step-wise methodology (harvesting) including cutting of FFB stalk could have been added.</p> <p>There was no change recommended by the Accident Investigation team on the new control measures. In fact, it stated to maintain current control (that is, use PPE, provide training and follow SOP). The investigation team could have used Ishikawa Fish Bone Diagram as a tool to probe deeper into recommending Engineering Control (e.g. Use of Loading Spike during V-cut of FFB long stalk) which is more effective and the use of anti-slip cotton glove. The combination of these new measures could be incorporated in the Kulim (M) Berhad Harvesting SOP.</p>	
ASA2 verification:	Appropriate tools for root cause analysis has been used for investigation i.e 5W1H, fishbone diagram etc. Outcome of analysis incorporated in the mitigation measures and also SOP for improvement.	

<b>Opportunity For Improvement</b>		
<b>Ref: 1832068-201906-I3</b>	<b>Area/Process: Sindora POM and Estates</b>	<b>Clause: 4.6.1.1 (part 3 &amp; 4)</b>
Objective Evidence:	The SOP for accident occurring at LSP on 2.7. 2019 and at SPOM on 13.5.2019 could be improved to include Engineering Control Measures	
ASA2 verification:	Hierarchy of control (engineering control) incorporated in the HIRARC register after PPE and administrative control has been implemented.	

### 3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1688058-201806-M1	Major	5/10/18	Closed
1688058-201806-M2	Major	5/10/18	Closed
1972926-202010-N1	Minor	21/10/20	"Open"

### 3.5 Issues Raised by Stakeholders

IS #	Description
<b>1</b>	<b>Issues:</b> Contractors - ICE Electrical Engineering Works, Kluang Timur Jaya Contractor Sdn Bhd, Sindora estate's rubbish collection contractor. No late payment issue highlighted.
	<b>Management Responses:</b> Will continue to monitor prompt payment to the contractor
	<b>Audit Team Findings:</b> No further issue
<b>2</b>	<p><b>Issues:</b> SMK Belitong, FELDA Sening</p> <p>i) Full support given by the estate management for any programme organized such as, religious talk etc. KMB management is always open for any request or assistance whenever required.</p>

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	<p>ii) No issue with the boundary between FELDA Sening and Sg Papan Estate. All markings are clearly demarcated no disputes and encroachment reported.</p> <p><b>Management Responses:</b> The management will maintain good relationship with the local communities/neighbouring estate and provide any CSR if necessary.</p> <p><b>Audit Team Findings:</b> No other issue.</p>
<b>3</b>	<p><b>Issues:</b> Tenant/sundry shop</p> <p>Most of the tenants (canteen and sundry shop) are local. Opportunity was given by the estate management for local vendors which originated from nearby village. So far, they have no issue with the management. All terms and conditions are made clear in the contract.</p> <p><b>Management Responses:</b> Will continue to assist whenever required.</p> <p><b>Audit Team Findings:</b> No other issue.</p>
<b>4</b>	<p><b>Feedbacks:</b> Union Representatives (NUPW) – No issue with the management. They are happy to work in the company. Like in Sindora Estate, some of the houses owned by workers under "<i>Bakti Ladang</i>"</p> <p><b>Management Responses:</b> The management will ensure the workers are treated equally.</p> <p><b>Audit Team Findings:</b> No other issue.</p>
<b>5</b>	<p><b>Feedbacks:</b> 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.</p> <p><b>Management Responses:</b> The management will ensure the welfare and safety of female workers are protected.</p> <p><b>Audit Team Findings:</b> No further issue.</p>
<b>6</b>	<p><b>Feedbacks:</b> 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.</p> <p><b>Management Responses:</b> No favouritism and all workers are equally treated.</p> <p><b>Audit Team Findings:</b> No further issue.</p>

**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment <i>Kulim (M) Berhad Sindora POM and Sindora Group Estate's</i> Certification Unit comprises of Sindora POM and 3 estates (Sindora, Sg Papan and REM Estate) complies with the <b>MS 2530-3:2013 and MS 2530-4:2013</b> . It is recommended that the certification of <i>Kulim (M) Berhad Sindora POM and Sindora Group Estate's</i> Certification Unit is continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
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: 16 February 2021	Signature:  Date: 15 <sup>th</sup> 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
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. <b>- Major compliance -</b>	Kulim (M) Berhad has established a policy on sustainable palm oil production signed by 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. A few briefing sessions were carried out on 26/8/20 (Sindora Estate) and 1810/20 (Sg Papan Estate).	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. <b>- Major compliance -</b>	The established policy has emphasized on the commitment to comply with all applicable legal requirements, contribute to local community development, and environmental consideration with the objective of improving the milling and estate operation.	Complied
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. <b>- Major compliance -</b>	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	
		9/10/20	1 NC raised (4.4.5.2)	Corrective action plan dated 9/10/20 was verified. Still in progress for closure.	Sindora Estate	
		13/9/20	1 NC raised (4.4.5.2)	Corrective action plan dated 29/9/20 was verified. Still in progress for closure.	Sg Papan Estate	
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.  - <b>Major compliance</b> -	Kulim (M) Berhad has established procedure, Sustainable Management System, Internal Audit : SQD/SMS/5.0, issue: 1 dated 1/7/18 . The procedure is designed for all applicable sustainability standards requirements such as ISCC, RSPO, MSPO and management guideline to be used as audit criteria. 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
<b>4.1.2.3</b>	Reports shall be made available to the management for their review.  - <b>Major compliance</b> -	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	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p><b>- Major compliance -</b></p>	<p>The latest management review was conducted on after completion of internal audit at each estates. The management review has included internal and external sustainable palm oil audit results review. The status of the correction and preventive actions are being discuss and reviewed. The meeting was chaired by Estate Manager and attended by HODs. Meeting minute at each estates were verified;</p> <p>Sindora Estate: 23/9/20 Sg Papan Estate: 1/10/20</p>	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p><b>- Major compliance -</b></p>	<p>The Continual Improvement Plan for Kulim estates are available. Among the sampled document reviewed:</p> <p>i) Mechanization for upkeep and maintenance (new mechanical buffalo L70, trailer 5-7 tonne, roto-slasher)</p>	Complied
4.1.4.2	<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><b>- Major compliance -</b></p>	<p>Introduction of projects and innovation by Kulim group of estates were evident. Among completed projects:</p> <ol style="list-style-type: none"> <li>1. Fall arrest system (life-line installation at estate’s loading ramp)</li> <li>2. NRA (noise risk assessment) for estates</li> </ol>	Complied
4.1.4.3	<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</p>	<p>Action is detailed out in the plan and under CAPEX budget as explained under 4.1.4.1.</p>	Complied

	established. - <b>Major compliance -</b>		
<b>4.2 Principle 2: Transparency</b>			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
<b>4.2.1.1</b>	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. - <b>Major compliance -</b>	Sindora Complex has organized an external stakeholder meeting on 27 <sup>th</sup> August 2020. During this meeting, it was communicated to the external stakeholders the following information which included: <ul style="list-style-type: none"><li>- Relevant information on environmental, social and legal issues.</li><li>- Company's policy on MSPO implementation.</li><li>- MSPO certification requirements</li><li>- Legal compliance</li></ul>	Complied
<b>4.2.1.2</b>	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. - <b>Major compliance -</b>	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.	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. - <b>Major compliance -</b>	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 1 <sup>st</sup> 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	Complied

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		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.										
<b>4.2.2.2</b>	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.  <b>- Minor compliance -</b>	<p>The management officials nominated are as follows:</p> <table border="1"> <thead> <tr> <th>Estate/Mill</th> <th>Person appointed</th> <th>Letter of appointment</th> </tr> </thead> <tbody> <tr> <td>Sindora Estate</td> <td>Senior Assistant</td> <td>1<sup>st</sup> January 2020</td> </tr> <tr> <td>Sg Papan Estate</td> <td>Assistant manager</td> <td>1<sup>st</sup> January 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	Sindora Estate	Senior Assistant	1 <sup>st</sup> January 2020	Sg Papan Estate	Assistant manager	1 <sup>st</sup> January 2020	Complied
Estate/Mill	Person appointed	Letter of appointment										
Sindora Estate	Senior Assistant	1 <sup>st</sup> January 2020										
Sg Papan Estate	Assistant manager	1 <sup>st</sup> January 2020										
<b>4.2.2.3</b>	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.  <b>- Major compliance -</b>	<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"> <li>- Relevant government agencies (e.g. DOE, DOA, Immigration Department, Department of Safety and Health, Labour Department)</li> <li>- Contractors</li> <li>- Suppliers</li> <li>- Consultants</li> <li>- Neighbouring estates</li> <li>- Clinics, hospitals, fire brigade, police, etc.</li> </ul>	Complied									

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		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.	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). <b>- Major compliance -</b>	The traceability SOP; Sustainable Management System, Traceability, Doc: No: SQD/SMS/1.2 rev: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.	Complied
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	Traceability records is maintained by each estates by using delivery note which include information such as lorry number, field/block number, numbers of bunches. This will be check by field supervisor or estate assistant prior to delivery. 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:  <ul style="list-style-type: none"> <li>i) Sindora Estate D.O no. DB A No. 23196, lorry: JLF 6097, filed/year: P15A/02, weight: 6.45 mt, MSPO cert. no.: MSPO 697951 valid until 9/3/2024.</li> <li>ii) Sg Papan Estate D.O no. DB A No. 98813, lorry: MBR 9993, filed/year: P16, P03, P12, weight: 36.90 mt, MSPO cert. no.: MSPO 697951 valid until 9/3/2024.</li> </ul>	Complied

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<p><b>4.2.3.3</b></p>	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p><b>- Minor compliance -</b></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>	<p>Complied</p>
<p><b>4.2.3.4</b></p>	<p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p><b>- Major compliance -</b></p>	<p>All production of the estate is being recorded on daily basis into FFB Record Book. The information recorded including daily crop (mt), todote crop (mt), and yield. Delivery documents are being retained accordingly as per established SOP.</p>	<p>Complied</p>
<p><b>4.3 Principle 3: Compliance to legal requirements</b></p>			
<p><b>Criterion 4.3.1 – Regulatory requirements</b></p>			
<p><b>4.3.1.1</b></p>	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p><u>Ladang Sindora</u>            Verified permit and license as below:            1) Petrol and Diesel Permit# P:J000578 valid until 23/04/2021            2) MPOB License# 501863602000 valid until 30/11/2020            3) Syarat-Syarat Pemasangan Pagar Elektrik, No Siri#ST(KAW/J)11/2/4(1/2014)</p> <p><u>Ladang Sq Papan</u>            Verified permit and license as below:            1) Petrol and Diesel Permit# J003628 valid until 02/03/2021            2) MPOB License# 570243002000 valid until 28/02/2021</p>	<p>OFI</p>

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		<p>Verified other license and permit for DOSH, JTK and found available and valid until 2021.</p> <p>OFI - Salary deduction permit obtained and based on self-regulation permit, ref: (4)d/m. PTKJB/10104/44989 (PMT) dated 29/8/12. This to be further checked with Labour Department on the validity and applicability of the permit for compliance.</p>	
<b>4.3.1.2</b>	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	<p><u>Ladang Sindora</u></p> <p>Legal register was sighted available and listed applicable legal as below:</p> <ul style="list-style-type: none"> <li>a) OSHA 1994</li> <li>b) DOE 1974</li> <li>c) Arms Act 1960</li> <li>d) MPOB (Perlesenan) 2005</li> <li>e) Akta Kerja 1977</li> </ul>	Complied
<b>4.3.1.3</b>	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p><b>- Major compliance -</b></p>	<p><u>Ladang Sindora/ Ladang Sg Papan</u></p> <p>Legal register was review and updated regularly once in two months and last review 30/06/2020. There is additional legal requirement was added on the Akta Penyakit Berjangkit 1988 related with pandemic Covid 19. Refer to the List Of Permits And License and sighted all license and permits are still valid for year 2020.</p>	Complied
<b>4.3.1.4</b>	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></p>	<p><u>Ladang Sindora/ Ladang Sg Papan</u></p> <p>Management appoint Ms Normaliza Mohd Taib as person responsible to monitor compliance to legal and appointment letter dated 06/02/2020 was sighted.</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><b>- Major compliance -</b></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><b>- Major compliance -</b></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" data-bbox="1048 707 1897 1390"> <thead> <tr> <th>Name of Estate</th> <th>Grant details</th> <th>Land size (Ha)</th> <th>Legal ownership/ Tenure</th> <th>Land use type</th> </tr> </thead> <tbody> <tr> <td>Sindora Estate</td> <td>No. HSD 17659, lot/PT PTD 4434  4 land titles with total of 3,919.06 ha</td> <td>1,096.6 009 ha</td> <td>Lease hold for 99 years until January 2086.</td> <td>Agriculture</td> </tr> <tr> <td>Sg Papan</td> <td>No. HSD 13179, lot 356  17 land titles with</td> <td>2,028.6 892 ha</td> <td>Lease hold for 99 years until September 2090</td> <td>Cultivation of oil palm</td> </tr> </tbody> </table>			Name of Estate	Grant details	Land size (Ha)	Legal ownership/ Tenure	Land use type	Sindora Estate	No. HSD 17659, lot/PT PTD 4434  4 land titles with total of 3,919.06 ha	1,096.6 009 ha	Lease hold for 99 years until January 2086.	Agriculture	Sg Papan	No. HSD 13179, lot 356  17 land titles with	2,028.6 892 ha	Lease hold for 99 years until September 2090	Cultivation of oil palm	Complied
Name of Estate	Grant details	Land size (Ha)	Legal ownership/ Tenure	Land use type																
Sindora Estate	No. HSD 17659, lot/PT PTD 4434  4 land titles with total of 3,919.06 ha	1,096.6 009 ha	Lease hold for 99 years until January 2086.	Agriculture																
Sg Papan	No. HSD 13179, lot 356  17 land titles with	2,028.6 892 ha	Lease hold for 99 years until September 2090	Cultivation of oil palm																



			total of 3,025.93 ha  (land acquisitio n petronas/ TNB )  2,995.85 ha				
<b>4.3.2.3</b>	Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.  <b>- Major compliance -</b>	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
<b>4.3.2.4</b>	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).  <b>- Minor compliance -</b>	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
<b>Criterion 4.3.3 – Customary rights</b>							
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.	The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.					Complied

	- <b>Major compliance</b> -		
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - <b>Minor compliance</b> -	The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.	Complied
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - <b>Major compliance</b> -	The estate lands are legally owned by the company. Interview with the surrounding communities and stakeholders confirm no disputes.	Complied
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - <b>Minor compliance</b> -	Social impact 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 9 positive impacts identified with proposed mitigation plan for improvement. Social management plan for Sindora Estate dated 8/9/20 is referred to.	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	A system for dealing with complaints and grievances shall be established and documented. - <b>Major compliance</b> -	Grievance Procedure, Doc. No. SQD/SMS/4.1 issue:1 dated 1 <sup>st</sup> 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
<b>4.4.2.2</b>	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - <b>Major compliance</b> -	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.	Complied

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		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 <sup>th</sup> September 2020 provides anonymity and assurance against retaliation and immunity to the whistle blower.	
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. <b>- Minor compliance -</b>	The complaint form is made available together with the Enquiry Register Record in the suggestion box in front of office and compiled in Enquiry Register Book. The form is made for complaint, requisition or visit/inspection.	Complied
<b>4.4.2.4</b>	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. <b>- Minor compliance -</b>	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 27 <sup>th</sup> August 2020. All issues were discussed and recorded in the meeting minutes.	Complied
<b>4.4.2.5</b>	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. <b>- Major compliance -</b>	All complaints and resolutions for the past 24 months were available upon request.	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
<b>4.4.3.1</b>	Growers should contribute to local development in consultation with the local communities. <b>- Minor compliance -</b>	The management has made contribution to the local communities and workers such as donation to the school and activities upon request by the stakeholders. Besides, the company subsidized 35 gallon and 50	Complied

		<p>kWh of electricity per person. The company also provided job opportunity to the local communities. Other contributions sighted;</p> <ul style="list-style-type: none"> <li>i) Donation to LKTP Belitong</li> <li>ii) Donation for Police Day for 123 years in 2020.</li> </ul>	
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>Ladang Sindora/ Ladang Sg Papan</p> <p>Management establish OSH policy as per "Polisi Berkaitan Keselamatan Dan Kesehatan Pekerjaan' and approved by Pengarah Eksekutif, Mr Zulkify Zakariah dated 01/05/2018.</p>	Complied
<b>4.4.4.2</b>	<p>The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risks of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> </li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as</li> </ul>	<ul style="list-style-type: none"> <li>a) Communication of the policy was sighted during morning briefing and sighted record dated 01/09/2020. The policy was communicated to the external party during stakeholder meeting on 04/09/2020. Policy also communicated by display at the notice board within the complex.</li> <li>b) Management established the HIRARC for all activity in the mill. The establishment of the HIRARC are as per HIRARC Guidelines by DOSH. Verified the HIRARC for below activity</li> </ul> <p>Ladang Sindora</p> <ul style="list-style-type: none"> <li>i) MB operator dated Mar 2020 and sighted all activity was rank as LOW and MEDIUM</li> <li>ii) Workshop dated Mar 2020 and sighted all activity was rank as LOW and MEDIUM</li> </ul> <p>Ladang Sg Papan</p>	OFI

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	<p>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>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) Spraying dated 15/08/2020 and sighted activity was rank as LOW and MEDIUM risk</p> <p>ii) Fertilizer dated 15/08/2020 and sighted activity was rank LOW and MEDIUM risk</p> <p>c) Training record was review and sighted Chemical Handling Training was conducted:</p> <p>Ladang Sindora</p> <p>i) Latihan Meraacun Bulatan dated 03/03/2020</p> <p>ii) Latihan Menabur Baja dated 30/06/2020</p> <p>Ladang Sg Papan</p> <p>i) Spraying Technique Training dated 12/10/2020</p> <p>ii) Latihan Keselamatan Pengendalian Racun Tikus dated 11/03/2020</p> <p>OFI - SDS was sighted available at the chemical storage area and for further improvement the SDS can be made available at the chemical activity apply such at spraying and manuring activity in the field.</p> <p>d) PPE record was sighted and issuance of PPE to below employee:</p> <p>Ladang Sindora</p> <p>i) Jamali- apron, filter issuance on 07/07/2020</p> <p>ii) Sujit- filter issuance on 12/10/2020</p> <p>Ladang Sg Papan</p> <p>i) Kalsom- Mask dated 18/10/2020 and Glove issuance on 17/09/2020</p>	
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	<p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>ii) Feri Julian- Goggle, respirator issuance on 18/10/2020</p> <p>e) Management established the work instruction for chemical handling as below:</p> <p>i) Weed &amp; Pest Usage And Application Control (LSD-OP-WI-W01)</p> <p>ii) Fertilizer Usage &amp; Application Control (LSD-OP-WI-W02)</p> <p>Ladang Sindora CHRA report was available (Report#:JKKP HQ/03/ASS/00/154-2018/034). Medical surveillance was perform to all employee involve with chemical on 28/08/2020 at KPJ Dato Onn. Verified summary report dated 03/10/2020 and all employee are fit to work.</p> <p>Ladang Sg Papan CHRA report was available (Report#:JKKP HQ/03/ASS/00/154-2018/030). Medical surveillance was perform to all employee involve with chemical on 20/07/2020 at KPJ Dato Onn. Verified summary report dated 20/07/2020 and all employee are fit to work.</p> <p>f) Ladang Sindora Management appoint Manager, Mr Yunos bin Esa as person responsible to the employee safety &amp; health and he was appointed as Secretary of OSH Committee dated 01/01/2018</p> <p>Ladang Sg Papan Management appoint Manager, Mr Misman bin Mahadi as person responsible to the employee safety &amp; health and he was appointed as Secretary of OSH Committee</p>	
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		<p>g) Ladang Sindora Management maintain a two-way communication related with OSH matter by conducting OSH Committee Meeting and sighted meeting minute dated 23/09/2020, 27/07/2020.</p> <p>Ladang Sg Papan Management maintain a two-way communication related with OSH matter by conducting OSH Committee Meeting and sighted meeting minute dated 10/09/2020, 07/07/2020.</p> <p>h) Emergency response procedure was sighted for accident, fire and dated 10/02/2008. Sighted management established the Emergency Response Team (ERT) and sighted the SOP for the chemical spillage, fire, and accident. Noted Ladang Sindora conducted Fire Drill exercise on 18/10/2020 and Ladang Sg Papan conducted on 22/01/2020.</p> <p>i) First Aid box was sighted and located at the workstation such as harvesting, workshop, spraying etc and inspection was done by HA by monthly basis.</p> <p>Ladang Sindora Sighted record of First Aid Box inspection dated 03/10/2020 etc. First aid training was conducted on 24/03/2020 conducted by HA and attended by all employee.</p> <p>Ladang Sg Papan</p>	
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		<p>Sighted record of First Aid Box inspection dated 09/10/2020, 04/09/202, 07/08/2020 etc. First aid training was conducted on 17/08/2020 conducted by HA and attended by mandour.</p> <p>J) Ladang Sindora          Accident record was updated and discussed during the OSH Committee Meeting. Management submitted the JKPP 8 to DOSH by yearly basis and sighted the latest submission on 16/02/2020.</p> <p>Ladang Sg Papan          Accident record was updated and discussed during the OSH Committee Meeting. Management submitted the JKPP 8 to DOSH by yearly basis and sighted the latest submission on 13/01/2020.</p>	
<b>Criterion 4.4.5: Employment conditions</b>			
<p><b>4.4.5.1</b></p>	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p><b>- Major compliance -</b></p>	<p>Sedenak POM and estates subscribe to Kulim (M) Berhad’s sustainability policy which newly revised and approved by Kulim’s Sustainability &amp; initiatives Council Meeting on 29<sup>th</sup> July 2020. Transition period for the (new MD) effective 1<sup>st</sup> 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>
<p><b>4.4.5.2</b></p>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion,</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>



	<p>nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p>		
<b>4.4.5.3</b>	<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><b>- Major compliance -</b></p>	<p>Workers’ pay slips were sighted for the months of June 2020 (peak crop) and December 2019 (low crop). Pay slips belong to the following workers were verified and it showed that all sampled workers receive minimum wages of RM1,100 and above, which is in compliance with the Minimum Wages (Amendment) Order 2018. The Malaysian workers’ wages are deducted for statutory payments such as the EPF, SOCSO and EIS.</p> <ul style="list-style-type: none"> <li>- Sindora Estate (Employee ID 680743, 680542, 680481, 680571, 680377, 680755)</li> <li>- Sg Papan Estate (Employee ID 626239, 626056, 626259, 625581, 625633, 625625, 626043 &amp; 626056)</li> </ul>	Complied
<b>4.4.5.4</b>	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	<p>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 Sindora Estate, EFB transporter (Lai Brothers Development) and FFB transporter (Agro Sakthi Enterprise) submits the workers’ monthly wage payment slip. Sighted during the audit were monthly wage payment slip for September 2020. Sample of pay slips checked:</p> <p>Lai Brother – Muhd Ridzuan (990721-08-7317), Mohd Nazri (840704-01-6433)</p> <p>Agro Sakthi Enterprise – Yusri Jantan (750212-01-6475)</p> <p>For Sg Papan estate, SRI MK Enterprise (Wagiran, B21101946)</p>	Complied

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<p><b>4.4.5.5</b></p>	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></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>	<p>Complied</p>
<p><b>4.4.5.6</b></p>	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></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>	<p>Complied</p>
<p><b>4.4.5.7</b></p>	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p><b>- Major compliance -</b></p>	<p>The estates have established a time recording system which is transparent for both employees and employers. At Sindora Estate and Sg Papan Estate, 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>	<p>Complied</p>

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<p><b>4.4.5.8</b></p>	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p><b>- Major compliance -</b></p>	<p>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 overtime work is paid in accordance with the provisions of the Employment Act 1955.</p>	<p>Complied</p>
<p><b>4.4.5.9</b></p>	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p><b>- Major compliance -</b></p>	<p>Based on December 2019 (low crop) and June 2020 (peak crop) pay slips reviewed at Sindora and Sg Papan Estate, workers receive wages and overtime pay in accordance with the Minimum Wages Order, which is RM1,100 and above per month.</p> <p>Sindora Estate (Employee ID 680743, 680542, 680481, 680571, 680377, 680755)</p>	<p>Complied</p>
<p><b>4.4.5.10</b></p>	<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><b>- Minor compliance -</b></p>	<p>Workers of Sindora and Sg Papan Estate 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>	<p>Complied</p>
<p><b>4.4.5.11</b></p>	<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><b>- Major compliance -</b></p>	<p>Workers of Sindora and Sg Papan Estate 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".</p>	<p>Complied</p>

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		<p>VMO visit carried out was carried out very fortnightly by Dr Helen Tan. Log book record (clinic visit/review patient) dated 12/10/20 and 19/10/20.</p> <p>OFI - To check on the drain gradient to ensure no stagnant water at the parameter drain which might lead to unpleasant smell/odour at the area.</p>	
<b>4.4.5.12</b>	<p>The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>	<p>Sindora 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 23<sup>st</sup> January 2020 at Sindora Estate.</p> <p>At Sg Papan Estate, the latest gender committee meeting was carried out on 13<sup>th</sup> March 2020.</p>	Complied
<b>4.4.5.13</b>	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p><b>- Major compliance -</b></p>	<p>The management respected the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. 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 14/9/20 at Sindora Estate and 17/9/20 at Sg Papan Estate. No unresolved issues reported in the meeting.</p>	Complied

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<p><b>4.4.5.14</b></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><b>- Major compliance –</b></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><b>Criterion 4.4.6: Training and competency</b></p>			
<p><b>4.4.6.1</b></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><b>- Major compliance -</b></p>	<p>Management established Annual Training Program 2020 and listed training related with operation, safety, environment etc. Verified training record and sighted management maintain the training records include the attendance list, training material and training report. Verified below training records:</p> <p>Ladang Sindora</p> <ul style="list-style-type: none"> <li>i) Latihan Meracun Bulatan dated 03/03/2020</li> <li>ii) Latihan Menabur Baja dated 30/06/2020</li> </ul> <p>Ladang Sg Papan</p> <ul style="list-style-type: none"> <li>a) Waste Cleaning and Landfill Training dated 09/02/2020</li> <li>b) Safety Work at Chemical Store dated 09/02/2020</li> <li>c) Tractor and MB Driver Training dated 28/02/2020</li> </ul>	<p>Complied</p>
<p><b>4.4.6.2</b></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</p>	<p>Training needs was done by issuance of 'Proposal For Executive/ Staff/</p>	<p>Complied</p>

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	description. - <b>Major compliance</b> -	Workers Training” by the HOD and sighted documented proposal for conducted Refresh Training MSPO, Lab Procedure, MSPO Awareness etc.	
<b>4.4.6.3</b>	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - <b>Minor compliance</b> -	Management established Annual Training Program 2020 and listed training related with operation, safety, environment etc. Verified training record and sighted management maintain the training records include the attendance list, training material and training report.	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - <b>Major compliance</b> -	Management established “Environmental Policy” dated 01/05/2018 and approved by Executive Director, Mr. Zulkifly Zakariah. The policy was communicated during the briefing, training, and display at notice board.  OFI- To check on the drain gradient to ensure no stagnant water at the parameter drain which might lead to unpleasant smell/odor at the area.	OFI
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - <b>Major compliance</b> -	a) Estate established environmental objective as below: Ladang Sindora/ Ladang Sg Papan  Objective was established and sighted 3 objectives as below: i) Expand profile ion of soft grasses area ii) Expand rainwater project iii)To ensure the diesel consumption in MB and tractor	Complied

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		<p>iv) Domestic waste recycle</p> <p>b) Environmental Aspect &amp; Impact  Ladang Sindora/ Ladang Sg Papan</p> <p>Review the Environmental Risk Assessment Form and sighted impact analysis for all activity. The risk assessment was updated on 14/04/2020 and sighted rank I and II which the risk is LOW and MEDIUM. Sighted management assess the environmental risk for all activity in estate.</p>	
4.5.1.3	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>Ladang Sinora/ Ladang Sg Papan</p> <p>Refer to the Environmental Risk Form sighted management establish the Environmental Improvement Plan for all activity risk II and above. Sighted the EIA for below activity:</p> <p>a) Harvesting- Aspect: Emmision of noise from harvesting machine  EIP- TO find new technologies can reduce the noise</p> <p>b) Replanting- Aspect: Spillage of fuel</p> <p>c) Schedule waste- Aspect: Cleaning PCD EIP- To establish and maintain and accurate record.</p>	Complied
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>	<p>Refer to EAI and sighted management promote the positive impact from the activity of:</p> <p>Ladang Sindora/ Ladang Sg Papan</p> <p>a) EFB apply to field- Moisture to the land and decompose for fertilizer</p> <p>b) Tree planting- planting of the beneficial plant such as durian</p>	Complied

		c) Establishment of the land fill area	
<b>4.5.1.5</b>	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.  - <b>Major compliance</b> -	Management established Annual Training Program 2020 and listed training related with environment. Verified training record and sighted management maintain the training records include the attendance list, training material and training report. Verified below training records:  Ladang Sindora <ul style="list-style-type: none"> <li>a) Schedule waste Training dated 17/09/2020 for Ladang Sindora</li> <li>b) Waste Cleaning and Landfill Training dated 07/09/2020 for Ladang Sindora</li> </ul> Ladang Sg Papan <ul style="list-style-type: none"> <li>a) Shedule Waste Training dated 03/02/2020</li> <li>b) IPM (Effective Bagworm Control) dated 15/07/2020</li> </ul>	Complied
<b>4.5.1.6</b>	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.  - <b>Major compliance</b> -	Meeting related with environmental was conducted regularly by management and verified last meeting minute held as below:  Ladang Sindora  Sighted management conduct meeting related with environment on 23/09/2020 and discuss issues such as buffer zone, land fill, legal compliance and schedule waste.  Ladang Sg Papan  Sighted management conduct meeting related with environment on 07/07/2020 and discuss issues such as buffer zone, land fill, legal compliance and schedule waste.	Complied
<b>Criterion 4.5.2:</b> Efficiency of energy use and use of renewable energy			



<p><b>4.5.2.1</b></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><b>- Major compliance -</b></p>	<p>Review the diesel usage monitoring for year 2020, sighted data for below usage:</p> <p>Ladang Sindora</p> <p>Sept 2020= 0.87 Liter/ MT</p> <p>August 2020 = 0.97 Liter/MT</p> <p>July 2020 = 1.09 Liter/MT</p> <p>Ladang Sg Papan</p> <p>Sept 2020= 0.38 Liter/ MT</p> <p>August 2020 = 0.50 Liter/MT</p> <p>July 2020 = 0.70 Liter/MT</p>	<p>Complied</p>
<p><b>4.5.2.2</b></p>	<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><b>- Major compliance -</b></p>	<p>Ladang Sindora</p> <p>Estimation of the direct usage of diesel was sighted as per budget year 2020 with estimation of usage of 1.89 Liter/ MT</p> <p>Ladang Sg Papan</p> <p>Estimation of the direct usage of diesel was sighted as per budget year 2020 with estimation of usage of 0.9 Liter/ MT</p>	<p>Complied</p>
<p><b>4.5.2.3</b></p>	<p>The use of renewable energy should be applied where possible.</p> <p><b>- Minor compliance -</b></p>	<p>As to date no renewable energy apply by the estate management.</p>	<p>Complied</p>
<p><b>Criterion 4.5.3: Waste management and disposal</b></p>			
<p><b>4.5.3.1</b></p>	<p>All waste products and sources of pollution shall be identified</p>	<p>Ladang Sindora/ Ladang Sg Papan</p>	<p>Complied</p>

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	<p>and documented.</p> <p><b>- Major compliance -</b></p>	<p>Management identified and listed waste product as per Waste and Pollution Management Plan dated 01/08/2020 and listed below waste:</p> <ul style="list-style-type: none"> <li>a) Schedule waste- empty chemical containers, batteries, contaminated rags etc</li> <li>b) Liquid waste- waste water</li> <li>c) Domestic waste</li> <li>d) Garden waste</li> </ul>	
<b>4.5.3.2</b>	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> <li>a) Identifying and monitoring sources of waste and pollution</li> <li>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</li> </ul> <p><b>- Major compliance -</b></p>	<p>Ladang Sindora/ Ladang Sg Papan</p> <p>Management identified and listed waste product as per Waste and Pollution Management Plan dated 01/08/2020 and listed Schedule waste- empty chemical containers, batteries, contaminated rags etc, Liquid waste- waste water, Domestic waste and garden waste.</p>	Complied
<b>4.5.3.3</b>	<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><b>- Major compliance -</b></p>	<p>Schedule waste Work Instruction was sighted as below:</p> <ul style="list-style-type: none"> <li>a) Labelling, Handling, Storage od Schedule Waste</li> <li>b) Handling, storage and disposal of used gloves and rags</li> </ul> <p>Management manage Schedule as per procedure and verified below:</p> <ul style="list-style-type: none"> <li>a) Inventory</li> </ul> <p>Ladang Sindora</p> <p>Updated inventory through EsWISS system for month of October with current inventory</p>	Complied

		<p>SW102- Lead acid batteries= 0.0150 MT          SW305- Spent lub oil= 0.418MT          SW307- Emission mineral oil = 0.314 MT          SW409-Empty container, bags or equipment contaminated = NIL MT          SW410- Machinery filter = 0. 0230MT          Ladang Sg Papan          Updated inventory through EsWISS system for month of October with current inventory          SW102- Electric component= 0.008 MT          SW305- Spent lub oil= 0.143MT          SW307- Emission mineral oil = 0.0110 MT          SW409-Empty container, bags or equipment contaminated = 0.005 MT          SW410- Machinery filter = 0. 008MT</p> <p>b) Disposal          Ladang Sindora</p> <p>i) SW305 = 0.152 MT          Disposal on 18/10/2020 to Kualiti Alam Sdn Bhd</p> <p>ii) SW409- 0.1424 MT          Disposal on 18/10/2020 to Kualiti Alam Sdn Bhd</p> <p>iii) SW408- 0.078 MT</p>	
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		Disposal on 18/10/2020 to Kualiti Alam Sdn Bhd.	
<b>4.5.3.4</b>	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.  - <b>Major compliance</b> -	Ladang Sindora  Noted all used empty pesticide container was declare as as Schedule waste and disposed to Kualiti Alam Sdn Bhd as SW409.	Complied
<b>4.5.3.5</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.  - <b>Minor compliance</b> -	Ladang Sindora  Domestic waste was manageable with regular collection from the line site twice a week and disposed at the land fill area at Block 1.  Ladang Sg Papan  Domestic waste was manageable with regular collection from the line site twice a week and disposed at the land fill area at P03.	Complied
<b>Criterion 4.5.4:</b> Reduction of pollution and emission			
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.  - <b>Major compliance</b> -	Management do assessment on all pollution activities as per Environmental Risk.	Complied
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented.	Ladang Sindora/ Ladang Sg Papan	Complied

	<p><b>- Major compliance –</b></p>	<p>Action to reduce significant pollution are established as per Waste &amp; Pollution Management Plan updated on 01/08/2020</p>	
<p><b>Criterion 4.5.5: Natural water resources</b></p>			
<p><b>4.5.5.1</b></p>	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a. Assessment of water usage and sources of supply.</li> <li>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</li> <li>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.)</li> <li>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.</li> <li>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</li> <li>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</li> </ul> <p><b>- Major compliance -</b></p>	<p>Water management was sighted with last review on 24/08/2020 and sighted plan for below:</p> <ul style="list-style-type: none"> <li>a) Ladang Sindora/ Ladang Sg Papan  Spraying:Action Plan: <ul style="list-style-type: none"> <li>i) Inlet an outlet water analysis was conducted</li> <li>ii) Maintain the buffer zone area</li> </ul> Household activity:Action Plan: <ul style="list-style-type: none"> <li>i) To schedule water supply to avoid overuse</li> <li>ii) Monitor any leakage and periodically maintenance</li> </ul> Interruption of the water supply:Action plan: <ul style="list-style-type: none"> <li>i) Upkeep drain by desilting drain periodically</li> <li>ii) Building up sand in the drain</li> </ul> </li> <li>b) Ladang Sedenak  Management monitor the water quality and verified the water sampling analysis result dated 19/08/2020 as per below:  Nitrate nitrogen= 1.87 mgNO3/L  Phosphate = 0.54 mgPO4/L  Noted the result are still within the limit.</li> </ul>	<p>Non-Compliance</p>

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		<p>Ladang Sg Papan</p> <p>Management monitor the water quality and verified the water sampling analysis result dated 19/08/2020 as per below:</p> <p>Nitrate nitrogen= 0.09 mgNO3/L</p> <p>Phosphate = &lt;0.20 mgPO4/L</p> <p>Noted the result are still within the limit</p> <p>c) Site visit sighted Ladang Sindora maintain the buffer zone at natural waterways across the estate.</p> <p>The water management plan is not include the impact of activity near to the artificial drain which connected to the natural waterways or river. Site visit at the Blok P04 Blok 1 &amp; 2 and sighted the bank erosion along the artificial drain. Thus, a minor NC was issued</p> <p>d) Site visit sighted no natural vegetation was removed at riparian area.</p> <p>e) Noted bore well not implement at the estate.</p>	
<b>4.5.5.2</b>	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p><b>- Minor compliance -</b></p>	<p>Ladang Sindora/ Ldg Sg Papan</p> <p>Site visit no construction of bund, weirs, and dams across the natural waterways in the estate.</p>	Complied
<b>4.5.5.3</b>	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p><b>- Minor compliance -</b></p>	<p>Ladang Sg Papan</p> <p>Site visit management practices water harvesting by collecting the rain for workshop usage.</p>	Complied

<b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b>			
<p><b>4.5.6.1</b></p>	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <ul style="list-style-type: none"> <li>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</li> <li>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.</li> </ul> <p><b>- Major compliance -</b></p>	<p>Ladang Sindora/ Ladang Sg Papan</p> <p>The information and identification of the high biodiversity value was sighted as per Rapid Biodiversity Assessment, January 2008.</p> <ul style="list-style-type: none"> <li>a) Refer to the list sighted for year 2020 below sample of species was found is phyton, wild boar, Malayan tapir, Malayan sun bear etc.</li> <li>b) Refer to above sighted no endangered species as per IUCN list was available.</li> </ul>	<p>Complied</p>
<p><b>4.5.6.2</b></p>	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <ul style="list-style-type: none"> <li>a) Ensuring that any legal requirements relating to the protection of the species are met.</li> <li>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</li> </ul> <p><b>- Major compliance -</b></p>	<p>Ladang Sindora/ Ldg Sg Papan</p> <p>Refer to the Biodiversity Report and noted no any endangered species was found at the estate area.</p> <p>Site visit and sighted management erect signage of "No Hunting" and "No Fishing" at the riparian zone area.</p>	<p>Complied</p>
<p><b>4.5.6.3</b></p>	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p>	<p>Ladang Sindora</p>	<p>Complied</p>

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	<p><b>- Major compliance -</b></p>	<p>Biodiversity Improvement Plan for year 2020 was sighted and maintain below activity:</p> <ul style="list-style-type: none"> <li>a) Animal sighting record- to record animal sighting and sent to SPOD monthly</li> <li>b) Elephant monitoring- To record elephant movement and sighted monitoring conducted daily as per "Buku Ronda Pagar Gajah".</li> <li>c) Bird survey- On-site identification of all habitat areas.</li> </ul> <p>Ladang Sg Papan</p> <ul style="list-style-type: none"> <li>a) Bird survey- record threats, fire, flood and disturbance for monitoring system</li> <li>b) Restore natural vegetation- To map the bare area, guatamala planting, vertivar planting etc.</li> <li>c) Control encroachment- continuously monitor and reported the sign of encroachment</li> </ul>	
<p><b>Criterion 4.5.7: Zero burning practices</b></p>			
<p><b>4.5.7.1</b></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><b>- Major compliance -</b></p>	<p>Kulim (M) Bhd has established the Polisi Sawit Mampan Malaysia and include the commitment on the maintaining the Zero Burning. In the SOP stated the prohibition of burning in land preparation. Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p>	<p>Complied</p>
<p><b>4.5.7.2</b></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>Kulim (M) Bhd has established the Polisi Sawit Mampan Malaysia and include the commitment on the maintaining the Zero Burning. In the SOP stated the prohibition of burning in land preparation. Previous crops</p>	<p>N/A</p>



	- <b>Major compliance</b> -	should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	
<b>4.5.7.3</b>	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.  - <b>Major compliance</b> -	Kulim (M) Bhd has established the Polisi Sawit Mampan Malaysia and include the commitment on the maintaining the Zero Burning. In the SOP stated the prohibition of burning in land preparation. Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	N/A
<b>4.5.7.4</b>	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.  - <b>Minor compliance</b> -	Kulim (M) Bhd has established the Polisi Sawit Mampan Malaysia and include the commitment on the maintaining the Zero Burning. In the SOP stated the prohibition of burning in land preparation. Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
<b>4.6.1.1</b>	Standard operating procedures shall be appropriately documented and consistently implemented and monitored.  - <b>Major compliance</b> -	Management establish SOP for site management as per Agriculture Manual dated 03/10/2020.  Ladang Sindora  Site visit at Blok P06 observe the spraying activity and interview harvester. Training on the SOP was conducted by the management for spraying and chemical handling.  Site visit at Blok P08 observe the manuring activity and interview the workers. Training on the SOP was conducted by the management for manuring activity and chemical handling.  Ladang Sg Papan	Complied

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		<p>Site visit at Blok P15 observe the spraying activity and interview harvester. Training on the SOP was conducted by the management for spraying and chemical handling.</p> <p>Site visit at Blok P04 observe the harvesting activity and interview the workers. Training on the SOP was conducted by the management for manuring activity and chemical handling.</p>	
<b>4.6.1.2</b>	<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><b>- Major compliance -</b></p>	<p>The terrain on Ladang Sindora and Ladang Sg Papan was flat while and undulating (&gt;25°) based on the Topographic Map provided. Planting of cover crop and maintenance of soft grasses in interlines to prevent soil erosion was observed during the visit.</p>	Complied
<b>4.6.1.3</b>	<p>A visual identification or reference system shall be established for each field.</p> <p><b>- Major compliance -</b></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 fields</p>	Complied
<b>Criterion 4.6.2: Economic and financial viability plan</b>			
<b>4.6.2.1</b>	<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><b>- Major compliance -</b></p>	<p>Management established the yearly budget for year 2020.</p>	Complied

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<p><b>4.6.2.2</b></p>	<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><b>- Major compliance –</b></p>	<p>Ladang Sindora</p> <p>Refer to the Replanting Programme 2020-2046 noted no replanting activity form 2019 until 2030 at Ladang Sindora.</p>	<p>Complied</p>
<p><b>4.6.2.3</b></p>	<p>The business or management plan may contain:</p> <p>a) Attention to quality of planting materials and FFB</p> <p>b) Crop projection: site yield potential, age profile, FFB yield trends</p> <p>c) Cost of production : cost per tonne of FFB</p> <p>d) Price forecast</p> <p>e) e) Financial indicators : cost benefit, discounted cash flow, return on investment</p> <p><b>- Major compliance –</b></p>	<p>Review the yearly budget for 2021 and sighted below information:</p> <p>a) Quality planting FFB= OER (25.00%) KER (5.00%)</p> <p>b) Crop projection = Ladang Sindora (72,137MT), Ladang Sg Papan (76,241 MT)</p> <p>c) Cost of production = Ladang Sindora (RM520.74/MT), Ladang Sg Papan (RM308.81 MT)</p> <p>d) Price forecast= RM417.00</p>	<p>Complied</p>
<p><b>4.6.2.4</b></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><b>- Major compliance -</b></p>	<p>Ladang Sindora/ Ladang Sg Papan</p> <p>Management regularly monitored and review the achievement of the budget goal and objective during Mission 30:30 Monthly Meeting. Meeting minute was sighted.</p>	<p>Complied</p>
<p><b>Criterion 4.6.3: Transparent and fair price dealing</b></p>			
<p><b>4.6.3.1</b></p>	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p><b>- Major compliance –</b></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/LSA3/2017 between Mahamurni Plantations Sdn Bhd for Loading &amp; transporting of FFB in field P10, P14,</p>	<p>Complied</p>

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		<p>P15A &amp; P15B at Ladang Sindora, Kluang, Johor. Variation order no. MPSB/LSA 3/2017 – 1/2020 extended until 31/3/20. Details rates are clearly indicated in the contract under appendix A &amp; B of the contract.</p> <p><u>Sg Papan 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 Mia Agro Enterprise for Harvesting of FFB in P44 (167.86 ha), P15 (136.57 ha) and P16 (221.12 ha) at Ladang Sg Papan, Kota Tinggi, Johor valid from 1<sup>st</sup> November 2018 to 31<sup>st</sup> October 2021. Details rates are clearly indicated in the contract under appendix B and C for special condition of the contract.</p>	
<p><b>4.6.3.2</b></p>	<p>All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.</p> <p><b>- Major compliance -</b></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 Agro Sakthi Enterprise (AGS-09/20-01) dated 30<sup>th</sup> September 2020 and was paid on 6<sup>th</sup> October 2020 (PV 20000509). There is evidence that payments are made in a timely manner.</p> <p><u>Sg Papan 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 Mia Agro Enterprise (1071) dated 30<sup>th</sup></p>	<p>Complied</p>

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		September 2020 and was paid on 6 <sup>th</sup> October 2020 (PV 20000426). There is evidence that payments are made in a timely manner.	
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.  <b>- Major compliance -</b>	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
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor.  <b>- Major compliance -</b>	Evidence of contracts with contractors were provided by the Estate management. Contract no. MPSB/LSA3/2017 between Mahamurni Plantations Sdn Bhd for Loading & transporting of FFB in field P10,P14, P15A& P15B at Ladang Sindora, Kluang, Johor. Variation order no. MPSB/LSA 3/2017 – 1/2020 extended until 31/3/21. The contracts contain provisions related to statutory obligations, EPF, SOCSO etc. Appendix A &B of contract states the payment calculation.  <u>Sg Papan Estate</u>  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 Mia Agro Enterprise for Harvesting of FFB in P44 (167.86 ha), P15 (136.57 ha) and P16 (221.12 ha) at Ladang Sg Papan, Kota Tinggi, Johor valid from 1st November 2018 to 31st October 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.	Complied

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<p><b>4.6.4.3</b></p>	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p> <p><b>- Minor compliance -</b></p>	<p>Statement on compliance with MSPO requirements is included in the agreement and signed and acknowledged by the contractors (Agro Sakthi Enterprise) on 2<sup>nd</sup> March 2020. 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><u>Sg Papan Estate</u></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/LSPN 4/2018 between Mahamurni Plantations Sdn Bhd and Mia Agro Enterprise dated 5/12/18 and acknowledged by both parties.</p>	<p>Complied</p>
<p><b>4.6.4.4</b></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><b>- Major compliance -</b></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 assistant/manager using work completion certificate/checklist for approval.</p>	<p>Complied</p>
<p><b>4.7 Principle 7: Development of new planting</b> – 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								
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>											
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>											
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. - <b>Major compliance</b> -	Kulim (M) Berhad has established a policy on sustainable palm oil production signed by 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. A few briefing sessions were carried out on 26/8/20 (Sindora Estate)	Complied								
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - <b>Major compliance</b> -	The established policy has emphasized on the commitment to comply with all applicable legal requirements, contribute to local community development, and environmental consideration with the objective of improving the milling and estate operation	Complied								
<b>Criterion 4.1.2 – Internal Audit</b>											
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - <b>Major compliance</b> -	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: <table border="1" data-bbox="1086 1276 1854 1343"> <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					Complied
Date of audit	Finding	Verification	Estate/Mill								

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Criterion / Indicator		Assessment Findings				Compliance
		8/10/20	3 NC raised (4.4.5.2, 4.6.3.2 & 4.4.4)	All NC were closed on 21/9/20	Sindora POM	
<b>4.1.2.2</b>	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.  - <b>Major compliance</b> -	Kulim (M) Berhad has established procedure, Sustainable Management System, Internal Audit : SQD/SMS/5.0, issue: 1 dated 1/7/18 . The procedure is designed for all applicable sustainability standards requirements such as ISCC, RSPO, MSPO and management guideline to be used as audit criteria. 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
<b>4.1.2.3</b>	Reports shall be made available to the management for their review.  - <b>Major compliance</b> -	Internal audit report prepared by SQD @ internal audit team and made available to the management for review.				Complied
<b>Criterion 4.1.3 – Management Review</b>						
<b>4.1.3.1</b>	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.  - <b>Major compliance</b> -	The latest management review was carried out on 5/10/20. 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.				Compliance



Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. <b>- Major compliance -</b>	Based on the Continual Improvement plan, the Mill has come up with the following action plans: -  Sindora POM 1. Sludge de-watering system 2. CPO washing system (product quality) 3. Machinery replacement and upgrading (new weighbridge, cages replacement etc)	Complied
<b>4.1.4.2</b>	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. <b>- Major compliance -</b>	Disseminating this information throughout the workforce was done on monthly basis during operation meeting. For example, the new CPO washing system will be introduced for chemical residue in CPO as part of customer requirements.	Complied
<b>4.2 Principle 2: Transparency</b>			
<b>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</b>			
<b>4.2.1.1</b>	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. <b>- Major compliance -</b>	Sindora Complex has organized an external stakeholder meeting on 27 <sup>th</sup> August 2020. During this meeting, it was communicated to the external stakeholders the following information which included:  <ul style="list-style-type: none"> <li>- Relevant information on environmental, social and legal issues.</li> <li>- Company’s policy on MSPO implementation.</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance				
		<ul style="list-style-type: none"> <li>- MSPO certification requirements</li> <li>- Legal compliance</li> </ul>					
<b>4.2.1.2</b>	<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><b>- Major compliance -</b></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				
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>							
<b>4.2.2.1</b>	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p><b>- Major compliance -</b></p>	<p>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 1<sup>st</sup> 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				
<b>4.2.2.2</b>	<p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p> <p><b>- Minor compliance -</b></p>	<p>The management officials nominated are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Estate/Mill</td> <td style="width: 25%;">Person appointed</td> <td style="width: 25%;">Letter of appointment</td> <td style="width: 25%;"></td> </tr> </table>	Estate/Mill	Person appointed	Letter of appointment		Complied
Estate/Mill	Person appointed	Letter of appointment					

Criterion / Indicator		Assessment Findings			Compliance
		Sindora POM	Supervisor	10 <sup>th</sup> January 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>			
<b>4.2.2.3</b>	<p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p><b>- Major compliance -</b></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"> <li>- Relevant government agencies (e.g. DOE, DOA, Immigration Department, Department of Safety and Health, Labour Department)</li> <li>- Contractors</li> <li>- Suppliers</li> <li>- Consultants</li> <li>- Neighbouring estates</li> <li>- Clinics, hospitals, fire brigade, police, etc.</li> </ul> <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>			Complied
<p><b>Criterion 4.2.3 – Traceability</b></p>					

Criterion / Indicator		Assessment Findings	Compliance
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. <b>- Major compliance -</b>	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. <b>- Major compliance -</b>	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 20/10/20; Stock CPO: 237.65 mt Stock PK: 78.12 mt	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. <b>- Minor compliance -</b>	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. <b>- Major compliance -</b>	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 <a href="http://www.e-kilangmpob.com.my/ekilang_main/">http://www.e-kilangmpob.com.my/ekilang_main/</a>	Complied
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			

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Criterion / Indicator		Assessment Findings	Compliance
4.3.1.1	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p>	<p>Verified availability and validity of the license and permit as below:</p> <ul style="list-style-type: none"> <li>a) MPOB License= 500263204000 valid from 01/07/2020 hingga 30/06/2020</li> <li>b) Jabatan Alam Sekitar= Permit# 004718 validity from 06/06/2020 to 31/12/2020 Untuk Menegluar dan melepaskan apa-apa benda bahaya kepada alam sekitar Permit#004718 validity from 01/07/2020 until 30/06/2020 untuk Menduduki Atau Menggunakan Premis Yang Ditetapkan.</li> <li>c) Lesen Melencong atau menbabstrak Air Sungai (Seksyen 7)- No fail: BAKAJ/334/300/05/07/08/1 validity until 31/12/2020</li> <li>d) Permit Barang Kawalan Berjadual- No Siri: J038992 validity 27/01/2020 until 26/01/2021</li> </ul> <p>Verified the list of license and permit and sighted other license from Suruhanjaya Tenaga, SPAN, JTK and sighted all the license and permit are valid until next year.</p>	Complied
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>	<p>Management established and listed all applicable legal requirement as per Kulim Group Compliance Framework and updated once in every two month and latest update on 31/08/2020 with additional legal for Akta Kawalan Penyakit Berjangkit 1988 applicable for the Covid 19 situaton.</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there</p>	<p>Management established and listed all applicable legal requirement as per Kulim Group Compliance Framework and</p>	Complied

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	are any new amendments or any new regulations coming into force. <b>- Major compliance -</b>	updated once in every two month and latest update on 31/08/2020 with additional legal for Akta Kawalan Penyakit Berjangkit 1988 applicable for the Covid 19 situaton.	
<b>4.3.1.4</b>	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. <b>- Minor compliance -</b>	Management appoint Mr Badrul Arifin bin Badaluddin as a person responsible to monitor legal compliance and sighted appointment letter date 04/05/2018.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	The usage of all land titles are for agriculture purposes and no evidence of land encroachment sighted.	Complied
<b>4.3.2.2</b>	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. <b>- Major compliance -</b>	Sindora POM is located in Sindora Estate and the quit rent is paid through Sindora Estate. The Area Statement for vs the land titles for Sindora Estate is crossed reference. The land titles are under Kulim (Malaysia) berhad and sampled is as follows: Sindora Estate: No H.S (D) 17659, No PTD 4434: 2709.760 Acre <i>dengan syarat-syarat nyata (tanaman kelapa sawit)</i> valid until 24.01.2086.	Complied
<b>4.3.2.3</b>	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. <b>- Major compliance -</b>	The boundary for the fields are clearly demarcated and visibly maintained	Complied

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<b>4.3.2.4</b>	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). <b>- Minor compliance -</b>	So far there has no issue on land dispute in Sindora POM and verified through stakeholder’s consultation and documentation of land ownership.	Complied
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	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
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. <b>- Minor compliance -</b>	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
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. <b>- Major compliance -</b>	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
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			

Criterion / Indicator		Assessment Findings	Compliance
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p><b>- Minor compliance -</b></p>	<p>Social Impact Assessment (SIA) was conducted on 16/5/2019 and 18/6/2019 by Sustainability Team of Kulim (M) Berhad. Seen the interview checklists with the relevant stakeholders that been utilized during the assessment. The stakeholders that participated in the assessment were such as school's representative, internal workers, contractors and etc. The topics that discussed during the assessment are child labour issue, discrimination, complaints, policies and etc. Based on the assessment, 12 positive impacts were identified. Recommended improvement measures detailed out in the Social Improvement Plan dated 8<sup>th</sup> September 2020.</p>	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p><b>- Major compliance -</b></p>	<p>Grievance Procedure, Doc. No. SQD/SMS/4.1 issue:1 dated 1<sup>st</sup> 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 dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p><b>- Major compliance -</b></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.</p> <p>The Company's whistle blowing Policy which approved by Kulim (M) Berhad's board of director dated 10<sup>th</sup> September 2020 provides anonymity and assurance against retaliation and immunity to the whistle blower.</p>	Complied



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4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - <b>Minor compliance</b> -	The complaint form is made available together with the Enquiry Register Record in the suggestion box in front of office and compiled in Enquiry Register Book. The form is made for complaint, requisition or visit/inspection.	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. - <b>Minor compliance</b> -	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 27 <sup>th</sup> August 2020. All issues were discussed and recorded in the meeting minutes.	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - <b>Major compliance</b> -	All complaints and resolutions for the past 24 months were available upon request.	Complied
<b>Criterion 4.4.3: Commitment to contribute to local sustainable development</b>			
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. - <b>Minor compliance</b> -	The management has made contribution to the local communities and workers such as donation to the school and activities upon request by the stakeholders. Besides, the company subsidized 35 gallon and 50 kWh of electricity per person. The company also provided job opportunity to the local communities. Other contributions and programmes sighted;  i) Religious talk by "Pencetus Ummah Yeop"	Complied

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		ii) Donation for SK Bukit Tongkat (PIBG Annual Meeting)	
Criterion 4.4.4: Employees safety and health			
<b>4.4.4.1</b>	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.  <b>- Major compliance -</b>	Management establish OSH policy as per "Polisi Berkaitan Keselamatan Dan Kesehatan Pekerjaan" and approved by Pengarah Eksekutif, Mr Zulkify Zakariah dated 01/05/2018.	Complied
<b>4.4.4.2</b>	The occupational safety and health plan should cover the following: 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: 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).	a) Communication of the policy was sighted during morning briefing and sighted record dated 01/09/2020. The policy was communicated to the external party during stakeholder meeting on 27/08/2020.  b) Management established the HIRARC for all activity in the mill. The establishment of the HIRARC are as per HIRARC Guidelines by DOSH. Verified the HIRARC for below activity iii) Laboratory- hexane usage dated April 2020 and sighted all activity was rank as LOW and MEDIUM iv) Workshop- welding activity dated April 2020 and sighted all activity was rank as LOW and MEDIUM	Complied

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<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><b>- Major compliance -</b></p>	<p>v) Store- Chemical handling activity dated April 2020 and sighted all activity was rank as LOW and MEDIUM risk.</p> <p>c) Training record was review and sighted Chemical Handling Training was conducted on</p> <p>i) Spill Containment Training dated 23/06/2020.</p> <p>ii) Chemical Safety Handling dated 17/09/2020.</p> <p>Site visit sighted precaution attached to product area available such as safety signage, SDS and PPE.</p> <p>d) PPE record was sighted and issuance of PPE to below employee:</p> <p>iii) Muhammad Ridzuan- safety helmet, safety shoe, glove issuance on 18/10/2020</p> <p>iv) Mohd Yadiy- glove, safety shoe, ear plug issuance on 30/02/2020</p> <p>v) Shaiful bin Mutahkir- safety helmet, safety shoes, goggle issuance on 18/07/2020</p> <p>e) Management established the work instruction for chemical handling as below:</p> <p>iii) Chemical Control (SDM/WI/17)</p> <p>iv) Handling of Schedule Waste (SDM/WI/5)</p> <p>v) Handling of Chemical (SDM/WI/9)</p> <p>CHRA report was available (Report#:JKKP HQ/03/ASS/00/154-2018/056). Medical surveillance was</p>	

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	<p>conducted to employee exposed with hazardous chemical at laboratory and workshop on 28/08/2020 and sighted the medical surveillance report dated 03/10/2020.</p> <p>f) Management appoint Sr Assistant, Mohd Ridhwan and he was appointed as Secretary of OSH Committee.</p> <p>g) Management maintain a two-way communication related with OSH matter by conducting OSH Committee Meeting and sighted meeting minute dated 28/08/2020, 26/06/2020.</p> <p>h) Emergency response procedure was sighted for accident, fire and boiler dated 10/02/2008. Sighted management established the Emergency Response Team (ERT) and sighted the SOP for the chemical spillage, fire, and accident. Noted management plan conduct Fire Drill exercise on October 2020.</p> <p>i) First Aid box was sighted and located at the workstation such as boiler station, office etc and inspection was done by HA by monthly basis. Sighted record of inspection for month October. First Aid training sighted was conducted on 03/09/2020 by attended by the person in charge for the First Aid Box.</p>	

Criterion / Indicator		Assessment Findings	Compliance
		<p>j) Accident record was updated and discussed during the OSH Committee Meeting. Management submitted the JKPP 8 to DOSH by yearly basis and sighted the latest submission on 21/01/2020.</p> <p>Verified accident occur at palm oil mill on 04/06/2020 and sighted availability of the internal investigation and action taken. The issue was discussing during special OSH Committee Meeting dated 07/06/2020.</p>	
<b>Criterion 4.4.5: Employment conditions</b>			
<b>4.4.5.1</b>	<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><b>- Major compliance -</b></p>	<p>Sindora POM and estates subscribe to Kulim (M) Berhad's sustainability policy which newly revised and approved by Kulim's Sustainability &amp; initiatives Council Meeting on 29<sup>th</sup> July 2020. Transition period for the (new MD) effective 1<sup>st</sup> 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
<b>4.4.5.2</b>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p>	<p>The implementation of this Policy was confirmed by workers interviewed, where they confirmed that no form of discrimination exists.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p><b>4.4.5.3</b> 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><b>- Major compliance -</b></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 RM1,100 and above, which is in compliance with the Minimum Wages (Amendment) Order 2018. The Malaysian workers’ wages are deducted for statutory payments such as the EPF, SOCSO and EIS.</p> <p>(Employee ID 623217, 623067, 623222, 623045, 623017, 623040 623226, 623124) low crop – December 2019, peak crop – June 2020</p> <p>For Sindora POM, salary deductions were made for electricity and water usage in the linesite. Sighted during the audit was a written approval from the Labour Office (Serial No. (3) dlm JTK/D/02/90/600-9/6 JLD 5 effective from 11 June 2019. Other deduction approval was sighted for <i>Skim Khairat Keluarga Perbadanan Johor</i>, ref: TK-(NJ)U-23 dated 31<sup>st</sup> March 2019. 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>	<p>Complied</p>
<p><b>4.4.5.4</b> Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	<p>No contractor work permanently at POM except for ad-hoc work for equipment repair and engineering project.</p>	<p>Complied</p>
<p><b>4.4.5.5</b> The management shall establish records that provide an accurate overview of all employees (including seasonal workers and</p>	<p>Sindora POM has established records of all employees including contractors’ employees. The record contain details such as full</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
	subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.  - Major compliance -	name, gender, nationality, date of birth, date of employment, job description, wage and period of employment.	
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.  - Major compliance -	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.  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 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.	Complied
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.  - Major compliance -	Sindora POM has established a time recording system which is transparent for both employees and employers. The daily pucch card was sighted for December 2019 (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

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<b>4.4.5.8</b>	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.  - <b>Major compliance</b> -	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 7.30 AM to 4.00 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.31 (14) dated 30 July 2020.	Complied
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.  - <b>Major compliance</b> -	Based on December 2019 (low crop) and June 2020 (peak crop) pay slips reviewed at Sindora POM, all workers receive wages and overtime pay in accordance with the Minimum Wages Order, which is RM1,100 and above per month. Based on sample workers (employee ID 623217, 623067, 623222, 623045, 623017, 623040, 623226, 623124), no workers have exceed the limit of 130 hours in the peak crop month of June 2020.	Complied
<b>4.4.5.10</b>	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.  - <b>Minor compliance</b> -	Workers of Sindora 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.	Complied
<b>4.4.5.11</b>	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.  - <b>Major compliance</b> -	Workers of Sindora 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	Complied



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		inspection was carried out by EHA. Sighted inspection records for September and October 2020 and recorded in the checklist " Rekod Pemeriksaan Perumahan Pekerja".	
<b>4.4.5.12</b>	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.  - <b>Major compliance</b> -	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 12 <sup>th</sup> October 2020 at Sindora POM.	Complied
<b>4.4.5.13</b>	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.  - <b>Major compliance</b> -	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 was 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 5/10/20 at Sindora POM. No unresolved issues reported in the meeting.	Complied
<b>4.4.5.14</b>	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.  - <b>Major compliance</b> -	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.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.4.6: Training and competency</b>			
<b>4.4.6.1</b>	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. <b>- Major compliance -</b>	Management established Annual Training Program 2020 and listed training related with operation, safety, environment etc. Verified training record and sighted management maintain the training records include the attendance list, training material and training report. Verified below training records: a) Working At Height Training dated 17/09/2020 b) ISCC Training dated 12/01/2020 c) SW Management Training dated 10/08/2020.	Complied
<b>4.4.6.2</b>	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. <b>- Major compliance -</b>	Training needs was done by issuance of 'Proposal For Executive/ Staff/ Workers Training" by the HOD and sighted documented proposal for conducted Refresh Training MSPO, Lab Procedure, MSPO Awareness etc.	Complied
<b>4.4.6.3</b>	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. <b>- Minor compliance -</b>	Training programme as reported under 4.4.6.1	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. <b>- Major compliance -</b>	Management established "Environmental Policy" dated 01/05/2018 and approved by Executive Director, Mr. Zulkifly Zakariah. The policy was communicated during the briefing, training and display at notice board.	Complied
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations <b>- Major compliance -</b>	a) Objective are as per Environmental Management Plan 2020 and sighted objective as below: i) To control boiler smoke emission by comply with DOE requirement ii) To control diesel consumption from 0.60 liter/mt FFB process iii) Reduce 5% noise level at station boiler b) Review the Environmental Risk Assessment Form and sighted impact analysis for all activity. The risk assessment was updated on 04/06/2020 and sighted rank I and II which the risk is LOW and MEDIUM.	Complied
<b>4.5.1.3</b>	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. <b>- Major compliance -</b>	Refer to Environmental Risk Assessment and sighted management identified the impact for the environmental and sighted the mitigation plan, sample as below: a) Chemical used- Impact: Disposal of used chemical. Mitigation plan: Update inventory, training, and disposal to registered DOE contractor	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>b) Implement PCD- Impact: water pollution                      Mitigation plan: Done inspection by twice a month.</p>	
<b>4.5.1.4</b>	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>	<p>Management promote impact by establish the Pollution &amp; Emission Management Plan and sighted updated 01/08/2020. The plan include below pollution</p> <p>a) Emission of dark smoke                      Action plan: Boiler house log book smoke density, CEMS monitoring etc</p> <p>b) Emmision of dust                      Action plan: Routine maintenance and placed in area far from water sources</p> <p>c) Effluent (POME) Action plan: maintain effluent pond, established polishing plant for POME</p>	Complied
<b>4.5.1.5</b>	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p><b>- Major compliance -</b></p>	<p>Refer to training plan 2020 and sighted management plan training related to environmental and sighted conducted for</p> <p>a) POME Management dated 16/01/2020</p> <p>b) Schedule Waste Management Training dated 10/08/2020.</p>	Complied
<b>4.5.1.6</b>	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p>	<p>The meeting was sighted conducted during the Mesyuarat Ketua Bahagian by monthly basis on 29/09/2020, 29/01/2020 etc. Refer to meeting minute and sighted discuss on the status of effluent, schedule waste etc. Management also conducted Environmental Regulatory Compliance Monitoring Meeting on 27/10/2020.</p>	Complied

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- Major compliance -			
<b>Criterion 4.5.2:</b> Efficiency of energy use and use of renewable energy			
<b>4.5.2.1</b>	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period  - Major compliance -	Review the diesel usage monitoring for year 2020 and base line values of 1.1 liter/ FFB MT. Sighted data for below usage:  Sept 2020= 0.74 Liter/ MT August 2020 = 0.63 Liter/MT July 2020 = 0.62 Liter/MT	Complied
<b>4.5.2.2</b>	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.  - Major compliance -	Estimation of the direct usage of diesel was sighted as per budget year 2020 with estimation of usage of 0.6 Liter/ MT	Complied
<b>4.5.2.3</b>	The use of renewable energy should be applied where possible.  - Minor compliance -	Renewable energy was sighted on the usage of fiber and shell for boiler operation to generate steam for operation. Verified the fiber and shell produced by mill as below:  Fiber Sept 2020= 3,074MT Aug 2020= 3,053 MT July 2020 = 2,997 MT	Complied

Criterion / Indicator	Assessment Findings	Compliance	
<b>Criterion 4.5.3:</b> Waste management and disposal			
<b>4.5.3.1</b>	All waste products and sources of pollution shall be identified and documented. <b>- Major compliance -</b>	Management identified and listed waste product as per Waste and Pollution Management Plan dated 01/08/2020 and listed below waste: a) Schedule waste- empty chemical containers, batteries, contaminated rags etc b) Liquid waste- waste water c) Domestic waste d) Garden waste	Complied
<b>4.5.3.2</b>	A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for: a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products. <b>- Major compliance -</b>	a) Management identified and listed waste product as per Waste and Pollution Management Plan dated 01/08/2020 and listed Schedule waste- empty chemical containers, batteries, contaminated rags etc, Liquid waste- waste water, Domestic waste and garden waste. b) EFB-supply to estate to apply in the field and convert to composte	Complied
<b>4.5.3.3</b>	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)	Schedule waste Work Instruction was sighted as below: a) Labelling, Handling, Storage od Schedule Waste b) Handling, storage and disposal of used gloves and rags Management manage Schedule as per procedure and verified below:	Complied

Criterion / Indicator		Assessment Findings	Compliance
	Regulations, 2005 <b>- Major compliance -</b>	c) Inventory Updated inventory through EsWISS system for month of October with current inventory SW110- Used battery= 0.0180MT SW305- Used spent oil = 0.17 MT SW409- Used discard chemical = 0.006MT SW410- Contaminated filter = 0.004 MT d) Disposal i) SW410- 0.027 MT Disposal on 18/09/2020 to Kualiti Alam Sdn Bhd ii) SW409- 0.053 MT Disposal on 17/03/2020 to Kualiti Alam Sdn Bhd iii) SW408- 0.0150 MT Disposal on 18/09/2020 to Kualiti Alam Sdn Bhd.	
<b>4.5.3.4</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. <b>- Minor compliance -</b>	Domestic waste was manage by estate management by collecting 3 times per week.	Complied
<b>Criterion 4.5.4:</b> Reduction of pollution and emission			

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Criterion / Indicator		Assessment Findings	Compliance
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. <b>- Major compliance -</b>	Sighted the assessment was done as per to Environmental Risk Assessment and sighted management identified the impact for the environmental and sighted the mitigation plan	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	The plan include below pollution a) Emission of dark smoke Action plan: Boiler house log book smoke density, CEMS monitoring etc b) Emission of dust Action plan: Routine maintenance and placed in area far from water sources c) Effluent (POME) Action plan: maintain effluent pond, established polishing plant for POME	Complied
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations. <b>- Major compliance -</b>	Refer to DOE Permit and sighted approval for 100% land application by the management. Review the effluent discharge capacity below: September 2020= 24,456m3 August 2020= 10,397m3 Jun 2020= 23.192m3	Complied



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		<p>Sample of POME was done and sample was analyze by UTCL Laboratory and sighted Test Report dated 08/09/2020. Below parameter was sighted for final discharge water quality</p> <p>BOD= 51 mg/L</p> <p>COD = 491 mg/L</p> <p>Ammoniacal Nitrogen = 14 mg/L</p> <p>Total Nitrogen = 27 mg/L</p> <p>Suspended Solid = 492 mg/L</p> <p>Total solid = 3,276 mg/L</p>	
<b>Criterion 4.5.5: Natural water resources</b>			
<b>4.5.5.1</b>	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>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.).</li> </ul> <p><b>- Major compliance -</b></p>	<p>Noted management abstract water for domestic waste from the natural water catchment and treated the water for the domestic used.</p> <ul style="list-style-type: none"> <li>a) Assessment water used by maintain the Water Usage record and sighted record for Sept (21,820 m3), Aug (21,502 m3) and July (20,686 m3).</li> <li>b) Monitoring of outgoing water was sighted for final discharge. The water monitoring was conducted by monthly basis and verified the test report dated 28/09/2020.</li> <li>c) Refer to Mill Water Management Plan and sighted action taken as below:</li> </ul>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>i) To schedule water supply</li> <li>ii) Outsource water from neighboring estate</li> <li>iii) Desilting of reservoir/ pond to maintain water level.</li> </ul>	
<b>4.5.5.2</b>	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p><b>- Major compliance -</b></p>	Mill management apply 100% POME to the land.	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Mill Management</b>			
<b>4.6.1.1</b>	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>Management established the SOP for operation as per Quality Manual dated 01/02/2018. Site visit sighted management establish the record for monitoring such as below:</p> <ul style="list-style-type: none"> <li>a) Buku Log Harian Boiler</li> <li>b) Boiler Water Analysis</li> </ul> <p>Training on SOP was constantly conducted as per Training Program 2020.</p>	Complied
<b>4.6.1.2</b>	<p>All palm oil mills shall implement best practices.</p> <p><b>- Major compliance -</b></p>	Site visit to the mill operation and sighted management implement the best practices as per SOP. Review all record and form available in the mill operation and sighted was updated daily.	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.6.2:</b> Economic and financial viability plan			
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.  - <b>Major compliance</b> -	Management establish the Budget 2020 & Projection 2021- 2025. Review and sighted budget for 2020 as below:  Mill throughput = 240,000MT Production cost = RM54.37/ MT Capital budget = RM7.76/ MT	Complied
<b>Criterion 4.6.3:</b> Transparent and fair price dealing			
<b>4.6.3.1</b>	Pricing mechanisms for the products and other services shall be documented and effectively implemented.  - <b>Major compliance</b> -	The documentation of price mechanism for services received from contractors are contained in the respective contracts. Sighted during the audit were: <ul style="list-style-type: none"> <li>- Crude Palm Oil Transport Agreement dated 1<sup>st</sup> January 2020 between Sindora POM and Semai Setai Transport valid from 1<sup>st</sup> June 2020 until 31<sup>st</sup> May 2020) for transportation services. The pricing mechanism and the rates for transportation of crude palm oil are detailed out in the contract under schedule 1.</li> <li>- FFB supplier (Perniagaan Md Sangidi) agreement dated 31<sup>st</sup> December 2019 valid from 1<sup>st</sup> January 2020 until 31<sup>st</sup> December 2020. The pricing mechanism and calculation is clearly written in the contract.</li> <li>- FFB supplier (Perniagaan Sri Misan) agreement dated 31<sup>st</sup> December 2019 valid from 1<sup>st</sup> January 2020 until 31<sup>st</sup></li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		December 2020. The pricing mechanism and calculation is clearly written in the contract.	
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	Contracts entered into between GME Palm Oil Mill 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 Semai Setia Transport 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 <sup>th</sup> September 2020; ref.no.: SS 2522020, payment voucher no. PV2000697 dated 8/10/20.	Complied
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	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
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	Agreed contracts with the contractors sampled: <ul style="list-style-type: none"> <li>- Crude Palm Oil Transport Agreement dated 1<sup>st</sup> January 2020 between Sindora POM and Semai Setai Transport valid from 1<sup>st</sup> June 2020 until 31<sup>st</sup> May 2020) for</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>transportation services. The pricing mechanism and the rates for transportation of crude palm oil are detailed out in the contract under schedule 1.</p> <ul style="list-style-type: none"> <li>- FFB supplier (Perniagaan Md Sangidi) agreement dated 31<sup>st</sup> December 2019 valid from 1<sup>st</sup> January 2020 until 31<sup>st</sup> December 2020. The pricing mechanism and calculation is clearly written in the contract.</li> <li>- FFB supplier (Perniagaan Sri Misan) agreement dated 31<sup>st</sup> December 2019 valid from 1<sup>st</sup> January 2020 until 31<sup>st</sup> December 2020. The pricing mechanism and calculation is clearly written in the contract</li> </ul>	
<b>4.6.4.3</b>	<p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> <p><b>- Minor compliance -</b></p>	<p>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>	Complied

**Appendix B: List of Stakeholders Contacted**

<p><b>Government Officer:</b> Nil</p>	<p><b>Community/neighbouring village:</b> SMK Belitong Tenant/sundry shop FELDA Sening</p>
<p><b>Suppliers/Contractors/Vendor</b> ICE Electrical Engineering Works Kluang Timur Jaya Contractor Sdn Bhd Sindora estate’s rubbish collection contractor</p>	<p><b>Worker’s Representative/Gender Committee:</b> Estate and mill social representative Estate and mill workers/stakeholder representative EHA Mill workers Estate/field workers Gender representative</p>

**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					

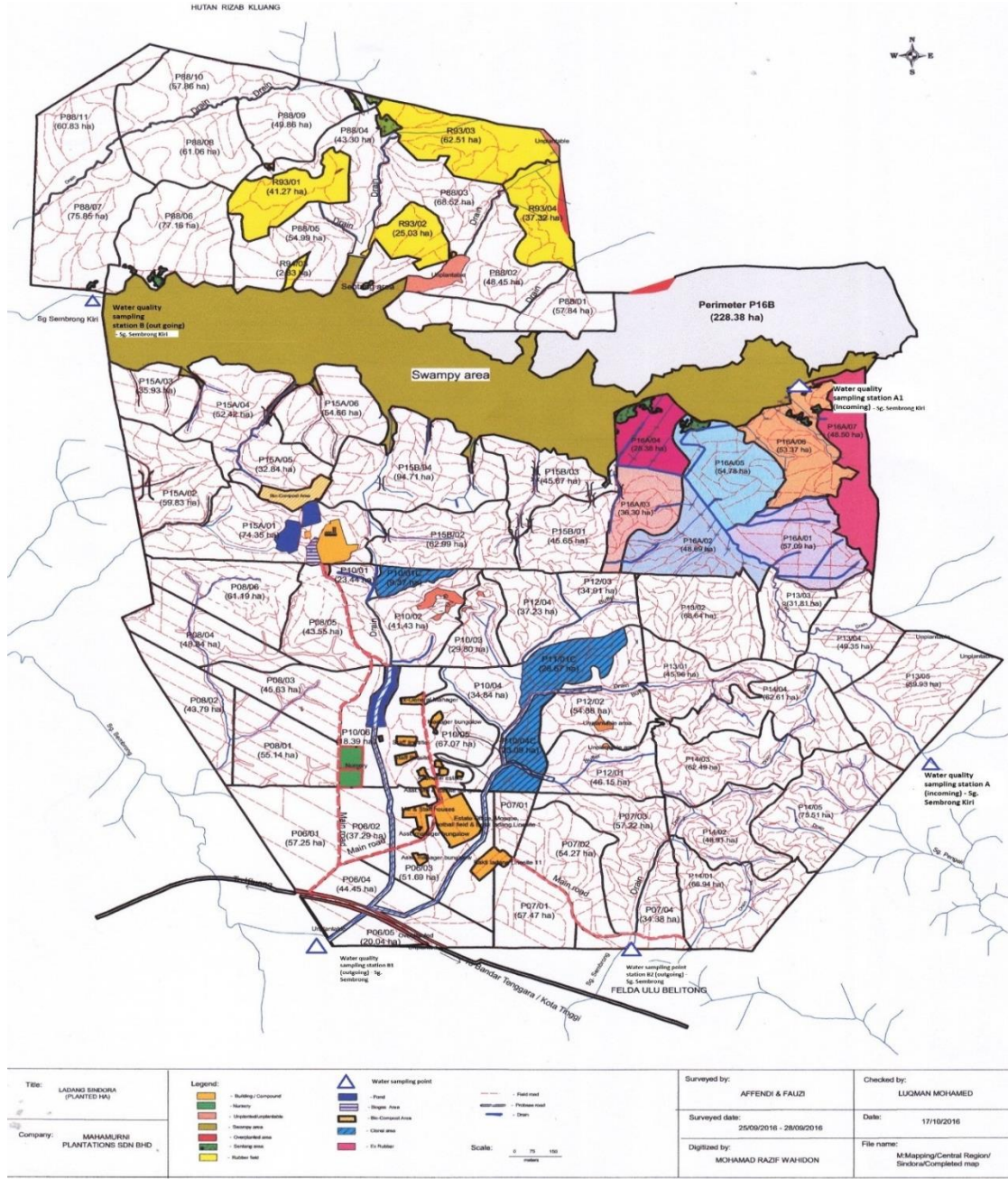
**Appendix D: Location and Field Map**

**Sindora POM and Sindora Group Estate location**

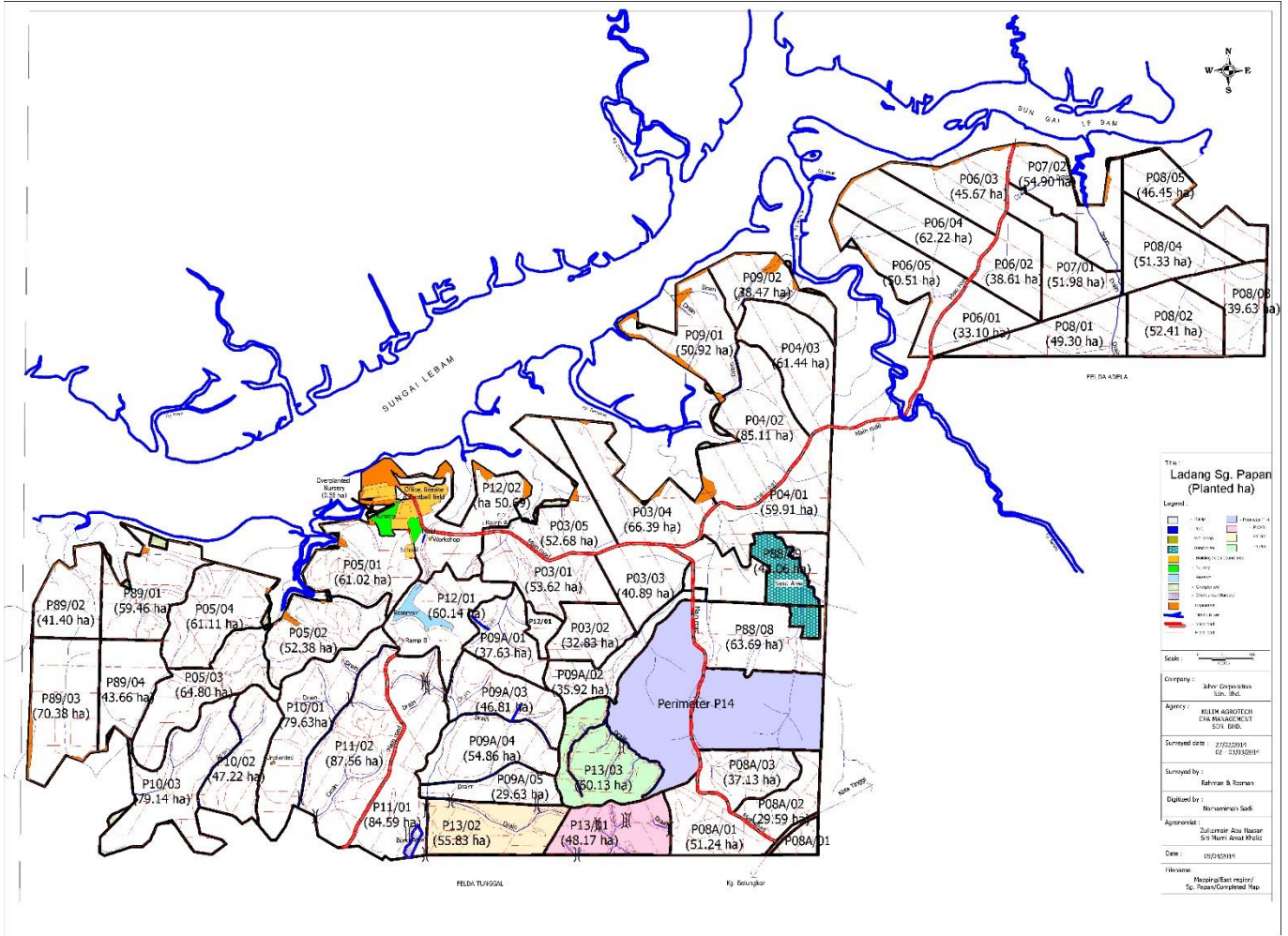




**Sindora Estate**



**Sg Papan 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