

**MALAYSIAN SUSTAINABLE PALM OIL
3rd ANNUAL SURVEILLANCE ASSESSMENT (ASA3)
Public Summary Report**

KULIM (MALAYSIA) BERHAD
Client company Address: K.B. 705, Ulu Tiram 81900 Johor Bahru, Johor, Malaysia
Certification Unit: Tereh Palm Oil Mill & Plantations of Tereh Complex (Tereh Utara Estate, Tereh Selatan Estate, Selai Estate, Enggang Estate, Mutiara Estate, Sg. Sembrong Estate, Sg. Tawing Estate and Rengam Estate)
Date Final Report: 25/11/2021

Report prepared by:
Mohd Razaleigh bin Mohamad (Lead Auditor)

Report Number: 3293258

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

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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Kulim (Malaysia) Berhad		
Mill/Estate	MPOB License No.	Expiry Date	
	Tereh Palm Oil Mill	500048604000	31/05/2022
	Tereh Utara Estate	501673102000	30/04/2022
	Tereh Selatan Estate	501674902000	30/04/2022
	Selai Estate	504229402000	31/07/2022
	Enggang Estate	504229402000	31/07/2022
	Mutiara Estate	502458002000	31/10/2021
	Sg. Sembrong Estate	502457102000	31/10/2021
	Sg. Tawing Estate	532878002000	30/09/2022
	Rengam Estate	501225502000	31/03/2022
Address	HQ: K.B. 705 Ulu Tiram, 81900 Johor Bahru, Johor, Malaysia		
Certification Unit	Tereh Palm Oil Mill & Plantations (Tereh Utara Estate, Tereh Selatan Estate, Selai Estate, Enggang Estate, Mutiara Estate, Sg. Sembrong Estate, Sg. Tawing Estate and Rengam Estate)		
Contact Person Name	Mdm. Salasah Elias (Deputy General Manager)		
Website	www.kulim.com.my	E-mail	salasah@kulim.com.my
Telephone	07-8611611	Facsimile	07-8631084

1.2 Certification Information			
Certificate Number	Mill: MSPO 698004 Estates: MSPO 698005		
Issue Date	02/04/2019	Expiry date	01/04/2024
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	MS 2530-3:2013: General principles for oil palm plantations and organized smallholders MS 2530-4:2013: General principles for palm oil mills		
Stage 1 Date	Not applicable since the certification unit is RSPO certified		
Stage 2 / Initial Assessment Visit Date (IAV)	24 - 27/09/2018		
Continuous Assessment Visit Date (CAV) 1	14 - 17/10/2019		
Continuous Assessment Visit Date (CAV) 2	09 - 12/11/2020		
Continuous Assessment Visit Date (CAV) 3	Remote Audit: 04 - 07/10/2021		

Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 613086	RSPO Principles & Criteria of Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019	BSI Services Malaysia Sdn. Bhd.	22/01/2024
EU-ISCC-Cert-PL214-20230521	ISCC EU	ASG	16/06/2023
A158823	HALAL MS 1500:2009	JAKIM	15/09/2023
BVC-MSPO/SC-0029	MSPO Supply Chain Certification Standard (MSPO SCCS) 1 October 2018	BVC	10/03/2025

1.3 Location of Certification Unit			
Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Tereh Palm Oil Mill	Batu 26, Road Committee, Jalan Kampung Peta, Jalan Mersing, 86000 Kluang, Johor, Malaysia	2.21751	103.35138
Tereh Utara Estate	K.B. 536, 86009 Kluang, Johor, Malaysia	2.21751	103.35138
Tereh Selatan Estate	K.B. 537, 86009 Kluang, Johor, Malaysia	2.19281	103.35210
Selai Estate	K.B. 529, 86009 Kluang, Johor, Malaysia	2.27465	103.38750
Enggang Estate	K.B. 503, 86009 Kluang, Johor, Malaysia	2.27002	103.42682
Mutiara Estate	P.O. Box 21, Kampung Baru Kahang, 86700 Kahang, Johor, Malaysia	2.28795	103.48114
Sg. Sembrong Estate	P.O. Box 21, Kampung Baru Kahang, 86700 Kahang, Johor, Malaysia	2.31523	103.46374
Sg. Tawing Estate	K.B. 531, 86009 Kluang, Johor, Malaysia	2.29632	103.35321
Rengam Estate	K.B. 104, 86300 Renggam, Johor, Malaysia	1.88943	103.41361

1.4 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Tereh Utara Estate	2844.25	73.42	169.70	3087.37	92.13
Tereh Selatan Estate	2537.37	54.76	115.09	2707.22	93.73
Selai Estate	1622.57	32.94	144.66	1800.17	90.13

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Enggang Estate	1655.81	15.35	63.74	1734.90	95.44
Mutiara Estate	2311.15	24.85	116.30	2452.30	94.24
Sg Sembrong Estate	1181.98	7.89	52.89	1242.76	95.11
Sg Tawing Estate	2083.02	28.38	114.37	2225.77	93.59
Rengam Estate	2337.64	14.11	66.49	2418.24	96.67
TOTAL	16573.79	251.70	843.24	17668.73	

Notes:

1. Tereh Utara Estate - There is difference of 14.31 Ha due to conversion of oil palm planting to coconut plant (7.24Ha) and construction of biogas plan (7.07Ha)
2. Tereh Selatan Estate - Resurvey has been done and has identified there is mismeasurement for total area which include are for HCV and Infra.

1.5 Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Tereh Utara Estate	0	0	2086.70	757.55	0	2844.25	0
Tereh Selatan Estate	272.19	0	1960.85	304.33	0	2265.18	272.19
Selai Estate	0	1041.13	581.44	0	0	1622.57	0
Enggang Estate	0	1216.81	439.00	0	0	1655.81	0
Mutiara Estate	1048.66	393.37	570.10	49.72	249.30	1262.49	1048.66
Sg Sembrong Estate	0	0	586.72	595.26	0	1181.98	0
Sg Tawing Estate	0	625.09	1259.19	167.79	30.95	2083.02	0
Rengam Estate	667.99	504.47	992.09	0	173.09	1669.65	667.99
Total (ha)	1988.84	3780.87	8476.09	1874.65	453.34	4837.14	1988.84

1.6 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Nov 20 - Oct 21)	Actual (Nov 20 - Sep 21)	Forecast (Apr 22 - Mar 23)
Tereh Utara Estate	65,848.00	55608.55	62,649.00
Tereh Selatan Estate	53,966.00	39371.33	48667.00
Selai Estate	42,353.00	35041.21	40806.00
Enggang Estate	40,224.00	35298.03	41072.00
Mutiara Estate	30,799.00	24359.64	35640.00
Sg Sembrong Estate	24,544.00	18293.74	17598.00
Sg Tawing Estate	40,530.00	29195.20	40720.00

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Rengam Estate	38,126.00	30829.50	43919.00
Kuala Kabong Estate	0	150.49	0
Sedenak Estate	0	314.60	0
Sindora Estate	0	2,638.02	0
Total	336,390.00	271,100.31	331,071.00

1.7 Uncertified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Nov 20 - Oct 21)	Actual (Nov 20 - Sep 21)	Forecast (Apr 22 - Mar 23)
Nil			
Total			

1.8 Certified Tonnage			
	Estimated (Nov 20 - Oct 21)	Actual (Nov 20 - Sep 21)	Forecast (Apr 22 - Mar 23)
	FFB	FFB	FFB
Mill Capacity: 60 MT/hr	336,390.00	271,100.31	331,071.00
SCC Model: SG	CPO (OER: 21.50%)	CPO (OER: 22.06%)	CPO (OER: 21.75%)
	72,323.85	59795.73	72016.00
	PK (KER: 5.6%)	PK (KER: 5.86%)	PK (KER: 5.39%)
	18,837.84	15898.03	17856.00

1.9 Actual Sold Volume (CPO)					
CPO (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
59795.73	0	0	1624.47	27308.87	28933.34

1.10 Actual Sold Volume (PK)					
PK (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
15898.03	0	0	6651.27	586.66	7237.93

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 assessment was remotely conducted 04-07/10/2021 due to the Movement Control Order (MCO) imposed by the Malaysian Government. Among the ICT plan used were MS Teams, WhatsApp, Share-drive and email. The audit programme is included in Section 2.3. The planned audit objectives have been achieved, there were no connectivity issues which adversely affected the audit.

The approach to the audit was to treat the Tereh Palm Oil Mill and Tereh Utara Estate, Tereh Selatan Estate, Selai Estate, Enggang Estate, Mutiara Estate, Sg. Sembrong Estate, Sg. Tawing Estate and Rengam Estate as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. MS 2530-3:2013 and MS 2530-4:2013 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

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

Interview with stakeholders through phone call 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 online. Fieldworkers were interviewed informally in small groups in the field. A list of Stakeholders contacted is included as Appendix B.

All the previous nonconformities are remains closed. The assessment findings from 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.

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

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

Tentative Date of Next Visit: October 4, 2022 - October 7, 2022

Total No. of Man-days: 8 man days

2.1 BSI Assessment Team

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Mohd Razaleigh Mohamad (MRM)	Team Leader	Graduated in Bachelor (Scs) Plantation Management and Agrotechnology from Universiti Teknologi Mara (UiTM). More than 5 years' experience in oil plantation and 4 year in sustainability audit. Attended MSPO Lead auditor course in year 2018, Quality Management System Lead Auditor Course ISO 9001-2015 and Environmental management system ISO 14001-2015, Safety management system, ISO 45001:2018. Able to speak and understand Bahasa Malaysia and English.
Vijay Kanna Pakirisamy (VKP)	Team Member	He holds a bachelor's Degree in Agribusiness Science Management with Honours from University Utara Malaysia in 2010. He gained his working exposure in the plantation sector, serving as an Assistant Manager with KL Kepong and IOI Plantations and as a Sr. Assistant Manager with United Plantations Berhad. Throughout his 10 year tenure in the oil palm industry, he has been part of the operations team that implements standards within the estate such as RSPO, MSPO, ISCC and FINNWATCH. He has completed ISO IMS 9001, 14001, 45001 (OHS 18001) Lead Auditor Course in November 2019, endorsed RSPO P&C Lead Auditor Course in October 2019

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		and endorsed MSPO Lead Auditor Course in November 2019. During this assessment, he assessed on the Environmental aspects and estate best practises. He is fluent in Bahasa Malaysia and English languages.
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2.2 Accompanying Persons

No.	Name	Role
N/A		

2.3 Assessment Plan

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

Date	Time	Subjects	MRM	VKP	ICT Planned
27/09/2021 Monday	1000 - 1100	Communication on document preparation - Audit plan - Any additional Information	√		Teleconference, Microsoft team meeting, email
04/10/2021 Monday	0900 - 0915	Opening meeting • Opening presentation by audit team leader • Confirmation of assessment scope and finalize audit plan	√	√	Teleconference, Microsoft team meeting, email
	0915 - 1300	Tereh POM - Assessment and documentation review on estate best practice, legal requirements, OHS, environment and continual improvement - Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	√	√	Teleconference, Microsoft team meeting, email
	1300 - 1400	Lunch	√	√	
	1400 - 1630	Tereh POM - Assessment and documentation review on estate best practice, legal requirements, OHS, environment and continual improvement - Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	√	√	Teleconference, Microsoft team meeting, email
	1630 - 1700	Interim closing meeting	√	√	Teleconference, Microsoft team meeting, email
05/10/2021 Tuesday	0900 - 1300	Sungai Sembrong Estate - Assessment and documentation review on estate best practice, legal requirements, OHS, environment and continual improvement	√	√	Teleconference, Microsoft team meeting, email

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Date	Time	Subjects	MRM	VKP	ICT Planned
		- Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management			
	1300 - 1400	Lunch	√	√	
	1400 - 1700	Sungai Sembrong Estate - Assessment and documentation review on estate best practice, legal requirements, OHS, environment and continual improvement - Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	√	√	Teleconference, Microsoft team meeting, email
	1700 - 1730	Interim closing meeting	√	√	Teleconference, Microsoft team meeting, email
06/10/2021 Wednesday	0915 - 1300	Sungai Tawing Estate - Assessment and documentation review on estate best practice, legal requirements, OHS, environment and continual improvement - Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	√	√	Teleconference, Microsoft team meeting, email
	1300 - 1400	Lunch	√	√	
	1400 - 1630	Sungai Tawing Estate - Assessment and documentation review on estate best practice, legal requirements, OHS, environment and continual improvement - Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	√	√	Teleconference, Microsoft team meeting, email
	1630 - 1700	Interim closing meeting	√	√	Teleconference, Microsoft team meeting, email
07/10/2021 Thursday	0915 - 1300	Enggang Estate - Assessment and documentation review on estate best practice, legal requirements, OHS, environment and continual improvement - Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	√	√	Teleconference, Microsoft team meeting, email
	1300 - 1400	Lunch	√	√	

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Date	Time	Subjects	MRM	VKP	ICT Planned
1400-1630	1400 - 1630	Enggang Estate - Assessment and documentation review on estate best practice, legal requirements, OHS, environment and continual improvement - Assessment and documentation review on social aspects, legal requirements, employees' welfare and stakeholder management	√	√	Teleconference, Microsoft team meeting, email
1630-1700	1630 - 1700	Interim closing meeting	√	√	Teleconference, Microsoft team meeting, email
1700-1730	1700	Closing meeting	√	√	Teleconference, Microsoft team meeting

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

During the Annual Surveillance Assessment 3 (ASA3) there were 0 Major & 0 Minor nonconformities raised.

Major/Minor Nonconformities:		
Ref: N/A	Area/Process:	Clause:
	Issue Date:	Due Date:
Requirements:		
Statement of Nonconformity:		
Objective Evidence:		
Corrections:		
Root cause analysis:		
Corrective Actions:		
Assessment Conclusion:		

Opportunity For Improvement		
Ref:	Area/Process:	Clause:
Objective Evidence:	N/A	

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

3.3 Status of Nonconformities Previously Identified and OFI

Major/Minor Nonconformities:		
Ref: N/A	Area/Process:	Clause:
	Issue Date:	Due Date:
Requirements:		
Statement of Nonconformity:		
Objective Evidence:		
Corrections:		
Root cause analysis:		
Corrective Actions:		
Assessment Conclusion:		

Opportunity For Improvement		
Ref: 1985297-202011-I1	Area/Process: Estates	Clause: MSPO Part 3-4.4.5.3
Objective Evidence:	KASH card or cash payment are the options used for salary payment. Implementation has yet to be further checked to ensure condition stated in the contract employment in-lined with site implementation for improvement.	
Verification Statement:	<u>ASA3:</u> Verification has been made by the auditor on the issues where there is no KASH card or cash payment has been practices. Salary for all workers has been paid trough bank.	

Opportunity For Improvement		
Ref: 1985297-202011-I2	Area/Process: Estates	Clause: MSPO Part 3-4.5.1.2
Objective Evidence:	The Sustainability and Quality Department has developed the Environmental Risk Assessment base on quantitative and qualitative methods. The methodology needs to be review and simplified in order to mitigate the Environmental issues. Furthermore, legal reference has yet to be correctly reflected with the environment aspect for improvement.	
Verification Statement:	<u>ASA3:</u> Verification has been made and there is evidence that the methodology of the environmental assessment has been reviewed. It also has been verified correct legal reference has been used for environment aspect.	

3.4 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1689024-201806-M1	Major	27/09/2018	Closed on 24/12/2018
1689024-201806-M2	Major	27/09/2018	Closed on 24/12/2018



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1831668-201906-M1	Major	17/10/2019	Closed on 16/01/2020
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3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: Based on the stakeholder consultation that has been conducted, there is no issues has been highlighted by the stakeholders. Payment has been made on timely manner and good relationship has been maintained by the management with all stakeholders.</p> <p>Management Responses: The management is committed to maintain good relationship with all the stakeholders and to respond any consultation and consultation as per mentioned in the internal procedure.</p> <p>Audit Team Findings: No other issues.</p>

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Kulim (M) Berhad and Tereh Group Estate's Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Kulim (M) Berhad and Tereh Group Estate's Certification Unit is approved and continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: Salasah Elias	Name: Mohd Razaleigh bin Mohamad
Company name: Kulim (Malaysia) Berhad	Company name: BSI Services Malaysia Sdn. Bhd.
Title: Deputy General Manager	Title: Lead Auditor
<p>Signature:</p>  <p>Date: 29th October 2021</p>	<p>Signature:</p>  <p>Date: 15th October 2021</p>

Appendix A: Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	The management of Kulim (M) Berhad has established internal policy for implementation of MSPO and has been documented in the document title "Kulim Malaysia Berhad, Malaysian Sustainable Palm Oil Policy" dated 30/11/2019 that has been signed by executive director, Mr Zulkifly Zakariah. Mentioned in the policy that the management is committed to implement all the requirement set out by the Malaysian Sustainable Palm Oil (MSPO) and cover all the elements required.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	Mentioned also in the policy that the management of Kulim (M) Berhad is committed to achieve balance on 3P`s concept which are people, planet and profit in all management decision and operation through continual program in line with the commitment to produce sustainable palm oil products.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit procedure has been established in the document title "Internal audit" document number SQD/SMS/3.2 dated 01/08/2020 issuance number 01. Stated in the procedure that the internal audit need to be conducted at the frequency at least once within 12 months (before the expiry of the certificate). There is evidence of internal audit has been planned for year 2021 for all complex under Kulim (M) Berhad and has been verified base on audit plan that has been provided title "Internal remote audits plan for RSPO/MSPO/ISCC certification".	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>For Tereh Complex, it has been done from 08/08-19/08/2021 for both Sungai Sembrong Estate and Enggang Estate. While for Sungai Tawing Estate, the internal audit has been planned from 11/07/2021-08/08/2021 since the estate is under Sindora Complex.</p> <p>The audit plan has been prepared by Puan Munira binti Rahim and approved by Puan Salasah binti Elias dated 10/06/2021.</p>	
4.1.2.2	<p>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.</p> <p>- Major compliance -</p>	<p>Internal audit procedure has been established in the document title "Internal audit" document number SQD/SMS/3.2 dated 01/08/2020 issuance number 01. There is evidence of the internal audit checklist which listed has list down of document requirement and status of each indicator for each operating unit and has been verified by the auditor.</p> <p>For Sungai Sembrong Estate, the outcome of the audits has been compiled in the document title "Internal audit, non-conformance report". Base on the report, there is 1 nonconformity has been raised under indicator 4.4.5.6, one employment contract has not stated accordingly as per the company policy regarding prolonged illness.</p> <p>Identification of identification of strengths and root causes of nonconformities has been done by the management and has been documented in the document title corrective action plan dated 20/08/2021. The issues have been highlighted as completed by the management.</p> <p>While for Sungai Tawing Estate and Enggang Estate, there is no nonconformities has been highlighted during the audit which has been remark all requirement has complied by the management of Sungai Tawing Estate. The audit results have been signed accepted by the estate manager.</p>	Complied
4.1.2.3	Report shall be made available to the management for their review.	The outcome of the audits has been compiled in the document title Internal audit, non-conformance report for Sungai Sembrong Estate. Base on the report, there is 1 nonconformity has been raised under indicator 4.4.5.6, one	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>employment contract has not stated accordingly as per the company policy about prolonged illness. The results have been accepted by Mr Nzri Rasidi, person in charge for Sungai Sembrong Estate.</p> <p>While for Sungai Tawing Estate and Enggang Estate, there is no nonconformities has been highlighted during the audit which has been remark all requirement has complied by the management of Sungai Tawing Estate. The audit results has been signed accepted by the estate manager for both estates.</p>	
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>Management review has been conducted for Sungai Sembrong Estate and has been verified through the minutes meeting on 19/09/2021 with attendance of 9 persons from the management. The minutes meeting has been prepared by Mr Mohd Fazreen bin Mustafa and confirmed by Mr Nzri Rasidi.</p> <p>While for Sungai Tawing Estate, management review has been conducted on 19/07/2021 with attendance management team and staff. Management review minute meeting has been prepared by Mr Mohd Fikri bin Bahari.</p> <p>Issues that has been discussed during the management review is customer feedback, results from internal and external audit, continuous improvement, complaint and grievances and sustainability management system.</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>- Major compliance -</p>	<p>Continuous Improvements have been established and detailed out in the Continuous Improvement Plan 2021 which was reviewed in January 2021 for all the sample estates. The Continuous Improvements detailed out have been sampled as below:</p> <ol style="list-style-type: none"> 1. OSH <ul style="list-style-type: none"> • Install update safety signage at workstation 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> • Installation of fire resistance door at chemical store <p>2. Social</p> <ul style="list-style-type: none"> • Replace furniture for executive bungalow, staff house and office • Upgrading Sub Standard Workers Quarters. • Repainting labour quarters • Repair drainage at labour quarters • Upkeep septic tank labour quarters • Upgrading Volleyball Court <p>3. Environmental</p> <ul style="list-style-type: none"> • Rebuild and repair elephant trenches <p>4. Productivity</p> <ul style="list-style-type: none"> • Repair of FFB Ramp • Purchase new Wooden Trailer <p>Purchase new HR Roto Slasher</p>	
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	This is being made upon confirmation of any new projects. Employees were briefed of any new development in basic understanding during the morning briefings. The management team will be informed of such development during the monthly management meetings. Dissemination of information by the Head Quarters are transacted during the monthly Managers meetings and emails.	Complied
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	Where introduction of new machines and new work method, all level of employees will be trained to handle /implement the new techniques and work changes. Monitoring is made by the Estate Managers and Assistants throughout the on-the-job training and familiarization.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>The management of Kulim (M) Berhad has established internal procedure for transparency and has been documented in the document title "Transparency" document number SQD/SMS/1.0 dated 01/08/2020. The procedure has outlined the person responsible for transparency, types of information/document that can be request, and the mechanism to request any information or document.</p> <p>For Sungai Sembrong Estate, there is no enquiries has been recorded for year 2021 and there is only 1 enquiry for year 2020. There is evidence that enquires has been responded within the timeframe by the management.</p> <p>While for Sungai Tawing Estate, there is one 1 enquiry has been received in year 2020 for permission to conduct religion activities at the temple on 29/09/2020 and has been approved by previous manager, Mr Mohd Hanafi bin Mohd Daham. Mentioned also the activities need to follow standard operation procedure on COVID-19 that has been set by the government.</p> <p>For Enggang Estate, there is no enquiries has been recorded for both 2020 and 2021.</p>	Complied
4.2.1.2	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>The management of Kulim (M) Berhad has established internal procedure for transparency and has been documented in the document title "Transparency" document number SQD/SMS/1.0 dated 01/08/2020. The procedure has outlined the person responsible for transparency, types of information/document that can be request, and the mechanism to request any information or document.</p> <p>In clause 4, has listed all the document/information that can be requested by the interested parties such as:</p> <p>a. Land title/ user rights</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		b. Occupational safety and health plan c. HCV documentation d. Detail of complaint or grievances.	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Procedure of consultation and communication has been established by the management and has been documented in the document title consultation and communication document number SQD/SMS/1.1 dated 01/08/2020. Issue number 01. The procedure has categorized communication and consultation into 2 category which are internal and external parties. For internal communication, the communication is through muster, meeting, notice board, inspection and others. While for external communication, through meeting, telephone, fax, email and others. Communication internal and external will be done through the person in charge that has been appointed which basically the social person in charge. The PIC is responsible to disclose, implement, made available and explain consultation and communication procedure to all relevant stakeholders.	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	For Sungai Sembrong Estate, persons that responsible for any enquiries or request has been identified and sighted base on the appointment letter dated 01/01/2021 to Mr Mohd Fazreen bin Mustafa as social staff for Sungai Sembrong Estate and has been signed by Mr. Nzri Rasidi. While for Sungai Tawing Estate, Mr Mohd Mazree bin Mohd Tahir has been appointed as person that responsible for any communication and consultation and has been verified base on appointment letter dated 01/01/2021. For Enggang Estate, Mr Syed Zulkarnain bin Syed Omar has been appointed base on the appointment letter that has been signed the manager, Mr Megat Zaidi bin Megat Ahmad dated 01/07/ 2021.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.2.2.3	<p>List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.</p> <p>- Major compliance -</p>	<p>List of stakeholders has been document and maintained by the management for Sembrong Estate and has been verified during the audit. List of stakeholders has classified into different category which are contractor, entrepreneur, supplier, estate, school and government bodies. Total 4 contractor has been listed which are Galeri Teknik Niaga Sdn Bhd, Berkat usaha Sama, Vvellu Entepriase and Heng Earthwork construction.</p> <p>Stakeholder consultation has been conducted by the management on 29/09/2020 through online platform with attendance of stakeholder, POM and estate representative. During the stakeholder’s consultation, the management has socialized all the policy and procedure related to sustainability and any issues that arise.</p> <p>While for Sungai Tawing Estate and Enggang Estate, list of stakeholders has been maintained and categorized into different categories which are contractor, supplier, within the estate boundaries, smallholder, government, and estate. There are 3 stakeholders has been identified within the estate boundaries which are the grocery shop owner, Pn.Sarasvathy A/P Palaniandy, Mr Haw Guat Ching and Puan Hamizah Hashim.</p> <p>Stakeholder consultation has been conducted by the management for all the estates (Sungai Sembrong, Sungai Tawing and Enggang) on 29/09/2021 through online platform with attendance of stakeholder, POM and estate representative. During the stakeholder’s consultation, the management has socialize all the policy and procedure related to sustainability and any issues that arise.</p>	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant	Sustainability Management System; Traceability; Doc: No: SQD/SMS/2.1; Date: 01/08/2020; Issue No: 01; Revision No: 05 was available and verified.	Complied

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Criterion / Indicator		Assessment Findings	Compliance																								
	product(s). - Major compliance -	The SOP outlines the aim to establish traceability of the FFB from field (block) to load and transport all harvested FFB from roadside platforms to the Mill within the shortest possible time, usually within 24 hours.																									
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Traceability records is maintained by all estates by using delivery note which include information such as lorry number, field/block number, numbers of bunches. This will be monitored and verified by field supervisor or estate assistant prior to delivery. Daily inspection and checking are done to cross check the bunch count records and mill's weighbridge ticket information to ensure daily production data is consistent and tally.	Complied																								
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The person appointed for Traceability is GM/Senior Manager/Manager/Deputy Manager/Assistant in-charge/Acting Manager or Respective Operating Units as per appointment letter: Sungai Sembrong Estate: Appointment letter dated 15/09/2021 Sungai Tawing Estate: Appointment letter dated 15/09/2021 Enggang Estate: Appointment letter dated 15/09/2021	Complied																								
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	Record of FFB Dispatch was maintained by the estate and available for verification. The sampled records are as below: <table border="1" data-bbox="958 1102 1879 1367"> <thead> <tr> <th>Description</th> <th>Sungai Sembrong Estate</th> <th>Sungai Tawing Estate</th> <th>Enggang Estate</th> </tr> </thead> <tbody> <tr> <td>Date</td> <td>15/09/2021</td> <td>31/07/2021</td> <td>14/09/2021</td> </tr> <tr> <td>Delivery Chit Number</td> <td>128555</td> <td>124472</td> <td>128442</td> </tr> <tr> <td>Product</td> <td>FFB</td> <td>FFB</td> <td>FFB</td> </tr> <tr> <td>Lorry Number</td> <td>JKW 5144</td> <td>JBG 3377</td> <td>JHS 4026</td> </tr> <tr> <td>Tonnage</td> <td>25,570 kg</td> <td>14, 870 kg</td> <td>9,130 kg</td> </tr> </tbody> </table>	Description	Sungai Sembrong Estate	Sungai Tawing Estate	Enggang Estate	Date	15/09/2021	31/07/2021	14/09/2021	Delivery Chit Number	128555	124472	128442	Product	FFB	FFB	FFB	Lorry Number	JKW 5144	JBG 3377	JHS 4026	Tonnage	25,570 kg	14, 870 kg	9,130 kg	Complied
Description	Sungai Sembrong Estate	Sungai Tawing Estate	Enggang Estate																								
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Criterion / Indicator	Assessment Findings	Compliance
4.3 Principle 3: Compliance to legal requirements		
Criterion 4.3.1 – Regulatory requirements		
4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p> <p>The estates under the certification unit continued its commitment to comply with applicable legal requirements. Among the licenses and permits verified were:</p> <p><u>Sungai Sembrong Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License; License Number: 502457102000; Estate Area: 1242.76Ha; License Valid from 17/01/2021 till 31/10/2021 2. Permit Barang Kawalan Berjadual; Reference Number: BPGK JH (KLU) 0598 SK; Serial Number: PJ000346; Diesel Capacity: 22, 840 litres; Petrol Capacity: 400 Litres; License Validity Period: 27/03/2021 – 26/03/2022 3. Private Installation License – Energy Commission; Serial Number: 48694; License Number: 2021/00965; Installation Capacity: 230 kW; License Validity Period: 19/04/2021 – 18/04/2022. <p><u>Sungai Tawing Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License; License Number: 532878002000; Estate Area: 2225.77 Ha. License validity Period: 01/10/2021 – 30/09/2022. 2. Permit Barang Kawalan Berjadual; Reference Number: BPGK JH (KLU) 1184 SK; Serial Number: PJ 003061; Diesel Storage Capacity: 27,000 Litres, Petrol Storage Capacity: 800 Litres; License Validity Period: 23/09/2021 – 22/09/2023. 3. Private Installation License – Energy Commission; License Number: 2021/01102; Serial Number: 49367; Installation Capacity: 200 kW/Day; License Validity period: 04/06/2021 – 03/06/2022. 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p>4. Air Compressor Permit; Registration Number: JH PMT 90178; License Expiry Date: 18/08/2022.</p> <p><u>Enggang Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License; License Number: 504229402000; Estate Area: 1734.9Ha; License Validity Period: 01/08/2021 – 31/07/2022. 2. Private Installation License – Energy Commission; License Number: 2021/01531; Serial Number: 50101; Installation Capacity: 84.8 kW/Day; License Validity period: 21/06/2021 – 20/06/2022. 3. Permit Barang Kawalan Berjadual; Reference Number: BPGK JH (KLU) 1195 SK; Serial Number: P - J 002005; Diesel Storage Capacity; 12,000 Litres, Petrol Storage Capacity: 600 Litres; License Validity Period: 18/08/2020 – 17/08/2021. Renewal for the permit has been submitted on 03/08/2021 pending approval. 	
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	<p>Documented procedures have been established and implemented; refer to: Compliance to Legal Requirement; Kulim (Malaysia) Berhad; Doc No: SQD/SMS/2.0; Doc Date: 01.08.2020; Issue No: 01.</p> <p>A list of all relevant laws related to the legal requirements were available and maintained at the estate.</p>	Complied
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	All legal requirement was documented in Legal and Other Requirement Register. Compliance to each applicable law and regulation is monitored by the operating units. The legal register at all sites were reviewed/updated on a yearly basis / as and when needed for new updates/licenses. Sighted the document 'Summary of Compliance' available at the estates undersigned by the Top Management, updated on 31/08/2021. The document lists the latest applicable laws and amendments, revision dates and acknowledgement by the management.	Complied

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		<p>All the legal and other requirements were registered accordingly and documented in the legal requirement register including new updates for:</p> <ol style="list-style-type: none"> 1. Fees (Employment Pass, Visit Pass (Temporary Employment) and Work Pass (Remission of Fees) Order 2020. 2. Prevention and Control of Infectious Diseases (Compounding of Offences) (Amendment) (No.6) Regulations 2020. 3. Minimum Wages Order 2020. 4. Employment Provident Fund (Amendment) Rules 2020. 	
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.</p> <p><u>Sungai Sembrong Estate</u></p> <p>The estate has appointed Mr. Mohd Fazreen Bin A Mustafa (Assistant Manager) as the person in charge to monitor the compliance at Sungai Sembrong Estate. Verified the appointment letter dated 01/01/2021 undersigned by the Estate Manager.</p> <p><u>Sungai Tawing Estate</u></p> <p>The estate has appointed Mr. Mohd Mazree Bin Mohd Tahir (Assistant Manager) as the person in charge to monitor the compliance at Sungai Tawing Estate. Verified the appointment letter dated 01/01/2021 undersigned by the Estate Manager.</p> <p><u>Enggang Estate</u></p> <p>The estate has appointed Mr. Syed Zurkarnain Bin Syed Omar as the person in charge to monitor the compliance at Enggang Estate. Verified the appointment letter dated 01/07/2021 undersigned by the Estate Senior Manager</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	<p>For Sungai Sembrong Estate, land has been leased for 99 years and there is evidence of 3 land title with total hectarage 1244.579 Ha. Details of land title as per below</p> <ul style="list-style-type: none"> a) HSD 47658 dated 29/04/2003, 608.03 Ha b) HSD 48240 dated 14/10/2003 total 29.52Ha c) PTD 3303 dated 26/11/1983total 607.029ha <p>For all the land title has mentioned that the land only can be used for agriculture used.</p> <p>The management can provide sufficient document that the estate activities did not diminish the land use rights of other users. There is also no complaint has been received by the management.</p> <p>For Sungai Tawing Estate, the land has been leased for 99 years starting from 28/06/1980-27/06/2079 and has been verified base on land title number H.S. (D): 6060 total hectarage 2225.77Ha and land used for agriculture. Further verification has been made by the auditor on area statement and estate map, verified that estate activities did not diminish the land use rights of other users.</p> <p>While for Enggang Estate, there are 2 land title has been verified land title number HSD 8848 total 3179 hectare and HSD 8847 total 356.30Ha and has been owned by Kulim (M) Berhad.</p>	<p>Complied</p>
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>For Sungai Sembrong Estate, land has been leased for 99 years and there is evidence of 3 land title with total hectarage 1244.58Ha. Details of land title as per below:</p> <ul style="list-style-type: none"> a) HSD 47658 dated 29/04/2003, 608.03 Ha b) HSD 48240 dated 14/10/2003 total 29.52Ha c) PTD 3303 dated 26/11/1983 total 607.029ha 	<p>Complied</p>

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		<p>For all the land title has mentioned that the land only can be used for agriculture used.</p> <p>Quit rent has been paid for year 2021 on 28/04/2021 base on payment receipt to Pentadbiran Tanah Johor.</p> <p>Legal ownership for Sungai Tawing Estate has been verified base on the land title document that has been provided that been leased for 99 years starting from 28/06/1980-27/06/2079 and has been verified base on land title number H.S.(D) : 6060 total hectarage 2225.77Ha and land used for agriculture.</p> <p>Quit rent has been paid on 04/05/2021 lot number PTD 00002137 with total amount MYR 233,730.00.</p> <p>While for Enggang Estate, there are 2 land title has been verified land title number HSD 8848 total 3179 hectare and HSD 8847 total 356.30Ha and has been owned by Kulim (M) Berhad. Quit rent has been paid for year 2021 on 03/05/2021 to Pentadbiran Tanah Johor.</p>	
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>Total 45 boundary in North division and 45 boundary stone in main division has been identified by the management of Sembrong Estate and has been mark in the estate map which last updated on 16/05/2021.</p> <p>While for Sungai Tawing Estate, total 23 boundary stone has been identified and has been documented in the map title "Ladang Sungai Tawing, boundary stone".</p> <p>For Enggang Estate, total 81 boundary markers has been established and has been mapped in the document title "Boundary pegs area".</p> <p>As per photo that has been provided to the auditor, there is evidence that the boundary stone clearly demarcated and visibly maintained.</p>	Complied
4.3.2.4	<p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to</p>	<p>Not applicable since there is no dispute and land leased by by Kulim Plantations (M) Sdn Bhd, Sungai Sembrong Estate under land title number HSD 47658 dated</p>	Not applicable

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Criterion / Indicator		Assessment Findings	Compliance
	<p>previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).</p> <p>- Minor compliance -</p>	<p>29/04/2003, 608.03 Ha, HSD 48240 dated 14/10/2003 total 29.52Ha and PTD 3303 dated 26/11/1983 total 607.03.</p> <p>While for Sungai Tawing, land title number H.S.(D) : 6060 total hectarage 2225.77Ha and land used for agriculture.</p> <p>While for Enggang Estate, there are 2 land title has been verified land title number HSD 8848 total 3179 hectare and HSD 8847 total 356.30Ha and has been owned by Kulim (M) Berhad. Quit rent has been paid for year 2021 on 03/05/2021 to Pentadbiran Tanah Johor.</p> <p>The management of Kulim (M) Berhad has established internal procedure for land dispute and has been documented in the document title "land encroachment" document number PROP/MP/5 revision number 04 revised on 09/06/2020. Mentioned the objective of the procedure is to maintain the procedures on handling properties encroachment cases.</p>	
Criterion 4.3.3 – Customary rights			
4.3.3.1	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- Major compliance -</p>	No applicable since there is no customary rights. Land has been legally owned by the company and has been verified by the land title.	Not applicable
4.3.3.2	<p>Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.</p> <p>- Minor compliance -</p>	No applicable since there is no customary rights. Land has been legally owned by the company and has been verified by the land title.	Not applicable
4.3.3.3	<p>Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.</p> <p>- Major compliance -</p>	No applicable since there is no customary rights. Land has been legally owned by the company and has been verified by the land title.	Not applicable

Criterion / Indicator	Assessment Findings	Compliance	
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>SOPs for social impact assessment has been established by the management of Kulim (M) Berhad in the document title Social impact assessment document number SQD/SMS/3.6 dated 01/08/2020. Mentioned in the SOPs that assessment need to be done with participation of affected parties.</p> <p>As per conversation with person in charge from SQD department mentioned that assessment has not been conducted onsite due to pandemic COVID-19 and other initiative has been made by providing feedback form to employees, contractor and stakeholders if there is any respond.</p> <p>Social impact assessment for Sungai Sembrong Estate, Sungai Tawing Estate and Enggang Estate has been documented in the document SIA and management plan. Base on the assessment that has been done, 3 issues has been highlighted which is related to employment contract for contractor workers, renewal of foreign workers permit and PERKESO deduction for contract workers. Management plan has been established for all 3 issues and has been remarks as continuous effort.</p>	<p>Complied</p>
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>Standard operating procedure has been established by the management of Kulim (M) Berhad for complaint and grievance in the document title Grievance Procedure, Doc. No. SQD/SMS/4.1 issue:1 dated 01/08/20201. 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>	<p>Complied</p>

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4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Based on the procedure, the Company's dispute resolution mechanism is able to resolve disputes in an effective, timely and appropriate manner. Timeline for resolution as per the following: Employee – matter to be settled within 10 working days. Others – to obtain satisfaction within 7 working days. The Company's whistle blowing Policy which approved by Kulim (M) Berhad's board of director dated 10th September 2020 provides Complied PF824 MSPO Public Summary Report Revision 01/02/2020 Page 31 of 131 anonymity and assurance against retaliation and immunity to the whistle blower.</p> <p>As per verification, there is no complaint has been received from the workers and one complaint has been received from the stakeholders during the stakeholder consultation related to internet coverage. There is evidence that the complaint has been responded by the management within the timeframe.</p>	Complied
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p>- Minor compliance -</p>	<p>Complaint and suggestion box have been established by the management at the office and complaint/suggestion form has been made available nearby the box.</p>	Complied
4.4.2.4	<p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p>- Minor compliance -</p>	<p>For Sungai Sembrong Estate, briefing on the mechanism and complaint has been done by the management during morning muster call on 17/08/2021 with attendance of all workers that has been done by Mr Mohd Hafiz Yaacob while for Sungai Tawing Estate, has been conducted in 09/07/2021 with attendance of all workers.</p> <p>Awareness training for complaint and grievance complaint has been done for Enggang Estate and can be sighted base on records dated 17/06/2021 has been done on 09/07/2021 for all the workers.</p> <p>While for stakeholders, socialization has been made during the stakeholders consultation has been conducted by the management on 29/09/2021 through online platform with attendance of stakeholder, POM and estate representative.</p>	Complied

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		During the stakeholder’s consultation, the management has socialize all the policy and procedure related to sustainability and any issues that arise.	
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	Not applicable since there is no complaint has been received for the past 24 months.	Not applicable
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	As effort by the management Kulim (M) Berhad, contribution of fresh chicken has been made to all workers for each operating unit during the Eid Fitri celebration and has been verified base on photo, and receipt that has been provided. Sungai Sembrong Estate has made donation for nearby school to upgrade their office facilities. There is evidence that the management of Sungai Tawing Estate has provided contribution to the communities. Sample has been taken for contribution requested by Tabika Kemas Istiqamah on 01/12/2020. For Enggang Estate, sighted contribution to SK Ladang Mutiara for Persatuan Ibu dan Guru (PIBG) total amount RM300.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. - Major compliance -	Kulim (M) Berhad has established the Occupational Health and Safety Policy signed by the Executive Director on 01/05/2018. The policy has been communicated to the workers through induction training for new workers and morning briefing. The Sustainability Team is also committed in establishing various working standards through procedures or pictorial method to improve safe working	Complied

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	<p>condition.</p> <p>The estates have established Safety and Health Management Plan and documented in Environment, Safety and Health Plan FY 2020. The management plan includes the ESH risk management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring, Health monitoring.</p> <p>The OSH Policy have been effectively communicated to all the respective estate workers and staffs as below:</p> <ol style="list-style-type: none"> 1. Sungai Sembrong Estate – 13/04/2021 2. Sungai Tawing Estate – 21/03/2021 3. Enggang Estate – 23/06/2021 	
<p>4.4.4.2</p> <p>The occupational safety and health plan shall cover the following:</p> <ol style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ol style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and 	<ol style="list-style-type: none"> a) Kulim (M) Berhad has established the Occupational Health and Safety Policy signed by the Executive Director on 01/05/2018. The policy has been communicated to the workers through induction training for new workers and morning briefing. The OHS Policy have been effectively communicated to all respective estate workers and staffs on as stated in 4.4.4.1. b) <u>Sungai Sembrong Estate</u> HIRARC was used to assess the risks associated to all work units in the estate. HIRARC is reviewed yearly or as and when there are accidents that occur in the estate. The latest review sighted was on 25/05/2021. Among the HIRARC available were Landfill, Office, Linesite, Chemical handling and Manuring. CHRA assessment was conducted by QMSPRO Sdn Bhd on 08/05/2018 till 25/03/2018 – 13/08/2018 at the estate. The CHRA Report (JKKP HQ/03/ASS/00/154-2018-032) was available for verification. The CHRA action plan was developed based on the assessor’s recommendation where the management have listed out the existing measures, action to be taken and improvement plans. 	<p>Complied</p>

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<p>control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p>	<p>Medical Surveillance was done for workers exposed to hazardous chemicals in the estate. A total of 10 workers were selected and sent for medical surveillance in 2020 by registered DOSH Doctor (Reg Number: HQ/11/DOC/00/235). The medical surveillance report indicated that all 10 workers had no traces of chemical contamination and were fit to work.</p> <p><u>Sungai Tawing Estate</u></p> <p>HIRARC was used to assess the risks associated to all work units in the estate. HIRARC is reviewed yearly or as and when there are accidents that occur in the estate. The latest review sighted was on 25/08/2021. Among the HIRARC available were Landfill, Office & Security, Pulling Creepers, Road Maintenance and Rotor Slashing.</p> <p>CHRA assessment was conducted by QMSPRO Sdn Bhd 27/03/2018 – 13/08/2018 at the estate. The CHRA Report (JKKP HQ/03/ASS/00/154-2018-035) was available for verification. The CHRA action plan was developed based on the assessor's recommendation where the management have listed out the existing measures, action to be taken and improvement plans.</p> <p><u>Enggang Estate</u></p> <p>HIRARC was used to assess the risks associated to all work units in the estate. HIRARC is reviewed yearly or as and when there are accidents that occur in the estate. The latest review sighted was on 01/01/2020. Among the HIRARC available were Harvesting, Trunk Injection, FFB Transport, Fogging.</p> <p>CHRA assessment was conducted by QMSPRO Sdn Bhd on 28/03/2018 till 13/08/2018 at the estate. The CHRA Report (JKKP HQ/03/ASS/00/154-2018-036) was available for verification. The CHRA action plan was developed based on the assessor's recommendation where the management have listed out the existing measures, action to be taken and improvement plans.</p>	

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<p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>c) The estates have established training program for employees exposed to chemicals used at the palm oil estates to ensure the continuous awareness to the employee. The training was conducted by the Manager, Asst. Manager and representative from the chemical suppliers to the supervisors and operators. Sighted the training records as follows:</p> <p><u>Sungai Sembrong Estate</u></p> <ul style="list-style-type: none"> • Spraying Calibration Training – 04/03/2021 • Chemical Handling Training – 16/03/2021 • Triple Rinsing Training – 03/04/2021 <p><u>Sungai Tawing Estate</u></p> <ul style="list-style-type: none"> • Buffer Zone Training (Sprayers) – 26/01/2021 • Chemical Handling Training – 07/01/2021 <p><u>Enggang Estate</u></p> <ul style="list-style-type: none"> • Triple Rinsing Training – 04/02/2021 • Buffer Zone Training (Sprayers) – 29/01/2021 • Spraying Training – 29/06/2021 <p>d) The estates have provided appropriate PPEs based on the SOP and HIRARC that has been developed by the operating units. All PPE are provided by the estate free of charge to the workers. The PPE issuance form were available for the estates for verification which indicated that PPE’s were provided to the workers on regular basis with the workers acknowledgement available.</p> <p>e) The organization has established Work Instructions for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulation 2013 and Occupational Safety Health</p>	

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	<p>(Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. Sighted also the "Peraturan Menjalankan Kerja-Kerja Penyemburan Racun (Manual) Dan Prosedur Kerja Selamat" document which states the safe operating procedures in conducting spraying works.</p> <p>f) All the sampled estates have appointed an OSH Committee Members to address all Osh related issues in the estates. The OSH Organisational Chart was available for verification together with the appointment letters of all members. OSH Chairman were appointed as follows:</p> <p><u>Sungai Sembrong Estate</u>: 15/09/2021; Doc Number: SQD/ADMIN/020/21; Undersigned by Chairman ESG Committee (Occupational Safety & Health). En. Zullaile Talib was appointed as the Chairman of the Safety and Health Committee.</p> <p><u>Sungai Tawing Estate</u>: 15/09/2021; Doc Number: SQD/ADMIN/023/20; Undersigned by Chairman, Safety and Health Main Committee Kulim (M) Berhad. En Mohd Zahir Hj. Abu was appointed as the Chairman of the Safety and Health Committee.</p> <p><u>Enggang Estate</u>: 15/09/2021; Doc Number: SQD/ADMIN/023/20; Undersigned by Chairman, Safety and Health Main Committee Kulim (M) Berhad. En Megat Zaidi Megat Ahmad, Senior Manager was appointed as the Chairman of the Safety and Health Committee.</p> <p>g) OSH Meeting Minutes were sighted for all the estates as follows:</p> <ul style="list-style-type: none"> • Sungai Sembrong Estate – 16/12/2020 (4/2020), 10/03/2021 (1/2021), 11/06/2021 (2/2021) and 10/09/2021 (3/2021) • Sungai Tawing Estate – 16/12/2020 (4/2020), 04/03/2021 (1/2021), 27/07/2021 (2/2020) and 20/09/2021 (3/2021) • Enggang Estate – 18/12/2020 (4/2020), 18/03/2021 (1/2021), 17/06/2021 (2/2021), 09/09/2021 (3/2021) 	

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	<p>h) Accident and emergency procedures were available at the estates. There is a formation of ERP Team & ERP for all the identified incidences (Fire, Flood, Wild Animal Attack, Chemical Spillage & Strike). The ERP Team was appointed, and the organizational chart was available together with the emergency contact list. Fire extinguishers were available with regular monitoring.</p> <p><u>Sungai Sembrong Estate</u></p> <ul style="list-style-type: none"> • Emergency Response Plan Training was conducted on 16/06/2021 <p><u>Sungai Tawing Estate</u></p> <ul style="list-style-type: none"> • ERP Training was conducted on 05/02/2021 <p><u>Enggang Estate</u></p> <ul style="list-style-type: none"> • Fire, Emergency and ERP Training on 06/01/2021 <p>i) A list of first aiders were available at the estates comprising of all main work operations and stores. First Aid boxes were assigned to the respective first aiders. Monthly First Aid Box inspection was conducted by the Medical Assistant at the estate. The first aid kit holders are trained on a regular basis and with refresher trainings. The First Aid Training & CPR was conducted as below:</p> <ul style="list-style-type: none"> • Sungai Sembrong Estate: 05/07/2021 • Sungai Tawing Estate: 27/07/2021 • Enggang Estate: 25/03/2021 <p>j) <u>Sungai Sembrong Estate</u></p> <p>There were 6 accident cases recorded for the year 2020. The relevant JKPP 6 forms were submitted to DOSH. The JKPP 8 form for the year ending 2020 was submitted to DOSH on 17/01/2021 and available for verification. There</p>	

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		<p>were 1 accident case for the year 2021 as of to date. The JKPP 6 form has been submitted accordingly.</p> <p><u>Sungai Tawing Estate</u></p> <p>There were 13 accident cases reported for the year 2020. The JKPP 8 form has been submitted to DOSH on 19/01/2021 (Reference Number: JKPP 8/75007/2021) with the form available for verification. For the year 2021, there were 11 accident cases reported. The JKPP 6 form were submitted accordingly and available for verification.</p> <p><u>Enggang Estate</u></p> <p>There were 4 accident cases reported for the year 2020 involving LTA of 77 days. The JKPP 6 form was submitted to DOSH accordingly. The JKPP 8 form for the year 2020 was submitted to DOSH on 12/01/2021 with the form available for verification. There were 2 accident reported for the year 2021. The JKPP 6 form was submitted and available for verification.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>All the operating units subscribe to Kulim (M) Berhad’s sustainability policy which newly revised and approved by Kulim’s Sustainability & Initiatives Council Meeting on 29/07/2020. Transition period for the (new MD) effective 01/10/2020. 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>Other than that, the management has established internal policy on social that has been document in the document title core labour standard dated 1/5/2018. Mentioned in the policy that the management emphasize on employment of children and young persons, forced and bonded labour, occupational safety and health, remuneration and other</p>	Complied

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		Communication on policy has been done on 21/03/2021 for Sungai Tawing Estate, Sungai Sembrong Estate on 20/04/2021 with attendance of all the workers.	
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance -	As per mentioned in the sustainability policy dated 01/10/2020 mentioned that the management did not engage in discrimination of race, ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.	Complied
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance -	All the estates that supplying to Tereh POM located in Kluang District which minimum wages has been set at Rm46.15/ day by the government under the Minimum Wages Act 2020. The auditor has taken sample for 3 months which are March, June and August for verification. As per sample of pay slips that has been verified, there is evidence that all workers has been paid as per minimum wages. Details as per below: <u>Sungai Sembrong Estate</u> Workers ID 607xxx Basic salary RM1505.12 Gross Salary RM2132.06 Day work 23 Deduction (Advance) RM300 Nett salary RM1832.10	Complied

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	<p>Workers ID 607xxx Basic salary RM1236.30 Gross Salary RM2468.61 Day work 26 + 3 work on rest day Deduction (Advance) RM200 Nett salary RM2268.65</p> <p>Workers ID 607xxx Basic salary RM1077.72 Gross Salary RM1550.07 Day work 19 Deduction (Advance+ NUPW) RM308 Nett salary RM1242.10</p> <p>Workers ID 607xxx Basic salary RM1077.72 Gross Salary RM1550.07 Day work 19 Deduction (Advance+ NUPW) RM308 Nett salary RM1242.10</p> <p><u>Sungai Tawing Estate</u> Workers ID 8306xxxxx Basic salary RM1236.30</p>	

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	<p>Gross Salary RM1072.70 Day work 26 Deduction (Advance,KWSP, Khairat keluarga) RM385.15 Nett salary RM1072.70</p> <p>Workers ID 690331xxxxx Basic salary RM 881.10 Gross Salary RM1874.95 Day work 18 Deduction (Advance,KWSP, Khairat keluarga) RM515.95 Nett salary RM1359</p> <p>Workers ID 8306xxxxx Basic salary RM1236.30 Gross Salary RM1072.70 Day work 26 Deduction (Advance,KWSP, Khairat keluarga) RM385.15 Nett salary RM1072.70</p> <p><u>Enggang Estate</u> Workers ID 990803xxxxx Basic salary RM1223.75 Gross Salary RM1975.43 Day work 25</p>	

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		<p>Deduction (Advance, KWSP, Khairat keluarga) RM374.65 Nett salary RM1600.80</p> <p>Workers ID AT975xxxx Basic salary RM1223.75 Gross Salary RM1703.87 Day work 25 Deduction (Advance) RM200 Nett salary RM1503.90</p> <p>Workers ID A765xxxx Basic salary RM930.05 Gross Salary RM1093.91 Day work 19 Deduction (Advance) RM202 Nett salary RM891.95</p>	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Sample of payslips for contractor workers for Sungai Sembrong Estate has been taken and verified by the auditor. There is evidence that all the workers have been paid as per legal requirement and pay slips has details out all required information such as deduction, gross pay and nett pay. Sample taken for Ah Teng Earthwork construction for 3 workers, ID 6309xxxxxx, 8402xxxx and 9102xxxx.</p>	Complied

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		<p>For Sungai Tawing Estate, there are 5 contractors has been appointed for different job scope and the auditor has sample 2 contractor which hare Eco Lane Enterprise and Bidin Success Enterprise.</p> <p>For Eco Lane Enterprise, the contractors only supply machineries to transport FFB from field to ramp and used estates workers to operate the machine. Salary of the workers will be debit note to the workers. There is evidence of pay slips provided by the estates for 2 workers number AU854xxx and AU003xx. There is evidence that both workers has been paid accordingly base on legal laws and employment contract.</p> <p>While for Bidin Succes Enteprise, the machineries to apply bio compost has been operate by the owner itself.</p>	
4.4.5.5	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>There is evidence that the management of all estates has established records of information for all the workers in the document list employee which contain information such as employee number, name, and job description, and passport/identification card number, date of birth and date entry. The list has categorized the workers base on origin of the workers which are Indonesia, Bangladesh and Malaysia.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>For all estates, total 32 sample of employment contract has been taken as sample for verification. There is evidence that employment contract has been signed by both parties, management and employee. Stated in the employment contract position of the workers, salary, overtime, working hours, resting hour, annual leave and contract period.</p> <p>Other than that, mentioned types of deduction that will be done on mainly basis. Details as per below</p> <p>a. KWSP</p>	Complied

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		b. PERKESO c. Skim Khairat keluarga d. NUPW e. Electricity if exceeds the limit 50kWh per house f. Water if exceeds the limit 35gallon per workers. Stated also benefits and accommodation that will be provided to the workers for free which are housing, transport to hospital, insurance, working equipment, electricity and water.	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	As per conversation by the management, there time recording time system has been monitored through field supervisor that will records time start and end work. For overtime, each worker has their own log book to record their overtime and the data will be transfer to overtime time form that will be verified by field supervisor, assistant manager and manager.	Complied
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	As per mentioned in the employment contract, stated that working hours is from 6.30am until 230pm. Mentioned also breaking hours is from 11.00am-11.30am. Stated in the contract also, rate for overtime which stated 1.5 for normal hours rate, 2.0 from normal rate for rest days and 3.0 for public holiday and will not exceed 104 hours/ months. For overtime, each worker has their own log book to record their overtime and the data will be transfer to overtime time form that will be verified by field supervisor, assistant manager and manager.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	All the estates that supplying to Tereh POM located in Kluang District which minimum wages has been set at Rm46.15/ day by the government under the Minimum Wages Act 2020. The auditor has taken sample for 3 months which are March, June and August for verification. As per sample of pay slips that has	Complied

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	<p>been verified, there is evidence that all workers has been paid as per minimum wages and wages and overtime payment documented on the pay slips are in line with legal regulations. Details as per below:</p> <p><u>Sungai Sembrong Estate</u></p> <p>Workers ID 607xxx Basic salary RM1505.12 Gross Salary RM2132.06 Day work 23 Deduction (Advance) RM300 Nett salary RM1832.10</p> <p>Workers ID 607xxx Basic salary RM1236.30 Gross Salary RM2468.61 Day work 26 + 3 work on rest day Deduction (Advance) RM200 Nett salary RM2268.65</p> <p>Workers ID 607xxx Basic salary RM1077.72 Gross Salary RM1550.07 Day work 19 Deduction (Advance+ NUPW) RM308</p>	

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	<p>Nett salary RM1242.10</p> <p>Workers ID 607xxx Basic salary RM1077.72 Gross Salary RM1550.07 Day work 19 Deduction (Advance+ NUPW) RM308 Nett salary RM1242.10</p> <p><u>Sungai Tawing Estate</u> Workers ID 8306xxxxx Basic salary RM1236.30 Gross Salary RM1072.70 Day work 26 Deduction (Advance, KWSP, Khairat keluarga) RM385.15 Nett salary RM1072.70</p> <p>Workers ID 690331xxxxx Basic salary RM 881.10 Gross Salary RM1874.95 Day work 18 Deduction (Advance, KWSP, Khairat keluarga) RM515.95 Nett salary RM1359</p>	

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	<p>Workers ID 8306xxxxx Basic salary RM1236.30 Gross Salary RM1072.70 Day work 26 Deduction (Advance, KWSP, Khairat keluarga) RM385.15 Nett salary RM1072.70</p> <p><u>Enggang Estate</u> Workers ID 990803xxxxx Basic salary RM1223.75 Gross Salary RM1975.43 Day work 25 Deduction (Advance, KWSP, Khairat keluarga) RM374.65 Nett salary RM1600.80</p> <p>Workers ID AT975xxxx Basic salary RM1223.75 Gross Salary RM1703.87 Day work 25 Deduction (Advance) RM200 Nett salary RM1503.90</p> <p>Workers ID A765xxxx Basic salary RM930.05</p>	

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		Gross Salary RM1093.91 Day work 19 Deduction (Advance) RM202 Nett salary RM891.95	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	Workers of estates under Kulim (M) Berhad 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 gallons and 50kWh per person and stated in the employment contract. As for Tereh complex, water and electricity is provided for free to all workers with certain limit per months.	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	Base on the photo that has been provided, there is evidence that it is habitable and have basic amenities and facilities. Electric and water has been provided for free and verified has been maintain in clean and appropriate manner. Further verification has been made through the interview with the workers and records of complaint. There is no complaint from the workers and workers satisfied with the accommodation provided. There is evidence line site inspection has been conducted on weekly basis base on the records that has been provided.	Complied
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	All the estates under Kulim (M) Berhad 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 management of each estates has established WOW complaint panel which received any complaint especially sexual harassment from the women workers. While for men workers, sexual harassment complaint can be done through	Complied

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		complaint and grievance procedure. Other mechanism is the management has established whistle blowing policy which has established channel for any improper conduct that has been discovered.	
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>The management respected the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. This was mentioned in the Core Labour Standard Policy dated 01/05/2018 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.</p> <p>For Sungai Tawing Estate, union meeting has been conducted on 07/01/2021 with attendance of 4 management representative and 15 workers representative. Issues that has been discussed is related to overtime payment, permit renewal, sundry shop operation hours and explanation on the company policy and procedure.</p> <p>A memo for freedom of association has been published by the management of Sungai Tawing Estate for all workers and has been signed by Mr Mohd Zahir bin Abu, manager for Sungai Tawing estate on 11/01/2021.</p> <p>Trade union management meeting has been done on 18/02/2021 for Enggang Estate and has been attended by both management and workers representative. There is no negative issues has been discussed which only 1 issues related to sport day for year 2021 that has been postponed due to pandemic COVID-19. The meeting minutes has been approved by Haji Azman Miskon as person in charge for Enggang Estate.</p>	Complied
4.4.5.14	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	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

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	acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions. - Major compliance -																										
Criterion 4.4.6: Training and competency																											
4.4.6.1	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept. - Major compliance -	<p>The sampled estates established a training program for all workers based on the training need analysis conducted on a yearly basis. COVID-19 training and briefings were sighted at the mill and estates.</p> <p>Records of trainings were maintained by the estates as below: -</p> <p>Sungai Sembrong Estate</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>MSPO Policy Training</td> <td>08/07/2021</td> </tr> <tr> <td>Harvesting Training</td> <td>03/02/2021</td> </tr> <tr> <td>Buffer Zone & HCV (Sprayer) Training</td> <td>04/03/2021</td> </tr> <tr> <td>Fertilizer Sampling Training</td> <td>21/02/2021</td> </tr> <tr> <td>PPE Usage Training</td> <td>03/04/2021</td> </tr> </tbody> </table> <p>Sungai Tawing Estate</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Policy Trainings</td> <td>21/03/2021</td> </tr> <tr> <td>Sexual Harassment Training</td> <td>19/02/2021</td> </tr> <tr> <td>Workers Safety and Rights Training</td> <td>02/03/2021</td> </tr> <tr> <td>HCV & Biodiversity Training</td> <td>09/02/2021</td> </tr> <tr> <td>Buffer Zone Training</td> <td>26/01/2021</td> </tr> </tbody> </table>	Training	Date	MSPO Policy Training	08/07/2021	Harvesting Training	03/02/2021	Buffer Zone & HCV (Sprayer) Training	04/03/2021	Fertilizer Sampling Training	21/02/2021	PPE Usage Training	03/04/2021	Training	Date	Policy Trainings	21/03/2021	Sexual Harassment Training	19/02/2021	Workers Safety and Rights Training	02/03/2021	HCV & Biodiversity Training	09/02/2021	Buffer Zone Training	26/01/2021	Complied
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4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	The training needs at all visited estates for Training Program 2021 have been established. It is aimed to provide specific skills and competency required for employees to discharge their duties diligently. Included in this program are subjects related to environment, safety & health and best practices.	Complied												
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure. - Minor compliance -	Training Program are established on annual basis based on training needs. In addition, it is subject for review during the financial year, if necessary. The details of the training needs include categories of job descriptions, sections, and employees' group.	Complied												
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services															
Criterion 4.5.1: Environmental Management Plan															
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively	Kulim (M) Plantation has established an Environmental Policy signed by Executive Director, Mr. Zulkifyl Zakariah dated 01/05/2018. The policy has been established, communicated to all employees, displayed at notice board and	Complied												

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Criterion / Indicator		Assessment Findings	Compliance						
	communicated and implemented. - Major compliance -	continuously implemented by the management. The policy has been recently communicated to the workers and staffs of the estates as below: 1. Sungai Sembrong Estate: 24/03/2021 2. Sungai Tawing Estate: 28/01/2021 3. Enggang Estate: 05/03/2020							
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - Major compliance -	Kulim (M) Berhad has established an Environmental Policy signed by Executive Director, Mr. Zulkifly Zakariah dated 01/05/2018. The policy indicated the commitment of the organization to protect the environment during the course of their business. An aspect and impact analysis were conducted by the estate to assess all possible environmental risks associated to the operations in the estate. The Environmental Risk Assessment Form was available for all operations together with the possible environmental risks it can cause. The risk control is stated to ensure the operation limits the environmental impact it causes. Sighted the ERA form for Clinic, Compound, Harvesting, Workshop and Replanting. The Environment Assessment is done on a yearly basis or as and when there are changes in the operations that could impact the environment. The latest review was done in January 2021 for all estates.	Complied						
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	The estate management have developed a yearly Environmental Improvement Plan to address the possible environmental impacts due to the operations. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Description</th> <th style="width: 50%;">Element</th> </tr> </thead> <tbody> <tr> <td>Disposal of Expired Medicine, Disposal of dressing contaminated with human tissue.</td> <td>Disposal of expired medicine, Disposal by DOE approved contractor through Kualiti Alam.</td> </tr> <tr> <td>Open Burning</td> <td>1. Signage, 2. Awareness Programme</td> </tr> </tbody> </table>	Description	Element	Disposal of Expired Medicine, Disposal of dressing contaminated with human tissue.	Disposal of expired medicine, Disposal by DOE approved contractor through Kualiti Alam.	Open Burning	1. Signage, 2. Awareness Programme	Complied
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Criterion / Indicator		Assessment Findings		Compliance
		Leaking of Diesel from MB, Tractor & lorry onto land.	3. Weekly Monitoring by EHA 1. Record of machine or contractor service 2. Record tractor or MB condition. 3. Training for MB and Tractor Driver	
		Disposal of Fuel Filter	SW Management procedure – SW Store (record of storage and disposal)	
		Environmental Impact Assessment	To review the related activities at LSL.	
		Biodiversity	Awareness on biodiversity and monitoring of HCV areas.	
		Waste Collection	Scheduled Waste to be stored and disposed as per DOE guidelines. Waste from households need to be disposed at the landfill.	
		Pollution Emissions	Monitoring of Scheduled Waste Monitoring of Chemical usage in GHG Calculation Reduce chemical usage by implementing good agriculture practice.	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	The program to promote the positive impacts were documented in several management plans such as environmental management plan, energy management plan, pollution and emission management plan, water management plan and waste management plan.		
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.	Estates has established training program for all workers based on training need analysis conducted on annually basis including the environmental policy and awareness. Sighted the trainings conducted as below: <u>Sungai Sembrong Estate</u> <ul style="list-style-type: none"> Spraying (HCV & Buffer Zone Areas Training) – 04/03/2021 		Complied

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	- Major compliance -	<ul style="list-style-type: none"> Scheduled Waste Training – 08/02/2021 PCD Cleaning Training – 28/05/2021 Zero Burning Training – 10/05/2021 IPM Awareness Training – 14/6/2021 <p><u>Sungai Tawing Estate</u></p> <ul style="list-style-type: none"> Zero Burning training – 28/01/2021 RTE Training – 17/02/2021 Waste Segregation Training – 28/05/2021 HCV 7 Biodiversity Training – 09/02/2021 <p><u>Enggang Estate</u></p> <ul style="list-style-type: none"> Animal Sighting Training – 10/02/2021 Zero Burning Training – 04/08/2021 Waste Segregation Training – 04/01/2021 <p>HCV & Biodiversity Training – 28/01/2021</p>	
4.5.1.6	<p>Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The estates conduct regular Environmental Meeting to address the environmental issues and possible improvements that can be done in the work process to reduce the operational impacts to the environment. The Environmental Management Meeting Minutes were available and verified as below:</p> <p>Sungai Sembrong Estate: 16/03/2021 Sungai Tawing Estate: 04/03/2021 Enggang Estate: 08/08/2021</p>	Complied

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Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																											
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period. - Major compliance -	At all estates audited, the consumption of non-renewable energy (diesel) was recorded and monitored. The records of diesel usage (litres) of the estates are as below: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Month</th> <th>Sungai Sembrong Estate</th> <th>Sungai Tawing Estate</th> <th>Enggang Estate</th> </tr> </thead> <tbody> <tr><td>Jan 2021</td><td>11050</td><td>13517</td><td>10914</td></tr> <tr><td>Feb 2021</td><td>13002</td><td>14933</td><td>10290</td></tr> <tr><td>Mar 2021</td><td>9561</td><td>17732</td><td>12394</td></tr> <tr><td>Apr 2021</td><td>13257</td><td>12270</td><td>13666</td></tr> <tr><td>May 2021</td><td>11820</td><td>13025</td><td>12375</td></tr> <tr><td>Jun 2021</td><td>11082</td><td>15292</td><td>11800</td></tr> <tr><td>Jul 2021</td><td>12187</td><td>13659</td><td>12982</td></tr> <tr><td>Aug 2021</td><td>21274</td><td>15226</td><td>12887</td></tr> <tr><td>Sept 2021</td><td>127771</td><td>14613</td><td>19532</td></tr> </tbody> </table>	Month	Sungai Sembrong Estate	Sungai Tawing Estate	Enggang Estate	Jan 2021	11050	13517	10914	Feb 2021	13002	14933	10290	Mar 2021	9561	17732	12394	Apr 2021	13257	12270	13666	May 2021	11820	13025	12375	Jun 2021	11082	15292	11800	Jul 2021	12187	13659	12982	Aug 2021	21274	15226	12887	Sept 2021	127771	14613	19532	Complied
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4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimation for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate annual budgets.	Complied																																								
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	There was no suitable area identified for the use of renewable energy at the estates.	Complied																																								
Criterion 4.5.3: Waste management and disposal																																											

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The identification of wastes products and sources of pollution were documented in EAI, Waste and Pollution Management Plan and also DOE’s Scheduled Wastes Second Schedule. In general, among the wastes identified were domestic wastes, recyclable wastes, scheduled wastes and sewerage wastewater.	Complied
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products - Major compliance -	Waste and Pollution Management Plan was established based on environmental aspect identification. The plan includes identifying and monitoring sources of waste and pollution, action required such as recycling of palm by-product into the field as nutrient, Reuse, Reduce and Recycle, and the method of disposal of each identified waste. Domestic wastes, especially food waste after segregation at source are tied in used fertilizer bag for disposal at estate operated landfill.	Complied
4.5.3.3	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. - Major compliance -	Kulim Plantations (M) Sdn Bhd had established Work Instruction, Doc Number: SW/WI/22; Waste Management and Work Instruction, Doc Number: SPO/WI/06; Scheduled Waste (01/10/2020) to ensure proper and safe handling, storage and disposal in accordance to EQ (Scheduled Wastes) Regulations 2005. The procedures for safe handling, storage and disposal of used chemicals classified under Environment Quality Regulation (Scheduled Waste) 2005, Environmental Quality Act, 1974 are available prepared at Group level by Sustainability Department and implemented in all estates for all the applicable practices. Verification of consignment notes showed that the estates disposed their used chemical such as spent oil through DOE License Contractor. <u>Sungai Sembrong Estate</u> The most recent scheduled waste disposal are as follows:	Complied

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	<ol style="list-style-type: none"> 1. SW 102 Used Lead Acid Batteries from Vehicles; Waste Manager: Kualiti Alam Sdn Bhd; Date: 03/06/2021; Quantity: 0.0300 mt; Consignment Note Number: 20210603897JO3HQ 2. SW 109 Used Fluorescent Bulb; Waste Manager: Kualiti Alam Sdn Bhd; Date: 03/06/2021; Quantity: 0.0005 mt; Consignment Note Number: 20210603096XG8KI 3. SW 305 Waste Oil; Waste Manager: Kualiti Alam Sdn Bhd; Date: 03/06/2021; Quantity: 0.0370 mt; Consignment Note Number: 202106031003HXVZD 4. SW 408 Contaminated Saw Dust; Waste Manager: Kualiti Alam Sdn Bhd; Date: 03/06/2021; Quantity: 0.0013 mt; Consignment Note Number: 2021060310J096P3 5. SW 408 Contaminated Rags/Cotton Gloves/Fliters: Kualiti Alam Sdn Bhd; Date: 03/06/2021; Quantity: 0.0011 mt; Consignment Note Number: 2021060310MF0EDZ <p><u>Sungai Tawing Estate</u></p> <ol style="list-style-type: none"> 1. SW 109 Fluorescent Tube; Waste Manager: Kualiti Alam Sdn Bhd; Date: 10/05/2021; Quantity: 0.01150t; Consignment Note Number: 2021051016VYSUAJ. 2. SW 110 Electrical Waste; Waste Manager: Kualiti Alam Sdn Bhd; Date: 10/05/2021; Quantity: 0.0144t; Consignment Note Number: 202105101648KC50. 3. SW 305 Lubricant Oil; Waste Manager: Kualiti Alam Sdn Bhd; Date: 10/05/2021; Quantity: 0.5814t; Consignment Note Number: 2021051016VPL62F. 	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>4. SW 408 Contaminated Soil and Sand; Waste Manager: Kualiti Alam Sdn Bhd; Date: 10/05/2021; Quantity: 0.01150t; Consignment Note Number: 20210510167JPHIB.</p> <p>5. SW 410 Oil Filter; Waste Manager: Kualiti Alam Sdn Bhd; Date: 10/05/2021; Quantity: 0.0437t; Consignment Note Number: 2021051017ZBQPN5.</p> <p><u>Enggang Estate</u></p> <p>1. SW 404 Clinical Waste; Waste Manager: Kualiti Alam Sdn Bhd; Date: 04/10/2020; Quantity: 0.0014mt; Consignment Note Number: 2021100410HOY131.</p> <p>2. SW 305 Lubricant Waste; Waste Manager: Kualiti Alam Sdn Bhd; Date: 10/05/2020; Quantity: 1.1380mt; Consignment Note Number: 2021051012ENGMVH.</p> <p>3. SW 109 Fluorescent Bulbs; Waste Manager: Kualiti Alam Sdn Bhd; Date: 10/05/2020; Quantity: 0.0022mt; Consignment Note Number: 2021051012LEHPMV.</p> <p>4. SW 410 Spent Filters; Waste Manager: Kualiti Alam Sdn Bhd; Date: 10/05/2020; Quantity: 0.1020mt; Consignment Note Number: 20210510131WIK A2.</p>	
4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer’s labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.	<p>The empty pesticide containers were triple rinsed, punctured and stored in a designated storage at each estate. When the cumulative amount of the containers reached an economically logistically feasible volume to be disposed, then the authorized recycler will be called to collect them. This was evident through verification of transaction receipts at the estates as below:</p> <p><u>Sungai Sembrong Estate</u></p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	SW 409 Used Chemical Containers; Kualiti Alam Sdn Bhd; Date: 03/06/2021; Quantity: 0.0474 mt; Consignment Note Number: 2021060310RHY80E. <u>Sungai Tawing Estate:</u> SW 409 Used Chemical Containers; Kualiti Alam Sdn Bhd; Date: 10/05/2021; Quantity: 0.2864mt; Consignment Note Number: 2021051017PRLJ9Z. <u>Enggang Estate:</u> Empty Chemical Containers disposed as Recycle Waste to G – Planter. Sighted the UPPCR Collection Form from G -Planter stated the collection of 172.50 kg of Glyphosate Containers on 08/11/2020.	
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	Domestic wastes from the linesites were buried in a designated landfill in the oil palm estates. Based on SOP, no toxic wastes such as spent lubricants, empty chemical containers, used lab chemical, etc. were permitted to be disposed in the rubbish pit. The location of the landfill was also far from residential area and water ways based on the estate map provided. The weekly domestic waste disposal records were available and verified for all estates.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Assessment of polluting activities were available in the Pollution and Emission Management Plan in all estates. The Management Plan identified the source of pollution, activity, possible threat, action plan, time frame, records and responsibility.	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The action plans to reduce identified significant pollutants and emissions has been documented in Waste, Pollution and Emission Management Plan and implemented. Example, • Weekly linesite inspection and check to ensure no septic tank overflow & spillage. Else, immediate action must be taken to contain overflow & spills.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> Daily inspection / routine maintenance on vehicles to reduce emission of dark smoke or emission of air pollutant Routine maintenance to be carried out as per schedule and inspection of vehicle condition to reduce emission of noise. Apply bio compost to recycle nutrient from the EFB instead of fertilizer usage to reduce emission of GHG 	
Criterion 4.5.5: Natural water resources			
4.5.5.1	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ol style="list-style-type: none"> Assessment of water usage and sources of supply. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. 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.). 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. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. 	<p>Water Management Plan was available for the estates audited. The management plan includes the water source, action plan to reduce water contamination, associated records and PIC. The management plan is reviewed on a yearly basis.</p> <p><u>Sungai Sembrong Estate</u></p> <ol style="list-style-type: none"> Water Management Plan established on 01/08/2021 Decagon Lab & Analytical Testing Sdn Bhd was appointed by the estate to conduct testing on drinking water for domestic use, and to determine the physical and chemical parameters of the drinking water is in compliance with the regulation limit follows the DWQS, 2010 standards. The Water Sampling Report (Report Number: LW/562/21) dated 14/06/2021 indicated that all parameters were in compliance with the required specifications. Water Sampling was conducted at the inlet and outlet of the Sungai Sembrong that is within the estate to monitor the possible impact that the estate operations could cause the water course. There was a total of 4 samplings points identified by the estate. The water sampling report was available for verification as below: <ul style="list-style-type: none"> Report Date: 20/08/2021 Report Number: WI/2021/08/387 Sample Tested by: UTCL Laboratory 	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<ul style="list-style-type: none"> • Results: All 4 samples were within the limit specifications. <p><u>Sungai Tawing Estate</u></p> <ol style="list-style-type: none"> 1. Water Management Plan established on 01/08/2021 2. Decagon Lab & Analytical Testing Sdn Bhd was appointed by the estate to conduct testing on drinking water for domestic use, and to determine the physical and chemical parameters of the drinking water is in compliance with the regulation limit follows the DWQS, 2010 standards. The Water Sampling Report (Report Number: LW/575/21) dated 14/06/2021 indicated that all parameters were in compliance with the required specifications. 3. Water Sampling was conducted at the inlet and outlet of the Sungai Periuk, Sungai Mamat and Sungai Tawing that is within the estate to monitor the possible impact that the estate operations could cause the water course. There was a total of 5 samplings points identified by the estate. The water sampling report was available for verification as below: <ul style="list-style-type: none"> • Report Date: 23/09/2021 • Report Number: WI/2021/09/444 • Sample Tested by: UTCL Laboratory • Results: All 5 samples were within the limit specifications. <p><u>Enggang Estate</u></p> <ol style="list-style-type: none"> 1. Water Management Plan established on 01/08/2021 2. Decagon Lab & Analytical Testing Sdn Bhd was appointed by the estate to conduct testing on drinking water for domestic use, and to determine the physical and chemical parameters of the drinking water is in compliance with the regulation limit follows the DWQS, 2010 standards. The Water Sampling 	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Report (Report Number: LW/579/21) dated 14/06/2021 indicated that all parameters were in compliance with the required specifications.</p> <p>3. Water Sampling was conducted at the inlet and outlet of the Sungai Sembrong that is within the estate to monitor the possible impact that the estate operations could cause the water course. There was a total of 2 samplings points identified by the estate. The water sampling report was available for verification as below:</p> <ul style="list-style-type: none"> • Report Date: 09/09/2021 • Report Number: WI/2021/09/420 • Sample Tested by: UTCL Laboratory • Results: Both samples were within the limit specifications. 	
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	Due to the COVID-19 ongoing pandemic, onsite verification was unable to be conducted. Based on interview with the management and workers, it has been verified that no construction of bunds, weirs and dams across main rivers or waterways passing through an estate.	Complied
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	Due to the COVID-19 ongoing pandemic, onsite verification was unable to be conducted. Based on interview with the management and workers, it was noted that that many silt pits were prepared by the road sides to capture rain water in order to maintain the moisture content in the field. At estate offices and workshop sighted the practice of rainwater harvesting.	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:	<p><u>Sungai Sembrong Estate</u></p> <p>Sg Sembrong Estate have conducted a Rapid Biodiversity Assessment with the report available for verification dated 17/09/2007. The report states that there were No HCVs within or outside the estate. There were no wildlife areas</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (<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.</p> <p>- Major compliance -</p>	<p>categorised as HCV within the estate but outside the estate there is a possibility of Asian Elephant and Malayan Tapir. The estate has implemented a Biodiversity Improvement Plan 2021 which was available for verification which includes the action plan to manage the biodiversity within the estate such as to continuously brief workers on the importance of preserving HCV areas.</p> <p><u>Sungai Tawing Estate</u></p> <p>Sg Tawing Estate have conducted a Rapid Biodiversity Assessment with the report available for verification dated 18 – 19 /05 2010. The report states that there were No HCVs within the estate. Outside the estate was Labis Forest Reserve on hills East and West, and in the broad valley North of the estate; potentially HCV1 and 2Bkt Chucuk; potentially HCV2. There were Elephant (when breaching the fence), Tiger (tracks), Sun Bear (tracks), Giant squirrels, Silvered Leaf Monkey, Spectacled Monkey, Hornbills within the estate and outside the estate there are Elephant, Tapir, Tiger, Sun Bear, Mouse Deer. The estate has implemented a Biodiversity Improvement Plan 2021 which was available for verification which includes the action plan to manage the biodiversity within the estate such as to continuously brief workers on the importance of preserving HCV areas.</p> <p><u>Enggang Estate</u></p> <p>Enggang Estate have conducted a Rapid Biodiversity Assessment with the report available for verification dated 05/09/2007. The report states that there were No HCVs within or outside the estate. There were no wildlife areas categorised as HCV within the estate and outside the estate as well. The estate has implemented a Biodiversity Improvement Plan 2021 which was available for verification which includes the action plan to manage the biodiversity within the estate such as to continuously brief workers on the importance of preserving HCV areas.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.5.6.2 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"> a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <p>- Major compliance -</p>	<p><u>Sungai Sembrong Estate</u> Sg Sembrong Estate have conducted a Rapid Biodiversity Assessment with the report available for verification dated 17/09/2007. The report states that there were No HCVs within or outside the estate. There were no wildlife areas categorised as HCV within the estate but outside the estate there is a possibility of Asian Elephant and Malayan Tapir. The estate has implemented a Biodiversity Improvement Plan 2021 which was available for verification which includes the action plan to manage the biodiversity within the estate such as to continuously brief workers on the importance of preserving HCV areas.</p> <p><u>Sungai Tawing Estate</u> Sg Tawing Estate have conducted a Rapid Biodiversity Assessment with the report available for verification dated 18 – 19/05/ 2010. The report states that there were No HCVs within the estate. Outside the estate was Labis Forest Reserve on hills East and West, and in the broad valley North of the estate; potentially HCV1 and 2Bkt Chucuk; potentially HCV2. There were Elephant (when breaching the fence), Tiger (tracks), Sun Bear (tracks), Giant squirrels, Silvered Leaf Monkey, Spectacled Monkey, Hornbills within the estate and outside the estate there are Elephant, Tapir, Tiger, Sun Bear, Mouse Deer. The estate has implemented a Biodiversity Improvement Plan 2021 which was available for verification which includes the action plan to manage the biodiversity within the estate such as to continuously brief workers on the importance of preserving HCV areas.</p> <p><u>Enggang Estate</u> Enggang Estate have conducted a Rapid Biodiversity Assessment with the report available for verification dated 05/09/2007. The report states that there were No HCVs within or outside the estate. There were no wildlife areas categorised</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		as HCV within the estate and outside the estate as well. The estate has implemented a Biodiversity Improvement Plan 2021 which was available for verification which includes the action plan to manage the biodiversity within the estate such as to continuously brief workers on the importance of preserving HCV areas.	
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	Among the management plan implemented were establishment of buffer zones, regular education to workers on importance of conservation areas, patrol reports, animal sighting records and signage of restriction of hunting, fishing and collecting.	Complied
Criterion 4.5.7: Zero burning practices			
4.5.7.1	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. - Major compliance -	The operating units adhered to the policy of "Zero open burning" for any replanting. From interviews with the workers there is no open burning being practiced in the estates. For replanting land preparation, palms are felled, chipped and windrowed as required in the company's procedure.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	Not applicable since there is no significant risk of disease has been identified for all estates.	Not Applicable
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	No controlled burning noted based on the records on the land clearing and felling for the replanting at sampled estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.	Not applicable

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Criterion / Indicator		Assessment Findings	Compliance
4.5.7.4	<p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p>- Minor compliance -</p>	<p>Noted based on the records on the land clearing and felling for the replanting at sampled estates, method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.</p>	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>Standard Operating Procedures were available for Ladang Tereh POM & its Supply Bases. Among the SOP's that were sampled were:</p> <p><u>Kulim Plantations (M) Sdn Bhd</u></p> <ol style="list-style-type: none"> 1. Transparency; Doc No: SQD/SMS/1.0; Doc Date 01/08/2020 2. Core labour Standard; Doc No: SQD/SMS/4.0; Doc Date: 01/08/2020 3. Waste Management; Doc No: SQD/SMS/6.2; Doc Date: 01/08/2020 4. Agrochemicals Management; Doc No: SQD/SMS/6.1; Doc Date: 01/08/2020 5. Immature/ Mature Area – Rat Baiting; Doc No: LR-SOP-W07 6. Grievance; Doc No: SQD/SMS/4.1; Doc Date: 01/08/2020 7. Traceability; Doc No: SQD/SMS/1.2; Doc Date: 01/08/2020 8. Consultation and Communication; Doc No: SQD/SMS/1.1; Doc Date: 01/08/2020 <p>Regular Internal Audits are conducted to ensure all SOP's are implemented. Internal Audits were conducted as below for the estates:</p> <p>Sungai Sembrong Estate: 11/07/2021 – 08/08/2021</p> <p>Sungai Tawing Estate: 11/07/2021 – 08/08/2021</p> <p>Eggang Estate: 08/08/2021 – 22/08/2021</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance										
4.6.1.2	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. - Major compliance -	<p>Where planting is on slope, construction of terraces was in accordance to guidance in the Agricultural Manual. The guidance for planting on slope is as follows:</p> <table border="1"> <thead> <tr> <th>Slope (°)</th> <th>Terrace width (m)</th> </tr> </thead> <tbody> <tr> <td><2°</td> <td>Straight Planting</td> </tr> <tr> <td>2 – 5°</td> <td>Straight planting. Water Conservation terraces at 32m interval</td> </tr> <tr> <td>6 – 15°</td> <td>5.00</td> </tr> <tr> <td>16 – 25°</td> <td>3.60</td> </tr> </tbody> </table> <p>Areas with greater than 25-degree slope are not to be planted but be left for biodiversity purposes. Among the soil conservation measures implemented to prevent soil erosion and siltation were construction of terrace, planting of cover crop and construction of roadside drains. Planting terraces had been constructed where slope >10°. Field inspection showed groundcover with soft grass and soft weeds at all estates.</p>	Slope (°)	Terrace width (m)	<2°	Straight Planting	2 – 5°	Straight planting. Water Conservation terraces at 32m interval	6 – 15°	5.00	16 – 25°	3.60	Complied
Slope (°)	Terrace width (m)												
<2°	Straight Planting												
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6 – 15°	5.00												
16 – 25°	3.60												
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Due to the ongoing COVID-19 Pandemic, onsite assessment was unable to be conducted and a remote assessment audit was conducted instead. Therefore, the fields were unable to be physically visited. Nevertheless, the management has provided photo evidence of Fields Identification which clearly states the Field Number and Hectarage.	Complied										
Criterion 4.6.2: Economic and financial viability plan													
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	Annual business plan in the form of annual budget and the projection for 3 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER and KER, costs of production, etc.	Complied										

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Criterion / Indicator		Assessment Findings	Compliance																								
	- Major compliance -																										
4.6.2.2	<p>Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.</p> <p>- Major compliance -</p>	<p>Replanting Programmes have been established till 2046 for all estates within the certification unit. Sampled the replanting programmed for the sampled estates for the next 5 years as below.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Sungai Sembrong Estate</th> <th>Sungai Tawing Estate</th> <th>Enggang Estate</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>252.59</td> <td>-</td> <td>-</td> </tr> <tr> <td>2022</td> <td>314.59</td> <td>142.7</td> <td>-</td> </tr> <tr> <td>2023</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>2024</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>2025</td> <td>255.80</td> <td>117.67</td> <td>-</td> </tr> </tbody> </table>	Year	Sungai Sembrong Estate	Sungai Tawing Estate	Enggang Estate	2021	252.59	-	-	2022	314.59	142.7	-	2023	-	-	-	2024	-	-	-	2025	255.80	117.67	-	Complied
Year	Sungai Sembrong Estate	Sungai Tawing Estate	Enggang Estate																								
2021	252.59	-	-																								
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2023	-	-	-																								
2024	-	-	-																								
2025	255.80	117.67	-																								
4.6.2.3	<p>The business or management plan may contain:</p> <ul style="list-style-type: none"> a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment <p>- Major compliance -</p>	<p>Annual business plan in the form of annual budget and the projection for 3 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER and KER, costs of production, etc.</p>	Complied																								
4.6.2.4	<p>The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.</p> <p>- Major compliance -</p>	<p>The management plan was effectively implemented, and achievements of the goals and objectives regularly monitored, periodically reviewed and documented by performance monitoring. The estates' performance was recorded in the monthly progress reports. Details on the actual vs budget i.e. crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed monthly.</p>	Complied																								

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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	There is evidence that pricing mechanism for the product and other services has been properly documented in the contract agreement that has been agreed and signed by both parties. For Sungai Tawing Estate, 2 samples of contract agreement has been taken for contractor Eco Lane Enterprise contract number MPSB/LST 4/113/2020d dated 30/11/2020 and Bidin Success Enterprise contract number 317496. For Enggang Estate, 2 samples of contractor has been taken for contractor Lee Kim Joo for FFB transport and Sri Thilakkumar Enterprise that provide manpower for harvesting. Pricing for each operation has been clearly defined in the contract agreement.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	For Sungai Tawing Estate, 2 samples of contract agreement has been taken for contractor Eco Lane Enterprise contract number MPSB/LST 4/113/2020d dated 30/09/2020 and Bidin Success Enterprise contract number 317496. Verification of payment for both contractors has been made for invoice number ECO-0000222 dated 31/08/2021 for Eco Lane Enterprise and payment number 2100264 for Bidin Success Enterprise on 11/07/2021. For Enggang Estate, 2 contract agreement has been sample for 2 contractor samples of contractor has been taken for contractor Lee Kim Joo for FFB transport and Sri Thilakkumar Enterprise that provide manpower for harvesting. For Sri Thilakkumar Enterprise, contract reference number MPSB/C1/20/9(2015) dated 30/04/2015 for harvesting area P10, P11 and P12 while for Lee Kim Joo, contract reference number MPSB/C1/20/16 (2020) dated 15/09/2020 for transporting FFB in filed P06 and P07 by using bin system to	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Tereh POM. It has been verified by the auditor that agreed payments shall be made in timely manner.	
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Stakeholder consultation has been conducted by the management for all the estates (Sungai Sembrong, Sungai Tawing and Enggang) on 29/09/2021 through online platform with attendance of stakeholder, POM and estate representative. During the stakeholder’s consultation, the management has socialized all the policy and procedure related to sustainability and any issues that arise. Mentioned also in the contract agreement for sample contractors that all operation need comply with the requirement of MSPO and failure to comply will lead to termination of the contract.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	For Sungai Tawing Estate, 2 samples of contract agreement has been taken for contractor Eco Lane Enterprise contract number MPSB/LST 4/113/2020d dated 30/11/ 2020 and Bidin Success Enterprise contract number 317496. For Enggang Estate, 2 contract agreement has been sampled for 2 contractor samples of contractor has been taken for contractor Lee Kim Joo for FFB transport and Sri Thilakkumar Enterprise that provide manpower for harvesting. For Sri Thilakkumar Enterprise, contract reference number MPSB/C1/20/9(2015) dated 30/04/2015 for harvesting area P10, P11 and P12 while for Lee Kim Joo, contract reference number MPSB/C1/20/16 (2020) dated 15/09/2020 for transporting FFB in filed P06 and P07 by using bin system to Tereh POM. For all contract that has been sample, there is evidence that contract has been signed and agreed by both parties.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	The auditors have been able to have access to the contractors' workers, documentations such as contracts and workers' pay slips for verification during this audit.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. - Major compliance -	For Enggang Estate, there is evidence of observance of the control point applicable for the contractor through the bunch counter that has been appointed. The responsibilities of the bunch counter is to monitor any off spec FFB at the platform and to inform management for any off spec FFB harvested. Sample of records monitoring by bunch counter has been taken by the auditor for verification. While for Sungai Tawing Estate and Sungai Sembrong Estate, observance of work done by the contractor has been monitored by the mandore that in charge for respective works. Any issues will be highlighted to management for further action.	Complied
4.7 Principle 7: Development of new planting-			
Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this assessment. The immature areas are replanted area.			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	There is no development of new planting at sample estate.	Not applicable
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest	There is no development of new planting at sample estate.	Not applicable

Criterion / Indicator		Assessment Findings	Compliance
	<p>Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.</p> <p>- Major compliance -</p>		
Criterion 4.7.2: Peat Land			
4.7.2.1	<p>New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.</p> <p>- Major compliance -</p>	There is no development of new planting at sample estate.	Not applicable
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	<p>A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.</p> <p>- Major compliance -</p>	There is no development of new planting at sample estate.	Not applicable
4.7.3.2	<p>SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.</p> <p>- Major compliance -</p>	There is no development of new planting at sample estate.	Not applicable
4.7.3.3	<p>The results of the SEIA shall be incorporated into an appropriate management plan and operational</p>	There is no development of new planting at sample estate.	Not applicable

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Criterion / Indicator		Assessment Findings	Compliance
	procedures developed, implemented, monitored and reviewed. - Major compliance -		
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	There is no development of new planting at sample estate.	Not applicable
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	There is no development of new planting at sample estate.	Not applicable
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	There is no development of new planting at sample estate.	Not applicable
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	There is no development of new planting at sample estate.	Not applicable

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Criterion / Indicator		Assessment Findings	Compliance
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	There is no development of new planting at sample estate.	Not applicable
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	There is no development of new planting at sample estate.	Not applicable
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -	There is no development of new planting at sample estate.	Not applicable
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	There is no development of new planting at sample estate.	Not applicable
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.	There is no development of new planting at sample estate.	Not applicable

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	There is no development of new planting at sample estate.	Not applicable
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	There is no development of new planting at sample estate.	Not applicable
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	There is no development of new planting at sample estate.	Not applicable
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	There is no development of new planting at sample estate.	Not applicable
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	There is no development of new planting at sample estate.	Not applicable

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	The management of Kulim (M) Berhad has established internal policy for implementation of MSPO and has been documented in the document title "Kulim Malaysia Berhad, Malaysian Sustainable palm oil policy" dated 30/11/2019 that has been signed by executive director, Mr Zulkifly Zakariah. Mentioned in the policy that the management is committed to implement all the requirement set out by the Malaysian Sustainable Palm Oil (MSPO) and cover all the element required.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	Mentioned also in the policy that the management of Kulim (M) Berhad is committed to achieve balance on 3P`s concept which are people, planet and profit in all management decision and operation through continual program in line with the commitment to produce sustainable palm oil products.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit procedure has been established in the document title "Internal audit" document number SQD/SMS/3.2 dated 01/08/2020 issuance number 01. Mentioned in the procedure that the internal audit need to been conducted at the frequency at least once within 12 months (before the expiry of the certificate). There is evidence of internal audit has been planned for year 2021 for all complex under Kulim (M) Berhad and has been verified base on audit plan that has been provided title "Internal remote audits plan for RSPO/MSPO/ISCC' certification". For Tereh Complex, it has been done from 09/08 -19/08/ 2021. The audit plan	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		has been prepared by Puan Munira binti Rahim and approved by Puan Salasah binti Elias dated 10/06/2021.	
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Internal audit procedure has been established in the document title "Internal audit" document number SQD/SMS/3.2 dated 01/08/2020 issuance number 01. There is evidence of the internal audit checklist which listed has list down of document requirement and status of each indicator. The outcome of the audits has been compiled in the document title Internal audit, non-conformance report for Tereh POM. Base on the report, there is no nonconformities has been raised for MSPO. The document has been signed accepted by Mr Taufiq Khalil.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	The outcome of the audits has been compiled in the document title Internal audit, non-conformance report for Tereh POM. Base on the report, there is no nonconformities has been raised for MSPO. The document has been signed accepted by Mr Taufiq Khalil.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Management review meeting has been conducted by the management and has been verified base on the minutes meeting dated 09/09/2021 with attendance of 20 persons lead by the POM manager, Mr Taufiq Khalil. There is no action required for internal audit since there is no nonconformities has been raised. During the management review has discussed operation status and product compliance such as compliance of legal requirement and monitoring of environment as per environmental management plan. Other than that, the management has discussed any complaint or suggestion received through the complaint and suggestion box. As per date of management review, there is no complaint/suggestion has been received.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Training that has been provided also has been discussed during the management meeting where has been highlighted that training program for Jan-August 2021 has yet to be achieved due to pandemic.	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. - Major compliance -	Based on the Continual Improvement plan, the Mill has come up with the following action plans: - <u>Social</u> 1. Building <ul style="list-style-type: none"> • Upgrading 4 Unit Workers Quarters • New Office Building 2. Facilities <ul style="list-style-type: none"> • Replacement Domestic water piping • Expanding Water Catchment/Holding Pond Capacity of 15,000mt at Tereh Estate <u>Environmental</u> 1. Effluent Treatment <ul style="list-style-type: none"> • Installation of integrated Biogas Plant • Installation of Sludge Dewatering Plant at Tereh POM • Build new furrow • Build POME emergency pond 2. Water Catchment <ul style="list-style-type: none"> • Desilt Water Ditch to Mill Pond at Tereh Estate 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<u>Productivity</u> 1. Machine <ul style="list-style-type: none"> Design, Supply, Install, Testing, and Commissioning for 1 Unit Thermal Deator 45mt/hr at Tereh POM Renewal of Nut Polishing Drum at Tereh POM <u>Occupational Safety and Health</u> 1. Fire Fighting 2. Installed firefighting system	
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	Disseminating this information throughout the workforce was done on monthly basis during operation meeting. For example, the new sludge de-watering system for continuous @ online desludging to improve pond hydraulic retention time (HRT).	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	The management of Kulim (M) Berhad has established internal procedure for transparency and has been documented in the document title “Transparency” document number SQD/SMS/1.0 dated 01/08/2020. The procedure has outlined the person responsible for transparency, types of information/document that can be request, and the mechanism to request any information or document. As per date of audit, there is only one request received on 07/12/2020 to lend projector from Tereh Selatan Estate.	Complied
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial	The management of Kulim (M) Berhad has established internal procedure for transparency and has been documented in the document title “Transparency”	Complied

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	<p>confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>document number SQD/SMS/1.0 dated 01/08/2020. The procedure has outlined the person responsible for transparency, types of information/document that can be request, and the mechanism to request any information or document.</p> <p>In clause 4, has listed all the document/information that can be requested by the interested parties such as</p> <ul style="list-style-type: none"> a. Land title/ user rights b. Occupational safety and health plan c. HCV documentation d. Detail of complaint or grievances. 	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>Procedure of consultation and communication has been established by the management and has been documented in the document title consultation and communication document number SQD/SMS/1.1 dated 01/08/2020 issue number 01. The procedure has categorized communication and consultation into 2 category which are internal and external parties.</p> <p>For internal communication, the communication is through muster, meeting, notice board, inspection and others. While for external communication, through meeting, telephone, fax, email and others.</p> <p>Communication internal and external will be done through the person in charge that has been appointed which basically the social person in charge. The PIC is responsible to disclose, implement, made available and explain consultation and communication procedure to all relevant stakeholders.</p>	Complied
4.2.2.2	<p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p>	<p>The management of Tereh POM has identified person in charge for communication and consultation procedure and has been verified base on the</p>	Complied

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	- Minor compliance -	appointment letter dated 01/02/2021 reference number LTM/02/2021 to Mr Mohd Suhaimie bin Mohd Don signed by Mr Taufiq Khalil, Manager for Tereh POM.	
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	Tereh POM has established stakeholder list and has been verified by the auditor. These lists comprise their external stakeholders such as: - Relevant government agencies (e.g. DOE, DOA, Immigration Department, Department of Safety and Health, Labour Department) - Contractors - Suppliers - Consultants - Neighbouring estates - Clinics, hospitals, fire brigade, police, etc. 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. Stakeholder consultation has been conducted by the management on 29/09/2021 through online platform with attendance of stakeholder, POM and estate representative. During the stakeholder's consultation, the management has socialize all the policy and procedure related to sustainability and any issues that arise.	Complied
Criterion 4.2.3 – Traceability			
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	Traceability SOP; Sustainable Management System; Traceability; Doc: No: SQD/SMS/1.2; Date: 01/08/2020 Issue No: 01; Revision No: 05 was available and verified. The SOP outlines the preparations, receive and dispatch of FFB, CPO, Kernel and other by products at Kulim's mill, job assignments and recordings of transport productivity for payment purpose and statistics.	Complied
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Inspection on compliance with the traceability procedure is regularly checked through supply chain internal audit. The internal audit report, which was carried out together with other schemes such as RSPO and ISCC, was available for verification.	Complied

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		The Plant and Machinery Inspection is done by the Mill Inspector (MJAB) to inspect on compliance with the traceability standards. The inspection is done together with the MSPO and RSPO SCCS audit and the report was available for verification.	
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. - Minor compliance -	The person appointed for Traceability is Senior Manager/Manager/Deputy Manager/Assistant in-charge of Respective Operating Units as per appointment letter dated 15/09/2021, ref: SQD/ADMIN/019/21 undersigned by the Head of Plantation Division. The Mill Manager, En Mohd Taufiq Khalil has been appointed as the PIC for Traceability for Tereh POM.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Records of CPO and PK storage, sales, deliver were maintained at Tereh POM. Example of records evidence are as below: 1. Dispatch summary report by buyer (daily/monthly) 2. Dispatch records (Weighbridge Tickets)	Complied
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	Tereh POM continued its commitment to comply with applicable legal requirements. Among the licenses and permits verified were: 1. MPOB License; License Number: 500048604000; License Valid from: 01/06/2021 – 31/05/2022; Processing capacity: 390,000 Mt a year. 2. DOE Compliance Schedule; License Number: 004685; License Valid from 01/07/2021 till 30/06/2022 3. SPAN License; License Number: SPAN/EKS/(PT)/800-4(1)/3/14; License Validity Period: 13/4/2020 – 04/12/2023. 4. Diesel Permit; Reference Number: BPGK JH (KLU) 0730 SK; License Valid from: 01/10/2020 – 01/10/2021. Diesel Storage capacity: 11, 000 Litres.	Complied

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		<p>Application of new permit has been done on 20/09/2021 through online application</p> <p>5. Energy Commission License; License Number: 2020/00133; Valid from 12/01/2021 till 11/01/2022.</p> <p>6. Licence to occupy or use prescribe premises licence number 004685 30/06/2022</p> <p>7. Suruhanjaya Perkhidmatan Air Negara licence number SPN/EKS/(PT)/800-4(1)/3/14 expired on 14/03/ 2023.</p> <p>8. Wages deduction permit for Khairat keluarga Perbadaan reference TK (NJ) U-23 dated 31/03/ 2019</p> <p>9. Genset licence reference 47014 expired on 11/01/2022</p>	
4.3.1.2	<p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>Documented procedures have been established and implemented; refer to compliance to Legal Requirement; Kulim (Malaysia) Berhad; Doc No: SQD/SMS/2.0; Doc Date: 01/08/2020; Issue No: 01.</p> <p>A list of all relevant laws related to the legal requirements were available and maintained at the mill. The list was last updated on 31/08/2021.</p>	Complied
4.3.1.3	<p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- Major compliance -</p>	<p>All legal requirement was documented in Legal and Other Requirement Register. Compliance to each applicable law and regulation is monitored by the mill. The legal register at the mill were reviewed/updated on a yearly basis / as and when needed for new updates/licenses. The latest review was conducted on 31/08/2021. Sighted the document 'Summary of Compliance' available at the mill undersigned by the Top Management. The document lists the latest applicable laws and amendments, revision dates and acknowledgement by the management.</p> <p>All the legal and other requirements were registered accordingly and documented in the legal requirement register including new updates for:</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<ol style="list-style-type: none"> 1. Fees (Employment Pass, Visit Pass (Temporary Employment) and Work Pass (Remission of Fees) Order 2020. 2. Prevention and Control of Infectious Diseases (Compounding of Offences) (Amendment) (No.6) Regulations 2020. 3. Minimum Wages Order 2020. 4. Employment Provident Fund (Amendment) Rules 2020. 	
4.3.1.4	<p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- Minor compliance -</p>	<p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.</p> <p>Tereh POM has appointed Mohd Saiful bin Mansor (Sr Assistant Mill Engineer) as the person in charge to monitor the changes and updates on legal requirements that are relevant to the mill operations. Verified the appointment letter dated 01/08/2021 undersigned by the Manager, Tereh POM.</p>	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	<p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p>- Major compliance -</p>	As per verification made by the auditor, Tereh POM is located in the Tereh Utara Estate and has been verified base on the land title number PTD 3326 HS(D) 6766 and the estate map which has directly owned by Kulim Plantations (M) Sdn Bhd.	Complied
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.</p> <p>- Major compliance -</p>	As per verification made by the auditor, Tereh POM is located in the Tereh Utara Estate and has been verified base on the land title number PTD 3326 HS(D) 6766 and the estate map which has directly owned by Kulim Plantations (M) Sdn Bhd.	Complied
4.3.2.3	<p>Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p>	There is evidence of photo provided that parameter has been demarcated using bulb wire. Clear identification has been made by the management.	Complied

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	- Major compliance -		
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	Not applicable since there is no dispute and land directly owned by Kulim Plantations (M) Sdn Bhd under land title number PTD 3326 HS(D) 6766	Not applicable
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	Not applicable since there is no customary rights. Tereh POM is located in the Tereh Utara Estate and has been verified base on the land title number PTD 3326 HS(D) 6766 and the estate map which has directly owned by Kulim Plantations (M) Sdn Bhd.	Not applicable
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	Not applicable since there is no customary rights. Tereh POM is located in the Tereh Utara Estate and has been verified base on the land title number PTD 3326 HS(D) 6766 and the estate map which has directly owned by Kulim Plantations (M) Sdn Bhd.	Not applicable
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	Not applicable since there is no customary rights. Tereh POM is located in the Tereh Utara Estate and has been verified base on the land title number PTD 3326 HS(D) 6766 and the estate map which has directly owned by Kulim Plantations (M) Sdn Bhd.	Not applicable
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			

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4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>Social impact assessment has been identified and documented in document title daftar impak social Kulim (Malaysia) berhad 2021 dated 15/09/2021. As per document provided, the assessment has been done base on report that has been received. For POM, there is no complaint has been received.</p> <p>Management plan has been established by the management of Tereh POM and has been categorize into 2 categories which are negative and positive issues.</p> <p>For negative issues, the management will conduct monitoring on grocery pricing at least once in 3 months or if there is any complaint from the worker. Monitoring that has been done need to be recorded and documented. There is evidence that groceries price at the sundry shop has been monitored 3 months once and has been verified base on the monitoring records. Sample has been taken for March, June and September 2021.</p> <p>For positive issues, management plan that has been highlight are cow donation for Hari Raya Qurban, activities for workers` wife, school attire donation and to provide proper PPE to all the workers. All management plan has been remarks as continuous effort.</p>	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>Standard operating procedure has been established by the management of Kulim (M) Berhad for complaint and grievance in the document title Grievance Procedure, Doc. No. SQD/SMS/4.1 issue:1 dated 01/08/2020. 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>Based on the procedure, the Company's dispute resolution mechanism is able to resolve disputes in an effective, timely and appropriate manner. Timeline for resolution as per the following: Employee – matter to be settled within 10 working days. Others – to obtain satisfaction within 7 working days. The Company's</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	whistle blowing Policy which approved by Kulim (M) Berhad’s board of director dated 10/9/2020 provides Complined PF824 MSPO Public Summary Report Revision 1 (Feb 2020) Page 31 of 131 anonymity and assurance against retaliation and immunity to the whistle blower. As per verification, there is no complaint has been received from the workers and one complaint has been received from the stakeholders during the stakeholder consultation related to internet coverage. There is evidence that the complaint has been responded by the management within the timeframe.	
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	Complaint and suggestion box has been established by the management at the office and complaint/suggestion form has been made available nearby the box.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	There is evidence that employees are made aware that complaints or suggestions can be made anytime during muster briefings. Formal complaints need to be recorded in the form created for tracking and updates. For external stakeholders, this was made aware during the stakeholder meeting held on 29/09/2021. 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. - Major compliance -	There is evidence that all complaints and solutions that has been received for the past 24 months has been maintained by the management of Tereh POM.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local	There are 2 contributions has been made by the management of Tereh POM year 2021. Contribution has been made for SK Ladang Tereh for school office and contribution chicken to all workers during Hari Raya Aidilfitri.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -		
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	<p>Kulim (M) Berhad has established the Occupational Health and Safety Policy signed by the Executive Director on 01/05/2018. The policy has been communicated to the workers through induction training for new workers and morning briefing.</p> <p>The Sustainability Team is also committed in establishing various working standards through procedures or pictorial method to improve safe working condition.</p> <p>The mill has established Safety and Health Management Plan and documented in Environment, Safety and Health Plan FY 2021. The management plan includes the ESH risk management, Emergency Response Procedure, Chemical Safety Management, Noise Boundary Monitoring, Health monitoring.</p> <p>OSH Policy have been effectively communicated to all Mill workers and staffs on 27/01/2021.</p>	Complied
4.4.4.2	<p>The occupational safety and health plan should cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risk of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p>	<p>a) Kulim (M) Berhad has established the Occupational Health and Safety Policy signed by the Executive Director on 01/05/2018. The policy has been communicated to the workers through induction training for new workers and morning briefing. The OHS Policy have been effectively communicated to all Mill workers and staffs on 27/01/2021.</p> <p>b) HIRARC was used to assess risks associated to all work units in the mill. The HIRARC is reviewed on a yearly basis and as and when there occur any accidents in the mill. The latest review was done 15/09/2021.</p>	Complied

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<p>i. All employees involved are adequately trained on safe working practices;</p> <p>ii. All precautions attached to products should be properly observed and applied;</p> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p>	<p>CHRA Report (Report No: JKKP HQ/03/ASS/00/154-2018/057) was available and verified. The CHRA was conducted by QMS Pro Sdn Bhd on 27/03/2018 – 13/08/2018, valid for 5 years.</p> <p>Medical Surveillance was conducted for 17 workers identified to be exposed to hazardous chemicals in the mill. The medical surveillance was conducted on 04/08/2021 by Kulim Safety Training and Services Sdn Bhd.</p> <p>Noise Risk Assessment was conducted by Dr. Syed Abdul Hamid B. Syed Hassan (Dosh Reg: JKKP HIE 127/5/3-1 (No.169) on 06/02/2020. The NRA Report (Report No: JKKP HIE 127/5/3-1 (No.169) – 2020/004) was available for verification.</p> <p>Audiometric Test was conducted for all workers in the mill on 21/03/2021. A total of 9 workers were categorized as having "Temporary Standard threshold Shift". The JKKP 7 form has been submitted to JKKP to report on the incidences.</p> <p>c) The mill has established training program for employees exposed to chemicals used at the palm oil mill to ensure the continuous awareness to the employee. The training was conducted by the Manager, Asst. Manager and representative from the chemical suppliers to the supervisors and operators. Sighted the training records as follows:</p> <ul style="list-style-type: none"> • Chemical Handling Training – 17/01/2021 <p>d) The mill has provided PPE based on the SOP and HIRARC that has been developed in the mill. All PPE are provided by the mill free of charge. The PPE issuance form was available for verification which indicated appropriate PPE's were provided to the workers on a regular basis.</p> <p>e) Tereh POM had established Work Instruction, LTM/WI/23 for Handling of Chemicals and SW/WI/22 Waste Management to ensure proper and safe handling and storage, in accordance to OSH (Classification Packaging and Labelling) Regulation 1997, OSH (Use and Standard of Exposure of Chemical</p>	

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<p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>Hazardous to Health) Regulation 2000 and EQ (Scheduled Wastes) Regulations 2005.</p> <p>The SOP for usage of chemicals is also detailed out in the Work Instruction; Title: Boiler Station: Doc Number: LTM/W1/10; Rev: No.2; Date: 01/01/2013.</p> <p>The organization has established Work Instructions for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification, Labelling and Safety Data Sheet Of Hazardous Chemicals) Regulation 2013 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) Mill Manager, En. Mohd Taufiq Khalil was appointed to be the Chairman of OHS Committee at the mill as per letter signed by the Chairman, ESG Committee (Occupational Safety and Health), dated 15/09/2021. Mill management has appointed Safety Committee Member consist of OSH Coordinator, Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Mill Manager.</p> <p>g) The mill management conducted OSH committee meeting on a quarterly basis and when necessary due to accidents that occur. The meeting discussed issues on employees' safety, health and welfare such as mill safety and health achievement report, mill security, safety compliance by contractors, workplace audit report, legal compliance, safety and health training. Sighted the latest OSH Meeting Minutes dated 06/12/2020 (04/2020), 16/03/2021 (01/2021), 14/07/2021 (02/2021) and 17/09/2021 (03/2021).</p> <p>h) Accident and emergency procedures were available at the mill. Verified the Emergency Plans for Fire, Flood, Accidents and Spillage. The flowcharts for Emergency Plans were displayed at the noticeboards together with the emergency contacts. Fire extinguishers were available at the mill with monthly inspections done by the management to ensure the fire extinguishers are functional. An Emergency Response Plan Training – Bund Rupture & Oil</p>	

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		<p>Spillage was conducted on 24/09/2021 in the mill. Fire Drill, ERP and CPR Training was also conducted on 01/09/200 at the mill.</p> <p>i) A list of first aiders were available at the mill comprising of all main workstations. First Aid boxes were assigned to the respective first aiders. Monthly First Aid Box inspection was conducted by the Medical Assistant at the mill. The first aid kit holders are trained on a regular basis and with refresher trainings. The latest training was conducted on 10/07/2020. CPR and First Aid Training was conducted by Malaysian Red Crescent Society for 2 First Aiders of the mill on 12/03/2020.</p> <p>j) Records of accidents were maintained by the Mill management and was available for verification. 9 workers were diagnosed with hearing impairment based on the audiometric test results conducted on 21/03/2021. The JKKP 7 form was submitted to DOSH and the report was available for verification.</p> <p>k) JKKP 8 form (Reference Number: JKKP 8/71647/2020 for the year ending 2020 was submitted to DOSH on 13/01/2021 and the report available was for verification also. There was 2 accident case reported for the year 2020 with a loss of 61 LTA Days.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>Tereh POM subscribe to Kulim (M) Berhad's sustainability policy which newly revised and approved by Kulim's Sustainability & Initiatives Council Meeting on 29/07/ 2020. Transition period for the (new MD) effective 01/10/2020. 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

Criterion / Indicator	Assessment Findings	Compliance
	<p>Other than that, the management has established internal policy on social that has been document in the document title core labour standard dated 01/05/2018. Mentioned in the policy that the management emphasize on employment of children and young persons, forced and bonded labour, occupational safety and health, remuneration and other.</p> <p>Communication on policy has been done on 08/04/2021 with attendance of all the workers.</p>	
<p>4.4.5.2</p>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Complied</p>
<p>4.4.5.3</p>	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Complied</p>

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	<p>Workers B 9006xxxxxx Total days' work : 22 Basic income : RM1068.10 Overtime : RM667.62 Public Holiday : RM150.45 Total : RM2206,00 Deduction: RM718.75. 00 (NUPW, Kelab Sukan Rekreasi, Loan, KWSP, Perkeso, Skim Khairat Kematian)</p> <p>Workers C 7109xxxxxxxx Total days' work : 23 Basic income : RM1093.65 Overtime : RM787.30 Public Holiday : RM130.20 Total : RM2650.56 Deduction: RM861.85. 00 (NUPW, Kelab Sukan Rekreasi, Loan, KWSP, Perkeso, Skim Khairat Kematian)</p> <p>For Tereh POM, salary deduction for sport and recreation club. Sighted during the audit was a written approval from the Labour Office ref. no: TK(NJ)U-23 effective from 31/03/2020. Consent for deduction from workers included in the contract of employment.</p>	
<p>4.4.5.4</p>	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p>	<p>Not applicable since there is no contractor work permanently at POM except for ad-hoc work for equipment repair and engineering project.</p> <p>Not applicable</p>

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	- Minor compliance -		
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- Major compliance -</p>	<p>The management of Tereh POM has records of all employees including contractors' employees. The record containing details such as full name, gender, nationality, date of birth, date of employment, job description, wage and period of employment.</p>	Complied
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>All employees (local and foreign) sign employment contracts which contents comply with Employment Act 1955. All contracts are signed by both the employer and the employee and are made available for all workers. 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.</p>	Complied
4.4.5.7	<p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p>- Major compliance -</p>	<p>The management has established time recording system through punch card for all the workers. There is evidence of implementation base on sample punch card that has been taken by the auditor. Working hours and overtime has been made transparent for both parties. Sample of punch card as per below: Employee number a) 612x4x b) 612xx6 c) 6123xx d) 6120xx</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	The working hours and breaks of each individual employee is recorded in their respective employment contracts which clearly stipulate that working hours is 8 hours from 8 AM to 4 PM inclusive of 30 minutes of break time. Any overtime work is paid in accordance with the provisions of the Employment Act 1955.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Base on sample payslip that has been provided there is evidence that wages and overtime has been documented is in line with legal regulations and collective agreement. Payslips has details about the basic salary, overtime, working on rest day, working public holiday and also has list down all deduction that has been made.	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. - Minor compliance -	Workers of Tereh POM receive various social benefits and this include free housing with amenities such as football field, badminton/takraw fields, surau/mosque, free medical treatment for workers and their dependents as well as creche facilities. Water and electricity were subsidized for 30 gallons and 50kWh per person and stated in the employment contract. As for Tereh complex, water and electricity is provided for free to all workers	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	Based on the photo that has been provided, there is evidence that it is habitable and have basic amenities and facilities. Electric and water has been provided for free and verified has been maintain in clean and appropriate manner. Further verification has been made through the interview with the workers and records of complaint. There is no complaint from the workers and workers satisfied with the accommodation provided.	Complied
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.	Internal policy for sexual harassment has been document in the document title sexual harassment policy which the definition of the policy has been derive from	Complied

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Criterion / Indicator		Assessment Findings	Compliance		
	- Major compliance -	the local regulation Employment act 1955. The policy has been signed by Mr Zulkifly Zakariah as the executive director. Mentioned in the policy that the management is committed to eradicate all forms of sexual harassment in the workplace in whenever possible.			
4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance -	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 01/05/2018 and signed by the Executive director. The workers have their freedom to join the NUPW.	Complied		
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. - Major compliance -	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 4.4.6: Training and competency					
4.4.6.1	All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training. - Major compliance -	The mill established a training program for all workers based on the training need analysis conducted on a yearly basis. COVID-19 training and briefings were sighted at the mill and estates. Records of trainings were maintained by the estates as below: - <table border="1" data-bbox="952 1337 1776 1369"> <tr> <td>Training</td> <td>Date</td> </tr> </table>	Training	Date	Complied
Training	Date				

Criterion / Indicator		Assessment Findings		Compliance
		Zero Burning Policy Training	28/03/2021	
		Loading Ramp & Steriliser Station Training	21/02/2021	
		Weighbridge Station Training	03/01/2021	
		Thresher & Press Station Training	23/02/2021	
		PCD Sample Analysis Training	03/05/2021	
		Laboratory Training	03/03/2021	
		Shovel and Tractor Driver Training	02/1/2021	
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	The mill has conducted training need analysis for all employees, management and contractors. The need analysis was conducted base on the job designation and training required by the job type. 42 trainings were deemed required for workers in the mill.		Complied
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	The mill has a training program which is updated annually. Sighted the Internal Annual Training Program 2021. The establishment of the program is guided by its Training Procedure (PCPOM/SOP/7.8; Issue: 03; Dated: 01/02/2018).		Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services				
Criterion 4.5.1: Environmental Management Plan				
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	Kulim (M) Berhad has established an Environmental Policy signed by Executive Director, Mr. Zulkifyl Zakariah dated 01/05/2018. The policy has been established, communicated to all employees, displayed at notice board and continuously implemented by the management. The policy has been recently communicated to		Complied

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Criterion / Indicator		Assessment Findings	Compliance												
		the workers and staffs of the mill on 28/03/2021. The policy can also be found at Kulim (M) Berhad official website.													
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations - Major compliance -	The mill has conducted aspect and impact analysis and documented in Environmental Impact Assessment. The analysis was reviewed on annually basis and as and when there are changes in the operations. Latest review was conducted on August 2021. Among the EIA verified were chemical mixing and storage, CPO Storage, FFB Receiving and Grading, Diesel Engine and Biogas & Polishing Plant among others.	Complied												
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	<p>The mill has established environmental improvement plan and documented in Environmental Improvement Plan 2021/2021. Latest review was conducted on 15/08/2021 The plan consists of improvement plans as below among others:</p> <table border="1"> <thead> <tr> <th>Environmental Impact</th> <th>Improvements</th> </tr> </thead> <tbody> <tr> <td>Discharge of effluent into land application</td> <td>To monitor Dewatering sludge Shrew Press</td> </tr> <tr> <td>Oil spillage and leakage</td> <td>- Inspection of tank and machine condition. - Established emergency respond plan (ERP).</td> </tr> <tr> <td>Effluent spillage, leakage and bund rupture</td> <td>- Expand furrow capacity and monitoring of pond and furrow system. - Established emergency respond plan (ERP) - To build POME emergency pond.</td> </tr> <tr> <td>Emission of dust/ashes particles released to the air</td> <td>- Use Electrostatic Precipitator (ESP) for trap dust. - To monitor CCTV, CEMS (Continuous Emission Monitoring System) record for monitoring of dark smoke</td> </tr> <tr> <td>Emission of dark smoke.</td> <td>- To monitor CCTV, CEMS (Continuous Emission Monitoring System) record for monitoring of dark smoke</td> </tr> </tbody> </table>	Environmental Impact	Improvements	Discharge of effluent into land application	To monitor Dewatering sludge Shrew Press	Oil spillage and leakage	- Inspection of tank and machine condition. - Established emergency respond plan (ERP).	Effluent spillage, leakage and bund rupture	- Expand furrow capacity and monitoring of pond and furrow system. - Established emergency respond plan (ERP) - To build POME emergency pond.	Emission of dust/ashes particles released to the air	- Use Electrostatic Precipitator (ESP) for trap dust. - To monitor CCTV, CEMS (Continuous Emission Monitoring System) record for monitoring of dark smoke	Emission of dark smoke.	- To monitor CCTV, CEMS (Continuous Emission Monitoring System) record for monitoring of dark smoke	Complied
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Criterion / Indicator		Assessment Findings	Compliance								
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	The program to promote the positive impacts were documented in several management plans such as environmental management plan, energy management plan, pollution and emission management plan, water management plan and waste management plan.	Complied								
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives. - Major compliance -	The mill continues provided training to ensure the awareness regarding the environmental policy among the employee. The mill management has established annual training program which covers the environmental awareness and compliance related trainings to the executives, staffs and workers. Sighted the training on environmental aspect as follows: <ul style="list-style-type: none"> • Zero Burning Policy Training – 28/03/2021 • PCD Sample Analysis Training – 03/05/2021 	Complied								
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	The Environmental Performance Monitoring Committee (EPMC) has been established to comply with the DOE requirement on Guidance Self-Regulation (GSR). The meeting was participated by mill manager, engineers, Supervisors and Engine Drivers to discuss environmental performance that include presentation by GSR sub-committee whose input include listening to concerns raised by workers, if any. Verified the EPMC Meeting minutes dated 17/09/2021.	Complied								
Criterion 4.5.2: Efficiency of energy use and use of renewable energy											
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	The Mill maintains records of energy usage, which is reported monthly to head office. The use of the steam turbine for electricity generation has been optimized in order to reduce the dependence on diesel fossil fuel. The monitoring of non-renewable energy usage was conducted on monthly basis. Sighted the sampled monitoring records for diesel, electricity and water usage for FY 2021 (As of August 2021) as follows: <table border="1" data-bbox="958 1329 1798 1396"> <thead> <tr> <th>Month</th> <th>Diesel (L)</th> <th>Electricity (kWh)</th> <th>Water (m³)</th> </tr> </thead> <tbody> <tr> <td>Jan 2021</td> <td>33,321</td> <td>39,024</td> <td>28,098</td> </tr> </tbody> </table>	Month	Diesel (L)	Electricity (kWh)	Water (m ³)	Jan 2021	33,321	39,024	28,098	Complied
Month	Diesel (L)	Electricity (kWh)	Water (m ³)								
Jan 2021	33,321	39,024	28,098								

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Criterion / Indicator		Assessment Findings				Compliance
		Feb 2021	21,047	37,406	27,690	
		Mar 2021	22,260	44,572	35,520	
		Apr 2021	12,982	43,567	37,239	
		May 2021	23,945	44,783	40,933	
		Jun 2021	25,078	41,613	18,715	
		Jul 2021	24,349	44,825	34,400	
		Aug 2021	18,559	44,878	4,723	
4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	The estimate for the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations inclusive of fuel use by contractors, including all transport and machinery operations was available in the respective estate yearly budgets.				Complied
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Renewable energy used is from biofuel (shell and fiber) for boiler start-up. The mill monitors the usage of these energy source and the records were maintained and available for verification. The records are as below:				Complied
		Year	2019	2020	2021	
		Fibre (mt)	48,965.33	49,000.13	23,279.04	
		* 2021 records is from Jan 2021 – Aug 2021 only.				
Criterion 4.5.3: Waste management and disposal						
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The identification of wastes products and sources of pollution were documented in EAI and also DOE’s SW Second Schedule. In general, among the wastes identified were domestic wastes, recyclable wastes, scheduled wastes and sewerage wastewater.				Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>The mill has established Waste Management Plan based on the identification and source of pollutions and documented in Waste & Pollution Management Action Plan 2021, reviewed on 01/08/2021. The action plans have been developed to ensure they comply to the legal requirements and to improve efficiency and potential recycling of byproducts wherever possible.</p>	Complied
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>The procedures for handling used chemicals classified under Environment Quality Regulation (Scheduled Waste) 2005, Environmental Quality Act, 1974 are available in the Work Instruction; Scheduled Waste; Document Number: SPO/WI/06; Doc Date: 01/10/2020.</p> <p>Verification of consignment notes showed that the mill disposed their scheduled wastes such as spent oil and spent lab chemical through licensed schedule waste managers. Verified the latest consignment note as below:</p> <ul style="list-style-type: none"> • SW 110: Waste from electrics and electronics; Consignment Number: 2021090711JKYPQB; Name of Contractor: Kuality Alam Sdn Bhd; Quantity: 0.0250 mt; Date of disposal: 07/09/2021 • SW 305: Spent Lubricant Oil; Consignment Number: 2021090712JSGLEZ; Name of Contractor: Kuality Alam Sdn Bhd; Quantity: 1.000 mt; Date of disposal: 07/09/2021 • SW 409: Disposed Container; Consignment Number: 2021090712UN4K17; Name of Contractor: Kuality Alam Sdn Bhd; Quantity: 0.0570 mt; Date of disposal: 07/09/2021 • SW 410: Oil/Fuel Filter; Consignment Number: 2021090711GHRBXI; Name of Contractor: Kuality Alam Sdn Bhd; Quantity: 0.0340 mt; Date of disposal: 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		07/09/2021 <ul style="list-style-type: none"> SW 410: Rags/Gloves; Consignment Number: 20210907117T1SQ2; Name of Contractor: Kuality Alam Sdn Bhd; Quantity: 0.0780 mt; Date of disposal: 07/09/2021 	
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	Domestic wastes from the mill were buried in a designated landfill in the oil palm estate. Based on SOP, no toxic wastes such as spent lubricants, empty chemical containers, used lab chemical, etc. were permitted to be disposed in the rubbish pit. The location of the landfill was also far from residential area and water ways based on the estate map provided. The weekly domestic waste disposal records were available and verified.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	An assessment for all polluting activities were done and available in the Pollution and Emission Management Plan. Verified the Stack Emission Assessment done at the boiler with the report details available as below: Insokinetic Stack Sampling of Boiler No.6 (Stack No.5) <ul style="list-style-type: none"> Report Ref. No: Tereh6-5/07/21 Date of Monitoring: 07/07/ 2021 Particulate Matter: (Limit 150 mg/m³, dry @ 12% CO₂) Results – 142 mg/m³, dry @ 12% CO₂ Carbon Monoxide: (Limit 1000 mg/m³, dry @ 12% CO₂) Results – 850 mg/m³, dry @ 12% CO₂ The emission of all parameters tested were complied with their respective limits as stipulated in the Environmental Quality (Clean Air) Regulations 2014 except for carbon monoxide (CO ₂) parameter.	Complied

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Criterion / Indicator		Assessment Findings	Compliance											
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>The management have developed the Pollution and Emission Management Plan 2021, reviewed on 01/08/2021. The action plan based on the management plan are as below:</p> <table border="1"> <thead> <tr> <th>Pollution & Emission</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Emission of Dark Smoke</td> <td> <p>Follow strictly procedures highlighted in the Mill Manual to ensure black smoke emission is within the allowable legal limit</p> <p>Installation of continuous emission system (CEMS) with CCTV to monitor dark smoke and air pollution control device Electrostatic Precipitator (ESP).</p> </td> </tr> <tr> <td>Emission of Noise</td> <td> <p>Boundary parameter noise mapping data keeping</p> <p>Routine maintenance to be carried out as per schedule</p> </td> </tr> <tr> <td>Emission of dust/ ashes particles</td> <td> <p>Routine maintenance to be carried out as per schedule</p> <ul style="list-style-type: none"> - Follow strictly procedures highlighted in the Mill Manual to ensure emission is within the allowable legal limit - Installation of continuous emission system (CEMS) and air pollution control device Electrostatic Precipitator (ESP). </td> </tr> <tr> <td rowspan="2">GHG Emission</td> <td> <p>Fossil Fuel</p> <ul style="list-style-type: none"> - Inspection of the vehicle and machine condition - Maintenance of vehicle and machine to ensure efficiency </td> </tr> <tr> <td> <p>POME</p> <ul style="list-style-type: none"> - Installation of methane captured for biogas generation </td> </tr> </tbody> </table>	Pollution & Emission	Action Plan	Emission of Dark Smoke	<p>Follow strictly procedures highlighted in the Mill Manual to ensure black smoke emission is within the allowable legal limit</p> <p>Installation of continuous emission system (CEMS) with CCTV to monitor dark smoke and air pollution control device Electrostatic Precipitator (ESP).</p>	Emission of Noise	<p>Boundary parameter noise mapping data keeping</p> <p>Routine maintenance to be carried out as per schedule</p>	Emission of dust/ ashes particles	<p>Routine maintenance to be carried out as per schedule</p> <ul style="list-style-type: none"> - Follow strictly procedures highlighted in the Mill Manual to ensure emission is within the allowable legal limit - Installation of continuous emission system (CEMS) and air pollution control device Electrostatic Precipitator (ESP). 	GHG Emission	<p>Fossil Fuel</p> <ul style="list-style-type: none"> - Inspection of the vehicle and machine condition - Maintenance of vehicle and machine to ensure efficiency 	<p>POME</p> <ul style="list-style-type: none"> - Installation of methane captured for biogas generation 	Complied
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Criterion / Indicator		Assessment Findings			Compliance																											
			- Palm Kernel shell sold to external – credit for mill emission.																													
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>The Effluent Treatment Plant was made in accordance to Jadual Pematuhan, AS(B)J31/152/000/045 Jld 7(19). The license valid from 01/07/2021 until 30/06/2022. The POME is treated with open anaerobic pond and based on the license, merely final discharge method is through land application and composting.</p> <p>The DOE license stated that the BOD level discharged from Anaerobic Pond C shall be below 2,500 ppm revised from 5,000 in 2019. The mill has conducted an analysis of Final Discharge Effluent which monitored on monthly basis by accredited 3rd party, UTCL Laboratory.</p> <p>As per the requirements under the Compliance Schedule, the mill has submitted the quarterly return for the Sampling done on the Effluent Discharge to DOE. Records were verified as below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Parameter</th> <th>1st Week of 1st Month</th> <th>5th Week of 2nd Month</th> <th>9th Week of 3rd Month</th> </tr> </thead> <tbody> <tr> <td>Sample Date</td> <td>05/04/2021</td> <td>04/06/2021</td> <td>27/06/2021</td> </tr> <tr> <td>Temperature °C</td> <td>40</td> <td>40</td> <td>40</td> </tr> <tr> <td>pH Value</td> <td>7.90</td> <td>7.90</td> <td>7.90</td> </tr> <tr> <td>BOD</td> <td>333</td> <td>382</td> <td>526</td> </tr> <tr> <td>COD</td> <td>1934</td> <td>2632</td> <td>1842</td> </tr> <tr> <td>Total Solids</td> <td>8272</td> <td>9544</td> <td>8868</td> </tr> </tbody> </table>	Parameter	1 st Week of 1 st Month	5 th Week of 2 nd Month	9 th Week of 3 rd Month	Sample Date	05/04/2021	04/06/2021	27/06/2021	Temperature °C	40	40	40	pH Value	7.90	7.90	7.90	BOD	333	382	526	COD	1934	2632	1842	Total Solids	8272	9544	8868	Complied	
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Criterion 4.5.5: Natural water resources																																
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p>	<p>Tereh POM has established a Water Management Plan date 01/08/2021 available for verification. The water management plan identifies the Source of water, activity, water use, possible threat, action plan, time frame, records and responsibility. Among the action plan that has been identified are as below:</p>	Complied																													

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Criterion / Indicator	Assessment Findings	Compliance
<p>a) Assessment of water usage and sources.</p> <p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill’s current activities.</p> <p>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>- Major compliance -</p>	<ol style="list-style-type: none"> 1. Upstream and Downstream Water Analysis 2. Drinking Water analysis to monitor drinking water quality. 3. Effluent analysis as required by DOE 4. Follow work instruction and SOP for any activities done at the mill to avoid water pollution 5. Follow Schedule Waste management to avoid any water pollution caused by scheduled waste. 6. Desilting and desludging at effluent pond for effective POME treatment. 7. Periodically monitoring and maintenance on effluent and furrow system 8. Desilting of reservoir/pond to maintain water level. <p><u>Water Analysis for Drinking Water</u></p> <p>Water Analysis for Drinking Water were sampled by the management and the results are as below:</p> <ul style="list-style-type: none"> • UCTL Laboratory • Date: 16/09/2021 • Report Number: W1/2021/09/435 • Results: All parameters are within the limit as specified under the Regulations Limit follows the Drinking Water Quality Standard, Ministry of Health Malaysia; Engineering Services Division; Year 2010. The water can be used as a drinking water. <p><u>Water Analysis for Watercourse.</u></p> <p>Water Analysis for Watercourse - Upstream (Catchment Pond) and Downstream (Concrete Bridge) were sampled by the management and the results are as below:</p>	

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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> UCTL Laboratory Date: 16/09/2021 Report Number: W1/2021/09/435 Results: All parameters are within the limit as specified under the Regulations Limit. 	
4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>Details of effluent treatment and report as per item 4.5.4.3 above. Based on the effluent final discharge analysis, all the parameters have been complied with. Analysis was conducted monthly and submitted to the authority on quarterly basis. The following parameters (BOD, TSS, Ammonical Nitrogen, Total Nitrogen, Oil & Grease, pH, COD, Total Suspended Solids) are checked by UTCL Laboratory</p>	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Mill Management			
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>Standard Operating Procedures were available for Tereh POM. The SOP's that were verified among others were:</p> <ol style="list-style-type: none"> 1. Transparency; Doc No: SQD/SMS/1.0; Doc Date 01/08/2020 2. Core labour Standard; Doc No: SQD/SMS/4.0; Doc Date: 01/08/2020 3. Waste Management; Doc No: SQD/SMS/6.2; Doc Date: 01/08/2020 4. Agrochemicals Management; Doc No: SQD/SMS/6.1; Doc Date: 01/08/2020 5. Grievance; Doc No: SQD/SMS/4.1; Doc Date: 01/08/2020 6. Traceability; Doc No: SQD/SMS/1.2; Doc Date: 01/08/2020 7. Consultation and Communication; Doc No: SQD/SMS/1.1; Doc Date: 01/08/2020 8. Regular Internal Audits are conducted to ensure all SOP's are implemented. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	Implementation of Mills Best Practises in accordance with the SOPs are ensured through various methods. Among those are: <ul style="list-style-type: none"> • Internal Audits • Management Reviews • Operational Checklist • Worksite Inspection Report • Linesite Inspection • Third party Environmental Audit • Mill Inspection Visit 	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Annual business plan in the form of annual budget and the projection for 3 years prepared as guidance for future planning. The business plan for FY2021 contains FFB yield, CPO, OER, and KER, costs of production, milling utilization, FFB pricing etc. It also includes environment, social (workers and staff's welfare), and health and safety component.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	The documentation of price mechanism for services received from contractors are contained in the respective contracts. Sighted during the audit were crude Palm Oil Transport Agreement dated 15/06/2020 between Mahamurni Plantations Sdn Bhd and Yewtan Enterprise Sdn Bhd valid from 01/06/20201 until 31/05/2023) for transportation services. The pricing mechanism and the rates for transportation of crude palm oil are detailed out in the contract under schedule 1.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Contracts entered into between Tereh POM under Mahamurni Plantations Sdn Bhd and third parties are fair as it contains provisions relating to Mill's and contractors' obligations, payment calculation, mutual termination clause, and mutually agreed between Kulim (M) Berhad and contractors. Payment record sighted and has been verified by the auditor and there is evidence that the payment is in accordance with payment term in the contract under para 5.3 "payment fees shall be made within thirty (30) days from the date of certification of the submitted invoice"	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Sighted during the audit was the inclusion of MSPO requirements into contracts. This insertion of this Policy is to ensure contractors are aware and comply with local, national laws such as payment of minimum wage, ratified international laws, and also with MSPO standards. This was also acknowledged by the contractors, and reiterated during the stakeholder meeting.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Agreed contracts with the contractors sampled: h) Crude Palm Oil Transport Agreement dated 15/06/ 2020 between Mahamurni Plantations Sdn Bhd and Yewtan Enterprise Sdn Bhd valid from 01/06/2020 until 31/05/2023) for transportation services. The pricing mechanism and the rates for transportation of crude palm oil are detailed out in the contract under schedule 1.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	The auditors have been able to have access to the contractors' workers, documentations such as contracts and workers' pay slips for verification during this audit.	Complied

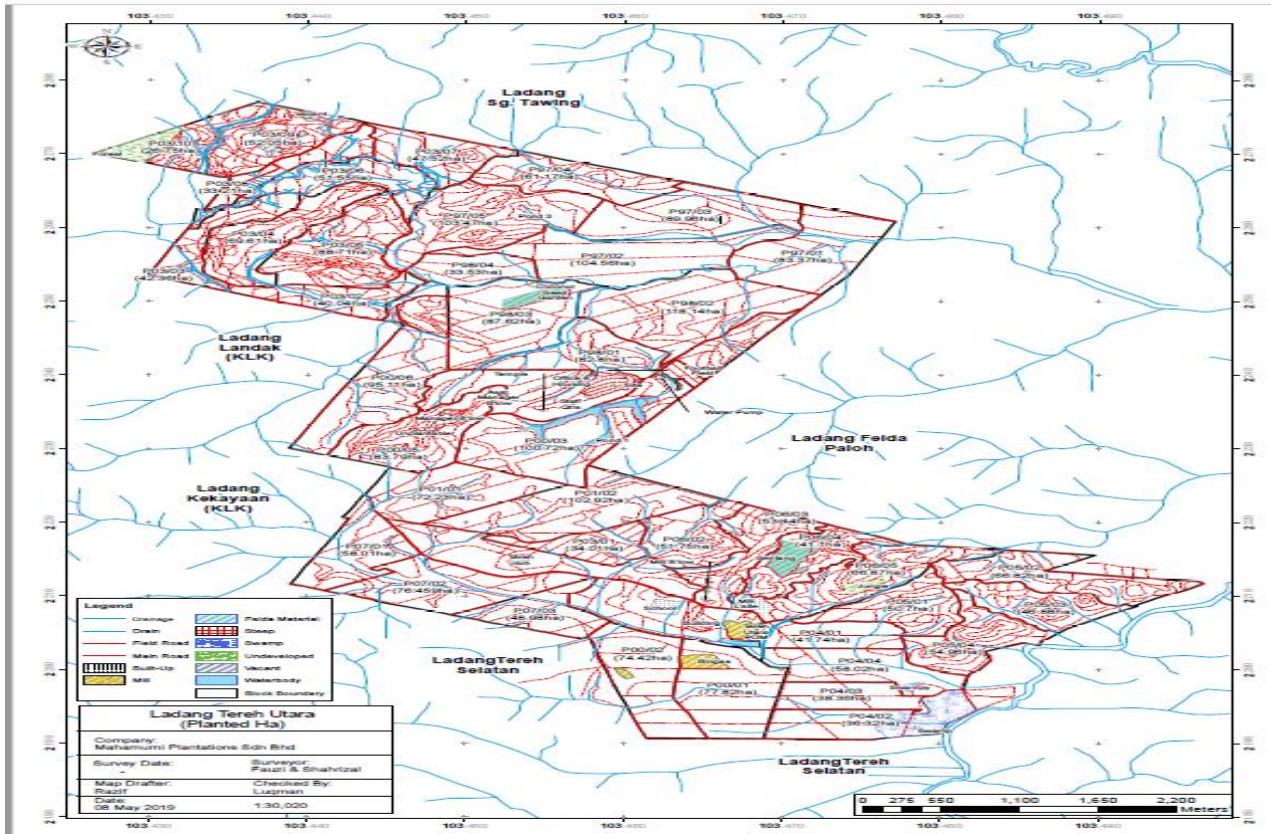
Appendix B: List of Stakeholders Contacted

<p>Government Officer: Nil</p>	<p>Community/neighbouring village: Masjid Primary school</p>
<p>Suppliers/Contractors/Vendors: Nil</p>	<p>Worker’s Representative/Gender Committee: Estate and mill social representative Estate and mill workers/stakeholder representative EHA Mill workers Estate/field workers Gender representative</p>

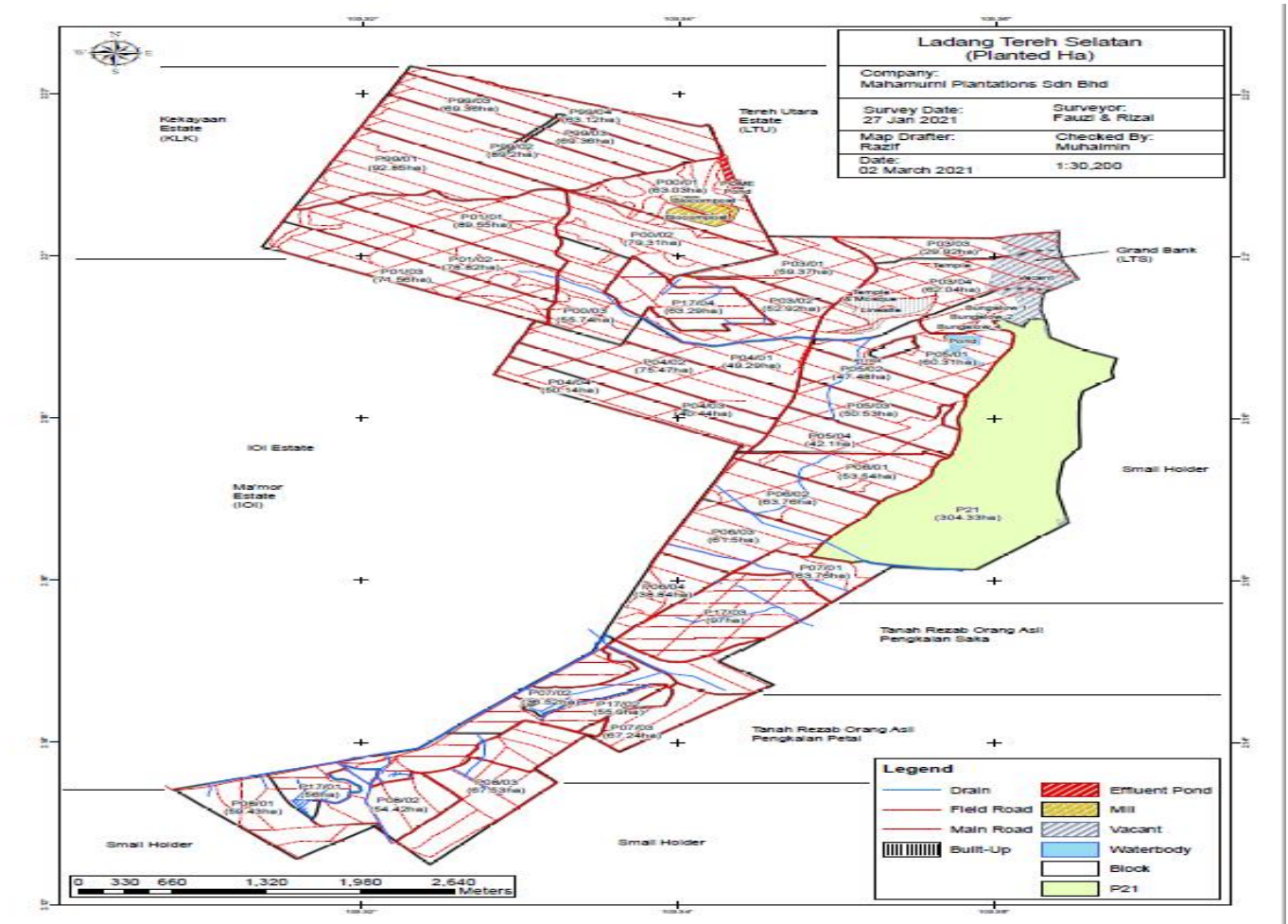
Appendix D: Location and Field Map



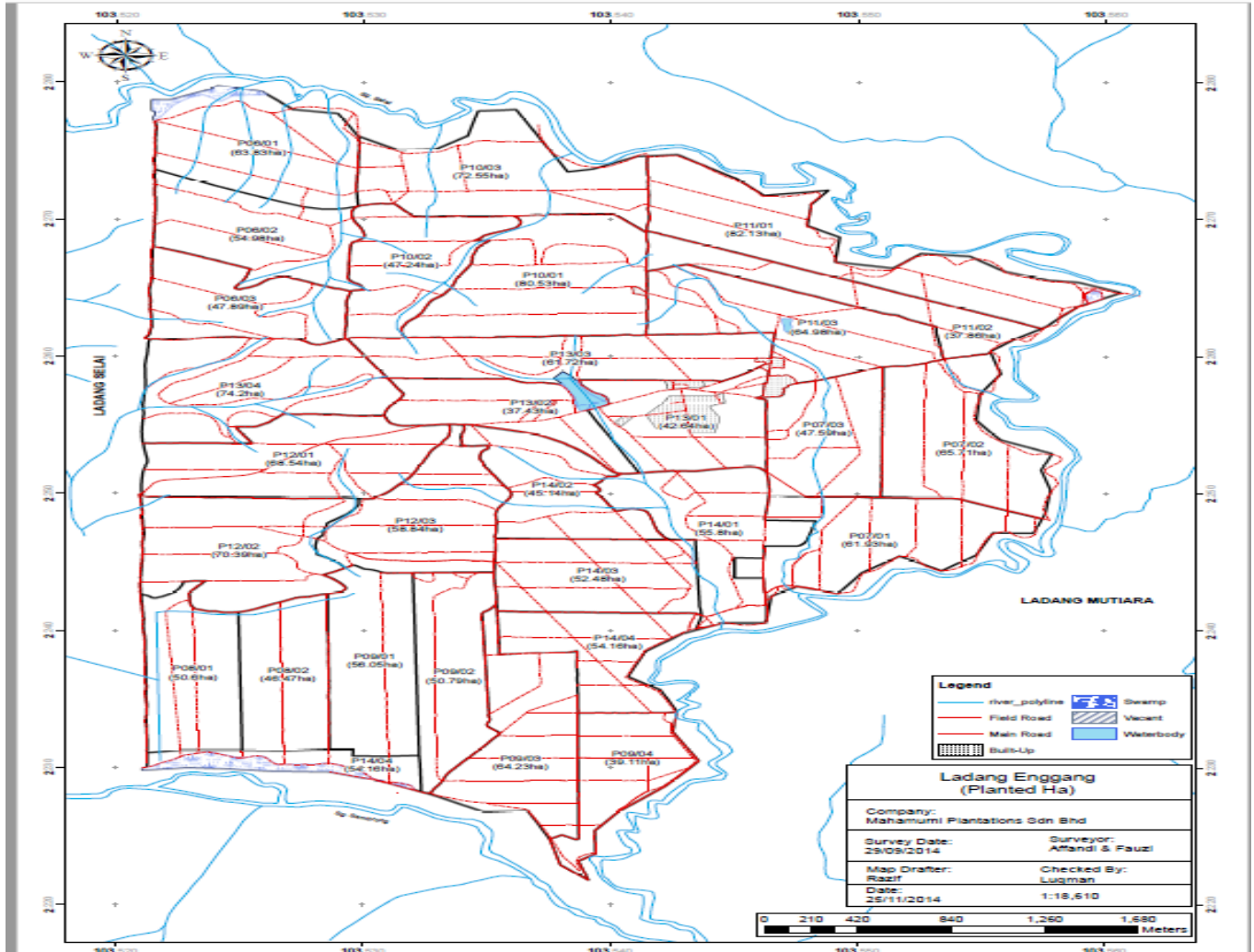
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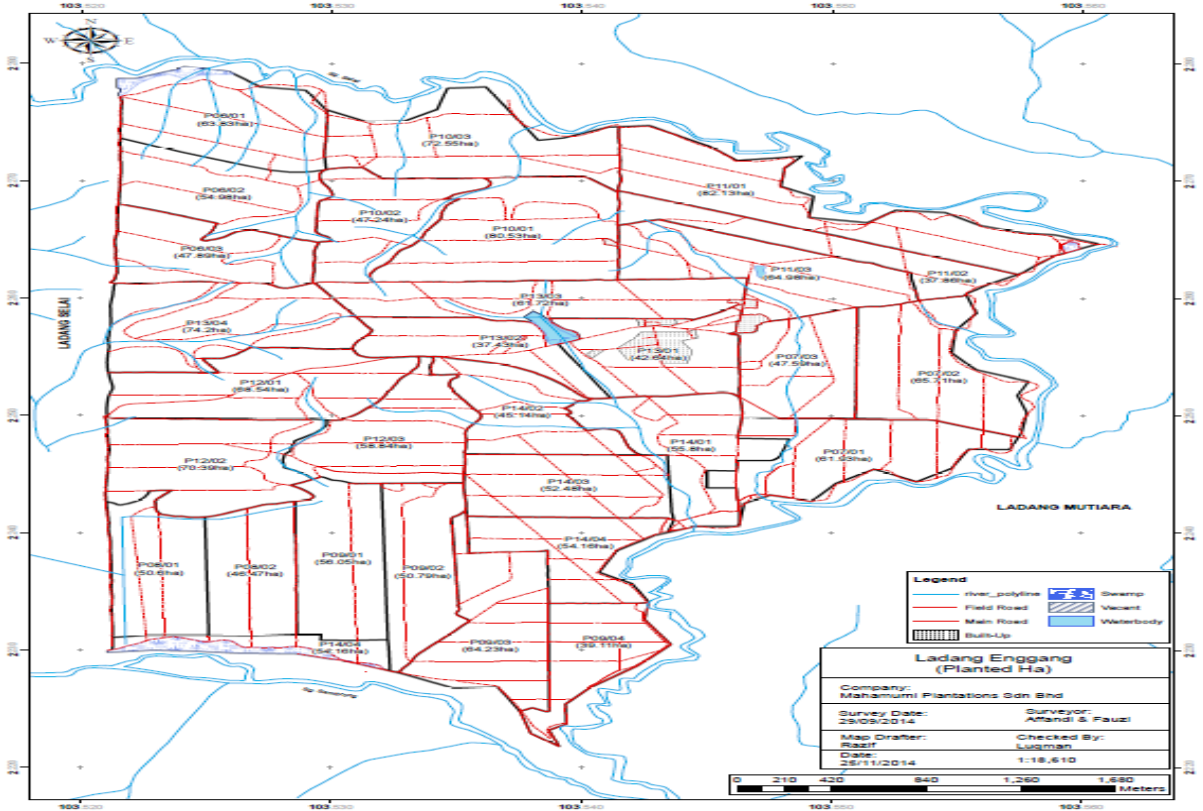
Tereh Selatan Estate



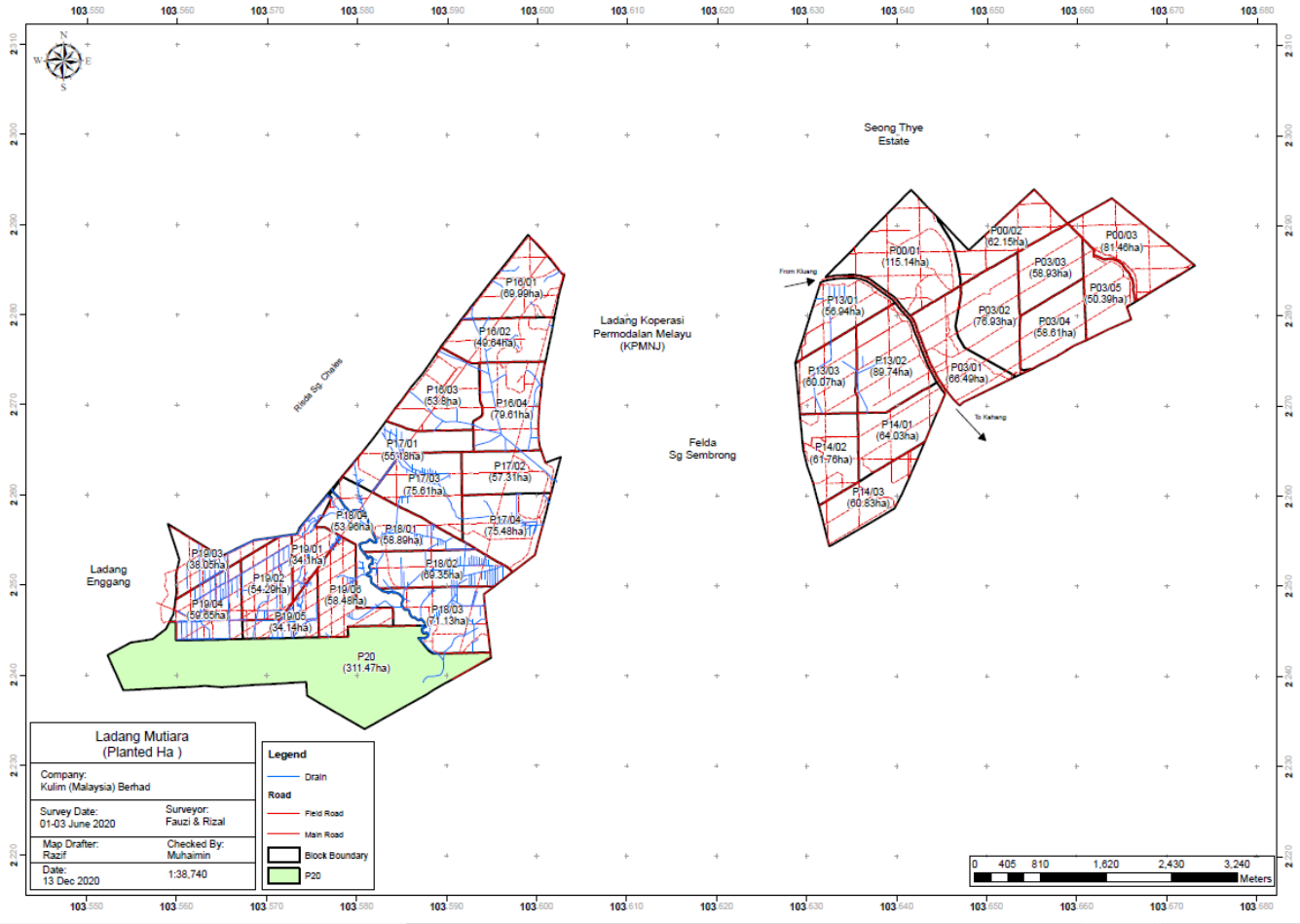
Selai Estate



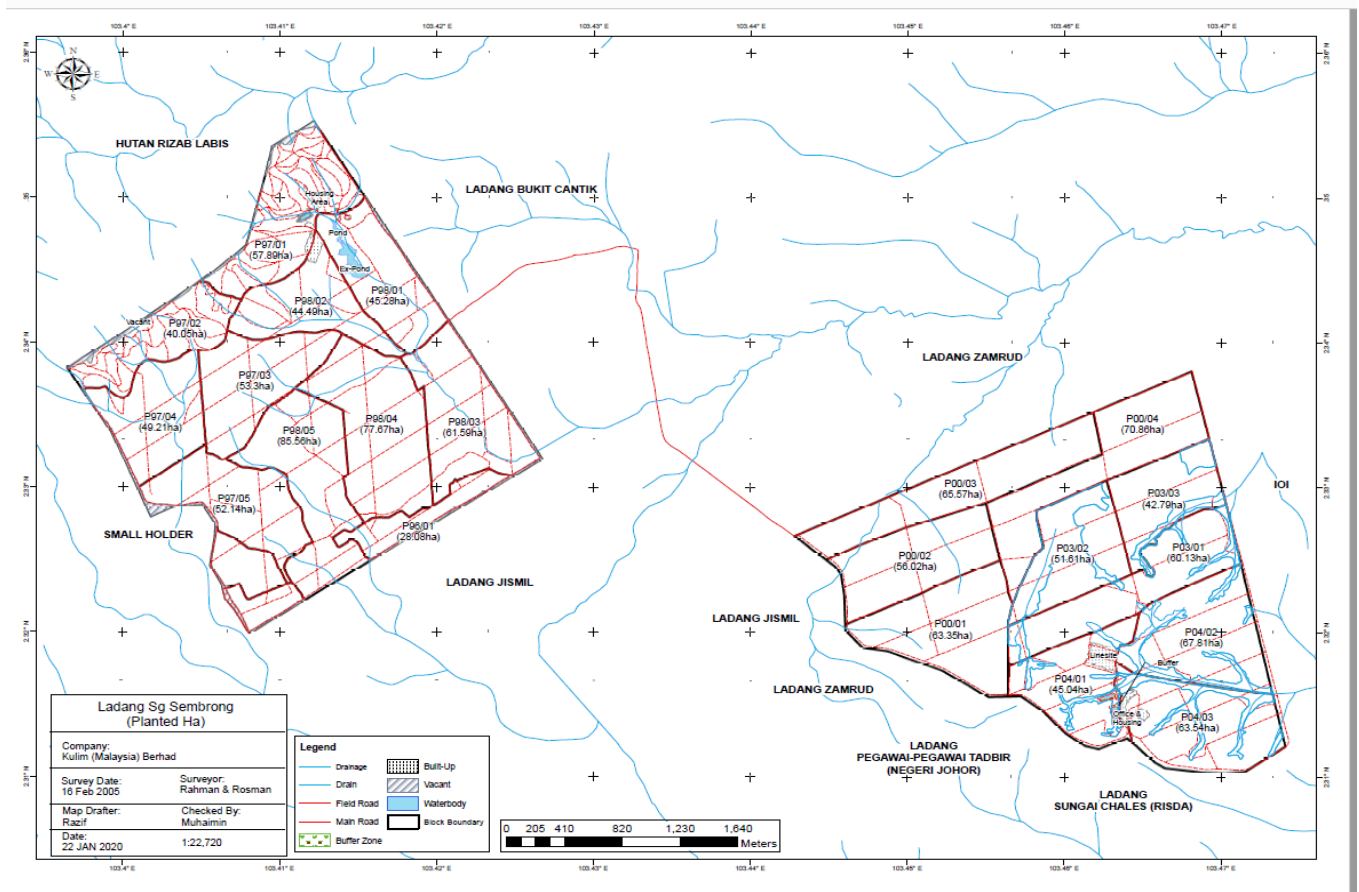
Enggang Estate



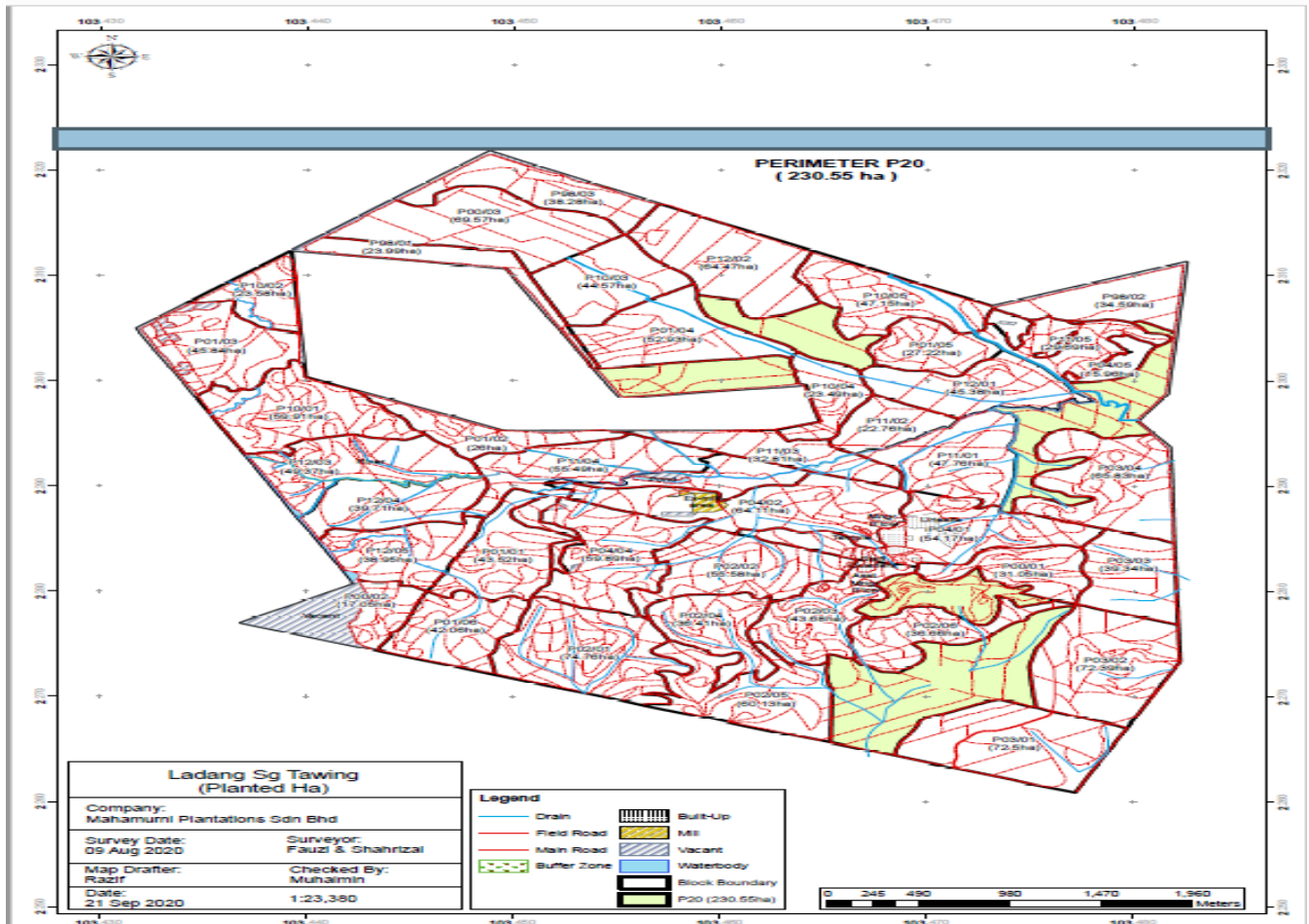
Mutiara Estate



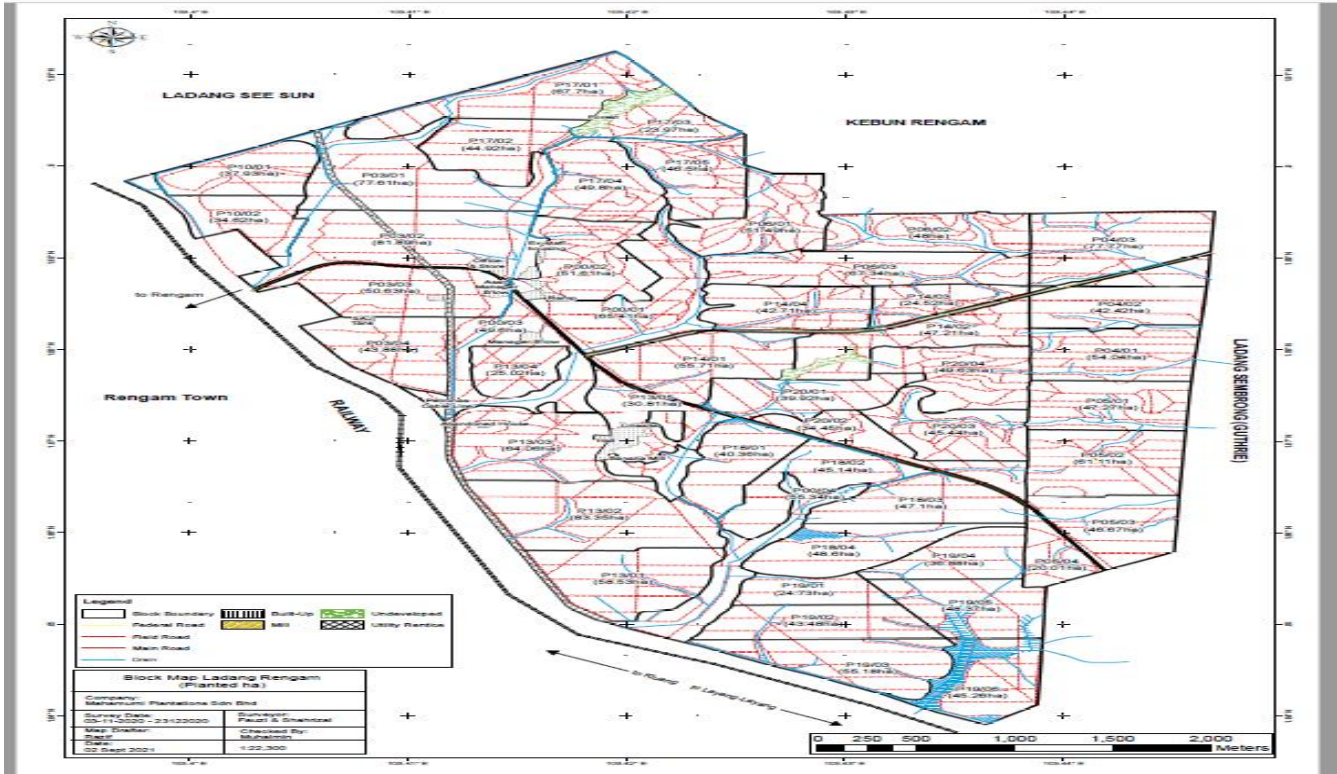
Sungai Sembong Estate



Sungai Tawing Estate



Renggam 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