

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

<b>KULIM (MALAYSIA) BERHAD</b>
Client Company Address: K.B. 705 Ulu Tiram 81900 Johor Bahru, Johor, Malaysia
Certification Unit: Sindora Palm Oil Mill & Plantations of Sindora Complex - Sindora Estate, Sungai Papan Estate and REM Estate
Date Final Report: 16/12/2021

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

**Report Number: 3293257**

**Assessment Conducted by:**  
BSI Services Malaysia Sdn Bhd,  
(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	
	Sindora POM	500263204000	30/06/2022
	Sindora Estate	501863602000	30/11/2022
	Sungai Papan Estate	570243002000	28/02/2022
	REM Estate	501259002000	31/03/2022
Address	HQ: K.B. 705 Ulu Tiram, 81900 Johor Bahru, Johor, Malaysia		
Certification Unit	Sindora Palm Oil Mill, Sindora Estate, Sungai Papan Estate & REM Estate		
Contact Person Name	Salasah Elias		
Website	www.kulim.com.my	E-mail	salasah@kulim.com.my
Telephone	07-8611611	Facsimile	07-8631084

1.2 Certification Information			
Certificate Number	Mill MSPO 697951 Estate : MSPO 697952		
Issue Date	10/03/2019	Expiry date	09/03/2024
Scope of Certification	Mill: Production of Sustainable Palm Oil and Palm Oil Products Estate: Production of Sustainable Oil Palm Fruits		
Standard	Mill: MS 2530-4:2013 General Principles for Palm Oil Mills Estate: MS 2530-3:2013 General Principles for Oil Palm Plantations and Organized Smallholders		
Stage 1 Date	Not applicable - RSPO certified unit		
Stage 2 / Initial Assessment Visit Date (IAV)	03 - 05/10/2018		
Continuous Assessment Visit Date (CAV) 1	08 - 10/10/2019		
Continuous Assessment Visit Date (CAV) 2	19 - 21/10/2020		
Continuous Assessment Visit Date (CAV) 3	Remote Audit: 26 - 28/10/2021		
Continuous Assessment Visit Date (CAV) 4	-		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-PL214-20240221	ISCC EU / ISCC Plus	BV Polska	26/04/2022

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A158822	MS 1500:2009	JAKIM	15/09/2023
BVC-MSPO/SC-0028	MSPO Supply Chain Certification Standard (MSPO SCCS) 1 October 2018.	Bureau Veritas	10/03/2025
RSPO 612392	RSPO Principles & Criteria of Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019	BSI Services Malaysia Sdn Bhd	22/01/2024

**1.3 Location of Certification Unit**

Name of the Certification Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)	Site Address	GPS Reference of the site office	
		Latitude	Longitude
Sindora POM	KM 23 Kluang, Jalan Kota Tinggi - Kluang, 86000 Kluang, Johor, Malaysia	1° 59' 6.07" N	103° 27' 44.10" E
Sindora Estate	K.B. 539, 86009 Kluang, Johor, Malaysia	1° 57' 48.35" N	103° 28' 7.64" E
Sungai Papan Estate	K.B. 15, Bandar Penawar, 81909 Kota Tinggi, Johor, Malaysia	1° 30' 59.65" N	104° 6' 16.34" E
REM Estate	K.B. 501, 81909 Kota Tinggi, Johor, Malaysia	1° 42' 6.16" N	103° 52' 55.81" E

**1.4 Certified Area**

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Sindora Estate	3655.04	20.21	243.81	3919.06	93.26
Sungai Papan Estate	2834.42	11.49	149.94	2995.85	94.61
REM Estate	1865.95	21.75	313.85	2201.55	84.76
<b>TOTAL (ha)</b>	<b>8355.41</b>	<b>53.45</b>	<b>707.60</b>	<b>9116.46</b>	

**1.5 Plantings & Cycle**

Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Sindora Estate	1329.84	1611	714.20	0.00	0	2325.20	1329.84
Sungai Papan Estate	221.12	1241.55	1371.75	0	0	2613.30	221.12
REM Estate	481.92	978.25	288.87	28.38	88.53	1384.03	481.92

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<b>Total (ha)</b>	<b>2032.88</b>	<b>3830.8</b>	<b>2374.82</b>	<b>28.38</b>	<b>88.53</b>	<b>6322.53</b>	<b>2032.88</b>
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<b>1.6 Certified Tonnage of FFB</b>			
<b>Estate</b>	<b>Tonnage / year</b>		
	<b>Estimated (Oct 20 - Sept 21)</b>	<b>Actual (Oct 20 - Sept 21)</b>	<b>Forecast (Mar 22 - Feb 23)</b>
Sindora Estate	61,406.00	54,111.87	63,559.00
Sg Papan Estate	105,500.00	27,615.86	73,431.00
REM Estate	26,253.00	24,551.81	37,331.00
Siang Estate	0	261.90	0
Eng Lee Heng	0	2,279.22	10,514.00
Asam Bubok	0	70.05	0
<b>Total</b>	<b>193,159.00</b>	<b>108,890.71</b>	<b>184,835.00</b>

<b>1.7 Uncertified Tonnage of FFB</b>			
<b>Estate</b>	<b>Tonnage / year</b>		
	<b>Estimated (Oct 20 - Sept 21)</b>	<b>Actual (Oct 20 - Sept 21)</b>	<b>Forecast (Mar 22 - Feb 23)</b>
Nilai Megah	0	5,683.26	4789.00
Eng Lee Heng	0	61,258.86	32034.00
Md. Sangsidi	0	8,890.78	4673.00
Sri Misan	0	15,701.00	5853.00
Choo Guan Oil Palm	0	59.74	478.00
Kebun Sedenak	0	89.86	0
Hong Hui Trading	0	294.29	0
<b>Total</b>	<b>0</b>	<b>91,977.79</b>	<b>47,827.00</b>

<b>1.8 Certified Tonnage</b>			
<b>Mill Capacity: 60 MT/hr</b>	<b>Estimated (Oct 20 - Sept 21)</b>	<b>Actual (Oct 20 - Sept 21)</b>	<b>Forecast (Mar 22 - Feb 23)</b>
	<b>FFB</b>	<b>FFB</b>	<b>FFB</b>
	193,159.00	108,890.71	184,835.00
<b>SCC Model: SG/MB</b>	<b>CPO (OER: 22.22%)</b>	<b>CPO (OER: 22.46%)</b>	<b>CPO (OER: 20.19%)</b>
	42,919.93	24,461.72	37,331.00
	<b>PK (KER: 4.86%)</b>	<b>PK (KER: 5.54%)</b>	<b>PK (KER: 4.82%)</b>

	9,387.53	6036.58	8,913.00
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**1.9 Actual Sold Volume (CPO)**

CPO (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
24,461.72	0	0	1,707.25	22,424.90	24,132.15

**1.10 Actual Sold Volume (PK)**

PK (MT)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
6036.58	0	0	5,921.44	25.12	5,946.56

## 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 26-28/10/2021 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 Kulim (M) Berhad, Sindora POM, Sindora Estate, Sungai Papan Estate and REM 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. 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.

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

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

**Tentative Date of Next Visit: October 26, 2022 - October 28, 2022**

**Total No. of Mandays: 11**

**2.1 BSI Assessment Team**

<b>Team Member Name</b>	<b>Role</b> <i>(Team Leader or Team member)</i>	<b>Qualifications</b> <i>(Short description of the team members)</i>
Mohd Razaleigh bin Mohamad (MRM)	Team Leader	He graduated in Bachelor (Scs.) Plantation Management and Agrotechnology from Universiti Teknologi Mara (UiTM) with more than 5 years' experience in oil palm plantation. He has been in the sustainability auditing line since 2017 for various standards such as RSPO, MSPO and Global G.A.P. He successfully completed 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, Social accountability (SA8000) training in year 2019, RSPO P&C Lead Auditor Course with Wild Asia in 2018. Able to speak and understand Bahasa Malaysia and English.
Ismadi Bin Ismail (II)	Team Member	He holds Diploma in Planting Industry Management from MARA Institute of Technology, Kuantan Pahang with 25 years of working experiences with various plantation companies. Vast experiences, knowledge and skills in establishing new Estates from Jungle or Forest and Best Agriculture Practices (GAP) for plantation either peat or mineral. Experienced and well versed on Recruitment of Foreign Workers Procedure from Source countries and handling with Ministry of Home Affairs and Ministry of Human Resource Procedure on workers related issues at Peninsular, Sabah and Sarawak. He had been involved in MSPO auditing since 2017 and fully trained and qualified as Lead Auditor/Auditor in CoP, MSPO, RSPO and SCCS .He completed the MSPO Auditor course in 2017 and SCCS in 2019 held by SGS (M) Sdn Bhd, Endorsed RSPO P&C Lead Auditor Course in 2019 and ISO 9001:2015 Lead Auditor course by TOMC. Apart from auditing, he is also certified MSPO Peer Reviewer by MPOCC since 2017. Able to speak and understand Bahasa Malaysia and English.



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Valence Shem (VS)	Team Member	He holds Bachelor Degree in Industrial Technology, graduated from University of Science Malaysia in 1998 and has 9 years working experience in oil palm plantation industry. He has been in the management system auditing line since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS, MSPO and SMETA. He completed the ISO 14001 Lead Auditor Course in 2008, ISO 9001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2011, Endorsed RSPO SCCS Lead Assessor Course in 2012, MSPO Awareness Training in 2014 and ISO 45001 Lead Auditor Course in 2019. During this assessment, he covers the aspects on legal, mill best practices, good agriculture practice, occupational safety and health. Able to communicate in Bahasa Malaysia and English.
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**2.2 Accompanying Persons**

Not applicable.

**2.3 Assessment Plan**

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

Date	Time	Subjects	MRM	VS	II	ICT Planned
20/10/2021, Wednesday	1000 - 1100	Communication on document preparation: <ul style="list-style-type: none"> <li>• Audit plan</li> <li>• Any additional Information</li> </ul>	√			Teleconference, Microsoft Team Meeting, Email
26/10/2021, Tuesday <b>Sindora POM</b>	0900 - 0915	Opening meeting: <ul style="list-style-type: none"> <li>• Opening presentation by audit team leader</li> <li>• Confirmation of assessment scope and finalize audit plan</li> </ul>	√	√	√	Teleconference, Microsoft Team Meeting, Email
	0915 - 1300	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	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

Date	Time	Subjects	MRM	VS	II	ICT Planned
27/10/2021, Wednesday <b>Sindora Estate</b>	0900 - 1300	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 - 1700	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
28/10/2021, Thursday <b>REM Estate</b>	0915 - 1300	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	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
	1700 - 1730	Closing meeting	√	√		Teleconference, Microsoft Team Meeting, Email

### 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, there were 0 Major & 0 Minor nonconformities raised.

Major/Minor Nonconformities:		
Ref: Nil	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: Nil	Area/Process:	Clause:
Objective Evidence:		

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:1972926- 202010-N1	Area/Process: Sindora Group Estates	Clause: MSPO 2530 Part 3-4.5.5.1

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	<b>Issue Date:</b> 21/10/2020	<b>Date of Closure:</b> 28/10/2021
Requirements:	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water).	
Statement of Nonconformity:	The water management plan is not include the impact of activity near to the artificial drain which connected to the natural waterways or river.	
Objective Evidence:	Sungai Papan Estate site visit at the Blok P04 Blok 1 & 2 and sighted the bank erosion along the artificial drain.	
Corrections:	<p>Stop use of Chemical at the said area effective immediately to allow natural growth of soil cover for the area.</p> <p>Water sampling and test for water quality on Trace of chemicals to be conducted. In addition, signage of no spraying activity will be put at the said planting area.</p>	
Root cause analysis:	Estate management was not adequately identify the risk of erosion at artificial drain caused by chemical application.	
Corrective Actions:	Rehabilitation plan for the said area will include: The management has identified and establish the water management plan for the affected area. Planting of soft grasses will be done at circle area to develop ground cover to avoid erosion at artificial drain	
Assessment Conclusion:	The corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next audit.	
Verification Statement	<p>ASA3:</p> <p>It is verified that corrective action plan has been implemented as per plan. Sighted that there is no chemical has been used and there is no sign of chemical has been applied along the artificial drain. Signage has been set up at appropriate place for mentioned "No chemical spraying". Soft grasses has been planted at the identified area in Sungai Papan Estate and sighted also at the sample estate. There is evidence that correction and corrective action plan has been effectively implemented and monitored. Thus, the minor non-conformance was closed on 28/10/2021.</p>	

<b>Opportunity For Improvement</b>		
<b>Ref:</b> 1972926- 202010-I1	<b>Area/Process:</b> Sindora Estate	<b>Clause:</b> MSPO 2530 Part 3-4.3.1.1
Objective Evidence:	Salary deduction permit obtained and based on self-regulation permit, ref: (4) dlm. PTKJB/10104/44989 (PMT) dated 29/8/12. This to be further checked with Labour Department on the validity and applicability of the permit for compliance.	
ASA3 verification:	There is no requirement to extend the permit since the permit has no longer has expiry period.	

<b>Opportunity For Improvement</b>		
<b>Ref:</b> 1972926- 202010-I2	<b>Area/Process:</b> Sindora Estate	<b>Clause:</b> MSPO 2530 Part 3- 4.5.1.1
Objective Evidence:	To check on the drain gradient to ensure no stagnant water at the parameter drain which might lead to unpleasant smell/odor at the area.	
ASA3 verification:	Based on photos provided for labour quarter's sampled estates, it is verified that no more stagnant water at the parameter drain. However, the management of Sungai Papan Estate has identified the stagnant water and minor renovation has been done.	

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<b>Opportunity For Improvement</b>		
<b>Ref:</b> 1972926- 202010-I3	<b>Area/Process:</b> Sindora Estate	<b>Clause:</b> MSPO 2530 Part 3- 4.4.4.2
Objective Evidence:	c) SDS was sighted available at the chemical storage area and for further improvement the SDS can be made available at the chemical activity apply such at spraying and manuring activity in the field.	
ASA3 verification:	There is evidence that SDS has been made available for manuring and spraying activities at each sampled estates based on photo that has been provided.	



### 3.4 Summary of the Nonconformities and Status

<b>CAR Ref.</b>	<b>CLASS</b>	<b>ISSUED</b>	<b>STATUS</b>
1688058-201806-M1	Major	05/10/2018	Closed on 22/10/2020
1688058-201806-M2	Major	05/10/2018	Closed on 22/10/2020
1972926-202010-N1	Minor	21/10/2020	Closed on 28/10/2021

### 3.5 Issues Raised by Stakeholders

<b>IS #</b>	<b>Description</b>
<b>1</b>	<p><b>Issues:</b> Soko SK Enteprise and Yegantham Enteprise</p> <p>Interview with stakeholders has been done through phone call due to pandemic. 4 contractors has been contacted and 2 of them are Soko SK Enteprise (Hiring machinerics) and Yegantham Enteprise (School children transport). Based on interview, the contractors agreed goods relationship has been established between management and contractors. The contractor also mentioned that payment has been done accordingly.</p>
	<p><b>Management Responses:</b></p> <p>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><b>Audit Team Findings:</b></p> <p>No other issues.</p>
<b>2</b>	<p><b>Issues:</b> Kampung Felda Pasak and Kampung Nelayan Pasak</p> <p>For neighbouring communities, 2 local communities has been interviewed which are Kampung Felda Pasak and Kampung Nelayan Pasak. As per interview, they are aware about policy and procedure that has been established. Good communication and respond by the management and some contribution has been received.</p>
	<p><b>Management Responses:</b></p> <p>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><b>Audit Team Findings:</b></p> <p>No other issues.</p>

**Section 4: Assessment Conclusion and Recommendation**

<b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>	
Based on the findings during the assessment Kulim (M) Berhad, Sindora POM and Sindora 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, Sindora POM and Sindora Group Estate's Certification Unit is approved and continued.	
<b>Acknowledgement of Assessment Findings</b>	<b>Report Prepared by</b>
<b>Name: Salasah Elias</b>	<b>Name: Mohd Razaleigh bin Mohamad</b>
<b>Company name: Kulim Malaysia Berhad</b>	<b>Company name: BSI Services Malaysia Sdn Bhd</b>
<b>Title: Deputy General Manager</b>	<b>Title: Lead Auditor</b>
<b>Signature:</b>  <b>Date: 13/11/2021</b>	<b>Signature:</b>  <b>Date: 13/11/2021</b>

**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
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	A policy for the implementation of MSPO shall be established. - <b>Major compliance -</b>	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.  Socialization on the policy has been conducted for Sindora Estate and has been verified based on the awareness records dated 19/11/2021 during the muster call by Mr Yunos bin Esa while for REM Estate, socialization on the policy has been done on 28/04/2021 with attendance of all the workers.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize commitment to continual improvement. - <b>Major compliance -</b>	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
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	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	Complied

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	- Major compliance -	<p>the frequency at least once within 12 months (before the expiry of the certificate.</p> <p>There is evidence of internal audit has been planned for year 2021 for all complex under Kulim (M) Berhad and has been verified based on audit plan that has been provided title "Internal remote audits plan for RSPO/MSPO/ISCC' certification".</p> <p>For Sindora Complex, it has been done from 11-29/07/2021 and the closing meeting has been done on 08/08/2021. The internal audit has been planned into 2 phase which their 1<sup>st</sup> phase is for document submission by the estate and the 2<sup>nd</sup> phase is for document review by the auditor.</p> <p>While for REM Estate, the internal audit has been planned from 27/06/2021 until 08/07/2021 and the closing meeting has been done on 11/07/2021.</p> <p>The internal audit has been planned into 2 phase which there 1<sup>st</sup> phase is for document submission by the estate and the 2<sup>nd</sup> phase is for document review by the internal auditor.</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.</p> <p>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>The results of the internal audit has been document and made available the audit team and has been verified in the document title "Internal audit, Non-conformance report".</p>	Complied



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		<p>For Sindora Estate, total 1 non conformities has been raised under the indicator 4.4.5.3 where the SOCSO Employment Injury Scheme (EIS) contribution for contractor workers is not in line with Jadual caruman oleh majikan. The results has been prepared by Mr Mohd Zahir bin Mohamed Said as lead auditor and has been signed accepted by the estate manager, Mr Mahfudz Hafidzuddin bin Mohd Harapi. Identification of root cause, correction and corrective action plan has been done by the management to rectify the issues that has been highlighted. Verification has been made by the auditor on the SOCSO contribution, and there is evidence that SOCSO contribution for contractor workers in line with Jadual Caruman.</p> <p>There is no NCs has been raised during the internal audit for REM Estate where it has been verified from the Non-conformance Report that has been prepared by Mr Mohd Zahir bin Mohamed Said and signed accepted by the estate manager, Mr Mohd Hussni Osman.</p>	
<b>4.1.2.3</b>	<p>Report shall be made available to the management for their review.</p> <p><b>- Major compliance -</b></p>	<p>The results of the internal audit have been document and made available the audit team and has been verified in the document title "Internal audit, Non-conformance report".</p> <p>For Sindora Estate, total 1 nonconformities has been raised under the indicator 4.4.5.3 where the SOCSO Employment Injury Scheme (EIS) contribution for contractor workers is not in line with Jadual caruman oleh majikan. The results has been prepared by Mr Mohd Zahir bin Mohamed Said as lead auditor and has been signed accepted by the estate manager, Mr Mahfudz Hafidzuddin bin Mohd Harapi.</p> <p>There is no NCs has been raised during the internal audit for REM Estate where it has been verified from the Non-conformance report that has been prepared by Mr Mohd Zahir bin Mohamed Said and signed accepted by the estate manager, Mr Mohd Hussni Osman.</p>	Complied

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<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p><b>- Major compliance -</b></p>	<p>SOPs for management review has been established in the document number SQD/SMS/3.1 dated 01/08/2020. Stated in the SOPs that management review need to be conducted once a year to decide whether the system that has been implemented is operating effectively.</p> <p>Management review has been conducted for Sindora Estate on 20/09/2021 with attendance of 20 persons and lead by the estate manager, Mr Mahfudz Hafidzuddin bin Mohd Harapi.</p> <p>While for REM Estate, management review has been done on 09/08/2021 with attendance of 10 persons from the management sites.</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>	<p>Complied</p>
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p><b>- Major compliance -</b></p>	<p>Continuous Improvement Plans to address the Social, Environmental, Productivity and OSH aspects were available at the sampled estates for verification. Generally, the aspects covered in the CIP are occupational safety, environment and social. Among the information available in the CIP is objectives, action to be taken, timeframe and responsible person in-charge.</p>	<p>Complied</p>
<b>4.1.4.2</b>	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p><b>- Major compliance -</b></p>	<p>The new information and techniques or new industry standards and technology were obtained from Agronomy Advisory Services Dept. Other means includes being members of various oil palm related association e.g. ISP, MPOA, Johor Planters Association (JPA), relationship with suppliers.</p>	<p>Complied</p>

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		Since the last assessment, there has been no opportunity to adopt new technology.	
<b>4.1.4.3</b>	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. <b>- Major compliance -</b>	Since the last assessment, there has been no opportunity to adopt new technology at the sampled estates.	Complied
<b>4.2 Principle 2: Transparency</b>			
<b>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</b>			
<b>4.2.1.1</b>	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes. <b>- Major compliance -</b>	<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 Sindora Estate, there is one enquiry has been recorded for year 2021, which has been registered in document title "Enquiry register record" on 18/05/2021 by Mr Harun bin Hashin which request for house repair. Sighted also the enquiry has been responded by the management attended by Mr Rifhan which mentioned that the house will be repaired and the cost will be bear by the estate. Evidence of respond by the estate management has been verified based on the records of repairs that has been done and has been verified by the auditor.</p> <p>While for REM Estate, there is 1 enquiry in year 2020 to request donation from Sekolah Kebangsaan Bandar. There is evidence that the request has been approved by the management in line with timeline that has been stated in the SOPs. There is no enquiries has been received in year 2021.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
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><b>- Major compliance -</b></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> <ul style="list-style-type: none"> <li>a. Land title/ user rights</li> <li>b. Occupational safety and health plan</li> <li>c. HCV documentation</li> <li>d. Detail of complaint or grievances.</li> </ul>	Complied
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p><b>- Major compliance -</b></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

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		<p>For Sindora Complex, communication on the procedure has been done during the stakeholders meeting that has been done on 12/10/2021 through online platform and the minutes meeting has been prepared by Mr Muhammad Nasir bin Mohd Shah.</p> <p>Stakeholder consultation has been done for REM Estate under Siang Complex on 18/10/201 with attendance of management team and relevant stakeholders. The agenda of the meeting is to socialize company policy and procedure, to explain on the MSPO certification and to discuss any issues raised. The meeting has been led by the regional controller Mr Abd Razak Marzuki.</p>	
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p><b>- Minor compliance -</b></p>	<p>As stated in the internal procedure, social person in- charge at respective operating units as responsible person to disclose, implement, made available and explain consultation and communication to all relevant stakeholders.</p> <p>Mr Syed Muzhafar bin Syed Abd Motalib has been appointed as person that responsible for any communication and consultation for Sindora Estate and has been verified based on the appointment letter dated 10/01/2021 that has been signed by the estate manager, Mr Mahfudz Hafidzuddin bin Mohd Harapi.</p> <p>Puan Afidah binti Katamin has been appointed as social person in charge for REM Estate and has been verified based on the appointment letter dated 15/01/2021 that has been signed by Mr Mohd Hussni bin Osman, Estate Manager of REM Estate.</p>	Complied
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><b>- Major compliance -</b></p>	<p>List of stakeholders has been maintained by the management of Sindora Estate and has been documented in the document title "Listing stakeholders 2021- Sindora Estate" where all stakeholders has been listed based on the category. Stakeholders meeting that has been done on 12/10/2021 through online platform and the minutes meeting has been prepared by Mr Muhammad Nasir bin Mohd Shah which inputs from the stakeholders has</p>	Complied

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		<p>been taken. As at Oct 2021, there is no communication and consultation requested by the stakeholder has been received.</p> <p>While for REM Estate, there is evidence that list of stakeholders has been documented and maintained by the management.</p> <p>Stakeholder consultation has been done for REM Estate under Siang Complex on 18/10/2021 with attendance of management team and relevant stakeholders. The agenda of the meeting is to socialize company policy and procedure, to explain on the MSPO certification and to discuss any issues raised. The meeting has been led by the regional controller Mr Abd Razak Marzuki. As at Oct 2021, there is no communication and consultation requested by the stakeholder has been received.</p>	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). <b>- Major compliance -</b>	SOP for Traceability was available [doc. No.: SQD/SMS/1.2, dated 01/08/2020, issue 1, rev.05]. It outlined the traceability implementation from reception of FFB until the dispatch of CPO and PK.	Complied
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	Inspection on compliance with the traceability procedure is regularly checked through supply chain internal audit. The internal audit report, which was carried out together with other schemes such as RSPO and ISCC, was available for verification. Apart from that, some elements of traceability are also covered during Plantation Inspectorate and Agronomist Visit.	Complied
<b>4.2.3.3</b>	The management should identify and assign suitable employees to implement and maintain the traceability system. <b>- Minor compliance -</b>	The head of each operating unit would automatically be the appointed person responsible for traceability system [Ref.: letter from Head of Plantation Division [SQD/ADMIN/019/21], dated 15/09/2021].	Complied

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<b>4.2.3.4</b>	Records of sales, delivery or transportation of FFB shall be maintained. <b>- Major compliance -</b>	Deliveries of FFB to mill is recorded in the crop book, which has the information about: 1. Date of delivery 2. Transporter identity no. 3. Dispatch ticket no. 4. Mill weighbridge ticket no. 5. Field no. (origin of the FFB) 6. Weight delivered (mt) All the data will be registered in the estate’s accounting system for compilation.	Complied
<b>4.3 Principle 3: Compliance to legal requirements</b>			
<b>Criterion 4.3.1 – Regulatory requirements</b>			
<b>4.3.1.1</b>	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. <b>- Major compliance -</b>	The estates continued to commit their compliance with legal requirements. Among the evidence of compliance verified are as follows: <u>Sindora Estate:</u> 1. MPOB License, #501863602000, valid until 31/03/2022 2. Air compressor CF, #JH PMT 22736, valid until 29/03/2022 3. Permit to store diesel, #J002085, valid until 23/04/2023 4. Written approval from Energy Commission for Electric Fencing, #ST(KAW/J)11/2/4(1), no expiry date <u>REM Estate:</u> 1. MPOB license, #501259002000, valid until 31/03/2022	Complied

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		2. Permit to store diesel (REM Div.), #KPDN KK.J.KTG/PERMIT0040(PD), valid until 13/07/2022 3. Permit to store diesel (Pasak Div.), #KPDN KK.J.KTG/PERMIT0038(PD), valid until 13/07/2022 4. Air compressor CF, #JH PMT 17786, valid until 29/03/2022	
<b>4.3.1.2</b>	The management shall list all laws applicable to their operations in a legal requirements register. <b>- Major compliance -</b>	The applicable laws are listed in "Kulim Group Compliance Framework". The list is also used to record the status of compliance. Among the applicable laws registered are EQA, OSHA, FMA, and Employment Act, to name a few.	Complied
<b>4.3.1.3</b>	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. <b>- Major compliance -</b>	Among the medium used in updating the legal register were websites, subscription to legal information provider and mass media.	Complied
<b>4.3.1.4</b>	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. <b>- Minor compliance -</b>	The Executive Regional Controller of Sindora Complex has been appointed as the person in-charged, (ref.: appointment letter (62) RMC/COM/GM/2021/62, dated 21/10/2021) to be the person responsible to monitor compliance and to track and update the changes in regulatory requirements. Whereas for REM Estate, the Executive Regional Controller of Siang Complex has been appointed as the person in-charged, (ref.: appointment letter (14) RMC/COM/GM/18/09, dated 27/06/2018). Both letters were from the Head of Governance Division of KMB.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
<b>4.3.2.1</b>	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	There is evidence that the oil palm cultivation activities do not diminish the land use rights of other users for both estates and has been verified based on the land title that has been provided.	Complied



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		<p>For Sindora Estate, there are 4 land title. Details as per below</p> <ol style="list-style-type: none"> <li>1. HSD 17659 leased for 99 years from 25/01/1987, 1096.60Ha</li> <li>2. HSD 17660 leased for 99 year from 25/01/1987, 2800.51 Ha</li> <li>3. HSD 17661 leased for 99 year from 25/01/1987, 8.81 Ha</li> <li>4. HSD 17662 leased for 99 year from 25/01/1987, 13.14Ha</li> </ol> <p>While for REM Estate, there are 14 land title that has been verified by the auditor. Details of sample land title as per below</p> <ol style="list-style-type: none"> <li>1. Land title number 91216 total hectare 42.44 hectare owned by Kulim (M) Berhad</li> <li>2. Land title number 88831 total hectare 95.41 hectare owned by Kulim (M) Berhad</li> <li>3. Land title number 85677 total hectare 61.39 hectare owned by Kulim (M) Berhad</li> <li>4. Land title number 73313 total 783.70 Hectare leased for 999 years by Kulim (M) Berhad</li> </ol>	
<b>4.3.2.2</b>	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p><b>- Major compliance -</b></p>	<p>There is evidence of document showing lease on land for both estates and has been verified based on the land title that has been provided. Detail as per indicator 4.3.2.1.</p>	Complied
<b>4.3.2.3</b>	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p><b>- Major compliance -</b></p>	<p>Total 212 boundary stones has been identified by the management of Sindora Estate while REM Estate total 121 boundary stones has been identified. All boundary stones has been mark in the estate map.</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

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<b>4.3.2.4</b>	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). <b>- Minor compliance -</b>	Not applicable since there is no dispute and land leased by Kulim Plantation (M) Sdn Bhd. 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.	Not applicable
<b>Criterion 4.3.3 – Customary rights</b>			
<b>4.3.3.1</b>	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. <b>- Major compliance -</b>	Not 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
<b>4.3.3.2</b>	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. <b>- Minor compliance -</b>	Not 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
<b>4.3.3.3</b>	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. <b>- Major compliance -</b>	Not 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
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			
<b>4.4.1.1</b>	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. <b>- Minor compliance -</b>	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	Complied

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		<p>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 Sindora Estate and REM Estate has been documented in the document SIA and management plan. Based on the assessment that has been done, 3 issues has been highlighted which is related to SOCSO contribution for the contractor workers, renewal of foreign workers permit and monitoring of groceries price in the estate.</p> <p>Verification has been made by the auditor on the SOCSO contribution, and there is evidence that SOCSO contribution for contractor workers in line with Jadual Caruman. There is also evidence that monitoring of the grocery price at the grocery store has been done on monthly basis and has been verified based on the monitoring records.</p>	
<b>Criterion 4.4.2: Complaints and grievances</b>			
<b>4.4.2.1</b>	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p><b>- Major compliance -</b></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
<b>4.4.2.2</b>	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p><b>- Major compliance -</b></p>	<p>Based on the procedure, the Company's dispute resolution mechanism is able to resolve disputes in an effective, timely and appropriate manner. Timeline for resolution as per the following: Employee – matter to be settled within 10 working days. Others – to obtain satisfaction within 7 working</p>	Complied

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		<p>days. The Company’s whistle blowing Policy which approved by Kulim (M) Berhad’s board of director dated 10/09/2020 provides Complied PF824 MSPO Public Summary Report Revision 1 (Feb 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 both workers and stakeholders for bot estate. It also has been verified during the stakeholders interview where there is no issues has been highlighted.</p>	
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p><b>- Minor compliance -</b></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><b>- Minor compliance -</b></p>	<p>The management of Sindora Estate has conducted training for all the workers and has been verified based on the training records that has been done on 13/07/2021 during the mustercall. While relevant stakeholders, socialization of the SOPs has been done during the stakeholders meeting that has been done on 12/10/2021 through online platform and the minutes meeting has been prepared by Mr Muhammad Nasir bin Mohd Shah which inputs from the stakeholders has been taken. As at Oct 2021.</p> <p>Awareness training on the SOPs has been done for the workers of REM Estate on 14/07/2021 with attendance all workers during the muster call. While for stakeholders, it has been done during the stakeholders’ consultation on 18/10/2021 with attendance of management team and relevant stakeholders.</p>	Complied
4.4.2.5	<p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p>	<p>There is no complaint has been received from the past 24 months.</p>	Complied

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- Major compliance -			
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			
<b>4.4.3.1</b>	<p>Growers should contribute to local development in consultation with the local communities.</p> <p>- Minor compliance -</p>	<p>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 based on photo, and receipt that has been provided.</p> <p>In additional to that, due to Pandemic COVID-19, the management of Sindora Estate has taken initiative to establish food bank to people staying inside the Sindora Estate and surrounding that has been placed at Sindora Estate mosque. Other than that, for those employees that has been quarantine, the management has provided groceries to the family.</p> <p>There is evidence that the management of REM Estate has made contribution for local development. Sample has been taken for donation MYR 500 to Sekolah Kebangsaan Bandar on 09/08/2020.</p>	Complied
<b>Criterion 4.4.4:</b> Employees safety and health			
<b>4.4.4.1</b>	<p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p>- Major compliance -</p>	<p>Occupational Safety and Health Policy dated 01/05/2018 has been established which in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139).</p> <p>Among the method of communication are through morning muster briefing, training, and display on notice boards. The policy was signed by the Executive Director of Kulim (Malaysia) Berhad and can also be found at <a href="http://www.kulim.com.my/ourpolicy.aspx?p_Id=0&amp;c_Id=2097">http://www.kulim.com.my/ourpolicy.aspx?p_Id=0&amp;c_Id=2097</a></p>	Complied
<b>4.4.4.2</b>	<p>The occupational safety and health plan shall cover the following:</p>	<p>a) Occupational Safety and Health Policy dated 01/05/2018 has been established which in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139). The policy was signed</p>	Complied

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<p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risks of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</p> <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p>	<p>by the Executive Director of Kulim (Malaysia) Berhad. Among the method of communication are through morning muster briefing, training, and display on notice boards.</p> <p>b) The assessment of risk is documented and recorded in HIRARC and CHRA. The sampled estates have made both documents available for verification. The HIRARC is reviewed from time to time depending on current situation such as occurrence of occupational safety &amp; health incident or accident.</p> <p>c) Training programme (SQD/SMS/3.7-F1) was established by the management. Evidence of adequate and appropriate training on safe working practices provided to workers was verified, for example:</p> <ul style="list-style-type: none"> <li>- Training on manuring-manual application, dated 10/06/2021 (Sindora Estate), 15/09/2020 (REM)</li> <li>- Training on spraying, dated 02/07/2021 (Sindora Estate), 22/02/2021 (REM Estate)</li> <li>- Chemical handling, dated 18/03/2021 (Sindora Estate), 11/03/2020 (REM Estate)</li> </ul> <p>SDS were made available at the relevant workstations involved in chemical handling such as chemical stores and spraying area.</p> <p>d) Issuance of PPE to employees is recorded in a standard form which has the information about name of employee, type of PPE, workstation, date of issuance and acknowledgment of receipt.</p> <p>e) SOP for handling chemical management was addressed in a few procedures such as:</p> <ul style="list-style-type: none"> <li>- Weed &amp; Pest Usage and Application Control</li> <li>- Fertilizer Usage &amp; Application Control</li> </ul>	

Criterion / Indicator	Assessment Findings	Compliance																			
<p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee’s health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>The procedures outline the handling of chemicals in accordance to the regulation.</p> <p>f) The respective operating units’ managers were appointed as the chairman of the committees based on a letter dated 15/09/2021 [ref.: SQD/ADMIN/020/021] from the Kulim’s ESG Committee (Occupational Safety &amp; Health) Chairman</p> <p>g) Records were available confirming that quarterly OSH meetings had been held by the estate. The date of last four meetings are as follows:</p> <table border="1" data-bbox="1072 710 1921 845"> <thead> <tr> <th rowspan="2">Estate</th> <th colspan="4">Quarter and dates</th> </tr> <tr> <th>03/2021</th> <th>02/2021</th> <th>01/2021</th> <th>04/2020</th> </tr> </thead> <tbody> <tr> <td>Sindora</td> <td>06/09</td> <td>07/06</td> <td>16/05</td> <td>18/12</td> </tr> <tr> <td>REM</td> <td>14/10</td> <td>25/08</td> <td>28/04</td> <td>25/12</td> </tr> </tbody> </table> <p>h) The handling of accident and emergency are addressed in “Prosedur Kecemasan”. Among the emergency situations identified are fire breakout, and flood.</p> <p>i) First aid kit provided at various workstations at the estate such as workshop, store, harvesting gangs, maintenance gangs and office. Based on records, the last training on first aid was conducted on 11/03/2021 (Sindora Estate) and 14/10/2020 (REM Estate).</p> <p>j) All accidents are to be investigated and reported to Head Office. Since the last assessment, there has been several accident cases that involved more than 4 lost day in both sampled estates. The management has taken necessary action in term of reporting to the authority and addressing the accident causes based on investigation.</p>	Estate	Quarter and dates				03/2021	02/2021	01/2021	04/2020	Sindora	06/09	07/06	16/05	18/12	REM	14/10	25/08	28/04	25/12	
Estate	Quarter and dates																				
	03/2021	02/2021	01/2021	04/2020																	
Sindora	06/09	07/06	16/05	18/12																	
REM	14/10	25/08	28/04	25/12																	
<p><b>Criterion 4.4.5: Employment conditions</b></p>																					

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Criterion / Indicator		Assessment Findings	Compliance
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><b>- Major compliance -</b></p>	<p>All the operating units subscribe to Kulim (M) Berhad’s sustainability policy which newly revised and approved by Kulim’s Sustainability &amp; 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 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 others.</p> <p>Awareness training on the policy has been done by the management of Sindora Estate on 25/05/2021 by Mr Nazmi Asna bin Mohd Zain during the muster call while for REM Estate the training has been done on 28/04/2021.</p>	Complied
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p>	<p>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. As per interview with the workers, there is evidence that all workers has been treated fairly and there is no discrimination has been practices.</p>	Complied
4.4.5.3	<p>Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p>	<p>There is evidence that the management for both estates has ensure that employee’s pay conditions meet legal minimum standard. For Sindora Estate, it is located under the Majlis Perbandaran Simpang Renggam while REM Estate is located under Kota Tinggi district which the minimum wages for both estates are MYR 1200 as per Minimum Wages Act 2021. Sample of</p>	Complied



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	<p>pay slips and employment contract has been taken and verified. Details as per below:</p> <p><u>Sindora Estate</u></p> <ol style="list-style-type: none"> <li>1. Workers Number 622xxx  Month : December 2020  Basic salary : MYR 1062.75  Total days work : 25 days  Overtime : MYR483.02  Gross pay : MYR 2435.50  Deduction : MYR 754.55 (KWSP, SOCSO, Perkeso, Insurance, electric/ water)  Nett Salary : MYR 1680.95</li>   <li>2. Workers Number 622xxx  Month : February 2021  Basic salary : MYR 1422.81  Total days work : 23 days  Gross pay : MYR 1975.54  Deduction : MYR 955.40 (KWSP, SOCSO, Perkeso, Insurance, electric/ water)  Nett Salary : MYR 1020.15</li>   <li>3. Workers Number 680xxx  Month : July 2021</li> </ol>	

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	<p>Basic salary : MYR 1137.75            Total days work : 25 days            Overtime : MYR718.94            Gross pay : MYR 2352.90            Deduction : MYR 507.05 (KWSP, SOCSO, Perkeso, Insurance, electric/water)            Nett Salary : MYR 1845.85</p> <p><u>REM Estate</u></p> <p>1. Workers Number 604xxx            Month : December 2020            Basic salary : MYR 1105.26            Total days work : 26 days            Overtime : MYR571.19            Gross pay : MYR 2665.20            Deduction : MYR 321.01 (KWSP, SOCSO, Perkeso, Insurance, electric/water)            Nett Salary : MYR 2244.20</p> <p>2. Workers Number 604xxx            Month : December 2020            Basic salary : MYR 1101.08            Salary on rest day : MYR 370.99            Total days work : 25 days</p>	

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		<p>Gross pay : MYR MYR3497.29            Deduction : MYR 311.05 (KWSP, SOCSO, Perkeso, Insurance, electric/ water)            Nett Salary : MYR 3170.25</p> <p>3. Workers Number 604xxx            Month : February 2021            Basic salary : MYR 966.02            Total days work : 22 days            Overtime : MYR502.15            Gross pay : MYR 1540.13            Deduction : MYR 303 (KWSP, SOCSO, Perkeso, Insurance, electric/ water)            Nett Salary : MYR 1237.15</p>	
<b>4.4.5.4</b>	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>	<p>While for REM Estate, 2 sample of contractors has been selected for verification which are Pengangkutan Sempurna Sdn Bhd for loading and transporting of fresh fruit bunch from ramp of Sindora Estate to Palm Oil Mill and contract agreement for Soko SK Enteprise for harvesting, loading, and transporting FFB form field P14 to ramp at REM Estate.</p> <p>There is evidence that all contractor has paid their employees based on legal requirement.</p>	Complied
<b>4.4.5.5</b>	<p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records</p>	<p>There is evidence that the management for both estates has established records of information for all the workers in the document list employee which contain information such as employee number, name, job description, and passport/identification card number, date of birth and date entry. The</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. <b>- Major compliance -</b>	list has categorized the workers based on origin of the workers which are Indonesia, Bangladesh and Malaysia	
<b>4.4.5.6</b>	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. <b>- Major compliance -</b>	For all estates, total 18 samples of employment contract has been taken 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.  Other than that, mentioned types of deduction that will be done on mainly basis. Details as per below a. KWSP 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.	Complied
<b>4.4.5.7</b>	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. <b>- Major compliance -</b>	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

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<b>4.4.5.8</b>	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p><b>- Major compliance -</b></p>	<p>As per mentioned in the employment contract, stated that working hours is from 6.30am until 2.30pm. Mentioned also breaking hours is from 11.00am-11.30am.</p> <p>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.</p> <p>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.</p>	Complied
<b>4.4.5.9</b>	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p><b>- Major compliance -</b></p>	<p>There is evidence that wages and overtime payment has been documented on the pay slips and in line with legal regulations. Total 18 samples of workers has been verified by the auditor for month December 2020, February 2021 and July 2021. Details of the payslips as per below</p> <p><u>Sindora Estate</u></p> <ol style="list-style-type: none"> <li>1. Workers Number 622xxx  Month : December 2020  Basic salary : MYR 1062.75  Total days work : 25 days  Overtime : MYR483.02  Gross pay : MYR 2435.50  Deduction : MYR 754.55 (KWSP, SOCSO, Perkeso, Insurance, electric/ water)  Nett Salary : MYR 1680.95</li> <li>2. Workers Number 622xxx</li> </ol>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Month : February 2021            Basic salary : MYR 1422.81            Total days work : 23 days            Gross pay : MYR 1975.54            Deduction : MYR 955.40 (KWSP, SOCSO, Perkeso, Insurance, electric/ water)            Nett Salary : MYR 1020.15</p> <p>3. Workers Number 680xxx            Month : July 2021            Basic salary : MYR 1137.75            Total days work : 25 days            Overtime : MYR718.94            Gross pay : MYR 2352.90            Deduction : MYR 507.05 (KWSP, SOCSO, Perkeso, Insurance, electric/ water)            Nett Salary : MYR 1845.85</p> <p><u>REM Estate</u></p> <p>1. Workers Number 604xxx            Month : December 2020            Basic salary : MYR 1105.26            Total days work : 26 days            Overtime : MYR 571.19</p>	

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	<p>Gross pay : MYR 2665.20            Deduction MYR 321.01 ( KWSP, SOCSO, Perkeso, Insurance, electric/ water)            Nett Salary : MYR 2244.20</p> <p>2. Workers Number 604xxx            Month : December 2020            Basic salary : MYR 1101.08            Salary on rest day : MYR 370.99            Total days work : 25 days            Gross pay : MYR 3497.29            Deduction : MYR 311.05 (KWSP, SOCSO, Perkeso, Insurance, electric/ water)            Nett Salary : MYR 3170.25</p> <p>3. Workers Number 604xxx            Month : February 2021            Basic salary : MYR 966.02            Total days work : 22 days            Overtime : MYR 502.15            Gross pay : MYR 1540.13            Deduction : MYR 303 (KWSP, SOCSO, Perkeso, Insurance, electric/ water)            Nett Salary : MYR 1237.15</p>	

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<b>4.4.5.10</b>	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. <b>- Minor compliance -</b>	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 gallon and 50kWh per person and stated in the employment contract. As for Sindora complex, water and electricity is provided for free to all workers with certain limit per months.	Complied
<b>4.4.5.11</b>	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. <b>- Major compliance -</b>	Based on the photo that has been provided, there is evidence that it is habitable and have basic amenities and facilities. Electricity 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 based on the records that has been provided.	Complied
<b>4.4.5.12</b>	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. <b>- Major compliance -</b>	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 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.	Complied



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<b>4.4.5.13</b>	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p><b>- Major compliance -</b></p>	<p>The management respected the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. This was mentioned in the Core Labour Standard Policy dated 01/05/2018 and signed by the Executive director. The workers have their freedom to join the NUPW. This was evident form NUPW membership subscription deductions made in the pay slips. During the interview with workers, there no evidence to show that the management had restricted its workers and staff from joining a trade union.</p>	Complied								
<b>4.4.5.14</b>	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not expose to hazardous working conditions.</p> <p><b>- Major compliance -</b></p>	<p>No workers less than 16 years old will be recruited and less than 18 years old for hazardous work. Verified the document Employee Master List confirmed that all the workers employed were above 18 years old.</p>	Complied								
<b>Criterion 4.4.6: Training and competency</b>											
<b>4.4.6.1</b>	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p><b>- Major compliance -</b></p>	<p>Training programmes were available at all the sampled estates. Based on the documented programmes, generally the planned trainings cover the OHS, environmental and best practice aspects of all the operations in the field. Among the training records verified are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>No</th> <th>Trainings</th> <th colspan="2">Date (Estate)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>Sindora</td> <td>REM</td> </tr> </tbody> </table>	No	Trainings	Date (Estate)				Sindora	REM	Complied
No	Trainings	Date (Estate)									
		Sindora	REM								

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Criterion / Indicator		Assessment Findings				Compliance
		1	Manuring-manual	10/06/21	15/09/20	
		2	Harvesting	08/07/21	10/02/21	
		3	Spraying	02/07/21	22/02/21	
		4	Chemical handling	18/03/21	13/03/20	
		5	Emergency response plan	18/10/21	11/10/20	
		6	Fire drill	18/10/21	11/10/20	
		7	First aid	11/03/21	14/10/20	
		8	Tractor/lorry safe driving	15/10/21	07/20/20	
		9	Triple rinsing	09/03/21	04/01/21	
		10	PPE usage	11/07/21	10/09/20	
		11	Rat baiting	04/07/21	06/10/20	
		12	FFB loading	14/07/21	15/07/21	
		Some of the trainings were delayed due to MCO.				
<b>4.4.6.2</b>	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p><b>- Major compliance -</b></p>	<p>This is addressed by the utilization of the "Training Needs Analysis" form. The objective is to identify the appropriate training to be provided to workers based on their current job function. The analysis is usually done in early year or end of the year and is used to establish the training programme. Among the information available in the form is current job function, skill/knowledge required, present ability, job needed, training required, to name a few.</p>				Complied
<b>4.4.6.3</b>	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p><b>- Minor compliance -</b></p>	<p>Training programmes are established on annual basis based on training needs. It is subject for review from time to time if necessary.</p>				Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>						

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<b>Criterion 4.5.1:</b> Environmental Management Plan			
<b>4.5.1.1</b>	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. <b>- Major compliance -</b>	Environmental Policy is available which was signed by the Executive Director dated 01/05/2018. The policy can also be found at <a href="http://www.kulim.com.my/ourpolicy.aspx?p_Id=0&amp;c_Id=2097">http://www.kulim.com.my/ourpolicy.aspx?p_Id=0&amp;c_Id=2097</a> Among the method of communication are through morning muster briefing, training, and display on notice boards.	Complied
<b>4.5.1.2</b>	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. <b>- Major compliance -</b>	Environmental aspects and impacts analysis were done through utilization of Environmental Risk Assessment form [e.g. for Sindora Estate, form no.: KULIM-LS-2021]. The last review of the analysis was done in August 2021. The evaluation form has the information about aspect/impact identified, risk assessment and risk control. Among the areas of the estate assessed are as follows: <ul style="list-style-type: none"> <li>• Clinic</li> <li>• Compound</li> <li>• Harvesting</li> <li>• Construction</li> <li>• Manuring</li> <li>• Office</li> <li>• Replanting</li> <li>• Scheduled wastes</li> <li>• Storage (Chemical, fertiliser, hydrocarbon)</li> <li>• Chemical application use of machine and tractor</li> </ul>	Complied

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<b>4.5.1.3</b>	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. <b>- Major compliance -</b>	Mitigation measures are registered in "Continuous Improvement Plan Monitoring Sheet". The objective is to mitigate and monitor the identified significant activities that give impacts on environment. Specific persons in-charged have been identified to do the monitoring to ensure the plan is effectively implemented.	Complied
<b>4.5.1.4</b>	A programme to promote the positive impacts should be included in the continual improvement plan. <b>- Minor compliance -</b>	The positive impacts were also identified through the evaluation of environmental aspect and impact. Among the positive impacts identified are EFB application in the field and planting of trees.	Complied
<b>4.5.1.5</b>	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. <b>- Major compliance -</b>	A training programs for the sampled estates for 2021 is available for verification and updated annually or whenever necessary. The subjects which are related to environment such as wastes management, chemical handling and adhering standard operating procedures were included in the programme.	Complied
<b>4.5.1.6</b>	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. <b>- Major compliance -</b>	Concerns about environmental quality were discussed through various medium such as management meetings and muster call. Minutes of meeting were available for verification at all the visited estates.	Complied
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>			
<b>4.5.2.1</b>	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within 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. <b>- Major compliance -</b>	Monthly records on energy consumption for non-renewable sources were kept and documented. Based on the records, the diesel consumption is as follows: <u>Sindora Estate:</u> <ul style="list-style-type: none"> <li>• 2021 – 1.08 lt/mt FFB as at September</li> <li>• 2020 – 1.07 lt/mt FFB</li> </ul>	Complied

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		<p><u>REM Estate:</u></p> <ul style="list-style-type: none"> <li>• 2021 – 2.62 lt/mt FFB as at September</li> <li>• 2020 – 3.03 lt/mt FFB</li> </ul> <p>The established base lines are 1.57 lt/mt FFB for Sindora Estate and 3.08 lt/mt FFB for REM Estate.</p>	
<b>4.5.2.2</b>	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p><b>- Major compliance -</b></p>	<p>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 used by contractors, including all transport and machinery operations was available in the respective estate annual budgets.</p>	Complied
<b>4.5.2.3</b>	<p>The use of renewable energy should be applied where possible.</p> <p><b>- Minor compliance -</b></p>	<p>There was no renewable energy applied by the sampled estates.</p>	Complied
<b>Criterion 4.5.3: Waste management and disposal</b>			
<b>4.5.3.1</b>	<p>All waste products and sources of pollution shall be identified and documented.</p> <p><b>- Major compliance -</b></p>	<p>The identification of wastes products and sources of pollution was 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.</p>	Complied
<b>4.5.3.2</b>	<p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p>	<p>Waste and Pollution Management Plan had been developed and implemented based on environmental aspect identification. The plan is reviewed by the respective sampled estates regularly whenever necessary. Among the information available in the plans is identification and monitoring</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	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 <b>- Major compliance -</b>	of 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.	
<b>4.5.3.3</b>	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. <b>- Major compliance -</b>	The procedure for handling used chemicals classified under Environment Quality Regulation (Scheduled Waste) 2005, Environmental Quality Act, 1974 is available and prepared at Group level by SQD 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 in an appropriate manner.	Complied
<b>4.5.3.4</b>	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. <b>- Major compliance -</b>	Empty pesticide containers at Sindora Estate are disposed through scheduled waste management i.e. collected by the authorised collector. The sampled estates kept the consignment notes as evidence of disposal. The following consignment notes were verified: - #2021042110I5PU3A for SW409 dated 21/04/2021 For REM Estate, the 20 lt empty pesticide containers are disposed as non-scheduled wastes to the authorised collector after undergoing the triple rinse procedure. The following consignment notes were verified: #1985 dated 24/10/2021 for 20 lt containers #202101216YSEZGO for SW409 dated 12/10/2021	Complied
<b>4.5.3.5</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. <b>- Minor compliance -</b>	Disposal of domestic waste is guided by Work Instruction Landfill [doc. no.: SPO/WI/03, rev. 0, dated 01/10/2020]. Based on verification of GPS coordinates, the landfill for both sampled estates are located in accordance to the work instruction.	Complied

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Criterion / Indicator		Assessment Findings	Compliance																				
<b>Criterion 4.5.4:</b> Reduction of pollution and emission																							
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - <b>Major compliance</b> -	The polluting activities has been assessed during environmental aspect and impact assessment. The EAIA assessment findings including list of polluting sources are recorded in document titled "Environmental Aspect & Impact Assessment (EAIA) & Environmental Management Plan (EMP) & Waste Management plan (WMP).  Identification of significant pollutants and greenhouse gas (GHG) emissions also be monitored through Approved GHG calculator, Palm GHG on Land conversion, Emissions from Fertilizer, Emissions from peat, Fuel Consumption, and crop sequestration.	Complied																				
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - <b>Major compliance</b> -	<p>Details of action plan for identified pollutants as shown below and is a continuation from the 4.5.4.1 above.</p> <table border="1"> <thead> <tr> <th>Emission</th> <th>Source</th> <th>Action</th> <th>Frequency</th> <th>Responsibility</th> </tr> </thead> <tbody> <tr> <td>Dark Smoke</td> <td>All running Vehicles</td> <td>Inspection of the vehicle condition</td> <td>Daily</td> <td>Manager/ Assistant/ Staff</td> </tr> <tr> <td>Noise</td> <td>Office – printing of paper</td> <td>To provide sound level test</td> <td>As and when required</td> <td>Manager/ Assistant/ CC</td> </tr> <tr> <td>Air Pollutant</td> <td>Operation of diesel engine</td> <td>Routine maintenance to be carried out as scheduled.</td> <td>As and when required</td> <td>Manager/ Assistant/ Foreman</td> </tr> </tbody> </table>	Emission	Source	Action	Frequency	Responsibility	Dark Smoke	All running Vehicles	Inspection of the vehicle condition	Daily	Manager/ Assistant/ Staff	Noise	Office – printing of paper	To provide sound level test	As and when required	Manager/ Assistant/ CC	Air Pollutant	Operation of diesel engine	Routine maintenance to be carried out as scheduled.	As and when required	Manager/ Assistant/ Foreman	Complied
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Criterion / Indicator		Assessment Findings					Compliance										
		Green House Gas	Use of Fossil oil	Inspection of the vehicle condition	Daily	Manager/ Assistant/ Staff											
<b>Criterion 4.5.5: Natural water resources</b>																	
<b>4.5.5.1</b>	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <p>a. Assessment of water usage and sources of supply.</p> <p>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</p> <p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p>	<p>Water management plan was available and reviewed on regular basis. In general, among the action plan established were:</p> <ul style="list-style-type: none"> <li>- to avoid pollution of surface and ground water resources</li> <li>- to avoid wastage of water supply</li> </ul> <p>In summary the details as tabulated below;</p> <table border="1"> <thead> <tr> <th></th> <th>Source</th> <th>Activity</th> <th>Threat</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Reservoir / pond/ SAJ/ Rain</td> <td>Chemical mixing</td> <td>Water pollution and degradation of water quality</td> <td>Buffer zone area where all the activity (spraying and manuring) not allowed in these areas. For areas near field drain including natural or artificial drain connected to natural waterways other than gazette as buffer zone, estate to monitor all activity to ensure no significant impact (such as erosion, bare land, water pollution) occur at near the drain</td> </tr> </tbody> </table>						Source	Activity	Threat	Action Plan	1	Reservoir / pond/ SAJ/ Rain	Chemical mixing	Water pollution and degradation of water quality	Buffer zone area where all the activity (spraying and manuring) not allowed in these areas. For areas near field drain including natural or artificial drain connected to natural waterways other than gazette as buffer zone, estate to monitor all activity to ensure no significant impact (such as erosion, bare land, water pollution) occur at near the drain	Complied
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1	Reservoir / pond/ SAJ/ Rain	Chemical mixing	Water pollution and degradation of water quality	Buffer zone area where all the activity (spraying and manuring) not allowed in these areas. For areas near field drain including natural or artificial drain connected to natural waterways other than gazette as buffer zone, estate to monitor all activity to ensure no significant impact (such as erosion, bare land, water pollution) occur at near the drain													



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Criterion / Indicator		Assessment Findings				Compliance
	<b>- Major compliance -</b>				and waterways.	
			Line site	Draught	Every house is supplied with containers. To schedule water supply to avoid wastage.	
			Drain upkeep	Interruption of water flow at field drainage system because of flood and rain	1. Upkeep drain by desilting drain periodically 2. Plant Guatemala, soft grasses to prevent erosion at affected area	
			Line site	Wastage of water	Monitor use of water. Awareness briefing on water usage efficiently.	
		<p>Kulim (Malaysia) Berhad has established Agricultural Manual first written in 1988. The Manual outlay the standard to be adhere by Management for instance to set aside a minimum of 5m riparian zone on each of the river bank and around the Water Catchment Ponds.</p> <p>Guidelines of the width of the rivers and natural courses to be protected have been illustrated in the Agricultural Manual revised dated 19/11/2018.</p> <p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones has been verified at the estates where available. Riparian buffer zones have been identified and demarcated. Generally, no chemicals and fertilizer application observed been used in their maintenance. The buffer zones established are as following:</p>				

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Criterion / Indicator		Assessment Findings			Compliance
			River width	Buffer zone	
		1	>40 meters	50 meters	
		2	20 - 40 meters	40 meters	
		3	10 - 20 meters	20 meters	
		4	5 - 10 meters	10 meters	
		5	< 5 meters	5 meters	
		Based on pictures submitted by the estates, it was observed that the riparian zones were adequately demarcated, and no trace of chemical application was seen. The soft vegetation at the riparian reserves was also well maintained. There was no bore hole used as source of water at the sampled estates.			
<b>4.5.5.2</b>	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. <b>- Minor compliance -</b>	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
<b>4.5.5.3</b>	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). <b>- Minor compliance -</b>	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
<b>Criterion 4.5.6:</b> Status of rare, threatened, or endangered species and high biodiversity value					
<b>4.5.6.1</b>	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:	The assessment was reported in Rapid Biodiversity Assessment by A.J.F.M Dekker, dated 27/12/2007 for Sindora Estate and 05/09/2007 for REM Estate Based on the reports, the following HCV was identified:			Complied
		Estates	Vegetation	Wildlife	

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Criterion / Indicator		Assessment Findings				Compliance													
	a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status ( <i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. <b>- Major compliance -</b>	<table border="1"> <tr> <td rowspan="2">Sindora</td> <td>Within estate</td> <td>None</td> <td>Asian Elephant, Tiger, Malayan Tapir</td> </tr> <tr> <td>Outside estate</td> <td>None</td> <td>Asian Elephant, Tiger, Malayan Tapir</td> </tr> <tr> <td rowspan="2">REM</td> <td>Within estate</td> <td>None</td> <td>None</td> </tr> <tr> <td>Outside estate</td> <td>Freshwater mangrove</td> <td>None</td> </tr> </table> <p>The management conducted regular patrols of conservation areas, access and boundary of estates. Signage, such as "No Hunting", "No Fishing", "Buffer Zone" were available.</p>	Sindora	Within estate	None	Asian Elephant, Tiger, Malayan Tapir	Outside estate	None	Asian Elephant, Tiger, Malayan Tapir	REM	Within estate	None	None	Outside estate	Freshwater mangrove	None			
Sindora	Within estate	None		Asian Elephant, Tiger, Malayan Tapir															
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REM	Within estate	None	None																
	Outside estate	Freshwater mangrove	None																
<b>4.5.6.2</b>	If rare, threatened or endangered species or high biodiversity value, are present, appropriate measures for management planning and operations should include: a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. <b>- Major compliance -</b>	Appropriate measures were established through Biodiversity Improvement Plan 2021. Among the immediate actions were buffer zone establishment, control of encroachment, waste management near the mill (effluent and erosion) and animal sighting records to name a few.				Complied													
<b>4.5.6.3</b>	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. <b>- Major compliance -</b>	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													
<b>Criterion 4.5.7: Zero burning practices</b>																			

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Criterion / Indicator		Assessment Findings	Compliance
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. - <b>Major compliance</b> -	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. - <b>Major compliance</b> -	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. - <b>Major compliance</b> -	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
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - <b>Minor compliance</b> -	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.	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Site Management</b>			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - <b>Major compliance</b> -	Standard Operating Procedures were available for Sindora Estate and REM Estate. Among the SOP’s that were sampled were: <u>Kulim Plantations (M) Sdn Bhd</u>	Complied

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Criterion / Indicator		Assessment Findings	Compliance										
		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											
<b>4.6.1.2</b>	<p>Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.</p> <p><b>- Major compliance -</b></p>	<p>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>&lt;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 &gt;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)												
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<b>4.6.1.3</b>	A visual identification or reference system shall be established for each field. <b>- Major compliance -</b>	Due to the ongoing Pandemic COVID-19, 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																											
<b>Criterion 4.6.2: Economic and financial viability plan</b>																														
<b>4.6.2.1</b>	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. <b>- Major compliance -</b>	Annual business plan in the form of annual budget and the projection for 3 years being prepared as guidance for future planning. The business plan for FY2021 contains FFB yield, CPO, OER, and KER, costs of production, FFB pricing etc. It also includes budgeting on environment and social.	Complied																											
<b>4.6.2.2</b>	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. <b>- Major compliance -</b>	The estates have their replanting programme which have the projection until five years. The hectarage to be replanted based on the programme is as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th rowspan="2">Estates</th> <th colspan="6">Year</th> </tr> <tr> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> </tr> </thead> <tbody> <tr> <td>Sindora</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>REM</td> <td>0</td> <td>0</td> <td>116.91</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Estates	Year						2021	2022	2023	2024	2025	2026	Sindora	0	0	0	0	0	0	REM	0	0	116.91	0	0	0	Complied
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<b>4.6.2.3</b>	The business or management plan may contain: a) Attention to quality of planting materials and FFB b) Crop projection: site yield potential, age profile, FFB yield trends c) Cost of production: cost per tonne of FFB d) Price forecast e) Financial indicators: cost benefit, discounted cash flow, return on investment	Business plan is reflected through the establishment of annual budget. The projection of 5 years was available at all the sampled estates. Among the information available in the business plan is crop budget, cost of production per Ha and per mt basis, price forecast and estimation of ROI.	Complied																											

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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 estates performance is recorded in the monthly progress report. Details of the actual vs budget of crop production, fixed and direct cost are shown therein. The management also provides variance report on the performance and reviewed monthly. The supervisory personnel maintained a daily cost for the field operations. Meetings which involved the Managers and the Regional Controller/Head Office Management for the performance review were also regularly conducted.</p>	Complied
<b>Criterion 4.6.3: Transparent and fair price dealing</b>			
4.6.3.1	<p>Pricing mechanisms for the products and other services shall be documented and effectively implemented.</p> <p>- Major compliance -</p>	<p>There is evidence that pricing mechanism has been established based on the contract agreement for each contractor that has been verified.</p> <p>2 contractors have been samples for Sindora Estate which area Alias Congo Enterprise for maintenance road probase at Sindora Estate reference number LS/04/2021 and Mahar bin Yusoff for rubbish collection works reference number LS/03/2021.</p> <p>Pricing mechanism has been clearly stated in the letter of acceptance for both contractor where details of price has been outline. Sample of payment has been taken on 04/10/2021 for Mahat bin Yusoff, payment voucher number 2100500 and for Alias Congo Enterprise, payment voucher number 21000328 dated 30/06/2021.</p> <p>For REM Estate, 2 sample of contractors has been selected for verification which are Pengangkutan Sempurna Sdn Bhd for loading and transporting of fresh fruit bunch from ramp of Sindora Estate to Palm Oil Mill and contract agreement for Soko SK Enterprise for harvesting, loading, and transporting FFB form field P14 to ramp at REM Estate. Both contract has details price for service that has been provided and has been agreed by both parties.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		There is evidence that pricing mechanism has been effectively implemented based on the payment done. Sample has been taken on payment on May 2021 for Pengangkutan Sempurna Sdn Bhd invoice number 0521-0002 dated 31/05/2021 total MYR48,865.50 and payment voucher on 09/06/2021 payment voucher number 21000184	
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. <b>- Major compliance -</b>	<p>2 contractors have been samples for Sindora Estate which area Alias Congo Enterprise for maintenance road probase at Sindora Estate reference number LS/04/2021 and Mahar bin Yusoff for rubbish collection works reference number LS/03/2021.</p> <p>While for REM Estate, 2 sample of contractors has been selected for verification which are Pengangkutan Sempurna Sdn Bhd for loading and transporting of fresh fruit bunch from ramp of Sindora Estate to Palm Oil Mill and contract agreement for Soko SK Enterprise for harvesting, loading, and transporting FFB form field P14 to ramp at REM Estate.</p> <p>There is evidence that the contract has been made fair, legal and transparent and has been verified based on the contract agreement and interview with the contractor.</p> <p>Payment has been made on timely manner and has been verified based on the invoice and payment voucher that has been sample.</p> <p>For Sindora Estate, sample of payment has been taken on 04/10/2021 for Mahat bin Yusoff, payment voucher number 2100500 and for Alias Congo Enterprise, payment voucher number 21000328 dated 30/06/2021.</p> <p>While for REM Estate, sample has been taken on payment on May 2021 for Pengangkutan Sempurna Sdn Bhd invoice number 0521-0002 dated 31/05/2021 total MYR48,865.50 and payment voucher on 09/06/2021 payment voucher number 21000184.</p>	Complied
<b>Criterion 4.6.4:</b> Contractor			



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Criterion / Indicator		Assessment Findings	Compliance
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. <b>- Major compliance -</b>	MSPO requirement compliance has been stated in the contract agreement for each contractor verified. Socialization on the MSPO requirement has been done during the stakeholder’s consultation. For Sindora Complex, stakeholders meeting that has been done on 12/10/2021 through online platform and the minutes meeting has been prepared by Mr Muhammad Nasir bin Mohd Shah.  Stakeholder consultation has been done for REM Estate under Siang Complex on 18/10/2021 with attendance of management team and relevant stakeholders. The meeting has been led by the regional controller Mr Abd Razak Marzuki.  As per interview with the contactor, there is evidence that contractors has good knowledge on MSPO requirement.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. <b>- Major compliance -</b>	2 contractors has been samples for Sindora Estate which area Alias Congo Enterprise for maintenance road probase at Sindora Estate reference number LS/04/2021 and Mahar bin Yusoff for rubbish collection works reference number LS/03/2021.  While for REM Estate, 2 sample of contractors has been selected for verification which are Pengangkutan Sempurna Sdn Bhd for loading and transporting of fresh fruit bunch from ramp of Sindora Estate to Palm Oil Mill and contract agreement for Soko SK Enterprise for harvesting, loading, and transporting FFB form field P14 to ramp at REM Estate.  There is evidence that all contract that has been sampled has been agreed by the both parties, estate management and the contractor.	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. <b>- Minor compliance -</b>	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

Criterion / Indicator		Assessment Findings	Compliance
<b>4.6.4.4</b>	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted. <b>- Major compliance -</b>	For harvesting works, 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 other types of works 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
<b>4.7 Principle 7: Development of new planting-</b>			
Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.			
<b>Criterion 4.7.1: High biodiversity value</b>			
<b>4.7.1.1</b>	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. <b>- Major compliance -</b>	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>4.7.1.2</b>	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and 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. <b>- Major compliance -</b>	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable

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Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 4.7.2: Peat Land</b>			
<b>4.7.2.1</b>	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. <b>- Major compliance -</b>	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b>			
<b>4.7.3.1</b>	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. <b>- Major compliance -</b>	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>4.7.3.2</b>	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. <b>- Major compliance -</b>	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>4.7.3.3</b>	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. <b>- Major compliance -</b>	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>4.7.3.4</b>	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.	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable

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Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
<b>Criterion 4.7.4:</b> Soil and topographic information			
<b>4.7.4.1</b>	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>4.7.4.2</b>	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>Criterion 4.7.5:</b> Planting on steep terrain, marginal and fragile soils			
<b>4.7.5.1</b>	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>4.7.5.2</b>	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 -	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>4.7.5.3</b>	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable

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Criterion / Indicator	Assessment Findings	Compliance
<b>Criterion 4.7.6:</b> Customary land		
<b>4.7.6.1</b> 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. <b>- Major compliance -</b>	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>4.7.6.2</b> Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. <b>- Minor compliance -</b>	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>4.7.6.3</b> 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. <b>- Major compliance -</b>	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>4.7.6.4</b> 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. <b>- Major compliance -</b>	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>4.7.6.5</b> Identification and assessment of legal and recognised customary rights shall be documented. <b>- Major compliance -</b>	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable

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Criterion / Indicator		Assessment Findings	Compliance
<b>4.7.6.6</b>	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. <b>- Major compliance -</b>	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>4.7.6.7</b>	The process and outcome of any compensation claims shall be documented and made publicly available. <b>- Major compliance -</b>	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable
<b>4.7.6.8</b>	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. <b>- Minor compliance -</b>	Kulim (M) Berhad group estates did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.	Not applicable

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

Criterion / Indicator		Assessment Findings	Compliance
<b>4.1 Principle 1: Management commitment &amp; responsibility</b>			
<b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b>			
<b>4.1.1.1</b>	Policy for the implementation of MSPO shall be established. - <b>Major compliance</b> -	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.  Communication on the SOPs has been done by the management of Sindora POM during the muster call on 03/10/2021 with attendance all workers. Sample has been taken for socialization for shift A which consist workers from all work station.	Complied
<b>4.1.1.2</b>	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - <b>Major compliance</b> -	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
<b>Criterion 4.1.2 – Internal Audit</b>			
<b>4.1.2.1</b>	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - <b>Major compliance</b> -	Internal audit 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	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>at the frequency at least once within 12 months (before the expiry of the certificate).</p> <p>There is evidence of internal audit has been planned for year 2021 for all complex under Kulim (M) Berhad and has been verified based on audit plan that has been provided title "Internal remote audits plan for RSPO/MSPO/ISCC' certification".</p> <p>For Sindora POM, it has been planned from 11/07/2021 -29/07/2021.</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>	
<b>4.1.2.2</b>	<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><b>- Major compliance -</b></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.</p> <p>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>The internal audit findings has been summarized for Sindora POM and has been documented in the document title internal audit- non-conformance report and has been prepared by the lead auditor, Mr Mohd Zahir bin Mohamed Said and has been signed accepted by assistant in charge for Sindora POM, Mr Muhammad Nasir bin Mohd Shah. There is no nonconformities has been raised during the audit for MSPO standard.</p>	Complied
<b>4.1.2.3</b>	<p>Reports shall be made available to the management for their review.</p> <p><b>- Major compliance -</b></p>	<p>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>The internal audit findings has been summarized for Sindora POM and has been documented in the document title internal audit- non-conformance report and has been prepared by the lead auditor, Mr Mohd Zahir bin Mohamed Said</p>	Complied



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		and has been signed accepted by assistant in charge for Sindora POM, Mr Muhammad Nasir bin Mohd Shah. There is no nonconformities has been raised during the audit for MSPO standard.	
<b>Criterion 4.1.3 – Management Review</b>			
<b>4.1.3.1</b>	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. <b>- Major compliance -</b>	Management review meeting has been conducted for Sindora POM and there is evidence based on the minutes meeting dated 13/10/2021 with attendance of 14 persons and chaired by Mr Muhammad Nasir bin Shah. Issues that has been discussed during the meeting are results of internal audits, process performance and product conformity for period 2020 until October 2021, customer feedback, continuous improvement plan and any changes that could affect the management systems.	Complied
<b>Criterion 4.1.4 – Continual Improvement</b>			
<b>4.1.4.1</b>	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company. <b>- Major compliance -</b>	Continual Improvement Plan for the mill has been documented and developed based on consideration of the social, productivity and environmental impact. Details as follow: - <ol style="list-style-type: none"> <li>1. Building repair workers quarters, Completed on May 2021.</li> <li>2. Effluent Treatment, Installation of Sludge Dewatering Plant, Completed on May 2021.</li> <li>3. Replacement of Weighbridge Capacity 80mt, Completed on May 2021.</li> <li>4. Replacement 4 Unit Kernel Silo Heater, targeted to complete by Dec 2021. Work is in progress.</li> <li>5. 3 Installation of Computerized Maintenance Management System (MMS, Completed in October 2021.</li> <li>6. Installed firefighting system, work completed in June 2021.</li> </ol>	Complied

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<b>4.1.4.2</b>	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. <b>- Major compliance -</b>	There is no new application of new technology implemented during the certification period. The current practices continued and guide by Standard Operation Procedure (SOP).	Complied
<b>4.2 Principle 2: Transparency</b>			
<b>Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements</b>			
<b>4.2.1.1</b>	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. <b>- Major compliance -</b>	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.  There is 1 enquiry for year 2020 from Mr Shahrul Rizal as internal auditor requested for environmental compliance audit on 06/10/2021.	Complied
<b>4.2.1.2</b>	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. <b>- Major compliance -</b>	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.  In clause 4, has listed all the document/information that can be requested by the interested parties such as: a. Land title/ user rights b. Occupational safety and health plan c. HCV documentation	Complied

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		d. Detail of complaint or grievances.	
<b>Criterion 4.2.2 – Transparent method of communication and consultation</b>			
<b>4.2.2.1</b>	Procedures shall be established for consultation and communication with the relevant stakeholders. <b>- Major compliance -</b>	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 categories 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
<b>4.2.2.2</b>	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . <b>- Minor compliance -</b>	The management for Sindora POM has nominate Mr Mohd Hadzhar bin Muhammad as person that responsible for any enquiry for document and information based on the appointment letter dated 15/01/2021.	Complied
<b>4.2.2.3</b>	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. <b>- Major compliance -</b>	Sindora 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.	Complied

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		Stakeholder consultation has been conducted by the management on 10/10/2021 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.	
<b>Criterion 4.2.3 – Traceability</b>			
<b>4.2.3.1</b>	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. <b>- Major compliance -</b>	The traceability SOP; Sustainable Management System, Traceability, Doc: No: SQD/SMS/2.1 rev:5 Issue No 1 dated 1/8/2020 available and outlines the preparations, dispatch and receive of FFB, CPO, PK and other by products at KULIM’s estate and mill, job assignments and recordings of transport productivity for payment purpose and statistics. Sample taken as follows: - 1. Raw Material Reception - Estate FFB Delivery Date: 22/10/2021, Estate: Sindora Estate MPOB License: 501863602000 Ticket No: 060213 Transaction Type: Receiving Vehicle No: T 36 Field No: P07/3 Delivery Note No: 119912 Gross Wt: 13710 kg, Tare Wt: 5,630 kg Nett Wt: 8,080 Kg	Complied
<b>4.2.3.2</b>	The management shall conduct regular inspections on compliance with the established traceability system. <b>- Major compliance -</b>	The POM Management team holds the responsibility on regular inspection of traceability system. Periodical inspections also being conducted through Plantation Inspectorate, Mill Advisor and Internal audit. The effectiveness of the monitoring will evidence in the internal audit and visit report findings. The latest visit by Plantation Inspector was on 30- 31/03/2021 by Tuan Mohd Khairudin Idris.	Complied

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4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system. <b>- Minor compliance -</b>	Person in charge for traceability system is head of operating unit, refer to letter from Head of Plantation ref: SQD/ADMIN/019/21 dated 15/9/2021 signed by Head of Plantation Division, Tuan Mohamad Yami bin Bakar.	Complied												
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. <b>- Major compliance -</b>	Purchases and sales will be based on demand and the despatch of the CPO and PK are determined by HQ Marketing. The mill records all FFB received and processed, CPO & PK produced and CPO & PK Stock. The Recording of storage, sales and deliveries are stored in the Domain System. Further, the tracking of sales, delivery and transportation will also be tracked/monitored by the weighbridge tickets. Monthly summary of storage, sales, delivery or transportation of crude palm oil and palm kernel reported to MPOB via MPOB websites (Monthly Mill Statement).	Complied												
<b>4.3 Principle 3: Compliance to legal requirements</b>															
<b>Criterion 4.3.1 – Regulatory requirements</b>															
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. <b>- Major compliance -</b>	The legal compliance lists of permits & licenses are available and being monitored and updated periodically by person in- charge of Legal Requirements. Details as below: - <table border="1" data-bbox="990 1157 1904 1359"> <thead> <tr> <th></th> <th>Licence/ Permit/ Regulatory Requirement</th> <th>Validity Period</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>MPOB License 500263204000</td> <td>01/07/2021 - 30/06/2022</td> </tr> <tr> <td>2</td> <td>Diesel – J/KLU000002, 13,000 liters</td> <td>27/1/2021 - 26/1/2022</td> </tr> <tr> <td>3</td> <td>Akta Kualiti Alam Sekeliling 1994                              • Peraturan-Peraturan Kualiti Alam Sekeliling (Premis yang Ditetapkan)</td> <td>1/7/2021 - 30/6/2022</td> </tr> </tbody> </table>		Licence/ Permit/ Regulatory Requirement	Validity Period	1	MPOB License 500263204000	01/07/2021 - 30/06/2022	2	Diesel – J/KLU000002, 13,000 liters	27/1/2021 - 26/1/2022	3	Akta Kualiti Alam Sekeliling 1994 • Peraturan-Peraturan Kualiti Alam Sekeliling (Premis yang Ditetapkan)	1/7/2021 - 30/6/2022	Complied
	Licence/ Permit/ Regulatory Requirement	Validity Period													
1	MPOB License 500263204000	01/07/2021 - 30/06/2022													
2	Diesel – J/KLU000002, 13,000 liters	27/1/2021 - 26/1/2022													
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			(Minyak Kelapa Sawit Mentah) 1977 – P.U.(A) 342 • Peraturan-Peraturan Kualiti Alam Sekeliling (Udara Bersih) 1978 – P.U.(A) 280 • Peraturan-Peraturan Kualiti Alam Sekeliling (Buangan Terjadual) 2005 – P.U.(A) 293	
		4	SPAN – SPAN/JKSP/(PT)/800-4(1&2)/7/15	23/4/2015 - 1/7/2021 (License have been paid and renewed, yet to obtain physical license)
		5	JTK – Wages deduction JTK/KG/10103/04292 - NUPW/Tabung Haji/ Amanah Saham - Etiqa Takaful - SAJ - Tenaga Elektrik - Khairat - Kelab Sukan & Rekreasi	N/A
		6	Permit kerja lebih masa 104 jam – BHG.PU/9/134.JLD 35(16)	14/1/2021 - 31/12/2021
		7	Pengecualian daripada sekatan kerja malam bagi pekerja2 wanita dibawah seksyen 34 Akta Kerja 1955 - BHG.PU/9/135 JLD 17(13)	N/A
		8	Genset - Lesen bagi pemasangan persendirian – 3105KW, 2020/02441	6/10/2019 - 5/10/2021

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			(License have been paid and renewed, yet to obtain physical license)	
		9	Akta Kumpulan Wang Simpanan Pekerja 1991. Kaedah-kaedah KWSP 1991 (Seksyen 41(1) dan Kaedah 9(2) (b) & 58 Permit No: 012238916	N/A
		10	BAKAJ – 334/300/05/07/08/16	5/1/2021 - 31/12/2021
		11	Perakuan Penentuan Timbang dan Sukat (Akta Timbang dan Sukat 1972, Peraturan-Peraturan Timbang dan Sukat 1981 – Peraturan 16, 28A dan 45) – jkl - atk 110780	28/4/2021 - 28/4/2022
		12	Perakuan Penentuan Timbang dan Sukat (Akta Timbang dan Sukat 1972, Peraturan-Peraturan Timbang dan Sukat 1981 – Peraturan 16, 28A dan 45) – JKL - ATK 008755	2/9/2021 - 2/9/2022
		13	JH PMD 2038 – BI DRUM W/TUBE BOILER - PMD-JH/20 114691	16/7/2020 - 30/9/2021 (License have been renewed, yet to obtain physical license)
		14	JH PMD 1436 – BI DRUM W/TUBE BOILER - PMD-JH/21 138744	25/3/2021 - 24/6/2022
		15	JH PMT 20895 – AIR RECEIVER TANK PMT-JH/21 138754	25/3/2021 - 24/6/2022
		16	PMT 107838 – BACK PRESSURE RECEIVER PMT-JH/21 137611	25/3/2021 - 24/6/2022

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		17	PMT 107844 – SHELL LENGTH AIR RECEIVER PMT-JH/21 138750	25/3/2021 - 24/6/2022	
		18	PMT 107955 – AIR COMPRESSOR PMT-JH/21 138751	25/3/2021 - 24/6/2022	
		19	JH PMT 30516 – AIR RECEIVER PMT-JH/21 138749	25/3/2021 - 24/6/2022	
		20	PMT 107561 JH – STERILISER NO. 1 PMT-JH/21 138752	25/3/2021 - 24/6/2022	
		21	PMT 107562 – STERILISER NO. 2 PMT-JH/21 138753	25/3/2021 - 24/6/2022	
		22	PMT 124369 – STERILISER NO. 3 PMT-JH/21 138755	25/3/2021 - 24/6/2022	
<b>4.3.1.2</b>	The management shall list all relevant laws related to their operations in a legal requirements register. <b>- Major compliance -</b>	<p>Kulim (Malaysia) Berhad has established and updated list of applicable laws and regulations that are applicable for the mill in Kulim Group Compliance Framework. The legal register is prepared by Sindora Complex Executive, Puan Darniana bt Kathar and being updated every 3 months, latest on 30/8/2021. Some of applicable laws sighted includes: -</p> <ul style="list-style-type: none"> <li>• Pesticides Act 1974 and Regulations,</li> <li>• Environmental Quality Act and Regulations 1974</li> <li>• Factories and Machinery Act and Regulations, 1967</li> <li>• Weights and Measures Regulations 1981</li> <li>• Electricity Regulations 1994</li> <li>• Immigration Act 1959</li> <li>• Employee Provident Fund 1991</li> <li>• Etc</li> </ul>		Complied	



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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. <b>- Major compliance -</b>	The mechanism used for tracking changes in laws/regulations is made through the following methods; 1. News release through daily newspaper. 2. Law change tracked by book publisher (MDC Book Publications). 3. Circulars from relevant association (e.g. MPOA, MPOB, MAPA). 4. Internet (e-federal gazette, www.lawnet.com.my,www.e- warta.com.my). The Kulim (M) Berhad Legal Department from headquarters will disseminate the updates via email or Management meetings.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. <b>- Minor compliance -</b>	The Mill Manager is responsible for the monitoring of compliance of the entire regulatory requirement needed for the mill operations. Changes if any will be channelled to the Manager for further implementation in the mill. In addition, Sindora Complex Executive, Puan Darniana bt Kathar will assist in the monitoring of the legal compliance.	Complied
<b>Criterion 4.3.2 – Lands use rights</b>			
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. <b>- Major compliance -</b>	As per verification made by the auditor, Sindora POM is located in the Sindora Estate and has been verified based on the land title number HS(D) 17660 and the estate map which has been leased for 99 years by Kulim Plantation (M) Sdn Bhd. It also has been verified based on the estate map which clearly stated the location of Sindora POM.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. <b>- Major compliance -</b>	As per verification made by the auditor, Sindora POM is located in the Sindora Estate and has been verified based on the land title number HS(D) 17660 and the estate map which has been leased for 99 years by Kulim Plantation (M) Sdn Bhd. It also has been verified based on the estate map which clearly stated the location of Sindora POM.	Complied

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4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - <b>Major compliance</b> -	There is evidence of photo provided that parameter has been demarcated using bulb wire. Clear identification has been made by the management of Sindora POM.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - <b>Minor compliance</b> -	Not applicable since there is no dispute and land has been leased for 99 years by Kulim Plantation (M) Sdn Bhd under land title number HS(D) 17660.	Not applicable
<b>Criterion 4.3.3 – Customary rights</b>			
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. - <b>Major compliance</b> -	No applicable since there is no customary rights. Sindora POM is located in the Sindora Estate and has been verified based on the land title number HS(D) 17660 which has been leased for 99 years by Kulim Plantation (M) Sdn Bhd.	Not applicable
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - <b>Minor compliance</b> -	No applicable since there is no customary rights. Sindora POM is located in the Sindora Estate and has been verified based on the land title number HS(D) 17660 which has been leased for 99 years by Kulim Plantation (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. - <b>Major compliance</b> -	No applicable since there is no customary rights. Sindora POM is located in the Sindora Estate and has been verified based on the land title number HS(D) 17660 which has been leased for 99 years by Kulim Plantation (M) Sdn Bhd.	Not applicable
<b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b>			
<b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>			

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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><b>- Minor compliance -</b></p>	<p>The management of Kulim (M) Berhad has established internal procedure for social impact assessment and has been documented in the document number SQD/SMS/3.6 issues number 01 dated on 01/08/2020.</p> <p>Social impact assessment has been identified and documented in document title "Daftar Impak Sosial Kulim (Malaysia) Berhad 2021. As per conversation, the input of the assessment has been collected based on the feedback form that has been provided to workers and stakeholders.</p> <p>SIA has highlighted 2 types of outcome which are positive and negative outcome. There are several positive outcomes that has been received such as family day, donation of chicken during the Eid celebration, donation of school uniform and job opportunities for the local communities.</p> <p>For negative outcome, there are 2 issues that has been highlighted which are late permit renewal for foreign workers and workers understanding on LOTO system to avoid any accident.</p> <p>Management plan has been established by the management of Sindora POM and has been categorize into 2 category which are negative and positive issues.</p> <p>For negative issues, the management will be identified document for foreign workers and renewal process will be done 3 months before the expiry. Monitoring of renewal status will be done with MyEG Sdn Bhd.</p>	Complied
<b>Criterion 4.4.2: Complaints and grievances</b>			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p><b>- Major compliance -</b></p>	<p>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</p>	Complied

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		including internal (employees) and external stakeholders (statutory bodies, local communities, smallholders and NGOs).	
<b>4.4.2.2</b>	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. <b>- Major compliance -</b>	Based on the procedure, timeline for resolution as per the following: Employee – matter to be settled within 10 working days. Others – to obtain satisfaction within 7 working days. The Company’s whistle blowing Policy which approved by Kulim (M) Berhad’s board of director dated 10/09/2021 provides Complied 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 during the stakeholder consultation.	Complied
<b>4.4.2.3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. <b>- Minor compliance -</b>	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
<b>4.4.2.4</b>	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. <b>- Minor compliance -</b>	There is evidence that employees are made aware that complaints or suggestions can be made anytime during muster briefings on 03/10/2021. For external stakeholders, this was made aware during the stakeholder meeting held on 10/10/2021. Verification has been made through interview with workers and stakeholders and verified their understanding on the procedure.	Complied
<b>4.4.2.5</b>	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. <b>- Major compliance -</b>	There is evidence that all complaints and solutions that has been received for the past 24 months has been maintained by the management of Sindora POM.	Complied
<b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development			

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<b>4.4.3.1</b>	<p>Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p><b>- Minor compliance -</b></p>	<p>There are 2 contributions has been made by the management of Sindora POM year 2021, the management has donated chicken to all workers during Hari Raya Aidilfitri.</p>	Complied
<b>Criterion 4.4.4: Employees safety and health</b>			
<b>4.4.4.1</b>	<p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>	<p>The Group Occupational Safety &amp; Health Management Policy had been established and implemented. The policy was signed by the Executive Director of Kulim (Malaysia) Berhad, Tuan Zulkifly bin Zakariah on 1/5/2018 and displayed prominently on notice boards in English and local language Bahasa Malaysia.</p> <p>The Policy is implemented through the OSH activities by the SQD Executives and monitored by SQ Department at Head Office. Included in the policy is the commitment of the Company to;</p> <ul style="list-style-type: none"> <li>a) Comply or where practicable exceed applicable OSH legislation, regulations and codes of practices.</li> <li>b) Regularly review and audit the OSH management systems to ensure that they remain relevant and appropriate.</li> <li>c) Effective communication of this policy to all employees and other affected parties.</li> <li>d) Regularly and continuously conduct education, training and awareness program on OSH to all parties concerned.</li> </ul> <p>The implementation of OSH plan was monitored by internal audits conducted by OSH Executives from SQ Department.</p>	Complied

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<p><b>4.4.4.2</b> The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:               <ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> </ul> </li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> <li>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s)</li> </ul>	<ul style="list-style-type: none"> <li>a) The Group Occupational Safety &amp; Health Management Policy had been established and implemented. The policy was signed by the Executive Director of Kulim (Malaysia) Berhad, Tuan Zulkifly bin Zakariah on 1/5/2018 and displayed prominently on notice boards in English and local language Bahasa Malaysia. The Policy being communicated to Internal and External Stakeholders through the following medium: - Sustainability and MSPO Policy briefing was conducted by Assistant Manager to all workers and staffs comprising 79 participants dated 3/10/2021 at Sindora POM while for external stakeholder briefing being conducted on 12/10/2021 through Virtual / Remote.</li> <li>b) Risk assessment was conducted by ESH Committee and being reviewed yearly and if any accident occurred. HIRARC sighted for the followings 34 work operation and activities: -               <ol style="list-style-type: none"> <li>1. Loading Ramp</li> <li>2. Vertical steriliser</li> <li>3. Threshing</li> <li>4. Press station</li> <li>5. Clarification</li> <li>6. Kernel plant station</li> <li>7. Empty Bunch Press Station</li> <li>8. Water Treatment Plant</li> <li>9. Boiler Station</li> <li>10. Etc</li> </ol> </li> </ul> <p>Latest reviewed was in February 2021.</p>	<p>Complied</p>

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<p>of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p>	<p>c) The mill has a comprehensive OSH Annual Training Plan 2021 for the Staffs and Workers and this was sighted in the training records file for each staff and workers. Training Plan includes: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Topic</th> <th>Month programme</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Tractor &amp; Shovel Safety</td> <td>2/2021</td> <td></td> </tr> <tr> <td>2</td> <td>Fire Drill</td> <td>7/2021</td> <td></td> </tr> <tr> <td>3</td> <td>Spillage / Bund Rupture</td> <td>3/2021</td> <td>1/2021</td> </tr> <tr> <td>4</td> <td>Personal Protective Equipment</td> <td>6/2021</td> <td>29/9/2021</td> </tr> <tr> <td>5</td> <td>ERP &amp; ERT</td> <td>6/2021</td> <td>3/10/2021</td> </tr> <tr> <td>6</td> <td>1<sup>ST</sup> Aid</td> <td>8/2021</td> <td>11/3/2021</td> </tr> </tbody> </table> <p>d) Mill has provided appropriate PPE for all workers in their operations. Sighted PPE Issuance and replacement in their individual record namely Surat Akuan Serah/Terima Peralatan Keselamatan (PPE). Sample taken on the following workers: -</p> <ol style="list-style-type: none"> <li>1. Employee No: 623183</li> <li>2. Employee No: 623127</li> <li>3. Employee No: 623020</li> </ol> <p>e) Sindora POM had established the procedures for handling used chemicals classified under Work Instruction; Document Number: SNPOM/WI/14; Issue No: 3, Doc Date: 01.1.2018 and Scheduled Waste under Work Instruction; Document Number: SPO/WI/06; Issue No: 1, Revision:0 Doc Date: 01.10.2020.</p> <p>The Work Instruction is 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 Hazardous to Health) Regulation 2000 and EQ (Scheduled Wastes) Regulations 2005.</p>		Topic	Month programme	Status	1	Tractor & Shovel Safety	2/2021		2	Fire Drill	7/2021		3	Spillage / Bund Rupture	3/2021	1/2021	4	Personal Protective Equipment	6/2021	29/9/2021	5	ERP & ERT	6/2021	3/10/2021	6	1 <sup>ST</sup> Aid	8/2021	11/3/2021	
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	<p>The Mill do maintain and documented the Register of Chemicals Hazardous to Health. Sample taken for the month of January 2021 which registered 43 chemicals and reviewed on 27/1/2021 by Mill Assistant Manager.</p> <p>CHRA report dated 27/03/2018 reported by Hajah Noormahani Harun – JKPP HQ/03/ASS/00/154 from QMS Pro Sdn Bhd. The assessment covering 5 works unit, namely:</p> <ol style="list-style-type: none"> <li>1. Boiler</li> <li>2. Diesel Handler</li> <li>3. Laboratory</li> <li>4. Water Treatment</li> <li>5. Workshop</li> </ol> <p>Sighted the Manager’s Response to Assessor Recommendation in Form F and action need to be taken on yearly basis. Latest reviewed was on 13/1/2021.</p> <p>Kulim Safety Training and Services Sdn Bhd will organised Medical Surveillance programme to all Estates and Mill. As for Sindora POM will be conducted on 07/11/2021 for 28 workers.</p> <p>Noise Risk Assessment being conducted by Dr. Syed Abdul Hamid bin Syed Hassan, JKPP HIE 127/5/3 -1 (No 169) dated 3/2/2020. Based on the Assessment to conduct audiometry for Main Plant, Boiler Room, Engine Room, and Sterilization Area.</p> <p>Audiometry Test was conducted on 30/3/2021 by PAC Testing and Consulting Sdn Bhd to 55 workers and 3 workers was on Standard Threshold Shift. The re-test was executed on 20/5/2021 by Poliklinik Intan, Dr Zainuddin Muid. The result shown that 2 workers are on Permanent</p>	



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	<p>Standard Threshold Shift. Both workers have been shifted from working at Process area to Biogas Plant as safer condition.</p> <p>f) OSH Committee Chart 2021 sighted. Seen, letter of appointment for committee members and Mill Manager is the Chairman of OSH Committee and being appointed on 15/9/2021 by Mr. Kamarulzaman Othman, Chairman Safety and Health. The committee meeting has been conducted on quarterly basis as follows: -</p> <ul style="list-style-type: none"> <li>a. 13/10/2021</li> <li>b. 13/6/2021</li> <li>c. 25/3/2021</li> </ul> <p>g) The meeting discusses all issues regarding worker’s safety and health. All issues raised and discussed during conducted meeting has been resolve and taken action by mill management with proper action and target date.</p> <p>h) Sighted the emergency procedure for the Mill, Doc No: SNPOM/SOP/8.17 Issue 1 Revision 0 dated 1/1/2018. Emergency response plan available in local language (Malay and English). The ERP has been explained to all workers and staffs during training which has been conducted.</p> <p>Emergency response plan include the emergency contact number, and also have Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board.</p> <p>i) First Aid Box being placed in few stations namely security guard, office, laboratory, workshop, engine room, store and etc. The 1<sup>st</sup> Aid Box being equipped in accordance with the Fourth Schedule, (Regulation 38 (2) (i)) First-Aid Box.</p>	

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	<p>1<sup>st</sup> Aider for Mill is En. Mohammad Hariudin bin Manan, who attended Course on Pertolongan Cemas Asas dan CPR dated 12/3/2020 organised by Persatuan Bulan Sabit Merah Malaysia. The certificate valid until 11/12/2022.</p> <p>Seen, the Fire Extinguisher Location Map of Mill and the details as below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>No</th> <th>Area</th> <th>No of Units</th> </tr> </thead> <tbody> <tr><td>1</td><td>Office</td><td>5</td></tr> <tr><td>2</td><td>Guard House</td><td>1</td></tr> <tr><td>3</td><td>Store</td><td>6</td></tr> <tr><td>4</td><td>Workshop</td><td>1</td></tr> <tr><td>5</td><td>Engine Room</td><td>6</td></tr> <tr><td>6</td><td>Loading Ramp / Grading</td><td>4</td></tr> <tr><td>7</td><td>Boiler</td><td>1</td></tr> <tr><td>8</td><td>Workers quarters</td><td>28</td></tr> <tr><td>9</td><td>Effluent</td><td>2</td></tr> <tr><td>10</td><td>Laboratory</td><td>3</td></tr> <tr><td>11</td><td>Water Treatment</td><td>3</td></tr> <tr><td>12</td><td>Process</td><td>5</td></tr> <tr><td>13</td><td>Biogas</td><td>8</td></tr> <tr><td>14</td><td>Canteen</td><td>4</td></tr> </tbody> </table> <p>The fire extinguisher permit will be expired in 2022</p> <p>j) Records of all accidents are kept by mill. Accident incidences are reviewed during safety meetings. Records in 2020 as extracted from the JKKP 8 submitted to DOSH on 20/1/2021 as shown below;</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>No of Cases</th> <th>LTI</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>22</td> </tr> </tbody> </table>	No	Area	No of Units	1	Office	5	2	Guard House	1	3	Store	6	4	Workshop	1	5	Engine Room	6	6	Loading Ramp / Grading	4	7	Boiler	1	8	Workers quarters	28	9	Effluent	2	10	Laboratory	3	11	Water Treatment	3	12	Process	5	13	Biogas	8	14	Canteen	4	No of Cases	LTI	2	22	
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<b>Criterion 4.4.5:</b> Employment conditions			
<b>4.4.5.1</b>	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p><b>- Major compliance -</b></p>	<p>Sindora POM subscribe to Kulim (M) Berhad’s sustainability policy which newly revised and approved by Kulim’s Sustainability &amp; Initiatives Council Meeting on 29/07/2021 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 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 03/10/2021 with attendance of all the workers during the morning briefing.</p>	<p>Complied</p>
<b>4.4.5.2</b>	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p>	<p>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.</p> <p>Communication on policy has been done on 03/10/2021 with attendance of all the workers during the morning briefing.</p>	<p>Complied</p>
<b>4.4.5.3</b>	<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>It has been verified that the management committed to ensure that workers’ wages is in line and meet the minimum wages. Sindora POM is located in Kota Tinggi district and the minimum wages is at RM1,100. As per sample of payslip there is evidence that payment of wages has been done accordingly.</p>	<p>Complied</p>

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	- <b>Major compliance</b> -		
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>- <b>Minor compliance</b> -</p>	There is no contractor work permanently at POM except for ad-hoc work for equipment repair and engineering project.	Complied
4.4.5.5	<p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p>- <b>Major compliance</b> -</p>	The management of Sindora 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.	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>- <b>Major compliance</b> -</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.	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>- <b>Major compliance</b> -</p>	The management has established time recording system through punch card for all the workers. There is evidence of implementation based on sample punch card that has been taken by the auditor. Working hours and overtime has been made transparent for both parties.	Complied

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<b>4.4.5.8</b>	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. <b>- Major compliance -</b>	The working hours and breaks of each individual employee is recorded in their respective employment contracts which clearly stipulate that working hours is 8 hours from 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. Based 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
<b>4.4.5.9</b>	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. <b>- Major compliance -</b>	It has been verified that the management committed to ensure that workers' wages is in line and meet the minimum wages. Sindora POM is located in Kota Tinggi district and the minimum wages is at RM1,100. As per sample of payslip there is evidence that payment of wages has been done accordingly.	Complied
<b>4.4.5.10</b>	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. <b>- Minor compliance -</b>	Workers of Sindora POM receive various social benefits and this include free housing with amenities such as treatment for workers and their dependents by the hospital assistant, free treatment transportation to clinic, PERKESO. Water and electricity were subsidized for 30 gallons and 50kWh per person and stated in the employment contract.	Complied
<b>4.4.5.11</b>	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. <b>- Major compliance -</b>	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

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<p><b>4.4.5.12</b> The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.  <b>- Major compliance -</b></p>	<p>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 the local regulation Employment act 1955. The policy has been signed by Mr Zulkify Zakariah as the executive director.</p> <p>Mentioned in the policy that the management is committed to eradicate all forms of sexual harassment in the workplace in whenever possible.</p> <p>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 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.</p>	<p>Complied</p>
<p><b>4.4.5.13</b> The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.  <b>- Major compliance -</b></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.</p> <p>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>Complied</p>
<p><b>4.4.5.14</b> Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.  <b>- Major compliance -</b></p>	<p>No workers less than 16 years old will be recruited and less than 18 years old for hazardous work. Verified the document Employee Master List confirmed that all the workers employed were above 18 years old.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance																																																								
<b>Criterion 4.4.6:</b> Training and competency																																																										
<p><b>4.4.6.1</b> All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p><b>- Major compliance -</b></p>	<p>The Mill has a comprehensive annual training plan for its staff and workers and this was sighted in the training records file for each staff and workers. Details as below:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Topic</th> <th style="text-align: center;">Month programme</th> <th style="text-align: center;">Status</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="3" style="text-align: center;">Occupational safety &amp; Health</td> </tr> <tr> <td style="text-align: center;">1</td> <td>Tractor &amp; Shovel Safety</td> <td style="text-align: center;">2/2021</td> <td></td> </tr> <tr> <td style="text-align: center;">2</td> <td>Fire Drill</td> <td style="text-align: center;">7/2021</td> <td></td> </tr> <tr> <td style="text-align: center;">3</td> <td>Spillage / Bund Rupture</td> <td style="text-align: center;">3/2021</td> <td style="text-align: center;">1/2021</td> </tr> <tr> <td style="text-align: center;">4</td> <td>Personal Protective Equipment</td> <td style="text-align: center;">6/2021</td> <td style="text-align: center;">29/9/2021</td> </tr> <tr> <td style="text-align: center;">5</td> <td>ERP &amp; ERT</td> <td style="text-align: center;">6/2021</td> <td style="text-align: center;">3/10/2021</td> </tr> <tr> <td style="text-align: center;">6</td> <td>1<sup>ST</sup> Aid</td> <td style="text-align: center;">8/2021</td> <td style="text-align: center;">11/3/2021</td> </tr> <tr> <td></td> <td colspan="3" style="text-align: center;">Environmental</td> </tr> <tr> <td style="text-align: center;">1</td> <td>Scheduled waste</td> <td style="text-align: center;">9/2021</td> <td style="text-align: center;">10/8/2021</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Chemical Handling</td> <td style="text-align: center;">10/2021</td> <td style="text-align: center;">17/9/2021</td> </tr> <tr> <td style="text-align: center;">3</td> <td>Effluent Sampling Treatment</td> <td style="text-align: center;">4/2021</td> <td style="text-align: center;">16/1/2021</td> </tr> <tr> <td style="text-align: center;">4</td> <td>Water Sampling Treatment</td> <td style="text-align: center;">10/2021</td> <td style="text-align: center;">6/7/2021</td> </tr> <tr> <td style="text-align: center;">5</td> <td>Spill Containment</td> <td style="text-align: center;">5/2021</td> <td style="text-align: center;">23/6/2021</td> </tr> </tbody> </table>		Topic	Month programme	Status		Occupational safety & Health			1	Tractor & Shovel Safety	2/2021		2	Fire Drill	7/2021		3	Spillage / Bund Rupture	3/2021	1/2021	4	Personal Protective Equipment	6/2021	29/9/2021	5	ERP & ERT	6/2021	3/10/2021	6	1 <sup>ST</sup> Aid	8/2021	11/3/2021		Environmental			1	Scheduled waste	9/2021	10/8/2021	2	Chemical Handling	10/2021	17/9/2021	3	Effluent Sampling Treatment	4/2021	16/1/2021	4	Water Sampling Treatment	10/2021	6/7/2021	5	Spill Containment	5/2021	23/6/2021	<p>Complied</p>
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<p><b>4.4.6.2</b> Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p><b>- Major compliance -</b></p>	<p>Training Need Analysis being documented for all employees under Doc No: SQD/SMS/3.7-F2, Issue No: 3, Rev:0 dated 01/08/2020.</p> <p>Seen, all the training need / matrix of all the personnel in the files. Training Need Analysis of all workers are based on their competencies and job description.</p>	<p>Complied</p>																																																								

Criterion / Indicator		Assessment Findings	Compliance
<b>4.4.6.3</b>	<p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p><b>- Minor compliance -</b></p>	<p>All workers involved in the operations have been adequately trained in safe working practice. The Mill has a comprehensive Training Needs Analysis for staffs and workers and this was sighted in the training records file.</p> <p>Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training.</p>	Complied
<b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b>			
<b>Criterion 4.5.1: Environmental Management Plan</b>			
<b>4.5.1.1</b>	<p>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.</p> <p><b>- Major compliance -</b></p>	<p>Kulim (Malaysia) Berhad do established the Environmental Management Policy issued on Group level signed by the Executive Director, Tuan Zulkifly Zakariah dated in 01/05/2018. Kulim Malaysia Berhad is committed to the creation through team effort of a quality environment as key factor in the continuous success of business. Among others the organization shall;</p> <ul style="list-style-type: none"> <li>a) Adhere to and comply with relevant environmental legislations of the country.</li> <li>b) Strive for continual improvement on our environmental performance.</li> <li>c) Undertake to communicate our Environmental Policy to all stakeholders and educate the employees to practice and uphold the business commitment on caring for the environment.</li> <li>d) Continue to explore and implement cost effective technology in environmental Policy and the achievement of environmental objectives and targets.</li> <li>e) Review, adopt and implement Good Management Practices currently established in the industry.</li> <li>f) Plan, assess and take judicious actions to alleviate any potential negative</li> </ul>	Complied



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		<p>impacts on the environment and local community with respect to any new development.</p> <p>g) Adopt and implement the principles of Reduction, Reuse and recycle in all matters pertaining to the use of resources and to pollution elimination.</p> <p>h) Continue to enhance the knowledge and skill for employees by briefing, training and exposure to relevant new technology with respect to any new improvement or development of the industry.</p> <p>i) Monitor and report to the Board of Directors on the implementation of this Environmental Policy, and the achievement of environmental objectives and targets.</p> <p>Communications to the internal and external stakeholders were through training and briefing at muster grounds. The session conducted as sample follows: -</p> <ol style="list-style-type: none"> <li>1. Sustainability and MSPO Policy briefing was conducted by Assistant Manager to all workers and staffs comprising 79 participants dated 3/10/2021 at Sindora POM.</li> <li>2. External stakeholder briefing being conducted on 12/10/021 through Virtual / Remote.</li> </ol>	
<b>4.5.1.2</b>	<p>The environmental management plan shall cover the following:</p> <p>a) An environmental policy and objectives;</p> <p>b) The aspects and impacts analysis of all operations</p> <p><b>- Major compliance -</b></p>	<p>Apart from Environmental Policy, Kulim (Malaysia) Berhad has established Sustainability Policy signed by the Managing Director, Tuan Mohd Faris bin Adli Shukery dated in 01/10/2020. The policy stated that Kulim is actively seeking continually improve environmental performance through:</p> <ul style="list-style-type: none"> <li>• Pollution prevention by minimizing emissions to air, land and water. Optimal use of renewable resources, while minimizing the use of non - renewable resource.</li> <li>• Provision of adequate resources for effective implementation of Sustainable Management Programs</li> </ul>	Complied

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Criterion / Indicator		Assessment Findings	Compliance												
		<ul style="list-style-type: none"> <li>Ensuring integration of Sustainable programs with all other company policies.</li> </ul> <p>The mill has conducted Environmental 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 September 2021.</p> <p>The Environmental Impact Assessment has covered 21 keys activities of the Mill such as:</p> <ol style="list-style-type: none"> <li>Chemical mixing and storage</li> <li>CPO Storage</li> <li>FFB Receiving and Grading</li> <li>Generation Power</li> <li>Lab Operation</li> <li>Machine and Vehicle maintenance</li> <li>Office Work</li> <li>Oil Clarification</li> <li>Oil pressing</li> <li>Etc</li> </ol>													
<b>4.5.1.3</b>	<p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p><b>- Major compliance -</b></p>	<p>Sighted, Environmental Impact Assessment for the year 2021 at Mill has been developed and the mitigation on the negative impacts and to promote the positive one being recorded under Waste &amp; Pollution Management Plan. Sample taken at Sindora POM as follows: -</p> <table border="1"> <thead> <tr> <th>Process/ Area</th> <th>Sub - Activity</th> <th>Aspect</th> <th>Impact</th> <th>Existing Measures</th> <th>Control</th> </tr> </thead> <tbody> <tr> <td>Chemical Store</td> <td>Chemical Storage</td> <td>Spillage of</td> <td>Land Pollution</td> <td>Training on ERP</td> <td>spillage</td> </tr> </tbody> </table>	Process/ Area	Sub - Activity	Aspect	Impact	Existing Measures	Control	Chemical Store	Chemical Storage	Spillage of	Land Pollution	Training on ERP	spillage	Complied
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Criterion / Indicator		Assessment Findings					Compliance
				chemical during storage		Inspection on chemical container condition periodically	
		Effluent Pond	POME Treatment	Collapse of retention bund due to erosion.	Water pollution	<ol style="list-style-type: none"> <li>1. ERP for bund rupture</li> <li>2. Piling and bund reinforcement</li> </ol>	
		Boiler	Power Station - Boiler	Contaminated water mixed with ashes spillage to the drain	Water pollution	<ol style="list-style-type: none"> <li>1. Proper concrete platform with bund and roofing</li> <li>2. Regular cleaning of ash collection pit</li> </ol>	

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4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. <b>- Minor compliance -</b>	Programme to promote positive impacts on environment was verified through Waste Management Plan and Pollution and Emission Management Plan. Sample taken as below: a) Waste management Plan				Complied
		Waste Type	Source	Action Plan	Frequency	
		Domestic	Line site	1. Provide adequate garbage bins at the linesite 2. Provide recycle bins center at the linesite to encourage the habit of waste recycling among the employees/ workers 3. Burning of waste must be prohibited within estate premises 4. Broken garbage bins must be replaced	Twice or thrice depending on situation	
Liquid Waste – Effluent Discharge (land)	Furrow	1. Furrow must be inspected regularly to detect any seepage into waterways. 2. Sampling must be collected and tested to ensure compliance with DOE regulations and license requirement. Any non-compliance must be acted upon promptly	As required by legal			
		b) Emission Management Plan				

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Criterion / Indicator		Assessment Findings				Compliance
			Emission	Action Plan	PIC	
		1	Dark smoke	Follow Mill Manual procedure to ensure compliance meets permissible limits Inspect Vehicle condition daily	Execs/ Boilerman Exec/ supervisors	
		2	Noise	Boundary Parameter noise mapping data Routine maintenance on Running vehicles	Exec/ supervisors	
		3	Dust particles	Installation of continuous emission system (CEMS) and air pollution control device Electrostatic Precipitator (ESP).	Exec/ supervisors	
		4	Air Pollutant	1. Follow strictly procedures highlighted in the Mill Manual to ensure emission is within the allowable legal limit 2. Installation of continuous emission system (CEMS) and air pollution control device Electrostatic Precipitator (ESP).	Exec/ supervisors	
<b>4.5.1.5</b>	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. <b>- Major compliance -</b>	An Environmental training program is available in Training Plan updated on a yearly basis. Sample taken as below: - <ul style="list-style-type: none"> <li>Sustainability and MSPO Policy briefing was conducted by Assistant Manager to all workers and staffs comprising 79 participants dated 3/10/2021 at Sindora POM</li> </ul>				Complied

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		<ul style="list-style-type: none"> <li>Environmental Training on Scheduled Waste was conducted by Assistant Manager to all workers and staffs comprising 7 participants dated 21/2/2021 at Sindora POM</li> </ul>																								
<b>4.5.1.6</b>	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p><b>- Major compliance -</b></p>	<p>Environmental Performance Monitoring Committee (EPMC) being established in all Estates &amp; Mill to discuss on environmental aspect. The latest meeting conducted at Sindora POM was on 17/9/2021 chaired by the Mill Assistant In – Charge, En. Muhammad Nasir Mohd Shah and 8 Committee members attended the meeting.</p>	Complied																							
<b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b>																										
<b>4.5.2.1</b>	<p>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</p> <p><b>- Major compliance -</b></p>	<p>Monthly record on energy consumption for non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Following is the last 3 years data for diesel usage record at Mill: -</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Sindora POM</th> </tr> <tr> <th>FFB</th> <th>Diesel</th> <th>Lt/FFB</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>242,679</td> <td>153,580</td> <td>0.62</td> </tr> <tr> <td>2020</td> <td>247,223</td> <td>242,363</td> <td>0.92</td> </tr> <tr> <td>2021</td> <td>167,780</td> <td>135,453</td> <td>0.81</td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;">Baseline value</td> <td>0.60</td> </tr> </tbody> </table> <p>High fuel consumption due to less FFB Processed.</p>		Sindora POM			FFB	Diesel	Lt/FFB	2019	242,679	153,580	0.62	2020	247,223	242,363	0.92	2021	167,780	135,453	0.81		Baseline value		0.60	Complied
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<b>4.5.2.2</b>	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p><b>- Major compliance -</b></p>	<p>The projection consumption of diesel for the mill has been documented on annual basis based on the Financial Year Budget with the latest available is for FY2021.</p>	Complied																							

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Criterion / Indicator		Assessment Findings	Compliance																													
4.5.2.3	The use of renewable energy should be applied where possible. - <b>Minor compliance</b> -	Monthly record on energy consumption for renewable energy sources were kept and documented. The details as listed herein: -	Complied																													
		<table border="1"> <thead> <tr> <th>Sindora POM</th> <th>FFB Processed (Mt)</th> <th>Fiber Dispatched (Mt)</th> <th>% Fiber Sold to FFB</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>242,679</td> <td>4,289</td> <td>1.77</td> </tr> <tr> <td>2020</td> <td>247,223</td> <td>2,282</td> <td>0.92</td> </tr> <tr> <td>2021</td> <td>167,780</td> <td>1,363</td> <td>0.82</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Sindora POM</th> <th>FFB Processed (Mt)</th> <th>Shell Dispatched (Mt)</th> <th>% Shell Sold to FFB</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>242,679</td> <td>2,048</td> <td>0.84</td> </tr> <tr> <td>2020</td> <td>247,223</td> <td>1,716</td> <td>0.69</td> </tr> <tr> <td>2021</td> <td>167,780</td> <td>3,769</td> <td>2.26</td> </tr> </tbody> </table>		Sindora POM	FFB Processed (Mt)	Fiber Dispatched (Mt)	% Fiber Sold to FFB	2019	242,679	4,289	1.77	2020	247,223	2,282	0.92	2021	167,780	1,363	0.82	Sindora POM	FFB Processed (Mt)	Shell Dispatched (Mt)	% Shell Sold to FFB	2019	242,679	2,048	0.84	2020	247,223	1,716	0.69	2021
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<b>Criterion 4.5.3: Waste management and disposal</b>																																
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - <b>Major compliance</b> -	All waste and pollution are identified and documented in the Waste & Pollution Management Plan 2021 updated on 1/8/2021. Details of waste generated from the mill activities among others as shown below; <ul style="list-style-type: none"> <li>1. Empty chemical containers</li> <li>2. Batteries</li> <li>3. Contaminated rags</li> <li>4. Spent Oil</li> <li>5. Pesticide Spillage</li> <li>6. Contaminated Soil</li> <li>7. Worn PPE</li> <li>8. Liquid waste</li> </ul>	Complied																													

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Criterion / Indicator		Assessment Findings				Compliance															
		9. Medical / Clinical 10. Domestic waste 11. Garden waste 12. Office Waste 13. Scraps 14. Mill By-Products 15. Rubber Materials 16. Emissions																			
<b>4.5.3.2</b>	<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><b>- Major compliance -</b></p>	<p>Details of the management plan as described below. This is a continuation of the 4.5.3.1 above.</p> <table border="1"> <thead> <tr> <th></th> <th>Source</th> <th>Waste Produce</th> <th>Action Plan</th> <th>Responsibility</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Process of chemical application at lab and water treatment plant</td> <td>Empty chemical packaging (SW 409)</td> <td>Collect and placed in the Scheduled Waste store. When there is adequate quantity 20 mt or due for 180 days, contact the licensed contractor (refer to Procurement &amp; Contract Department) for collection and disposal.</td> <td>Manager/ Assistant/ staff</td> </tr> <tr> <td>2</td> <td>Workshop</td> <td>Batteries (SW 102)</td> <td>Collect and placed in the Scheduled Waste store. When there is adequate quantity 20 mt or due for 180 days, contact the licensed contractor (refer to</td> <td>Manager/ Assistant/ staff</td> </tr> </tbody> </table>					Source	Waste Produce	Action Plan	Responsibility	1	Process of chemical application at lab and water treatment plant	Empty chemical packaging (SW 409)	Collect and placed in the Scheduled Waste store. When there is adequate quantity 20 mt or due for 180 days, contact the licensed contractor (refer to Procurement & Contract Department) for collection and disposal.	Manager/ Assistant/ staff	2	Workshop	Batteries (SW 102)	Collect and placed in the Scheduled Waste store. When there is adequate quantity 20 mt or due for 180 days, contact the licensed contractor (refer to	Manager/ Assistant/ staff	Complied
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				Procurement & Contract Department) for collection and disposal.			
		3	Lubricant store, Workshop	Waste water (cleaning - lubricant store, Workshop washdown) (SW 307)	During scheduled cleaning of PCD, collect and place in the Scheduled Waste store. When there is adequate quantity, contact the licensed contractor (refer to Procurement & Contract Department) for collection	Manager/ Assistant/ staff	
			Office	Broken computer equipments (SW 110)	Collect and placed in the Scheduled Waste store. When there is adequate quantity 20 mt or due for 180 days, contact the licensed contractor (refer to Procurement & Contract Department) for collection and disposal	Manager/ Assistant/ staff	
Sighted, Sindora POM disposed their Schedule Waste to the licensed contractor within the Regulation timeframe. Furthermore, the appointed contractor namely Kualiti Alam Sdn Bhd will schedule. The details as follows:							
		SW	Date Generate	Current No of days from date generated (As at date of Audit Assessment)			
		305	6/2021	148 days			
		410	6/2021	148 days			

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Criterion / Indicator		Assessment Findings	Compliance										
		The previous disposal is within the statutory limit of 180 days.											
<b>4.5.3.3</b>	The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005 <b>- Major compliance -</b>	Sindora POM had established the procedures for handling of chemicals classified under Work Instruction; Document Number: PPM/WI/9; Rev No: 0, Doc Date: 01/7/2016 and Scheduled Waste under Work Instruction; Document Number: SPO/WI/06; Issue No: 1, Revision:0 Doc Date: 01/10/2020. The Work Instruction is 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 Hazardous to Health) Regulation 2000 and EQ (Scheduled Wastes) Regulations 2005.	Complied										
<b>4.5.3.4</b>	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. <b>- Minor compliance -</b>	Domestic waste is disposed in Landfill at block P15/04 under Sindora Estate Land. The collection from line site were done 1-2 times a week by Estate.	Complied										
<b>Criterion 4.5.4: Reduction of pollution and emission</b>													
<b>4.5.4.1</b>	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. <b>- Major compliance -</b>	The polluting activities has been assessed during environmental aspect and impact assessment. The EAIA assessment findings including list of polluting sources are recorded in document titled "Environmental Aspect & Impact Assessment (EAIA) & Environmental Management Plan (EMP) & Waste Management plan (WMP). The Sindora POM has implemented its GHG Calculator to calculate the following emissions parameter/source.	Complied										
<b>4.5.4.2</b>	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. <b>- Major compliance -</b>	Details of action plan for identified pollutants as shown below and is a continuation from the 4.5.4.1 above. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Emission</th> <th>Source</th> <th>Action Plan</th> <th>Frequency</th> <th>Responsibility</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Emission	Source	Action Plan	Frequency	Responsibility						Complied
Emission	Source	Action Plan	Frequency	Responsibility									

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Criterion / Indicator		Assessment Findings					Compliance																											
		Dark Smoke	All running Vehicles	Inspect the vehicle condition	Daily	Manager/ Assistant/ Staff																												
		Noise	Operation of Diesel Engine	Boundary parameter noise mapping data keeping	As and when required	Manager/ Assistant/ CC																												
		Dust /ashes particles	Shredded EFB Process	Routine maintenance	As and when required	Manager/ Assistant/ Foreman																												
		Air Pollutant	Combustion for boiler	Conducting stack monitoring	As and when required	Manager/ Assistant/ Staff																												
<b>4.5.4.3</b>	<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><b>- Major compliance -</b></p>	<p>DOE Limits for final discharge/Land Irrigation is 100 mg/l The final discharge POME has been analyzed by UTCL Laboratory, reported on 16/8/2021 stated below;</p> <table border="1"> <thead> <tr> <th>Parameter</th> <th>Results</th> <th>DOE Limits</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>8.6</td> <td>5.0 – 9.0</td> </tr> <tr> <td>COD, ppm</td> <td>353</td> <td>N/A</td> </tr> <tr> <td>BOD, ppm</td> <td>45</td> <td>&lt; 100 ppm</td> </tr> <tr> <td>Sus. Solid, ppm</td> <td>36</td> <td>&lt; 400ppm</td> </tr> <tr> <td>Amm-N, ppm</td> <td>&lt; 1</td> <td>&lt; 150ppm</td> </tr> <tr> <td>Total N, ppm</td> <td>9</td> <td>&lt; 200ppm</td> </tr> <tr> <td>Oil &amp; Grease, ppm</td> <td>-</td> <td>&lt; 50ppm</td> </tr> <tr> <td>Tot Solid, ppm</td> <td>2,332</td> <td>N/A</td> </tr> </tbody> </table> <p>The results from final discharge were compliance within parameter limit</p>					Parameter	Results	DOE Limits	pH	8.6	5.0 – 9.0	COD, ppm	353	N/A	BOD, ppm	45	< 100 ppm	Sus. Solid, ppm	36	< 400ppm	Amm-N, ppm	< 1	< 150ppm	Total N, ppm	9	< 200ppm	Oil & Grease, ppm	-	< 50ppm	Tot Solid, ppm	2,332	N/A	Complied
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Criterion / Indicator		Assessment Findings				Compliance																				
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> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill’s current activities.</li> <li>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> </ul> <p><b>- Major compliance -</b></p>	<p>The Water Management Plan has been established in the Mill with the recent review made on 01/8/2021. Sample of the plan as listed herein: -</p> <table border="1"> <thead> <tr> <th></th> <th>Source</th> <th>Activity</th> <th>Threat</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Reservoir/ pond/ SAJ/ Rain</td> <td>Boiler</td> <td>Pollution</td> <td>Upstream and downstream water analysis.</td> </tr> <tr> <td></td> <td></td> <td>Line site - Household activity</td> <td>Flood</td> <td> <ul style="list-style-type: none"> <li>1. To ensure interruption / clogging of water flow in the drainage</li> <li>2. Maintenance of drainage by desilting/cleaning the drainage</li> <li>3. Follow as per ERP for flood.</li> </ul> </td> </tr> <tr> <td></td> <td></td> <td>Line site - Household activity</td> <td>Draught</td> <td> <ul style="list-style-type: none"> <li>1. Outsource water from neighbouring estate</li> <li>2. Every house is supply with container to store water during draught season.</li> <li>3. To schedule water supply to avoid from overuse of water.</li> <li>4. Water supply from water reservoir</li> <li>5. Transport water to the linesite to supply water</li> </ul> </td> </tr> </tbody> </table>					Source	Activity	Threat	Action Plan	1	Reservoir/ pond/ SAJ/ Rain	Boiler	Pollution	Upstream and downstream water analysis.			Line site - Household activity	Flood	<ul style="list-style-type: none"> <li>1. To ensure interruption / clogging of water flow in the drainage</li> <li>2. Maintenance of drainage by desilting/cleaning the drainage</li> <li>3. Follow as per ERP for flood.</li> </ul>			Line site - Household activity	Draught	<ul style="list-style-type: none"> <li>1. Outsource water from neighbouring estate</li> <li>2. Every house is supply with container to store water during draught season.</li> <li>3. To schedule water supply to avoid from overuse of water.</li> <li>4. Water supply from water reservoir</li> <li>5. Transport water to the linesite to supply water</li> </ul>	Complied
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Criterion / Indicator		Assessment Findings	Compliance
<b>4.5.5.2</b>	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. <b>- Major compliance -</b>	The POME is discharged through Composting and Ground Application The approved limit of BOD for discharge is 100mg/L, refer to Syarat-Syarat Lesen Premis Minyak Kelapa Sawit dated 30/6/2021 ref no: AS(B)J31/152/000/075 JILID. 12 for a period of 01/07/2021 to 30/06/2022. Latest result of final POME discharge (outlet) sampling date: 23/9/2021 shown BOD of 44mg/L	Complied
<b>4.6 Principle 6: Best Practices</b>			
<b>Criterion 4.6.1: Mill Management</b>			
<b>4.6.1.1</b>	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. <b>- Major compliance -</b>	The Mill operations are guided with the following documents 1. Quality Manual (SM/QM) dated 1/9/14 2. Standards Operating Procedure (SM/SOP) dated 10/12/12 covering the following stations/ operations among others; - loading ramp/ sterilization station - threshing/ press station - clarification station - kernel station/ depericarper station - effluent and water treatment plant - boiler house/ power house 3. Work Instructions derived from SOPs and displayed the work stations/ notice boards. Among others as sighted; - WI: Boiler Station / WI: Power House - WI: Laboratory Manual /Waste Management - WI: Handling chemicals	Complied

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

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Criterion / Indicator		Assessment Findings	Compliance
	- <b>Major compliance</b> -	sample, it has been verified that the pricing mechanism has been clearly mentioned.	
<b>4.6.3.2</b>	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - <b>Major compliance</b> -	Contracts entered into between Sindora POM 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. As stated in the contract agreement the payment term has been set at 30 days and it has been verified that payment has been made on timely manner.	Complied
<b>Criterion 4.6.4: Contractor</b>			
<b>4.6.4.1</b>	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - <b>Major compliance</b> -	Sighted during the audit was the inclusion of MSPO requirements into contracts. This insertion of this Policy is to ensure contractors are aware and comply with local, national laws such as payment of minimum wage, ratified international laws, and also with MSPO standards. This was also acknowledged by the contractors, and reiterated during the stakeholder meeting.	Complied
<b>4.6.4.2</b>	The management shall provide evidence of agreed contracts with the contractor. - <b>Major compliance</b> -	Contracts entered into between Sindora POM 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.	Complied
<b>4.6.4.3</b>	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - <b>Minor compliance</b> -	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><b>Government Officer:</b>          Nil</p>	<p><b>Community/ neighbouring village:</b>          Kampung Felda Pasak          Kampung Nelayan Pasak</p>
<p><b>Suppliers/ Contractors/Vendors:</b>          Soko SK Enteprise          Yegantham A/L Kanakarajoo          Mahat bin Yusoff          Agro Sakti Enteprise.</p>	<p><b>Worker’s Representative/Gender Committee:</b>          Estate and mill social representative          Estate and mill workers/stakeholder representative          EHA          Mill workers          Estate/field workers          Gender representative</p>



## Appendix C: Smallholder Member Details

No.	Smallholder		Location of Planted Area (District)	GPS Coordinates	Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number				
	Not applicable					

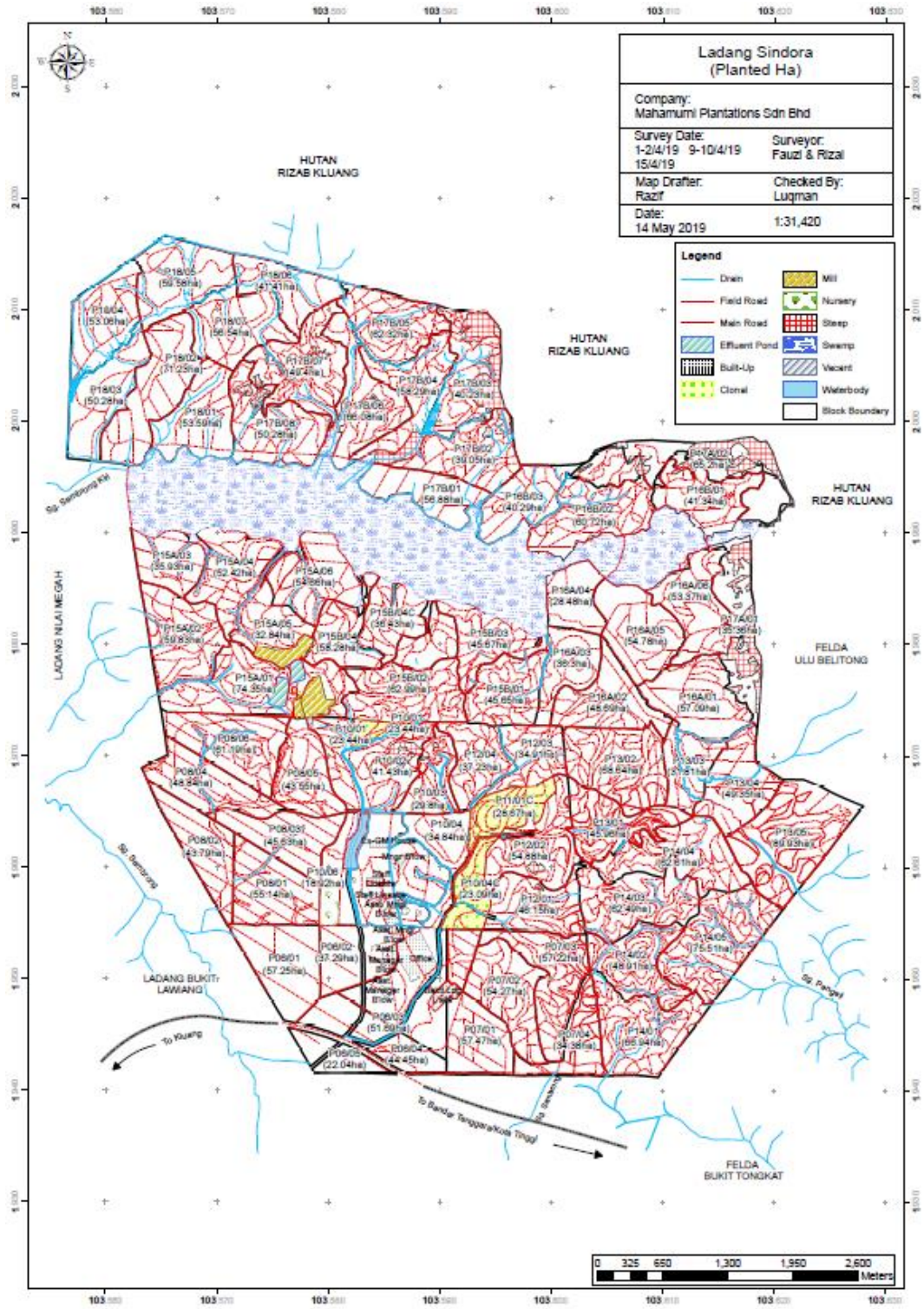
**Appendix D: Location and Field Map**

Sindora POM



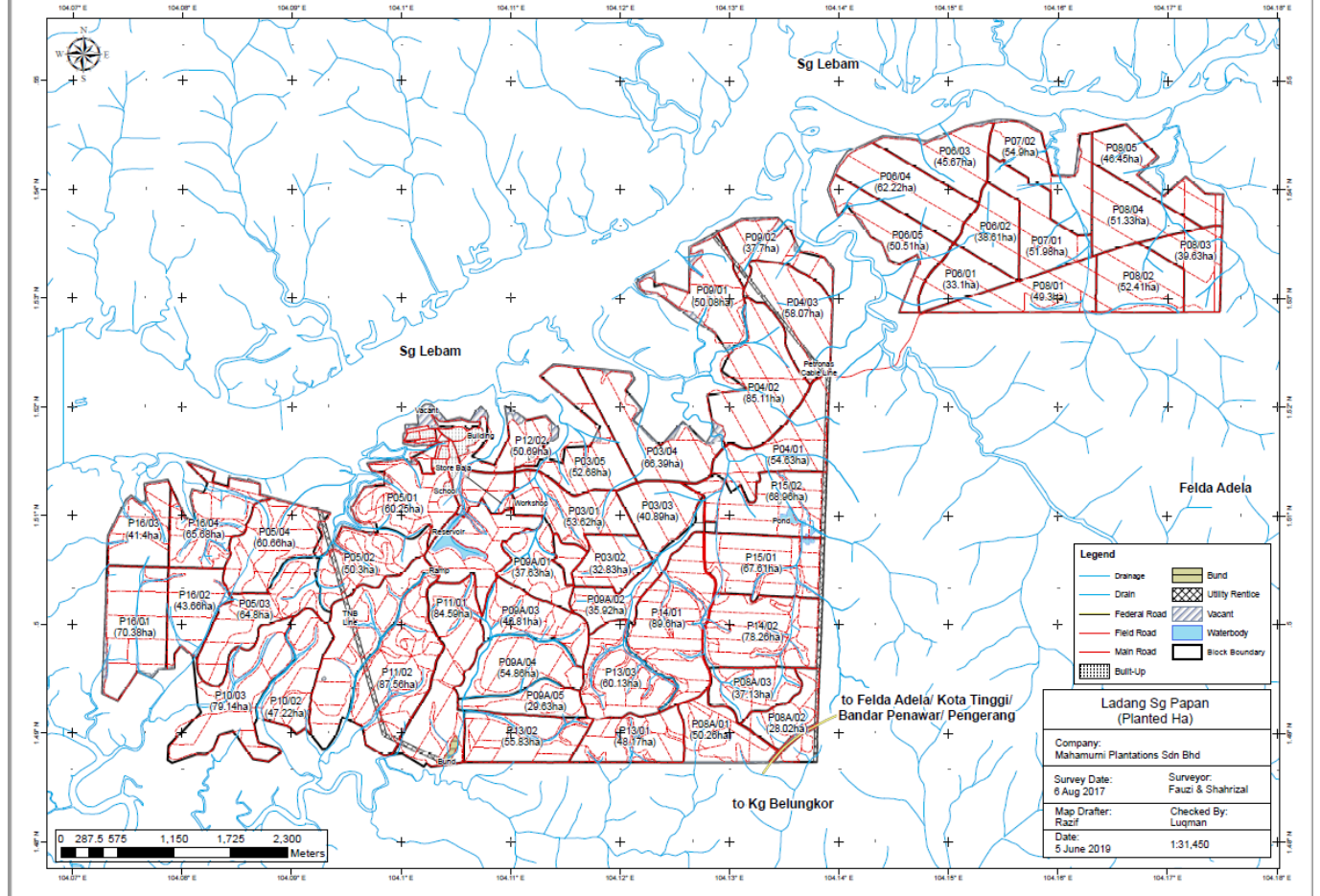
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Sindora Estate

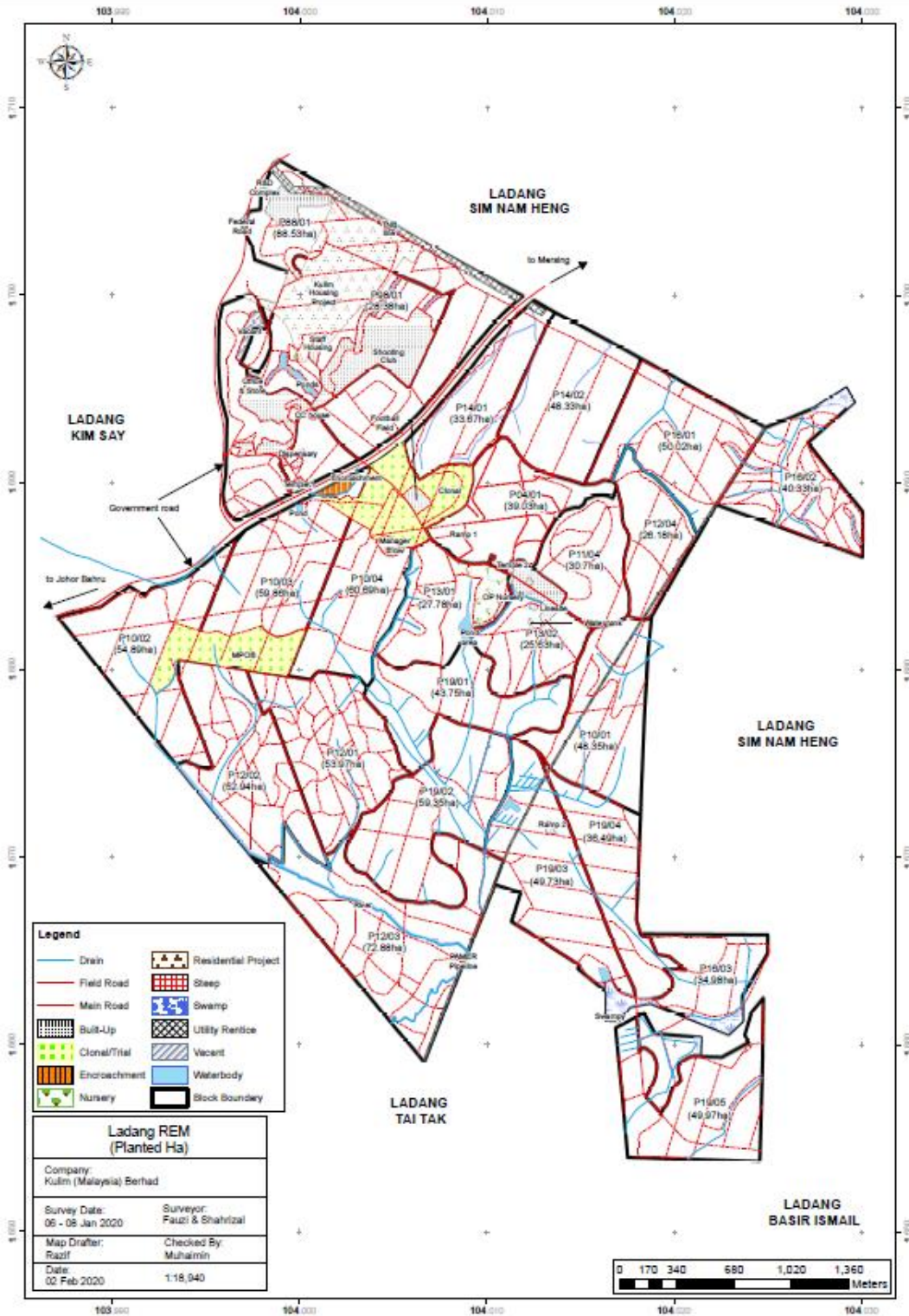


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**Sungai Papan Estate**



REM 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