

MALAYSIAN SUSTAINABLE PALM OIL
MSPO OPMC Public Summary Report

- Initial Assessment
- Annual Surveillance Assessment (3)
- Recertification Assessment (Choose an item.)
- Extension of Scope

KULIM (MALAYSIA) BERHAD
Client Company (HQ) Address: 705, 80990 Johor Bahru, Johor, Malaysia
Certification Unit: Sedenak Palm Oil Mill & Plantations of Sedenak Complex (Sedenak Estate, Kuala Kabong Estate, Ulu Tiram Estate, Basir Ismail Estate, Asam Bubok Estate & Bukit Layang Estate)
Date of Final Report: 21/01/2022

Report prepared by:
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Report Number: 3293256

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Kulim (Malaysia) Berhad		
Mill/Estate	Certification Unit	MPOB License No.	Expiry Date
	Sedenak Palm Oil Mill	500058304000	31/12/2021
	Sedenak Estate	501224702000	31/03/2022
	Kuala Kabong Estate	503896302000	31/03/2022
	Ulu Tiram Estate	501257302000	31/03/2022
	Basir Ismail Estate	501258102000	31/03/2022
	Asam Bubok Estate	501796602000	30/09/2022
	Bukit Layang Estate	592627002000	31/12/2021
Address	KB 705, 80990 Johor Bahru, Johor		
Management Representative	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 697948 Estates: MSPO 697947	Certificate Start Date	30/03/2019
Date of First Certification	30/03/2019	Certificate Expiry Date	29/03/2024
Scope of Certification	<input checked="" type="checkbox"/> Mill: Production of Sustainable Palm Oil and Palm Oil Products <input checked="" type="checkbox"/> Estates: Production of Sustainable Oil Palm Fruits		
Visit Objectives	<p>The objective of the assessment was to conduct an Annual Surveillance Assessment 3 and look for positive evidence to ensure that elements of the scope of certification and the requirements of the management standard are effectively addressed by the organization's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organization's specified objectives, as applicable with regard to the scope of the management standard, and to confirm the on-going achievement and applicability of the forward strategic plan and where applicable to identify potential areas for improvement of the management system.</p>		
Standard	<input type="checkbox"/> MSPO MS 2530-2:2013 – General Principles for Independent Smallholders <input checked="" type="checkbox"/> MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders <input checked="" type="checkbox"/> MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills		
Stage 1 Date	N/A (The certification unit is RSPO certified)		

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Stage 2 / Initial Assessment Visit Date (IAV)	09 - 11/10/2018 22 - 23/05/2019 (Extension of Scope)
Continuous Assessment Visit Date (CAV) 1	30/09 - 03/10/2019
Continuous Assessment Visit Date (CAV) 2	12 - 15/10/2020
Continuous Assessment Visit Date (CAV) 3	29/11-01/12/2021 & 21-22/12/2021
Continuous Assessment Visit Date (CAV) 4	-
Notes: The ASA 3 audit has been partially conducted on 29/11-01/12/2021 due to COVID-19 positive cases detected during the audit commencement.	

1.3 Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 537873	RSPO Principle & Criteria for Production of Palm Oil 2018 – Malaysian National Interpretation: 2019	BSI Services Malaysia Sdn Bhd	22/01/2024
EU-ISCC-cert-PL214-20220221	ISCC EU	Bureau Veritas Certification	24/04/2022
ISCC-PLUS-cert-PL214-20220221	ISCC PLUS	Bureau Veritas Certification	24/04/2022
A158820	MS 1500:2009	JAKIM	15/09/2023
MSPO SCCS	BVC-MSPO/SC-0027	Bureau Veritas Certification	10/03/2025

1.4 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
Sedenak Palm Oil Mill	Lot 136, Geran 237961, Mukim Sedenak, Daerah Kulai, Johor, Malaysia	1° 43' 49.69" N	103° 32' 19.23" E
Sedenak Estate	Lot 136, Geran 237961, Mukim Sedenak, Daerah Kulai, Johor, Malaysia	1° 37' 17.4" N	103° 47' 31.6" E
Ulu Tiram Estate	PTD 105763, HSD 354243, Mukim Tebrau, Daerah Johor Bahru, Johor, Malaysia	1° 41' 18.0" N	103° 26' 00.7" E
Kuala Kabong Estate	PTD 35021, HSD 71140, Mukim Bukit Batu, Daerah Kulai, Johor, Malaysia	1° 37' 47.3" N	103° 54' 54.5" E

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Basir Ismail Estate	Lot 1419, Geran 22664, Mukim Sg. Tiram, Daerah Johor Bahru, Johor, Malaysia	1° 56' 26.9" N	103° 08' 38.7" E
Asam Bubok Estate	PTD 19085, HSD 58579, Mukim Tg. Semberong, Daerah Batu Pahat, Johor, Malaysia	1° 34' 57.4" N	103° 57' 42.4" E
Bukit Layang Estate	PTD 713, Geran 105390, Mukim Sg. Tiram, Daerah Johor Bahru, Johor, Malaysia	1° 43' 16.3" N	103° 32' 33.5" E

1.5 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Sedenak Estate	2617.47	26.39	164.14	2808.00	93.21
Ulu Tiram Estate	478.08	23.11	196.86	698.05	68.49
Kuala Kabong Estate	1622.70	12.01	83.61	1718.32	94.44
Basir Ismail Estate	2906.77	50.69	239.17	3196.63	90.93
Asam Bubok Estate	651.53	0	130.08	781.61	83.92
Bukit Layang Estate	*371.10	12.89	*13.77	397.76	93.30
Total (ha)	8647.65	125.09	827.63	9600.37	90.07

Note: * Bukit Layang Estate - the different hectarage from previous report is because of the resurvey on Oct 2020.

1.6 Plantings & Cycle

Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Sedenak Estate	303.27	309.81	1601.73	402.66	0	2314.20	303.27
Ulu Tiram Estate	3.3	211.91	0	24.15	238.72	474.78	3.30
Kuala Kabong Estate	0	0	1622.70	0	0	1622.70	0
Basir Ismail Estate	208.05	1422.42	782.71	493.59	0	2698.72	208.05
Asam Bubok Estate	328.94	268.28	54.31	0	0	322.59	328.94
Bukit Layang Estate	0	75.54	147.52	148.04	0	371.10	0
Total (ha)	843.56	2287.96	4208.97	1068.44	238.72	7804.09	843.56

1.7 Certified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Mar 21 - Feb 22)	Actual (Oct 20 - Oct 21)	Forecast (Mar 22 - Feb 23)

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Sedenak Estate	51,886.00	59,880.85	57,827.00
Kuala Kabong Estate	27,360.00	27,136.51	26,458.00
Ulu Tiram Estate	10,227.00	10,622.06	8,606.00
Basir Ismail Estate	63,183.00	61,862.6	61,321.00
Asam Bubok Estate	8,101.00	8,698.14	8,674.00
Bukit Layang Estate	*8,799.00	1,057.41	8,367.00
Siang Estate	0.00	7,475.84	0.00
Rengam Estate	0.00	3,104.21	0.00
Rem Estate	0.00	1,168.06	0.00
Sungai Papan Estate	0.00	3,984.44	0.00
Total	160,757.00	184,990.12	171,253.00
Note: *FFB send to outsider mill			

1.8 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Mar 21 - Feb 22)	Actual (Oct 20 - Oct 21)	Forecast (Mar 22 - Feb 23)
Kebun Sedenak	4,554.00	3,107.09	4,210.00
Ree Fong	7,757.00	2,081.28	7,128.00
Koperasi Pesara	2,502.00	3,241.07	2,979.00
Peladang Jb	5,934.00	1,068.97	2,223.00
Bukit Siput	15,289.00	1,850.97	6,198.00
Sedenak Bahru	5,007.00	4,855.89	5,745.00
Che Yu Trading	17,678.00	10,528.44	4,233.00
Per. Sri Mahtai	3,113.00	1,232.13	2,135.00
Hong Hui	69,316.00	57,181.13	68,497.00
Choon Guan	24,628.00	12,224.11	15,330.00
Per. Sri Misan	24,856.00	32,141.21	30,779.00
Fong Tak	7,652.00	1,451.57	3,952.00
Keng Ann	17,098.00	11,674.80	12,640.00
Guan Leng	80,683.00	77,764.77	83,699.00
Peladang Kulai	2,163.00	1,835.85	2,017.00
Per. Md Sangidi	18,672.00	14,847.14	18,746.00
Az Iman	10,838.00	8,138.74	10,287.00
Hwa Lee Trading	16,503.00	13,364.15	22,823.00

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KCL Dagang	0.00	3,243.21	2,490.00
Genting	0.00	11.44	0.00
Boustead Chamek	0.00	135.97	0.00
Boustead Kulai Yong	0.00	98.11	0.00
Boustead Eldred	0.00	132.34	0.00
Total	334,243.00	262,210.38	306,111.00

Note: -

1.9 Certified Tonnage

	Estimated (Mar 21 - Feb 22)	Actual (Oct 20 - Oct 21)	Forecast (Mar 22 - Feb 23)
	FFB	FFB	FFB
Mill Capacity: 90 MT/hr	160,757.00	184,990.12	171,253.00
SCC Model: MB	CPO (OER: 22.06%)	CPO (OER: 20.17%)	CPO (OER: 19.48%)
	35,462.00	37,305.30	33,356.00
	PK (KER: 5.40%)	PK (KER: 5.01%)	PK (KER: 4.85%)
	8,687.00	9,272.12	8,299.00

1.10 Actual Sold Volume (CPO)

CPO (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
37,305.30	0	1,970.31	14,626.54	18,925.32	35,522.17

1.11 Actual Sold Volume (PK)

PK (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
9,272.12	0	0	9,022.94	43.78	9,066.72

Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 92,000 certified locations and clients in over 193 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 29/11/2021 to 01/12/2021 & 21/12/2021 to 22/12/2021. The audit programme is included as Section 2.4. The approach to the audit was to treat the Sedenak POM and Estates (Sedenak Estate, Ulu Tiram Estate, Basir Ismail Estate, Bukit Layang Estate, Kuala Kabong Estate and Asam Bubok 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 Certification Unit *were not using* MSPO certification marks for any type of on- and off-product communication. The Certification Unit are compliance with the use of the MSPO Logo and related claims.

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 B.

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

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.6.

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.

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

This report was externally reviewed by MSPO approved Peer Reviewer prior to certification and recertification decision by BSI. For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.

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

Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Sedenak Palm Oil Mill	√	√	√	√	√
Sedenak Estate	√	-	√	-	√
Ulu Tiram Estate	√	√	√	-	√
Kuala Kabong Estate	-	√	-	√	-
Basir Ismail Estate	-	√	-	√	-
Asam Bubok Estate	-	-	√	-	√
Bukit Layang Estate	√	-	-	√	√

Tentative Date of Next Visit: August 30, 2022 - September 2, 2022

Total No. of Mandays: 19 Mandays

2.1 BSI Assessment Team

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Nor Halis Abu Zar (NHA)	Team Leader	<p>Education: Bachelor of Science, Plantation Technology and Management, graduated from Universiti Teknologi Mara in 2012.</p> <p>Work Experience: He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation. He had accumulated more than 6 years of sustainability implementation experience. He is a qualified Lead Auditor for MS 2530:2013 and has accumulated more than 400 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia.</p> <p>Training attended: He has completed ISO IMS 9001 and 14001 Lead Auditor Course in January 2019, MSPO 2530:2013 Lead Auditor Course in February 2019, Endorsed RSPO Lead Auditor Course in October 2020, CQI and IRCA Certified ISO 45001 Lead Auditor Course in June 2021, ISO 9001:2015 Lead Auditor Course in April 2019, MSPO SCCS Auditor in February 2019 and also trained in SMETA Requirement Training on May 2021.</p> <p>Aspect covered in this audit:</p>

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		<p>Legal requirements, biodiversity and HCV, water & wastes management, environmental aspects, occupational health and safety, GAP, training, and economic management plan.</p> <p>Language proficiency: Fluent in Bahasa Malaysia and English Language.</p>
Mohd Nazib Marwan (MNM)	Team Member	<p>Education: He holds Diploma in Mechanical Engineering graduated from Sultan Salahuddin Abdul Aziz Shah in 2007.</p> <p>Work Experience: He has 5 years working experience with Department of Occupational Safety and Health Malaysia and has visited /audited many types of industries including plantation industry. He also has more than 11 years of experiences as auditor for several standards including ISO 9001, ISO 14001, ISO 45001, MSPO and RSPO with previous certification body.</p> <p>Training attended: ISO 9001, ISO 14001, ISO 45001, MSPO and RSPO.</p> <p>Aspect covered in this audit: During this assessment, he assessed on the aspects of social, legal, workers & stakeholders' consultation and SCC for CPO mill.</p> <p>Language proficiency: Fluent in Bahasa Malaysia and English Language.</p>
Mohd Razaleigh Mohd (MRM)	Team Member	<p>Education: Bachelor of Science, Plantation Technology and Management, graduated from Universiti Teknologi Mara in 2012.</p> <p>Work Experience: More than 5 years' experience in oil plantation and 4 year in sustainability audit.</p> <p>Training attended: Attended RSPO and MSPO Lead auditor course in year 2018, Quality Management System Lead Auditor Course ISO 9001:2015, ISO 45001:2018 and Environmental management system ISO 14001:2015, Social accountability Introduction and Basic Auditor Training Course.</p> <p>Aspect covered in this audit: During this assessment, he assessed on the aspects of social, legal, workers & stakeholders consultation and SCC for CPO mill.</p> <p>Language proficiency: Fluent in Bahasa Malaysia and English Language.</p>
Valence Shem (VSH)	Team Member	<p>Education: BTech (Hons) Bachelor's Degree in Industrial Technology, University of Science Malaysia.</p> <p>Work Experience: 1) 9 years working experience in oil palm plantation industry;</p>

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		<p>2) Management system auditing since 2009 for various standards such as ISO 140001, RSPO P&C, RSPO SCCS, MSPO and SMETA.</p> <p>Training attended:</p> <ol style="list-style-type: none"> 1) ISO 14001 Lead Auditor Course 2) ISO 9001 Lead Auditor Course 3) Endorsed RSPO P&C Lead Auditor Course 4) Endorsed RSPO SCCS Lead Assessor Course 5) MSPO Awareness Training 6) ISO 45000 Lead Auditor Course 7) SMETA Auditor training 8) HCV-HCS training <p>Aspect covered in this audit: Legal requirements, biodiversity and HCV, water & wastes management, environmental aspects, occupational health and safety, GAP, training, and economic management plan.</p> <p>Language proficiency: English and Bahasa Malaysia.</p>
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2.2 Impartiality and conflict of interest

During this assessment there was no circumstances or pressure that had influenced the independence or confidentiality of the assessment team.

2.3 Accompanying Persons

No.	Name	Role
	N/A	

2.4 Assessment Plan

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

Date	Time	Subjects	MRM	VSH	NHA	MMN
Sunday, 28/11/2021		Audit team travel to Johor Bahru	√	√		
Monday, 29/11/2021 Basir Ismail Estate	0900 - 0915	Audit team travel to Basir Ismail Estate Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). • Verification on previous audit findings 	√	√		

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	0915 - 1300	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, worker housing, clinic, Landfill, etc.		√		
	1300 - 1400	Lunch				
	1400 - 1700	Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	√	√		
	1700 - 1730	Interim closing meeting	√	√		
Tuesday, 30/11/2021 Kuala Kabong Estate	0900 - 1300	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, worker housing, clinic, Landfill, etc.		√		
	1000 - 1200	Stakeholder consultations: Client to invite the relevant stakeholders for both mill and estates which consists of various categories such as government agencies/enforcers, NGO, contractors, suppliers, surrounding communities (e.g. neighboring estates, smallholders, villages, workers representative, etc.), etc.	√			
	1300 - 1400	Lunch	√	√		
	1400 - 1700	Document review P1 – P7 (MSPO Part 3): General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.	√	√		
	1700 - 1730	Interim closing meeting	√	√		
Wednesday 01/12/2021 Bukit Layang Estate	0900 - 1300	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Scheduled wastes management, worker housing, clinic, Landfill, etc.		√		

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Date	Time	Subjects	MRM	VSH	NHA	MNM
	1300 - 1400	Lunch				
		***Audit postpone due to identification of close contact COVID-19 cases. Auditor travel back to hotel	√	√		
Monday, 20/12/2021		Audit team travel to Johor Bahru			√	√
Tuesday, 21/12/2021 Bukit Layang Estate	0900 - 1200	Document Review (MS2530:2013 Part 3): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services, P6 : Best practices Best practices, P7: Development of New Planting			√	√
	1200 - 1300	Lunch			√	√
	1300 - 1400	Interim closing meeting			√	√
Wednesday 22/12/2021 Sedenak POM	0900 - 1300	Mill Assessment: Plant visit, FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.			√	√
	1300 - 1400	Lunch			√	√
	1400 - 1600	Document review (MS2530:2013 Part 4): P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices.			√	√
	1600 - 1630	Audit Team Discussion & Preparation for closing meeting			√	√
	1630 - 1730	Closing meeting			√	√

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below. The findings summary of the assessment by criteria are listed in Appendix A.

During the assessment there were zero (0) Major, one (1) Minor nonconformities and zero (0) OFI raised. The Sedenak Palm Oil Mill and Estates Certification unit submitted Corrective Action Plans for the non-conformity. Corrective action plans with respect to the non-conformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The below is the summary of the non-conformity raised during this assessment.

Non-Conformity Report			
NCR Ref #:	2147538-202111-N1	Issue Date:	22/12/2021
Due Date:	Next Surveillance	Date of Closure:	Next Surveillance
Area/Process:	Basir Ismail Estate	Clause & Category: (Major / Minor)	MSPO 2530 Part 3: 4.5.5.1 Minor
Clause:	4.5.5.1		
Requirements:	The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.		
Statement of Nonconformity:	The implementation of Estate Water Management Plan was not fully demonstrated.		
Objective Evidence:	The soft vegetation at the riparian reserves was generally well maintained. Nonetheless, based on site visit at Sg. Redan riparian zone at Basir Ismail Estate, Field No. 98A, it was observed that there was a portion of significant trace of herbicide spray within the zone. This is not in line with the estate's water management plan, dated 02/01/2021.		
Corrections:	Estate had immediately conducted a retraining during muster briefing for all workers with regards to working herbicide spray at within the zone.		

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Root cause analysis:	Workers were not adequately brief by estate management on buffer zone maintenance.
Corrective Actions:	Estate will establish SOP on buffer zone management. `Periodical Training will be conducted on Buffer Zone management SOP to mandore and staff`. Mandore will be available at all time during spraying work near to buffer zone area.
Assessment Conclusion:	The correction and corrective action are accepted. The evidence of effective implementation shall be verified in the next assessment visit.

Opportunity For Improvement			
Ref:	N/A	Clause:	MSPO 2530 Part __:
Area/Process:			
Objective Evidence:			

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

3.3 Status of Nonconformities Previously Identified and OFI

Non-Conformity Report			
NCR Ref #:	1971590-202009-M1	Issue Date:	15/10/2020
Due Date:	15/01/2021	Date of Closure:	13/01/2021
Area/Process:	Sedenak Palm Oil Mill	Clause & Category: (Major / Minor)	MSPO 2530 Part 4: 4.4.5.8 Major
Clause:	4.4.5.8		
Requirements:	i) The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. ii) Employment Act 1955, section 60 (4) (a) - No employer shall require or permit an employee to work overtime exceeding such limit as may be prescribed by the Minister from time to time by regulations made under this Act. iii) Employment (Limitation of Overtime Work) Regulations 1980; Overtime limit shall be a total of 104 hours per month.		
Statement of Nonconformity:	Evidence of compliance of the overtime was not implemented effectively.		
Objective Evidence:	Sedenak POM: Sampled of the workers below found that they worked exceeded 104 hours of overtime per month for June 2020: i. Employee No.: 615523 – 129 hours ii. Employee No.: 615605 – 123.5 hours iii. Employee No.: 615609 – 107.5 hours		

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Corrections:	1. Mill to continue applying permission from Jabatan Tenaga Kerja (JTK) to offer overtime more than 104 hours. Mill & HCMD to have a discussion with JTK in relation to the application for OT at 140 hours/months on 2nd November 2020.
Root cause analysis:	Inadequate monitoring over overtime works by mill management.
Corrective Actions:	Mill to conduct proper preventive planning that includes: a. Conduct Mill manpower planning by reviewing back the required OT, potential leave, absent and sick leave on weekly basis to ensure adequate manpower for mill processing for coming operational week. b. Increase manpower requirement per shift base on weekly analysis to ensure the shift having enough manpower without requesting workers to do OT and OT limit not to be offended.
Assessment Conclusion:	The mill management has re-applied to the Jabatan Tenaga Kerja (JTK) on 05/10/2020 and additional documentation required by the authority was sent on 02/11/2020. Seen the email correspondence with the authority. The application is still under process where the mill has follow-up with the authority on 05/01/2021. Meanwhile, the management has monitored the workers' overtime through the Workers Overtime Hour Monitoring Form by the Head of Department. Reviewed the monitoring form from October 2020 to December 2020 found that no overtime has exceeded 104 hours. The overtime has been captured in the system and seen the Attendance Summary Mill report. In additional, the mill has employed additional total 12 workers from September 2020 to November 2020 to resolve the lack of manpower issue. Seen the Registration Card of employment for the total 12 workers. The implementation of the corrective action was found effective. Thus, the major non-conformance was closed on 12/01/2021.
Verification Statement:	<u>ASA 3 verification:</u> Sedenak POM has obtained JTK approval Ref No: BHG.PU/9/134 Jld 34(14) dated 09/12/2020 for overtime allowed is up to 130 hours only per month. Thus, previous Major NC remain closed.

Non-Conformity Report			
NCR Ref #:	1971590-202009-M2	Issue Date:	15/10/2020
Due Date:	15/01/2021	Date of Closure:	13/01/2021
Area/Process:	Sedenak Palm Oil Mill	Clause & Category (Major / Minor)	MSPO 2530 Part 3: 4.4.5.9 Major
Clause:	4.4.5.9		
Requirements:	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.		
Statement of Nonconformity:	Deduction of wages for water and electricity is not in accordance to permit issued from JTK Johor.		
Objective Evidence:	Ulu Tiram Estate: Reviewed the payslips of workers in Ulu Tiram Estate found that the management has made deduction of wages for electricity and water bill more than the allowable limit from Jabatan Tenaga Kerja Negeri Johor as stated in permit with Ref. No.: TK(NJ)U-21 dated 09/08/2018. The maximum for deduction is RM 10/ single and RM		

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	<p>50/ family for water bill and RM 20/ single and RM 60/ family for electricity. Sampled of the workers' payslips for deduction for August 2020 as below:</p> <table border="1"> <thead> <tr> <th>Employee No.</th> <th>Water Bill</th> <th>Electricity Bill</th> </tr> </thead> <tbody> <tr> <td>601605</td> <td>RM 49.90</td> <td>RM 29.80</td> </tr> <tr> <td>601571</td> <td>RM 12.10</td> <td>RM 20.50</td> </tr> <tr> <td>601625</td> <td>RM 13.70</td> <td>-</td> </tr> <tr> <td>601591</td> <td>-</td> <td>RM 29.00</td> </tr> <tr> <td>601533</td> <td>-</td> <td>RM 29.70</td> </tr> <tr> <td>601557</td> <td>-</td> <td>RM 29.00</td> </tr> </tbody> </table>	Employee No.	Water Bill	Electricity Bill	601605	RM 49.90	RM 29.80	601571	RM 12.10	RM 20.50	601625	RM 13.70	-	601591	-	RM 29.00	601533	-	RM 29.70	601557	-	RM 29.00
Employee No.	Water Bill	Electricity Bill																				
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601625	RM 13.70	-																				
601591	-	RM 29.00																				
601533	-	RM 29.70																				
601557	-	RM 29.00																				
Corrections:	The management to discuss with JTK Negeri Johor on the possibilities to amend the statement coordinated with company intentions. The respective HCMD, UTE and SQD met JTK official on 18/10/2020 to rectify the permit.																					
Root cause analysis:	Misinterpretation on the statement of allowable deduction limit as per permits issued by Jabatan Tenaga Kerja Negeri Johor.																					
Corrective Actions:	Estate management to monitor on the allowable deduction limit made to workers. c. The estate will review the calculation template for water and electricity charging. This will guide the data transfer to pay slip.																					
Assessment Conclusion:	<p>The management of Ulu Tiram Estate has re-applied the permit from <i>Pejabat Tenaga Kerja Johor Bahru</i> on the deduction of wages for both electricity and water bill from the workers with the subsidize of 4.77m³ for water bill and 50kwh for electricity bill. Seen the letters dated 20/10/2020 with consent letters from the workers for deduction and received by the authority on 10/11/2020. Besides, seen the summary template for water and electricity bill for December 2020 and the payslips for December 2020 was found no deduction was made more than the allowable limit. The balance of the bill was absorbed by the management. Sampled the payslips as below:</p> <ol style="list-style-type: none"> Employee No.: 601605 Employee No.: 601523 Employee No.: 601511 Employee No.: 601513 Employee No.: 601531 <p>The implementation of the corrective action was found effective. Thus, the major non-conformance was closed on 12/01/2021.</p>																					
Verification Statement:	<p><u>ASA 3 verification:</u></p> <p>Deduction for water and electricity in the payslip was based on the amount subsidized (e.g. water for 30 gallon and electricity up to 50kWh per person) which was stated in the employment contract. Thus, previous Major NC remain closed.</p>																					

Opportunity For Improvement			
Ref:	1971590-202009-I1	Clause:	MSPO 2530 Part 3: 4.3.1.1
Area/Process:	Sedenak Estate and Ulu Tiram Estate		
Objective Evidence:	Sedenak Estate and Ulu Tiram Estate's management to follow up with the status of permit renewal for the workers of contractor to ensure they have valid permit during the period working in the plantation.		

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Verification Statement:	<u>ASA 3 verification:</u> Contractor workers has obtained valid permit during working in the plantation.
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Opportunity For Improvement																																	
Ref:	1971590-202009-12	Clause:	MSPO 2530 Part 4: 4.5.2.3																														
Area/Process:	Sedenak POM																																
Objective Evidence:	Noted management using shell as renewable energy and the management should further improved on the monitoring usage of renewable energy.																																
Verification Statement:	<u>ASA 3 verification:</u> Verified shell and fiber has been record and monitored by mill. The data of 2020 and 2021 were verified and found in order. <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">2020</th> <th colspan="3">2021</th> </tr> <tr> <th>Produce</th> <th>Despatch</th> <th>Boiler</th> <th>Produce</th> <th>Despatch</th> <th>Boiler</th> </tr> </thead> <tbody> <tr> <td>SHELL</td> <td>26,621.81</td> <td>3,603.07</td> <td>23,018.74</td> <td>25,575.07</td> <td>1,947.51</td> <td>23,627.56</td> </tr> <tr> <td>FIBRE</td> <td>57,869.26</td> <td>6,515.19</td> <td>51,354.07</td> <td>56,986.62</td> <td>4,800.16</td> <td>52,186.46</td> </tr> </tbody> </table>							2020			2021			Produce	Despatch	Boiler	Produce	Despatch	Boiler	SHELL	26,621.81	3,603.07	23,018.74	25,575.07	1,947.51	23,627.56	FIBRE	57,869.26	6,515.19	51,354.07	56,986.62	4,800.16	52,186.46
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Opportunity For Improvement			
Ref:	1971590-202009-13	Clause:	MSPO 2530 Part 3: 4.4.4.2
Area/Process:	Asam Bubok Estate, Sedenak Estate, Asam Bubok Estate and Ulu Tiram Estate		
Objective Evidence:	Asam Bubok Estate: HIRARC could be further reviewed to reflect the current situation such as spraying activity. Sedenak Estate, Asam Bubok Estate and Ulu Tiram Estate: The management could enhance the drill to other emergency such as accident.		
Verification Statement:	<u>ASA 3 verification:</u> 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 & health incident or accident.		

3.4 Summary of the Nonconformities and Status

CAR Ref.	Clause & Category (Major / Minor)	Issued Date	Status & Date (Closure)
1778445-201905-N1	Minor	23/05/2019	Closed on 03/10/2019
1778445-201905-N1	Minor	23/05/2019	Closed on 03/10/2019
1971590-202009-M1	Major	15/10/2020	Closed on 12/01/2021
1971590-202009-M2	Major	15/10/2020	Closed on 12/01/2021
2147538-202111-N1	Minor	22/12/2021	Open



3.5 Issues Raised by Stakeholders

IS #	Description
1	<p>Issues: School’s Representative (SK Sedenak) – They informed that they have good relationship with the management. Assistance was provided by the management whenever requested.</p> <p>Management Responses: Management will continue to maintain good relationship with the stakeholders.</p> <p>Audit Team Findings: No further issue.</p>
2	<p>Issues: Contractors – They informed that the payment was made promptly. They are aware of the complaint procedure and so far, they have no issue with the management.</p> <p>Management Responses: The management will ensure the payment will be made accordingly.</p> <p>Audit Team Findings: No other issue.</p>
3	<p>Issues: Workers’ Representatives – The workers are satisfied with the management and they informed that their wages have achieved Minimum Wage Order 2020. They are aware of the complaint procedure. No discrimination from the management. Gender Committee Representatives – No sexual harassment or violence case reported during the time of assessment. They are aware of the function of the committee and informed that no discrimination from the management regardless of gender.</p> <p>Management Responses: The management will ensure comply with legal requirements and respect all the workers without discrimination.</p> <p>Audit Team Findings: No other issue.</p>
4	<p>Issues: JKKP – They informed that the company shall comply with OSH Requirement. Visit by DOSH were conducted and mill operation found comply with the requirement.</p> <p>Management Responses: The management takes note on the requirement and will comply accordingly.</p> <p>Audit Team Findings: No further issue.</p>

3.6 List of Stakeholders Contacted

<p>Government Officer: JKKP Officer</p>	<p>Community/neighbouring village: SK Sedenak</p>
<p>Suppliers/Contractors/Vendors: Kulim Green Energy Ventures Fong Chong Engineering</p>	<p>Worker’s Representative/Gender Committee: Workers Representative Gender Committees</p>

Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Sedenak Palm Oil Mill and Estates Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Sedenak Palm Oil Mill and Estates Certification Unit is approved and/or continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: SALASAH ELIAS	Name: NOR HALIS ABU ZAR
Company name: KULIM (MALAYSIA) BERHAD	Company name: BSI SERVICES MALAYSIA SDN BHD
Title: DEPUTY GENERAL MANAGER	Title: CLIENT MANAGER
Signature: 	Signature: 
Date: 12.01.2022	Date: 10/01/2022

Appendix A: Summary of the findings by Principles and Criteria

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	A policy for the implementation of MSPO shall be established. - Major compliance -	The management of Kulim (M) Berhad has established internal policy for implementation of MSPO and has been documented in the document title "Kulim Malaysia Berhad, Malaysian Sustainable Palm Oil Policy" dated 01/10/2021 that has been signed by managing director, Mohd Faris Adli Shukery. 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 of the policy for Basir Ismail Estate has been done on 16/11/2021 and for Bukit Layang Estate, It has been done on 04/07/2021 for all the workers during the morning briefing.	Complied
4.1.1.2	The policy shall also emphasize commitment to continual improvement. - Major compliance -	Mentioned also in the policy that the management of Kulim (M) Berhad is committed to achieve balance between people, planet and profit in all management decision and operation through continual program in line with the commitment to produce sustainable palm oil products.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	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	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	<p>was planned to be conducted at the frequency at least once within 12 months (before the expiry of the certificate).</p> <p>There is evidence that the internal audit has been conducted on annual basis. Audit plan for Siang Complex (Basir Ismail Estate and Bukit Layang Estate) has been prepared by Munira Rahim on 21/10/2021 and 10/06/2021 and approved 21/10/2021 which consist 6 persons that has been led by Mr Mohd Zahir Mohamaed Said. The internal audit has been done from 31/10/2021 until 07/11/2021. While for Sedenak Complex, the internal audit has been prepared on 10/06/2021 and the audit has been done on 27/06/2021 until 30/06/2021.</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>The outcome of the audits has been compiled in the document title "Internal audit, non-conformance report". The audit results were signed accepted by the estate manager.</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>For Basir Ismail Estate, there is 1 non-conformity has been raised regarding waste management has not been properly implemented where schedule waste has been stored more than 180 days. Corrective action plan has been established and estimated to complete in December 2021.</p> <p>No nonconformities raised for Kuala Kabong Estate and Bukit Layang Estate.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	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. The outcome of the audits has been compiled in the document title "Internal audit, non-conformance report". The audit results have been signed accepted by the estate manager	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	The management of Kulim (M) Berhad has established internal procedure for management review and has been document in the document number SQD/SMS/3.1 dated 01/08/2020 title "Management review". Mentioned in the procedure that management review needs to be conducted at least once a year. For Basir Ismail Estate, management review has been done on 08/11/2021 with attendance on 26 persons chaired by the estate manager, Mr Farouk Zaki Zakaria. The minutes meeting has been prepared by Mr Rezwan Syahlan and approved by estate manager. Management review meeting for Kuala Kabong Estate has been done on 20/08/2021 attended by 14 persons and chaired by the estate manager, Mr Mohd Shukri bin Yahya. Issues that has been discussed during the management review are internal/external audit findings, any complaint and grievances, continual improvement, customer feedback, and performance/effectiveness of the sustainable management system. End of management review has conclude that certification systems have been effectively implemented.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>Continuous Improvement Plans 2021 were available at all the operating units and verified as below:</p> <p><u>Kuala Kabong Estate</u></p> <ol style="list-style-type: none"> 1. Occupational Safety and Health <ul style="list-style-type: none"> - Install safety signage at workstations - Install fire resistance door for chemical store 2. Social <ul style="list-style-type: none"> - Repair workers quarters - Repainting workers quarters - Upgrading surau (build toilet and wuduk area) - Repair water tank flushing and cleaning 3. Environmental <ul style="list-style-type: none"> - Install warning sign at HCV spots. <p><u>Basir Ismail Estate</u></p> <ol style="list-style-type: none"> 1. Occupational Safety and Health <ul style="list-style-type: none"> - Install safety signage at linesite and main road - Replacement of wooden door to mild steel door for chemical store - Installation of safety features at steel loading ramp. 2. Social <ul style="list-style-type: none"> - Replacing Bare Cable to ABC insulated cable - Upgrading works of 16 unit workers quarters 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Repair workers quarters - Repainting workers quarters - Desludging latrines 3. Environment <ul style="list-style-type: none"> - Install warning sign at HCV spots - Mucuna planting at terrace area at P18 - Desilting Drain at P00, P03, P04. 	
4.1.4.2	<p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p>- Major compliance -</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. Since the last assessment, there has been no opportunity to adopt new technology.</p>	Complied
4.1.4.3	<p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.</p> <p>- Major compliance -</p>	<p>Since the last assessment, there has been no opportunity to adopt new technology at the sampled estates.</p>	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	<p>The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.</p>	<p>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</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	transparency, types of information/document that can be request, and the mechanism to request any information or document.	
4.2.1.2	<p>Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p>- Major compliance -</p>	<p>The management of Kulim (M) Berhad has established internal procedure for transparency and has been documented in the document title "Transparency" document number SQD/SMS/1.0 dated 01/08/2020. The procedure has outlined the person responsible for transparency, types of information/document that can be request, and the mechanism to request any information or document.</p> <p>In clause 4, has listed all the document/information that can be requested by the interested parties but not limited to such as:</p> <ul style="list-style-type: none"> a. Land title/ user rights b. Occupational safety and health plan c. HCV documentation d. Detail of complaint or grievances. e. Details of complaints or grievances f. Continuous improvement plan g. HCS documentation 	Complied
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	<p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p>- Major compliance -</p>	<p>Procedure for 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.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<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>	
4.2.2.2	<p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p>- Minor compliance -</p>	<p>The management of Basir Ismail Estate has appointed Mr Redzwan bin Syahlan as social staff that responsible for any communication and consultation and has been verified based on the appointment letter dated 16/06/2021 signed by the estate manager, Mr Farouk Zaki Zakaria.</p> <p>Puan Jahlelah has been appointed as social person in-charge for Kuala Kabong Estate and has been verified base on the appointment letter dated 01/08/2021 and for Bukit Layang Estate, Mr Khairi Bin Md Sah as per appointment letter dated 01/01/2021.</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>- Major compliance -</p>	<p>List of stakeholders for each estates has been established and documented in the document title "List of stakeholder (internal and external) 2021. The list has been categorize into different category which are contractor, suppliers, government agency and internal stakeholders.</p> <p>For Basir Ismail Estate, internal stakeholder has been categorize into different category such as village, school, worship, Nam Heng clubs, Kulim Eco trail retreat, shop and Selai Cattle Sdn Bhd.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>While for Bukit Layang estate, external stakeholders has been categorize into different categorize which are hospital and clinic and suppliers. The list has been updated on 01/11/2021.</p> <p>Communication with stakeholders has been done during the stakeholders consultation dated 18/10/2021 with attendance of 10 stakeholders.</p>	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).</p> <p>- Major compliance -</p>	<p>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.</p>	Complied
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>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.</p>	Complied
4.2.3.3	<p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>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].</p>	Complied
4.2.3.4	<p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p>- Major compliance -</p>	<p>Deliveries of FFB to mill is recorded in the crop book, which has the information about:</p> <ul style="list-style-type: none"> - date of delivery - transporter identity no. - dispatch ticket no. 	Complied

Criterion / Indicator		Assessment Findings	Compliance												
		<ul style="list-style-type: none"> - mill weighbridge ticket no. - field no. (origin of the FFB) - weight delivered (MT) <p>All the data will be registered in the estate’s accounting system for compilation. Sample of weighbridge ticket as below:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Date</th> <th>Ticket No.</th> <th>Lorry No.</th> <th>Weight, Mt</th> </tr> </thead> <tbody> <tr> <td>28/10/2021</td> <td>P0152983</td> <td>JFC5415</td> <td>6.23</td> </tr> <tr> <td>23/09/2021</td> <td>423161</td> <td>JTX9020</td> <td>34.27</td> </tr> </tbody> </table>	Date	Ticket No.	Lorry No.	Weight, Mt	28/10/2021	P0152983	JFC5415	6.23	23/09/2021	423161	JTX9020	34.27	
Date	Ticket No.	Lorry No.	Weight, Mt												
28/10/2021	P0152983	JFC5415	6.23												
23/09/2021	423161	JTX9020	34.27												
4.3 Principle 3: Compliance to legal requirements															
Criterion 4.3.1 – Regulatory requirements															
4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>Sedenak Certification Unit is continues to ensure compliance towards all applicable local, national and ratified international laws and regulations. The compliances is guided by the document Sustainable Management System; Compliance To Legal Requirement; Document Number: SQD/SMS/2.0; Document Date: 01/08/2020; Issue: 01. Among permit and license sampled were:</p> <p><u>Basir Ismail Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License; License Number: 501258102000; Estate Area: 3196.63 Ha; License Validity Period: 01/04/2021 – 31/03/2022. 2. Permit Barang Kawalan Berjadual; Reference Number: KPDKK.J.KTG/PERMIT 0153 (PD); P Serial Number: J 000208; Description: Diesel (10,000 Litres); Permit Validity Period: 29/12/2020 – 28/12/2021. 3. Air Compressor License; Registration Number: JH PMT 24676; License Expiry Date: 29/03/2022. 	Complied												

Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Kuala Kabong Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License; License Number: 503896302000; License Validity Period: 01/04/2021 – 31/03/2022; Estate Area: 1718.32 Ha. 2. Permit Barang Kawalan Berjadual; Reference Number: KPDNHEP.J-JB/26/5A/11/851 (P/D0 (13); Serial Number: P(J 000100); Description: Diesel (8,000 Litres), Petrol (400 Litres); Permit Validity Period: 10/05/2021 – 09/05/2024. 3. Air Compressor License; Registration Number: JH PMT 22737; License Expiry Date: 29/03/2022. <p>For Basir Ismail Estate, sample of licence and permit related workers has been taken and verified. Details as per below: Salary deduction permit dated 18/01/2012 and 27/08/2012 for surau, sport club, khairat, electricity, AMESU, tabung haji and khairat insuran skim. Mentioned in the permit that deduction must not exceeds 50% of monthly income and 75% if included housing loan. Agreement letter need to be signed by the workers and kept.</p>	
4.3.1.2	<p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p>- Major compliance -</p>	<p>The applicable laws are listed in “Kulim Group Compliance Framework”. The list is also used to record the status of compliance.</p> <p>Among the applicable legal laws registered are EQA, OSHA, Employment Act, Workers’ Minimum Standard of Housing and Amenities Act, Minimum Wages order 2020 etc. Other related legal for COVID-19 pandemic under Prevention and Control of Infectious Diseases (Measure Within the Infected Local Areas) Regulation 2020 was also has been identified.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	Among the medium used in updating the legal register were websites, subscription to legal information provider and mass media.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	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) to be the person responsible to monitor compliance and to track and update the changes in regulatory requirements. The letter was from the Head of Governance Division of KMB.	Complied
Criterion 4.3.2 – Lands use rights			
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	There is evidence that the management has ensure that their oil palm cultivation activities do not diminish the land use rights of other users. It has been verified based on the land title and interview with the stakeholders. For Basir Ismail Estate, total 28 land title has been listed and sample has been taken and verified. Details as per below: a. Lot 1519 area 1607.391Ha, Freehold, Kulim (M) Berhad b. Lot 853 area 18.7673Ha, Freehold, Kulim (M) Berhad c. Lot 1419 area 1061.49Ha, Freehold, Kulim (M) Berhad d. Lot 697 area 2.1701Ha, Freehold, Kulim (M) Berhad e. Lot 856 area 14.7836 Ha, Freehold, Kulim (M) Berhad While for Kuala Kabong Estate, total 1718.2174 Ha under land title H. S (D) 71140 PTD 35021 dated 20/09/2017 leased for 99 years until 16/08/2021.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Bukit Layang Estate has total 12 land title with total hectarage of 471.4023 Ha. Total 73.6452Ha been acquired Jabatan Air Negeri Johor and current total area is 397.7571. Details of samples land title as per below</p> <ul style="list-style-type: none"> a. Lot 293 total hectare 0.951Ha freehold b. Lot 283 total hectare 1.3582Ha freehold c. Lot 778 total hectare 6.0222 Ha freehold. 	
4.3.2.2	<p>The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.</p> <p>- Major compliance -</p>	<p>There is evidence of legal ownerships for each estate based on the land title provided and has been verified during the audit.</p> <p>For Basir Ismail Estate, total 28 land title has been listed and sample has been taken and verified. Details as per below:</p> <ul style="list-style-type: none"> a. Lot 1519 area 1607.391Ha, Freehold, Kulim (M) Berhad b. Lot 853 area 18.7673Ha, Freehold, Kulim (M) Berhad c. Lot 1419 area 1061.49Ha, Freehold, Kulim (M) Berhad d. Lot 697 area 2.1701Ha, Freehold, Kulim (M) Berhad e. Lot 856 area 14.7836 Ha, Freehold, Kulim (M) Berhad <p>While for Kuala Kabong Estate, total 1718.2174 Ha under land title H. S (D) 71140 PTD 35021 dated 20/09/2017 leased for 99 years until 16/08/2021.</p> <p>Bukit Layang Estate has total 12 land title with total hectarage of 471.4023 Ha. Total 73.6452Ha been acquired Jabatan Air Negeri Johor and current total area is 397.7571. Details of samples land title as per below</p> <ul style="list-style-type: none"> a. Lot 293 total hectare 0.951Ha freehold b. Lot 283 total hectare 1.3582Ha freehold 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		c. Lot 778 total hectare 6.0222 Ha freehold.	
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>Procedure of boundary marker placement has been outlined based on the memo from Senior Manager, estate operations department-Malaysia dated 01/11/2007. Mentioned in the memo that estates need to mark the boundary using concrete pole and painted with red and white stripe.</p> <p>Legal perimeter boundary markers has been clearly demarcated and visibly maintained for all estates and has been verified based on the sample photo that has been provided the auditor.</p> <p>Total 88 boundary stone has been established by the management of Basir Ismail Estate and has been marked in the estate map. While for Bukit Layang Estate, total 40 boundary stone has been established and mark in the map title "Boundary stone placement".</p>	Complied
4.3.2.4	<p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).</p> <p>- Minor compliance -</p>	<p>The management of Kulim (M) Berhad has established internal procedure for land dispute in the document title Land encroachment: document number PROP/MP/5 dated 20/10/2014 and revised on 09/06/2020. The procedure has outline the process if there is any encroachment or land dispute has been identified.</p> <p>There is no disputes has been verified based on documentation and interview.</p>	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	<p>Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.</p> <p>- Major compliance -</p>	<p>As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.</p>	N/A

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available. - Minor compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	N/A
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	N/A
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	<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. The outcome of the assessment has been documented in the document title Daftar Impak Sosial Kulim (Malaysia) Berhad 2021.</p> <p>For Basir Ismail Estate, total 2 negative issues has been identified which are monitoring of the price list of groceries store which will be done once in every 3 months and late renewal of workers permit. Management plan has been established for both and negative outcome.</p> <p>For Kuala Kabong Estate, total 3 negative issues has been highlighted in the document "Pelan Pengurusan Sosial bagi Ladang Kuala Kabong" dated 06/09/2021. Issues that has been highlighted such as increase of the grocery price, improvement in line site inspection report and late permit renewal. Management plan has been established.</p> <p>Issues highlighted in Appendix 2 "Daftar Impak Sosial bagi Ladang Bukit Layang 2021 reviewed on 08/09/2021 with one (1) negative</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		impact was identified due to late renewal process for foreign workers permit. Action plan was identified with person in-charge to monitor each issues were appointed.	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	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.	Complied
4.4.2.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties. - Major compliance -	Based on the procedure, the Company's dispute resolution mechanism needs to resolve as per 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 10/9/2020 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. For Basir Ismail Estate and Bukit Layang Estate, there is no complaint has been received since 2019 where has been verified from the enquiry register logbook.	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.	Complaint and suggestion box have been established by the management at the office and complaint/suggestion form has been made available nearby the box.	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -		
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Training for complaint procedure has been done for all workers in Basir Ismail Estate dated 01/07/2021 during the muster call while for stakeholders, it has been done during the stakeholders' consultation on 18/10/2021. For Bukit Layang Estate, briefing for workers were conducted during muster call on 11/01/2021.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	There is evidence that complaint and resolutions for the last 24 months has been maintained by the management for each estate and verified since year 2018.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Growers should contribute to local development in consultation with the local communities. - Minor compliance -	The management of Kulim (M) Berhad has contribute chicken to all workers during the Eid Fitri for all estates and has been verified based on the photo and document that has been provided. Other than that, the management for all estates all provide food basket for all family that has been identified COVID-19 positive which include eggs, rice, cooking oil, flour and sugar. For Basir Ismail Estate, sighted donation to Sekolah Kebangsaan Nam Heng for class decoration and to Kota Tinggi District Police station. For Kuala Kabong Estate, donation to Persatuan Belia (MBFM) Felda Bukit Batu for Ihya Ramadhan has been done on 12/04/2021 and to Pertubuhan Kami Anak Felda Malaysia (KAF). Bukit Layang Estate – Food/Sundry donation to personnel suspected positive covid-19 verified as per payment voucher dated 26/01/2021	Complied

Criterion / Indicator	Assessment Findings	Compliance
Criterion 4.4.4: Employees safety and health		
<p>4.4.4.1 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 01/10/2021 has been established which in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139). It was signed by the Managing Director of KMB. 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 http://www.kulim.com.my/ourpolicy.aspx?p_Id=0&c_Id=2097</p>	<p>Complied</p>
<p>4.4.4.2 The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: <ul style="list-style-type: none"> i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety 	<ul style="list-style-type: none"> 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 by the Managing Director of Kulim (Malaysia) Berhad. Among the method of communication are through morning muster briefing, training, and display on notice boards. 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 & health incident or accident. <p>Chemical Health Risk Assessment was conducted in compliance to the OSHA Act 1994 and the Use and Standard of Exposure of Chemicals Hazardous to Health (USECHH) Regulations 2000 to assess the risks associated to hazardous chemicals used in the estate. The CHRA reports were available in the sampled estates as below:</p> <p><u>Bukit Layang Estate:</u></p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
	<p>Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p> <p>The Chemical Health Risk Assessment Report (Ref. Number: JKPP HQ/03/ASS/00/154-2021/052) conducted by QMSPRO Sdn Bhd on February 2021 was available for verification.</p> <p>Medical Surveillance was conducted for workers exposed to chemicals and welding fumes in the estate as recommended in the CHRA. The medical surveillance was conducted to monitor the level of exposure on the workers towards the chemicals and fumes.</p> <p>Medical Surveillance was conducted on 06/10/2020 at Wellness Centre KPJ Bandar Dato Onn for estate workers, namely sprayers, workshop attendants, and manurers who have been exposed to chemicals and fumes. Results found in order. For 2021, report yet to receive.</p> <p>Noise Risk Assessment Report (NRA) was conducted in compliance to Occupational Safety & Health (Noise Exposure) Regulations 2019 in the estates. The NRA Reports were available in the sampled estates as below.</p> <p>Bukit Layang Estate – Assessment conducted on 06/12/2021 by Kulim Safety Sdn Bhd. The assessment report (Ref. No: HQ/LPROYKPEB/20/00183) was available for verification.</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"> - Training on manuring-manual application, dated 09/09/2021 (Basir Ismail), 24/03/2021 (Kuala Kabong) - Training on spraying, dated 02/08/2021 (Basir Ismail), 24/09/2021 (Kuala Kabong) 	

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Criterion / Indicator		Assessment Findings	Compliance																								
		<ul style="list-style-type: none"> - Chemical handling, dated 31/12/2021 (Basir Ismail), 04/01/2021 (Kuala Kabong), 15/07/2021 (Bukiy Layang) - Training on manuring-Buffer zone area (Bukit Layang) dated 03/08/2021. <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"> - Weed & Pest Usage and Application Control - Fertilizer Usage & Application Control <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 & Health) Chairman</p> <p>g) Records were available confirming that quarterly OSH meetings had been held by the estate which involved the employees and contractors. The date of last four meetings are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th rowspan="2">OU</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>Basir Ismail</td> <td>06/09</td> <td>05/05</td> <td>12/01</td> <td>28/12</td> </tr> <tr> <td>Kuala Kabong</td> <td>29/08</td> <td>27/05</td> <td>25/02</td> <td>19/11</td> </tr> <tr> <td>Bukit Layang</td> <td>21/09</td> <td>14/06</td> <td>18/03</td> <td>21/12</td> </tr> </tbody> </table>	OU	Quarter and dates				03/2021	02/2021	01/2021	04/2020	Basir Ismail	06/09	05/05	12/01	28/12	Kuala Kabong	29/08	27/05	25/02	19/11	Bukit Layang	21/09	14/06	18/03	21/12	
OU	Quarter and dates																										
	03/2021	02/2021	01/2021	04/2020																							
Basir Ismail	06/09	05/05	12/01	28/12																							
Kuala Kabong	29/08	27/05	25/02	19/11																							
Bukit Layang	21/09	14/06	18/03	21/12																							

Criterion / Indicator		Assessment Findings	Compliance
		<p>h) The handling of accident and emergency are addressed in "Prosedur Kemalangan" [KULIM/PKS/OSH-1, rev. 1, dated 01/03/2021] and "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 14/11/2021 (Basir Ismail), 03/02/2021 (Kuala Kabong) and 14/11/2021 (Bukit Layang).</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 some of the sampled estates – LBI-0, LKK-4, LBL-0. The management has taken necessary action in term of reporting to the authority and addressing the accident causes based on investigation. JKPP 8 report was submitted on January 2021. Sample taken or Bukit Layang Estate submitted on 04/01/2021 with reference number JKPP8/65830/2021.</p>	
Criterion 4.4.5: Employment conditions			
4.4.5.1	<p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p>- Major compliance -</p>	<p>The management of Kulim (M) Berhad has established internal policy for good social practice in the policy title Kulim (Malaysia) Berhad, sustainability policy dated 01/10/2021 signed by the Managing Director, Mohd Faris Adli Shukery. Stated in the policy the management is committed to ensure and protect the right of all people directly and indirectly impact by the operation. Other than that, the management will respect, support and protect international human</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		right against violence, threats, all form of retaliation and contribute to the effective elimination of all forms of violations of human rights.	
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance -	As per mentioned in the sustainability policy dated 01/10/2021, Kulim Malaysia Berhad does not engage in origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.	Complied
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance -	For all estates audited, sample of pay slips has been reviewed for verification. Base on sample there is evidence that all workers has been paid base on minimum wages. Such as for Bukit Layang Estate for month of March, June and September 2021 sample of payslips for employees number: 619135, 619114, 619129, 619088, 619142, and 619141 was sampled.	Complied
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance -	There is evidence that all employees of contractor has been paid based on local regulations and has been verified by the auditor. Employment contract, payslips, SOCSO and EPF has been reviewed. Contractor worker payslips for Bukit Layang Estate was checked such as Mansur and Murni (tractor driver) for month of May and July 2021.	Complied
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment. - Major compliance -	There is evidence that the management of all estates has established records of information for all the workers in the document list employee which contain information such as employee number, name, job description, passport/identification card number, date of birth and date entry. The list has categorized the workers based on origin of the workers which are Indonesia, Bangladesh and Malaysia.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.6 All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>For all estates audited, sample of pay slips has been reviewed for verification. There is evidence that employment contract has been signed by both parties, management and employee. Stated in the employment contract position of the workers, salary, overtime, working hours, resting hour, annual leave and contract period.</p> <p>Employment contract for Bukit Layang Estate verified as follow: 619135, 619114, 619129, 619088, 619142 and 619141 including contractor workers employment contract (e.g. Soko SK Enterprise).</p> <p>Other than that, mentioned types of deduction that will be done on mainly basis. Details as per below:</p> <ul style="list-style-type: none"> 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 35 gallon per workers. <p>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.</p>	<p>Complied</p>
<p>4.4.5.7 The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p>- Major compliance -</p>	<p>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 logbook 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>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.4.5.8	<p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p>- Major compliance -</p>	<p>As per mentioned in the employment contract, stated that working hours is from 6.30am until 230pm. Mentioned also breaking hours is from 11.00am-11.30am.</p> <p>Stated in the contract also, rate for overtime which stated 1.5 for normal hour's 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 lo 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
4.4.5.9	<p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p>- Major compliance -</p>	<p>There is evidence that Wages and overtime payment documented on the pay slips is in line with legal requirement. It has been verified based on the samples that has been taken for all estates.</p> <p>Employment contract for Bukit Layang Estate was verified for the month of March, June and September 2021 as follow: 619135, 619114, 619129, 619088, 619142 and 619141 including contractor workers employment contract (e.g. Soko SK Enterprise).</p> <p>Deduction for water and electricity in the payslip was based on the amount subsidized (e.g. water for 30 gallon and electricity up to 50kWh per person) which was stated in the employment contract. Thus, previous non-conformance raised was effectively closed.</p>	Complied
4.4.5.10	<p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p>- Minor compliance -</p>	<p>Workers of estates under Kulim (M) Berhad receive various social benefits and this include free housing with amenities such as football field, badminton/takraw fields, surau/mosque, free medical treatment for workers and their dependents as well as creche facilities. Water and electricity were subsidized for 30 gallons and 50kWh per person and stated in the employment contract.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.11 In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p>- Major compliance -</p>	<p>Based on the photo that has been provided, there is evidence that it is habitable and have basic amenities and facilities. Water and electricity were subsidized for 30 gallon and 50kWh per person and stated in the employment contract.</p> <p>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.</p> <p>There is evidence line site inspection has been conducted on weekly basis based on the records that has been provided.</p>	<p>Complied</p>
<p>4.4.5.12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>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.</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>For Kuala Kabong Estate, sighted minutes meeting that has been done on 11/11/2021 with attendance of all women workers and housewife. Interview with the chairman, Puan Jahlelah has been done by the auditor to verify the effectiveness of WOW committee.</p> <p>WOW committee meeting for Basir Ismail Estate and Bukit Layang Estate was conducted on 04/01/2021.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance																		
4.4.5.13	<p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>The management respected the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. This was mentioned in the Core Labour Standard Policy dated 01 October 2021 and signed by the Managing Director. The workers have their freedom to join the NUPW. This was evident from NUPW membership subscription deductions made in the pay slips. During the interview with workers, there no evidence to show that the management had restricted its workers and staff from joining a trade union.</p>	Complied																		
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>No workers less than 16 years old will be recruited and less than 18 years old for hazardous work. Verified the document Employee Master List confirmed that all the workers employed were above 18 years old.</p>	Complied																		
Criterion 4.4.6: Training and competency																					
4.4.6.1	<p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p>- Major compliance -</p>	<p>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"> <thead> <tr> <th rowspan="2">No</th> <th rowspan="2">Trainings</th> <th colspan="3">Date</th> </tr> <tr> <th>Basir Ismail</th> <th>Kuala Kabong</th> <th>Bukit Layang</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Manuring-manual</td> <td>09/09/21</td> <td>24/03/21</td> <td>03/08/2021</td> </tr> <tr> <td>2</td> <td>Harvesting</td> <td>06/10/21</td> <td>11/02/21</td> <td>11/01/2021</td> </tr> </tbody> </table>	No	Trainings	Date			Basir Ismail	Kuala Kabong	Bukit Layang	1	Manuring-manual	09/09/21	24/03/21	03/08/2021	2	Harvesting	06/10/21	11/02/21	11/01/2021	Complied
No	Trainings	Date																			
		Basir Ismail	Kuala Kabong	Bukit Layang																	
1	Manuring-manual	09/09/21	24/03/21	03/08/2021																	
2	Harvesting	06/10/21	11/02/21	11/01/2021																	

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Criterion / Indicator		Assessment Findings					Compliance	
		3	Spraying-HCV/buffer zone	02/08/21	24/09/21	03/08/2021		
		4	Chemical handling	31/10/21	04/01/21	15/07/2021		
		5	Emergency response plan	10/02/21	03/02/21	16/05/2021		
		6	Fire drill	26/03/21	10/11/21	17/02/2021		
		7	First aid	14/11/21	03/02/21	14/11/2021		
		8	Tractor/lorry safe driving	-	19/08/21	-		
		9	Triple rinsing	31/10/21	04/01/21	23/04/2021		
		10	PPE usage	10/10/21	04/01/21	01/03/2021		
		11	Rat baiting	19/09/21	20/01/21	06/01/2021		
		12	IPM	29/04/21	-	-		
		13	Spill kit for chemicals	-	10/03/21	07/06/2021		
		Some of the trainings were delayed due to MCO.						
4.4.6.2	<p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>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
4.4.6.3	<p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>Training programmes are established on annual basis based on training needs. It is subject for review from time to time if necessary. Refer Annual Training Programme (OSH Plan) dated 24/12/2020.</p>					Complied	
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services								
Criterion 4.5.1: Environmental Management Plan								

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	Environmental Policy is available which was signed by the Managing Director dated 01/10/2021. The policy can also be found at http://www.kulim.com.my/ourpolicy.aspx?p_Id=0&c_Id=2097 Among the method of communication are through morning muster briefing, training, and display on notice boards.	Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - Major compliance -	Environmental aspects and impacts analysis were done through utilization of Environmental Risk Assessment form [e.g. form no.: KULIM-LBI-2021 (Basir Ismail), KULIM-LKK-2021 (Kuala Kabong)]. 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"> • Clinic • Compound • Harvesting • Construction • Manuring • Office • Replanting • Scheduled wastes • Storage (Chemical, fertiliser, hydrocarbon) • Chemical application • Use of machine and tractor 	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	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
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	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
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	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. Sample of training related environment as below: - <ul style="list-style-type: none"> • Manuring Application & Manure at Buffer Zone Area dated 03/08/2021 • Schedule Waste Training dated 08/08/2021 • Waste cleaning and landfill dated 21/01/2021 • IPM Training dated 06/01/2021 	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	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 sampled estates. Sample of meeting conducted at Bukit Layang Estate on 14/01/2021.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			

Criterion / Indicator		Assessment Findings	Compliance
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>Monthly records on energy consumption for non-renewable sources were kept and documented. Based on the records, the diesel consumption is as follows:</p> <p><u>Basir Ismail:</u></p> <ul style="list-style-type: none"> • 2021 – 1.33 lt/mt FFB as at October • 2020 – 1.12 lt/mt FFB <p><u>Kuala Kabong:</u></p> <ul style="list-style-type: none"> • 2021 – 0.83 lt/mt FFB as at October • 2020 – 0.96 lt/mt FFB <p><u>Bukit Layang:</u></p> <ul style="list-style-type: none"> • 2021 – 5.89 lt/mt FFB as at November • 2020 – 4.64 lt/mt FFB <p>The established baselines based on annual budget 2021 are 1.10 lt/mt FFB (Basir Ismail), 0.91 lt/mt FFB (Kuala Kabong).</p>	Complied
4.5.2.2	<p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p>- Major compliance -</p>	<p>The 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
4.5.2.3	<p>The use of renewable energy should be applied where possible.</p> <p>- Minor compliance -</p>	<p>No renewable energy used in the estate.</p>	Complied
<p>Criterion 4.5.3: Waste management and disposal</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The identification of wastes products and sources of pollution 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.	Complied
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for: a) Identifying and monitoring sources of waste and pollution b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products - Major compliance -	Waste and Pollution Management Plan 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 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.	Complied
4.5.3.3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. - Major compliance -	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. <u>Basir Ismail:</u> #2021101411GQR37U, SW404 dated 12/10/2021 #2021100112QWJKEU, SW305 dated 30/09/2021 #2021100211QEX1ZJ, SW307 dated 30/09/2021 #2021100211O4Y9MA, SW408 dated 30/09/2021 #20211002114B8YRO, SW410 dated 30/09/2021 <u>Kuala Kabong:</u>	Complied

Criterion / Indicator		Assessment Findings	Compliance
		#202108092056TYVX, SW409 dated 27/10/2021 #2021092916WAKBVZ, SW110 dated 29/09/2021 #202108091083QUVX, SW410 dated 09/08/2021 #2021080911AL85FK, SW408 dated 09/08/2021 #20210809115MYV6H, SW307 dated 09/08/2021 #202108091182LAH6, SW305 dated 09/08/2021	
4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. - Major compliance -	Empty pesticide containers at Basir Ismail Estate are disposed through scheduled waste management i.e. collected by the authorised collector. For Kuala Kabong Estate, the 20 lt empty pesticide containers are disposed as non-scheduled wastes to the authorised collector after undergoing the triple rinse procedure. Delivery receipt dated 21/11/2021 was made available for verification.	Complied
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	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 location of the landfill for both sampled estates are in accordance to the work instruction.	Complied
Criterion 4.5.4: Reduction of pollution and emission			
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Assessment of polluting activities were identified using the method mentioned in 4.5.1.2. The emission of greenhouse gases calculation was estimated using ISCC Template & RSPO PalmGHG.	Complied
4.5.4.2	An action plan to reduce identified significant pollutants and	Action plan to reduce the identified significant pollutants and emissions was documented in the Reduction of Pollution & Emission Management	Complied

Criterion / Indicator		Assessment Findings	Compliance
	emissions shall be established and implemented. - Major compliance -	Plan. The strategy to mitigate the GHG emission was established at the corporate level. Among the mitigation in planned were: <ul style="list-style-type: none"> • Methane capture and biogas generation • Reducing the reliance on synthetic fertilisers • Out-grower engagement The information is publicly available in Kulim’s Carbon Footprint Report.	
Criterion 4.5.5: Natural water resources			
4.5.5.1	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: <ol style="list-style-type: none"> Assessment of water usage and sources of supply. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. 	Water management plan was available and reviewed on regular basis. In general, among the action plan established were: <ul style="list-style-type: none"> - to avoid pollution of surface and ground water resources - to avoid wastage of water supply Source of water supply as below: - Basir Ismail Estate: SAJ Bukit Layang Estate: Water Treatment Kuala Kabong Estate: SAJ Water sampling has been conducted for water treatment at Bukit Layang Estate. Refer Water Sampling & Testing report by Decagon Lab & Analytical Testing Sdn Bhd dated 25/05/2021 with reference number LW/566/21. The implementation of water management plan was not satisfactorily demonstrated. The soft vegetation at the riparian reserves was generally well maintained. Nonetheless, based on site visit at Sg. Redan riparian zone at Basir Ismail Estate, Field No. 98A, it was observed that there was a	Minor Non Conformity

Criterion / Indicator		Assessment Findings	Compliance
	<p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p>- Major compliance -</p>	<p>portion of significant trace of herbicide spray within the zone. This is not in line with the estate’s water management plan, dated 02/01/2021. Thus, a minor non-conformity report was assigned due to this lapse.</p> <p>There was no bore hole/well used as source of water at the sampled estates.</p>	
4.5.5.2	<p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p>- Minor compliance -</p>	<p>There was no construction of bunds, weirs or dams observed.</p>	Complied
4.5.5.3	<p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p>- Minor compliance -</p>	<p>Silt pits were prepared by the roadsides to capture rainwater in order to maintain the moisture content in the field.</p>	Complied
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value			
4.5.6.1	<p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (<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),</p>	<p>The information and identification about high biodiversity value was verified through the Rapid Biodiversity Assessment by A.J.F.M. Dekker, January 2008 (Final Report Feb 2013). For Bukit Layang Estate, internal biodiversity report dated 14/03/2019 by the Sustainability & Quality Department was referred to. Based on the reports, there was no RTE identified. The management has conducted regular patrols of conservation areas, access, and boundary of estates. Signage, such as “No Hunting”, “No Fishing”, “Buffer Zone” were available.</p>	Complied

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	<p>that could be significantly affected by the grower(s) activities.</p> <p>- Major compliance -</p>		
4.5.6.2	<p>If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:</p> <p>a) Ensuring that any legal requirements relating to the protection of the species are met.</p> <p>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.</p> <p>- Major compliance -</p>	<p>Based on the biodiversity assessment reports, there was no RTE identified. Nonetheless, the management has conducted regular patrols of conservation areas, access, and boundary of estates. Signage, such as "No Hunting", "No Fishing", "Buffer Zone" were available.</p>	Complied
4.5.6.3	<p>A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.</p> <p>- Major compliance -</p>	<p>Biodiversity Improvement Plan for year 2021 was made available for verification at the sampled estates. Among the plans established were:</p> <p><u>Basir Ismail Estate</u> Bird survey - SQD department to organize bird survey dated 17/11/2011</p> <p><u>Kuala Kabong Estate</u> Water Quality - To implement water quality monitoring on monthly basis</p> <p>Encroachment control - Continuously monitor and reported the sign of encroachment</p>	Complied
<p>Criterion 4.5.7: Zero burning practices</p>			

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. - Major compliance -	Guided by the Waste and Pollution Management Plan and WI Landfill, there will be no use of fire in waste disposal and replanting activity. Based on the Agriculture Manual, palm must be felled chipped and windrowed during replanting.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. - Major compliance -	There is no areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop. Thus, this indicator was not applicable.	N/A
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws. - Major compliance -	No controlled burning noted based on the records on the land clearing and felling for the replanting at sampled estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction. Thus, this indicator was not applicable.	N/A
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched. - Minor compliance -	All the previous palms shall be felled, chipped and windrowed as stated in the Agriculture Manual. Based on site visit at several fields at the sampled estates, there was no trace of open burning observed.	Complied
4.6 Principle 6: Best Practices			
Criterion 4.6.1: Site Management			
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Kulim Estates refer to the Company's Agriculture Manual for implementation of good agriculture practices. The manual was last updated on 31/10/2017. The manual covers the following activities: <ul style="list-style-type: none"> • Replanting 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> • Roads, drains, bridges culverts & fences • construction of estates buildings • Manuring • Harvesting • Pruning and ablation • Soil conservation • Justification of chemical use • Weeds management • Integrated pest management • Plant diseases <p>Apart from routine field supervision, among other mechanisms used to monitor the implementation of the manual are as follows:</p> <ul style="list-style-type: none"> • Plantation Inspector visit • Visit from Audit, Risk Management & Compliance Dept • Agronomist visit 	
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance -	Where planting is on slope, terraces will be constructed in accordance to the guideline in the Agricultural Manual. 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.	Complied
4.6.1.3	A visual identification or reference system shall be established	All fields are marked and identified. Information like year planting (field no) and the total hectare is shown in all markers. There are both	Complied

Criterion / Indicator		Assessment Findings	Compliance																																		
	for each field. - Major compliance -	stencilled at the palm trees and displayed in signage at the boundary/corners of every fields.																																			
Criterion 4.6.2: Economic and financial viability plan																																					
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	The business or management plan for the estates were presented in the form of annual budget with 5 years projection. The annual budget contains the crop projection and the finance allocation for field operation & administrations and CAPEX. The management has their monthly progress report known as Expenditure Comment and regular meetings to monitor the expenditure to ensure the budget is not overrun.	Complied																																		
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years. - Major compliance -	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" data-bbox="1048 948 1868 1187"> <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>Basir Ismail</td> <td>322.31</td> <td>171.28</td> <td>0</td> <td>114.99</td> <td>0</td> <td>0</td> </tr> <tr> <td>Kuala Kabong</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>218.54</td> <td>395.48</td> </tr> <tr> <td>Bukit Layang</td> <td>0</td> <td>0</td> <td>0</td> <td>150.93</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Estates	Year						2021	2022	2023	2024	2025	2026	Basir Ismail	322.31	171.28	0	114.99	0	0	Kuala Kabong	0	0	0	0	218.54	395.48	Bukit Layang	0	0	0	150.93	0	0	Complied
Estates	Year																																				
	2021	2022	2023	2024	2025	2026																															
Basir Ismail	322.31	171.28	0	114.99	0	0																															
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Bukit Layang	0	0	0	150.93	0	0																															
4.6.2.3	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	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																																		

Criterion / Indicator		Assessment Findings	Compliance
	d) Price forecast e) e) Financial indicators: cost benefit, discounted cash flow, return on investment - Major compliance -		
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented. - Major compliance -	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.	Complied
Criterion 4.6.3: Transparent and fair price dealing			
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Pricing mechanism for all contractors has been clearly stated in the contract agreement with the estates. Sample of contractors has been taken and details as per below: <u>Basir Ismail Estate</u> a. Sri Thilakummar Enterprise contract number KMB/LB1/2012 b. Soko SK Enterprise KMB/LB1/2017 c. Intergated Man Sdn Bhd KMB/LB4 /2017 <u>Kuala Kabong Estate:</u> a. WW Brothers Earthworks & Enterprise KMB/ LKK 2/ 2017 b. Aura Firdhaus Agrotani Trading c. Jendela Ehsan Sdn Bhd	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<u>Bukit Layang Estate:</u> a. Soko SK Enterprise (MPSB/LBL4/189/2018 – Internal Transporting of FFB) and (MPSB/LBL1/133/2019 – Harvesting of FFB) b. Sungai Rezeki Sdn. Bhd. (MPSB/LBL2/2017 – Loading and Transporting of FFB from Ramp)	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	<u>Kuala Kabong Estate</u> Aura Firdaus Agrotani Trading Invoices dated 01/09/2021, Payment term: 60 days, Payment date: 06/09/2021 PV number 21000318 <u>Jendela Ehsan</u> Invoice number JESB/0680/2021 30/05/2021, Payment term: 60 days, Payment date 09/06/2021 PV number 21000214 <u>Bukit Layang Estate</u> Contractor: Soko SK Enterprise - Invoice Number: 7062, Term: Cash, Contract Works Progress Payment Form No: CW41650 dated 30/11/2021, Contract Work Order No: 21000077 Contractor: Sungai Rezeki - Invoice No: 01820 dated 30/11/2021, CWPP No: CW41655 dated 05/12/2021 Contract Work Order No: 21000082 dated 30/11/2021	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSP0 requirements and shall provide the required documentation and information. - Major compliance -	Sighted during the audit was the inclusion of MSP0 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 MSP0	Complied

Criterion / Indicator		Assessment Findings	Compliance
		standards. This was also acknowledged by the contractors and reiterated during the stakeholder meeting.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	There is evidence that all sample contracts have been made fair, legal and transparent and has been agreed by both parties. <u>Basir Ismail Estate</u> a. Sri Thilakummar Enterprise contract number KMB/LB1/2012 b. Soko SK Enterprise KMB/LB1/2017 c. Intergated Man Sdn Bhd KMB/LB4 /2017 <u>Kuala Kabong Estate</u> a. WW Brothers Earthworks & Enterprise KMB/ LKK 2/ 2017 b. Aura Firdhaus Agrotani Trading c. Jendela Ehsan Sdn Bhd d. RKP Enterprise <u>Bukit Layang Estate</u> a. Soko SK Enterprise (MPSB/LBL4/189/2018 – Internal Transporting of FFB) and (MPSB/LBL1/133/2019 – Harvesting of FFB) b. Sungai Rezeki Sdn. Bhd. (MPSB/LBL2/2017 – Loading and Transporting of FFB from Ramp	Complied
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required. - Minor compliance -	The auditors have been able to have access to the contractors' workers, documentations such as contracts and workers' pay slips for verification during this audit.	Complied
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the	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	Complied

Criterion / Indicator		Assessment Findings	Compliance
	<p>contractor, by checking and signing the assessment of the contractor for each task and season contracted.</p> <p>- Major compliance -</p>	<p>off spec FFB harvested. Sample of records monitoring by bunch counter has been taken by the auditor for verification.</p> <p>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</p>	
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	<p>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.</p> <p>- Major compliance -</p>	<p>There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.</p>	N/A
4.7.1.2	<p>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.</p> <p>- Major compliance -</p>	<p>There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.</p>	N/A
Criterion 4.7.2: Peat Land			
4.7.2.1	<p>New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.</p>	<p>There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.</p>	N/A

Criterion / Indicator		Assessment Findings	Compliance
- Major compliance -			
Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)			
4.7.3.1	A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations. - Major compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A
4.7.3.2	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. - Major compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A
4.7.3.3	The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed. - Major compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A
4.7.3.4	Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed. - Minor compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A
Criterion 4.7.4: Soil and topographic information			

Criterion / Indicator		Assessment Findings	Compliance
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation. - Major compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A
4.7.4.2	Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure. - Major compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A
Criterion 4.7.5: Planting on steep terrain, marginal and fragile soils			
4.7.5.1	Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws. - Major compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A
4.7.5.2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation. - Major compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A
Criterion 4.7.6: Customary land			
4.7.6.1	No new plantings are established on recognised customary land without the owners' free, prior and informed consent,	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A

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Criterion / Indicator		Assessment Findings	Compliance
	dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. - Major compliance -		
4.7.6.2	Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites. - Minor compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A
4.7.6.3	Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available. - Major compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A
4.7.6.4	The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement. - Major compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A
4.7.6.6	A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented. - Major compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A

Criterion / Indicator		Assessment Findings	Compliance
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available. - Major compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A
4.7.6.8	Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development. - Minor compliance -	There is no new planting within Sedenak Certification Unit. Thus, this indicator was not applicable.	N/A

Malaysian Sustainable Palm Oil Part 4: General Principles for Palm Oil Mills

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	The management of Kulim (M) Berhad has established internal policy for implementation of MSPO and has been documented in the document title “Kulim Malaysia Berhad, Malaysian Sustainable Palm Oil Policy” dated 01/10/2021 that has been signed by managing director, Mohd Faris Adli Shukery. Mentioned in the policy that the management is committed to implement all the requirement set out by the Malaysian Sustainable Palm Oil (MSPO) and cover all the element required.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	Mentioned also in the policy that the management of Kulim (M) Berhad is committed to achieve balance between people, planet and profit in all management decision and operation through continual program in line with the commitment to produce sustainable palm oil products.	Complied
Criterion 4.1.2 – Internal Audit			
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	Internal audit procedure has been established in the document title “Internal audit” document number SQD/SMS/3.2 dated 01/08/2020 issuance number 01. Stated in the procedure that the internal audit planned to be conducted at the frequency at least once within 12 months (before the expiry of the certificate).	Complied

Criterion / Indicator		Assessment Findings	Compliance
		There is evidence that the internal audit has planned and done on annual basis. Internal audit for Sedenak POM was conducted on 15/09/2021.	
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Internal audit procedure has been established in the document title "Internal audit" document number SQD/SMS/3.2 dated 01/08/2020 issuance number 01. The outcome of the audits has been compiled in the document title "Internal audit, non-conformance report". The audit results have been signed accepted by the estate manager. 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. For Sedenak POM, no non-conformance raised.	Complied
4.1.2.3	Reports shall be made available to the management for their review. - Major compliance -	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. The outcome of the audits has been compiled in the document title "Internal audit, non-conformance report". The audit results have been signed accepted by the estate manager.	Complied
Criterion 4.1.3 – Management Review			
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	The management of Kulim (M) Berhad has established internal procedure for management review and has been document in the document number SQD/SMS/3.1 dated 01/08/2020 title "Management review". Mentioned in the procedure that management review needs to be conducted at least once a year.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		<p>Management review for Sedenak POM was conducted on 015/10/2021 chaired by the Mill Manager (Mohd Yusof Mat) and attended by 14 personnels. The management review output recorded in meeting minutes has been prepared by Mohd Hafiz Bin Saron.</p> <p>Issues that has been discussed during the management review are internal/external audit findings, any complaint and grievances, continual improvement, customer feedback, and performance/effectiveness of the sustainable management system. End of management review has conclude that certification systems have been effectively implemented.</p>	
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p>- Major compliance -</p>	<p>Continuous Improvement Plans 2021 were available at Sedenak POM and verified as below:</p> <p><u>Sedenak POM</u></p> <ol style="list-style-type: none"> 1. Social <ol style="list-style-type: none"> a. Repaint workers quarters b. Repair Drainage at workers quarters c. CSR - Provide food basket for COVID-19 2. Environmental <ol style="list-style-type: none"> a. To install sludge dewatering system b. To install 1 units 2.5MW Steam Turbine c/w Altenator 3. OSHA <ol style="list-style-type: none"> a. To extend building at Engine Room c/w ventilation & roofing b. Resurfaced hard standing at Loading ramp 	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	Verified that Sedenak POM has been installed vertical sterilizer c/w Electrical control system and conveyors for vertical sterilizer system dated Dec 2021. Training has been conducted for the new system. Refer Hydrostatic Report dated 20/01/2021.	Complied
4.2 Principle 2: Transparency			
Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements			
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	The management of Kulim (M) Berhad has established internal procedure for transparency and has been documented in the document title "Transparency" document number SQD/SMS/1.0 dated 01/08/2020. The procedure has outlined the person responsible for transparency, types of information/document that can be request, and the mechanism to request any information or document.	Complied
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	The management of Kulim (M) Berhad has established internal procedure for transparency and has been documented in the document title "Transparency" document number SQD/SMS/1.0 dated 01/08/2020. The procedure has outlined the person responsible for transparency, types of information/document that can be request, and the mechanism to request any information or document. In clause 4, has listed all the document/information that can be requested by the interested parties but not limited to such as: a. Land title/ user rights b. Occupational safety and health plan c. HCV documentation	Complied

Criterion / Indicator		Assessment Findings	Compliance
		d. Detail of complaint or grievances. e. Details of complaints or grievances f. Continuous improvement plan g. HCS documentation	
Criterion 4.2.2 – Transparent method of communication and consultation			
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Procedure of consultation and communication has been established by the management and has been documented in the document title consultation and communication document number SQD/SMS/1.1 dated 01/08/2020 issue number 01. The procedure has categorized communication and consultation into 2 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
4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	Assistant Manager of the mill (Mr. Mohd Hafiz Bin Saron) has been appointed as Social Person In-charge as per appointment letter dated 1/01/2020.	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.	List of stakeholders for Sedenak POM was updated in November 2021. Stakeholder has been categorized into different category such as FFB Suppliers (Group Estate and Outside), Contractors, Hardware Suppliers, Service Providers, Transporters, schools,	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	nearby villages, clinics, customer, police station, BOMBA, Hospital and etc. Communication with stakeholders has been done during the stakeholder’s consultation via online meeting dated 27/10/2021 with attendance of 96 stakeholders.	
Criterion 4.2.3 – Traceability			
4.2.3.1	<p>The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.</p> <p>- Major compliance -</p>	<p>Kulim (Malaysia) Berhad has developed Traceability Procedure (Doc. No.: SQD/SMS/1.2, Issue No. 1, Rev. No.: 05 dated 01/08/2020) and RSPO Supply Chain Procedure (Doc. No.: MKD/001, Rev. 01 dated 9/10/2018). On the marketing side, Procedure title: RSPO Supply Chain; Procedure # MKD/001; Date: 9/10/2018 is referred to.</p> <p>Seen the records that included in the procedure are as below:</p> <ol style="list-style-type: none"> 1. Weighbridge tickets 2. Training records 3. Internal audit report 4. Invoice and contracts 5. Delivery and storage records 6. Daily Production Report <p>Kulim (Malaysia) Berhad has developed Traceability Procedure (Doc. No.: SQD/SMS/1.2, Issue No. 1, Rev. No.: 05 dated 01/08/2020) and RSPO Supply Chain Procedure (Doc. No.: MKD/001, Rev. 01 dated 09/10/2018).</p>	Complied
4.2.3.2	<p>The management shall conduct regular inspections on compliance with the established traceability system.</p> <p>- Major compliance -</p>	<p>Head of each operating unit has automatically appointed as person responsible for all certification. Responsibility of the person-in-charge has clearly stated in the appointment letter dated 15/09/2021.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.2.3.3	The management shall identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	Head of each operating unit has automatically appointed as person responsible for all certification. Responsibility of the person-in-charge has clearly stated in the appointment letter dated 15/09/2021.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Sedenak POM ensured the required information is available in document form. Sampled of CPO contract: CPOMB-M2018 dated 07/12/2020, quantity 500 mt (delivery month – September 2021) <ul style="list-style-type: none"> • The name and address of the buyer: XXX • The name and address of the seller: Mahamurni Plantations Sdn Bhd • The loading or shipment / delivery date: 29/09/2021 • The date on which the documents were issued: 29/09/2021 • A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations): CSPO (Mass Balance) • The quantity of the products delivered: 34.99 Mt • Any related transport documentation: Collection Order (No. 13078), Loading Note, MPOB L3 Form. • A unique identification number: Weighbridge Ticket Number – C32096 Sampled of PK contract: MPOK 2065MB dated 09/09/2020, Quantity 1000 mt (delivery month – June 2021) <ul style="list-style-type: none"> • The name and address of the buyer: XXX • The name and address of the seller: Mahamurni Plantations Sdn Bhd 	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> • The loading or shipment / delivery date: 30/06/2021 • The date on which the documents were issued: 30/06/2021 • A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations): CSPK (Mass Balance) • The quantity of the products delivered: 31.15 Mt • Any related transport documentation: Collection Order (No. 8380160018909) and Loading Note. • A unique identification number: Weighbridge Ticket Number – K08959 <p>When FFB delivered to the mill from the estate, the transporters presented FFB despatch report to the mill weighbridge clerk in order the FFB to be received by the mill.</p> <p>E.g. of information available in the FFB despatch report is as follows:</p> <p>Diversion Crop</p> <p><u>Estate’s Names: Rem Estate</u></p> <ul style="list-style-type: none"> • FFB despatch no.: DB A No. 6366 • Date of delivery: 19/09/2021 • Field No: P10, P13, P88, P04A & P14 • Lorry No: JKH 8185 • Weight: 19.180 Mt <p><u>Estate’s Names: Sungai Papan Estate</u></p> <ul style="list-style-type: none"> • FFB Despatch No: DB A No. 100614 • Date of delivery: 18/07/2021 	

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> Field No: Field P10, P03, P09A Lorry no: JSP 3312 Weight: 36.24 Mt 	
4.3 Principle 3: Compliance to legal requirements			
Criterion 4.3.1 – Regulatory requirements			
4.3.1.1	<p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>Sedenak Certification Unit is continuing to ensure compliance towards all applicable local, national and ratified international laws and regulations. The compliances is guided by the document Sustainable Management System; Compliance To Legal Requirement; Document Number: SQD/SMS/2.0; Document Date: 01/08/2020; Issue: 01. Among permit and license sampled were:</p> <p><u>Sedenak POM</u></p> <ol style="list-style-type: none"> MPOB License; License Number: 500058304000; License Validity Period: 01/01/2021 – 31/12/2021. River Water Diversion and Extraction License; License Number: 08/A/KJ/051; File Number: BAKAJ/334/300/05/02/08/1; License Expiry Date: 31/12/2021. Permit Barang Kawalan Berjadual; Reference Number: KPDNKK.J-JB/26/5A/11/1057 (P/D) (P14); Description: Diesel; Storage Quantity: 19, 100 Litres; License Validity Period: 16/01/2021 – 15/01/2024. Energy Commission – Private Installation License; License Number: LP 12/1/9/1822; License Date of Issuance: 07/06/2016; License valid for 10 years. 	Complied

Criterion / Indicator		Assessment Findings	Compliance
		5. DOE License – Compliance Schedule; License Number: 004532; License validity period: 01/07/2021 – 30/06/2022.	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. - Major compliance -	Sedenak POM has its own legal requirements register (LRR) and were being evaluated individually from time to time for compliance mainly through internal audit. Among the applicable legal laws registered are EQA, OSHA, Factory & Machinery Act, Employment Act, Workers’ Minimum Standard of Housing and Amenities Act, Minimum Wages order 2020 etc. Other related legal for COVID-19 pandemic under Prevention and Control of Infectious Diseases (Measure Within the Infected Local Areas) Regulation 2020 was also has been identified.	Complied
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	Sedenak POM unit continued to implement and maintain their established documented system for identifying, accessing, tracking updates and monitoring of compliance with the legal requirements that are applicable to the CU’s operation. Tracking system available to identify changes in the relevant regulations through head office, sustainability team, website information and the information are communicated from the Head Office. Kulim (Malaysia) Berhad have centralised system for tracking any changes in the law.	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements. - Minor compliance -	The tracking law person in-charge is Miss Handayani Bagong (RMC/COM/GM/18/10) dated 27/6/2018 who will maintained the changes in laws and updated the Legal and other requirement in Sedenak POM.	Complied
Criterion 4.3.2 – Lands use rights			

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users. - Major compliance -	Sedenak POM is located inside the land of Sedenak Estate. A copy of land title was kept in the mill. The land is belonging to Mahamurni Plantations Sdn Bhd which is subsidiary of Kulim (M) Berhad by verified the land title Lot No.: 136.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land. - Major compliance -	Sedenak POM is located inside the land of Sedenak Estate. A copy of land title was kept in the mill. The land is belonging to Mahamurni Plantations Sdn Bhd which is subsidiary of Kulim (M) Berhad by verified the land title Lot No.: 136.	Complied
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Site visit sighted the legal parameter was demarcated by fencing and the mill was located in the Sedenak Estate area which is still under the Kulim (M) Bhd.	Complied
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There is no land dispute in the mill area as this is fall under the vicinity of Sedenak Estate. The land is belonging to Mahamurni Plantations Sdn Bhd which is subsidiary of KULIM (M) Berhad by verified the land title Lot No.: 136.	Complied
Criterion 4.3.3 – Customary rights			
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	N/A
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	N/A

Criterion / Indicator		Assessment Findings	Compliance
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	As at time of visit, there was no evidence to show that any land was encumbered by customary rights or land disputes.	N/A
4.4 Principle 4: Social responsibility, health, safety and employment condition			
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	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. The outcome of the assessment has been documented in the document title Daftar Impak Social Kulim (Malaysia) Berhad 2021.	Complied
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	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).	Complied
4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	Based on the procedure, the Company's dispute resolution mechanism need to be resolve as per 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 Managing Director on 01/10/2021.	Complied

Criterion / Indicator		Assessment Findings	Compliance
		For Sedenak POM, there is no complaint has been received since 2019 where has been verified from the enquiry register logbook.	
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints. - Minor compliance -	Complaint form (Borang Aduan/Cadangan) and suggestion box have been established by the management at the office and complaint/suggestion form has been made available nearby the box. Any complaint or suggestion received was compiled in the Enquiry Register Book.	Complied
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time. - Minor compliance -	Employees and surrounding communities are aware on the communication process of complaints or suggestions. Briefing on complaint process was conducted during morning briefing and stakeholder consultation (e.g. dated 27/10/2021).	Complied
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request. - Major compliance -	Sedenak POM has implemented Request for Repair form for the workers to lodge any complaint on housing and Enquiry Register Book to record any other grievances. For employees, any complaints related to housing and facilities recorded in "Borang Aduan Kerosakan Rumah" (e.g. House Number: M31, date: 20/10/2021, Defect items: roof leaking, verified by Asst manager and repair works completed on 21/10/2021.	Complied
Criterion 4.4.3: Commitment to contribute to local sustainable development			
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation. - Minor compliance -	Sedenak POM has made contribution to the local communities such as donation to the schools' events. Records of contributions sighted such as: 1. Contribution for upgrading Surau SK Sedenak (Petty Cash Voucher No: 21000049, dated 05/10/2021, received by Muhammad Azri B Mahmood).	Complied

Criterion / Indicator		Assessment Findings	Compliance
		2. Program Ihya; Ramadhan & Program Nur Kasih Ramadhan SK Sedenak (Petty cash voucher 21000026 dated 21/04/2021 received by Mohd Norhisam B Zolkifly) 3. Contribution for upgrading Teacher's Room/Office (Petty Cash Voucher No: 21000009, dated 09/02/2021)	
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	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 by the Managing Director of Kulim (Malaysia) Berhad. Among the method of communication are through morning muster briefing, training, and display on notice boards. Annual H&S plan established by each Operating Unit are mostly implemented through Annual Training Program 2021 to address the identified health and safety risks. The emphasis is on safe work by providing <ul style="list-style-type: none"> ▪ Knowledge and skills needed to do their work safely and avoid creating hazards that could place themselves or others at risk. ▪ Awareness and understanding of workplace hazards and how to identify, report, and control them. ▪ Specialized training, when their work involves unique hazards. 	Complied
4.4.4.2	The occupational safety and health plan should cover the following: a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented.	a) Communication of the policy was sighted during morning briefing and sighted record dated 22/11/2021. The policy was communicated to the external party during online stakeholder meeting on 27/10/2021.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p>	<p>b) HIRARC was available in the mill to identify assess and provide controls for all the risks associated to the operations in the mill. Sighted the HIRARC for process and Maintenance (Reviewed on Oct 2021), Press Station (Reviewed on Oct 2021) and Ramp (Reviewed on Oct 2021).</p> <p>CHRA was conducted on 17/04/2018 – 13/08/2018 by QMSPRO Sdn Bhd (JKKP HQ/03/ASS/00/154). The CHRA Report (Report Number: JKKP HQ/03/ASS/00/154-2018/059) was available for verification.</p> <p>Medical Surveillance was conducted for mill workers on 08/11/2021 for those deemed to be exposed to hazardous chemicals and fumes.</p> <p>Noise Risk Assessment has been conducted at Sedenak POM on 30/08/2020 by Noise Risk Assessor, Noordin Bin Saian (JKKP Registration No.: HQ/18/PEB/00/00018). The NRA Report (HQ/18/PEB/00/00018 – 2020/40) was available for verification.</p> <p>Audiometric Test was conducted for workers exposed to excessive noise in the mill based on the NRA recommendations. The test have been conducted on 14 and 30/03/2021 by PAC Testing & Consulting Sdn Bhd. A total of 64 workers were tested and the results showed that 6 workers have hearing Impairment, 10 workers with NIHL and 1 worker with Standard Threshold Shift (STS). The worker with STS has been retested on 08/07/2021.</p> <p>c) Training record was review and sighted Chemical Handling Training was conducted on</p> <ul style="list-style-type: none"> i) Latihan ERP- Effluent Station dated 07/03/2021. 	

Criterion / Indicator	Assessment Findings	Compliance
<p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>ii) Chemical Safety Handling dated 29/03/2021. Site visit sighted precaution attached to product area available such as safety signage, SDS and PPE.</p> <p>d) Pesticide operators are given training on the safe handling and application of the pesticides. Suitable personal protective equipment's and application equipment provided to the operators based on the PPE issuance forms.</p> <p>e) Management established the work instruction for chemical handling as below:</p> <ul style="list-style-type: none"> i) Chemical Control (SDM/WI/17) ii) Handling of Schedule Waste (SDM/WI/5) iii) Handling of Chemical (SDM/WI/9) <p>Pesticides were found stored in the mill and all estate's Chemical Store in accordance with the Occupational Safety and Health Act 1994 (Act 514) and Pesticides Act 1974 (Act 149) and their Regulations. The stores were at all times locked and at the time of visit the storekeeper was seen to unlock the pad-lock to open entrance door for auditor to inspect the store. At the entrance door, signage requiring donning of PPE were visibly posted. The Chemical Store signage with required Hazard Symbols were available at the entrance. The facility ventilation fan was found working with adequate ventilation available, up-to-date chemical register, trade and generic names, and their Safety Data Sheet were available.</p> <p>The Chemical Registers for the mill was available for verification and reviewed yearly and as and when there are introductions of new chemicals in the operations.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>The register showed that only class III & IV pesticides were used at the mill.</p> <p>f) The Manager and Assistant Engineer of the respective Operating Units are appointed as the Chairman for Safety and Health Committee at the estate as stated in the appointment letter dated 15/09/2021 undersigned by the Chairman, ESG Committee (Occupational Safety & Health).</p> <p>g) OSHA safety meetings were conducted at an interval of 3 months at the mill to address all the OSH related issues. Sighted the meeting minutes dated 27/09/2021 (03/2021), 24/06/2021 (02/2021), 26/03/2021 (01/2021).</p> <p>h) Emergency response procedure was sighted for accident, fire and boiler dated 10/02/2008. Sighted management established the Emergency Response Team (ERT) and sighted the SOP for the chemical spillage, fire, and accident. Noted management conducted Fire Drill exercise on 07/03/2021.</p> <p>i) First Aid Training First Aid Kits were available at Boiler Station and Chemical Store. The first aid kits were well equipped with first aid items as stated in the list. All items were seen to be replenished at monitored regularly as per the monitoring checklist. The First Aid Kit holders were aware on how to use the items in case of an emergency. First Aid Training was conducted for 13 first aid kit holders on 11/08/2021 at Sedenak POM.</p> <p>j) Accident records were maintained and updated monthly at the mill. There were 1 electric shock case resulting in death at the mill for the year 2020. The accident investigation has been conducted accordingly and the JKPP 6 forms have been submitted to DOSH and available for verification. The JKPP 8</p>	

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Criterion / Indicator		Assessment Findings	Compliance																												
		<p>form have been submitted for the year ending 2020 on 19/01/2021. As for 2021 to date there were 2 accident cases in the mill. The JKPP 6 forms have been submitted to DOSH accordingly.</p> <p>Medical care is provided to all the employees by the organization. Local workers and foreign workers were covered under SOCSO scheme. Sighted the contribution form (8A) for August 2021, September 2021, and October 2021 for the mill and as below.</p> <table border="1"> <thead> <tr> <th>Operating Unit</th> <th>Month</th> <th>Total Workers</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Sedenak POM</td> <td>Aug 2021</td> <td>153</td> <td>RM 7,745.30</td> </tr> <tr> <td>Sept 2021</td> <td>151</td> <td>RM 7,817.70</td> </tr> <tr> <td>Oct 2021</td> <td>154</td> <td>RM 7,791.50</td> </tr> </tbody> </table> <p>Occupational Injuries were recorded using the Lost Time Accident metrics as below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Operating Unit</th> <th colspan="2">2020</th> <th colspan="2">2021</th> </tr> <tr> <th>Cases</th> <th>Days</th> <th>Cases</th> <th>Days</th> </tr> </thead> <tbody> <tr> <td>Sedenak POM</td> <td>1</td> <td>6000*</td> <td>2</td> <td>11</td> </tr> </tbody> </table> <p>* Death case is categorized as loss of 6000 days.</p>	Operating Unit	Month	Total Workers	Amount	Sedenak POM	Aug 2021	153	RM 7,745.30	Sept 2021	151	RM 7,817.70	Oct 2021	154	RM 7,791.50	Operating Unit	2020		2021		Cases	Days	Cases	Days	Sedenak POM	1	6000*	2	11	
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Criterion 4.4.5: Employment conditions																															
4.4.5.1	<p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p>- Major compliance -</p>	<p>The management of Kulim (M) Berhad has established internal policy for good social practice in the policy title Kulim (Malaysia) Berhad, sustainability policy dated 01/10/2021 signed by the Managing Director, (Mohd Faris Adli Shukery). Stated in the policy the management is committed to ensure and protect the right of all people directly and indirectly impact by the operation. Other</p>	Complied																												

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Criterion / Indicator		Assessment Findings	Compliance
		than that, the management will respect, support and protect international human right against violence, threats, all form of retaliation and contribute to the effective elimination of all forms of violations of human rights	
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance -	As per mentioned in the sustainability policy dated 01/10/2021, Kulim Malaysia Berhad does not engage in origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.	Complied
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance -	Employment contract was signed by the workers. Pay and conditions are documented and above the Minimum Wage Order 2020. Sampled of employment contracts confirmed that terms and conditions are clearly outlined as per NUPW/ MAPA collective agreement and have been signed by the worker. Sampled of payslip for September, October and November 2021 as below: Employee No: 615221, 615226, 615223, 615238, 615249 615251, 615260, 615270, 615356, 615448, 615523	Complied
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance -	There is evidence that all employees of contractor has been paid base on local regulations and has been verified by the auditor. Employment contract, payslips, SOCSO and EPF has been reviewed.	Complied
4.4.5.5	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.	There is evidence that the management of Sedenak POM has established records of information for all the workers in the document list employee which contain information such as employee number, name, job description, passport/identification card number, date of birth and date entry. The list has categorized	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	the workers based on origin of the workers which are Indonesian and Malaysian.	
4.4.5.6	<p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p>- Major compliance -</p>	<p>Employment contract has been taken as sample for verification. There is evidence that employment contract has been signed by both parties, management and employee. Stated in the employment contract position of the workers, salary, overtime, working hours, resting hour, annual leave and contract period.</p> <p>Sample of contract was verified as follow:</p> <ol style="list-style-type: none"> 1. Edi Jaya Saputra (B2900462) 2. Mustiari (B2594169) 3. Purwanto (B4666292) 4. Gobala Krishnan A/L Vanathrajoo 5. Norhisham B Tukimin 6. Mohamad Farid Mohd Yatim <p>Other than that, mentioned types of deduction that will be done on mainly basis. Details as per below:</p> <ol style="list-style-type: none"> 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. <p>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.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	All the daily attendance was recorded by punch card system on daily basis and overtime was recorded in the Attendance Summary Mill.	Complied
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	Interview with workers and document reviewed on the punch card as well as payslip shown that the overtime payments are in accordance to law and workers are not forced to work overtimes. (e.g. October and November 2021 with maximum overtime recorded is 130 hours) as per JTK approval Ref No: BHG.PU/9/134 Jld 34(14) dated 09/12/2020 for overtime allowed is up to 130 hours only per month. Thus, previous major non-conformance was effectively closed.	Complied
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	Wages and overtime were paid according to the "punch card system". Total hours of overtime and daily attendance has recorded in Attendance Summary Mill. Sampled of payslip for September, October and November 2021 as below: Employee No: 615221, 615226, 615223, 615238, 615249 615251, 615260, 615270, 615356, 615448, 615523 All of them above have achieved the Minimum Wage 2020.	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings. - Minor compliance -	The company provided free housing, medical treatment, training, allowance and facilities to all the workers. Besides, the management also free water and electricity supplied to each workers housing.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.5.11 In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p>- Major compliance -</p>	<p>The workers were provided with free housing facilities, free water and electricity. Estate Hospital Assistant has carried out line-site inspection on weekly basis.</p> <p>Any issues sighted during line-site inspection was recorded in the checklist with proposed action sighted. Site visit to the housing area found that the housing area are well maintained with proper waste disposal and grass cutting.</p>	<p>Complied</p>
<p>4.4.5.12 The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p>- Major compliance -</p>	<p>Kulim (Malaysia) Berhad has developed Sexual Harassment Policy dated 01/10/2021 where the company seeks to eradicate all forms of sexual harassment in the workplace and wherever possible influence the behaviour of its employees. Kulim (Malaysia) Berhad has a zero tolerance on sexual harassment. Besides, the company has established Core Labour Standard Policy dated 01/10/2021 where the company recognized and respects the right of employees of their rights and freedoms relating to reproduction and reproductive health.</p> <p>Briefing of the policy was conducted on 20/11/2021 to the workers and 27/10/2021 for stakeholders. The policy was displayed inside the office and notice board at the plant area.</p> <p>A Women on Ward (WOW) committee was established in the mill and meeting was conducted on 14/02/2021. No issue was reported during the meeting. Interviewed with the female workers in the mill confirmed that they are aware of the complaint procedure and informed that no sexual harassment and violence case report so far. Their rights were respected by the management.</p>	<p>Complied</p>
<p>4.4.5.13 The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and</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</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance												
	<p>regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p>- Major compliance -</p>	<p>regulations. This was mentioned in the Core Labour Standard Policy dated 01/10/2021 and signed by the Managing Director. The workers have their freedom to join the NUPW. This was evident from NUPW membership subscription deductions made in the pay slips. During the interview with workers, there no evidence to show that the management had restricted its workers and staff from joining a trade union. Briefing of the policy was conducted on 20/11/2021 to the workers and 27/10/2021 for stakeholders. Interviewed with the workers confirmed that they are allow to join UNION freely. The last NUPW meeting was carried out on 10/01/2021 with the representatives from employer and NUPW. There was no issue reported during the meeting was verified the meeting minutes.</p>													
4.4.5.14	<p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>	<p>No workers less than 16 years old will be recruited and less than 18 years old for hazardous work. Verified the document Employee Master List confirmed that all the workers employed were above 18 years old.</p>	Complied												
Criterion 4.4.6: Training and competency															
4.4.6.1	<p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p>	<p>Training records are maintained by Operating Unit. Sample some records at Operating as follows:</p> <p>Sedenak POM</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Grievance Procedure Training</td> <td>18/11/2021</td> </tr> <tr> <td>Biodiversity Training</td> <td>18/11/2021</td> </tr> <tr> <td>RSPO/MSPO Awareness Training</td> <td>17/11/2021</td> </tr> <tr> <td>3R Awareness Training</td> <td>19/03/2021</td> </tr> <tr> <td>Furrow Training</td> <td>06/03/2021</td> </tr> </tbody> </table>	Training	Date	Grievance Procedure Training	18/11/2021	Biodiversity Training	18/11/2021	RSPO/MSPO Awareness Training	17/11/2021	3R Awareness Training	19/03/2021	Furrow Training	06/03/2021	Complied
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3R Awareness Training	19/03/2021														
Furrow Training	06/03/2021														

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Criterion / Indicator		Assessment Findings		Compliance
		ERP – Effluent Station Training	07/03/2021	
		FFB Quality – Outside Supplier Training	01/04/2021	
		Confined Space Training	03/05/2021	
		Chemical Safety and Handling Training	29/03/2021	
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	Training needs was done by issuance of 'Proposal for Executive/ Staff/ Workers Training" by the HOD and sighted documented proposal for conducted Refresh Training MSPO, Lab Procedure, MSPO Awareness etc.		Complied
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	Training needs was done by issuance of 'Proposal for Executive/ Staff/ Workers Training" by the HOD and sighted documented proposal for conducted Refresh Training MSPO, Lab Procedure, MSPO Awareness etc.		Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services				
Criterion 4.5.1: Environmental Management Plan				
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	Environmental Policy is available which was signed by the Managing Director dated 01/10/2021. The policy can also be found at http://www.kulim.com.my/ourpolicy.aspx?p_Id=0&c_Id=2097 Among the method of communication are through morning muster briefing, training, and display on notice boards.		Complied
4.5.1.2	The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations	The mill had established Environmental Impact Assessment (EIA) procedure and has been documented as per Environmental Aspect and Impact Assessment Form (EIA-SEDPOM-2021) dated 15/09/2021. All significant impacts have been determined and		Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	mitigation plan was developed thereafter as per document. Among of activities discussed in the EIA were: 1. Chemical mixing and storage 2. CPO storage 3. Lab operation 4. Composting Plant 5. POME Treatment 6. Waste handling 7. Storage of hydrocarbon 8. Diesel Engine	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	Refer to Environmental Risk Assessment and sighted management identified the impact for the environmental and sighted the mitigation plan, sample as below: <ul style="list-style-type: none"> • Chemical used- Impact: Disposal of used chemical. Mitigation plan: Update inventory, training, and disposal to registered DOE contractor. • Implement PCD- Impact: water pollution Mitigation plan: Done inspection by twice a month. 	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Management promote impact by establish the Pollution & Emission Management Plan and sighted updated 01/08/2020. The plan includes below pollution <ul style="list-style-type: none"> • Emission of dark smoke Action plan: Boiler house logbook smoke density, CEMS monitoring etc. • Emission of dust Action plan: Routine maintenance and placed in area far from water sources 	Complied

Criterion / Indicator		Assessment Findings	Compliance		
		<ul style="list-style-type: none"> Effluent (POME) Action plan: maintain effluent pond, established polishing plant for POME 			
4.5.1.5	<p>An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.</p> <p>- Major compliance -</p>	<p>Awareness training has been conducted for environmental matters. Sighted sample of training:</p> <ul style="list-style-type: none"> Awareness 3R (Reuse, Reduce & Recycle) dated 19/03/2021 Awareness training on Biodiversity dated 18/11/2021 Schedule waste management training dated 17/11/2021 Furrow management training dated 06/03/2021 	Complied		
4.5.1.6	<p>The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.</p> <p>- Major compliance -</p>	<p>The meeting was sighted conducted during the Mesyuarat Ketua Bahagian by monthly basis on 21/09/2021. Refer to meeting minute Section 6.0 Environmental performance monitoring discuss on the status of effluent, schedule waste etc.</p>	Complied		
Criterion 4.5.2: Efficiency of energy use and use of renewable energy					
4.5.2.1	<p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within 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>- Major compliance -</p>	<p>A plan for improving the efficiency of the use of fossil fuels is in place and has been incorporated into the Environmental Aspect and Impact activities report for 2021. The document was reviewed/updated on August 2021.</p> <p>The Sedenak POM and estate continued to monitor its diesel consumption and records were documented.</p> <p>The biogas plant that in progress to build up which generates electricity in future will improved the efficiency of fossil fuel consumption.</p>	Complied		
4.5.2.2	<p>Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.</p>	<p>Diesel record as below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: center;">Sedenak POM</td> </tr> </table>		Sedenak POM	Complied
	Sedenak POM				

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Criterion / Indicator		Assessment Findings				Compliance	
	- Major compliance -	No	Month	FFB processed	Diesel/L	Diesel/FFB	
		1	Jan 21	28343.33	40110	1.42	
		2	Feb 21	18510.63	41702	2.25	
		3	Mac 21	30552.25	22141	0.72	
		4	April 21	38854.29	38681	1.11	
		5	May 21	37372.95	30797	0.82	
		6	Jun 21	44425.88	21672	0.49	
		7	July 21	41176.17	25198	0.61	
		8	Aug 21	40913.70	27841	0.68	
		9	Sept 21	35147.17	32167	0.92	
		10	Oct 21	37406.92	30229	0.81	
		11	Nov 21	32,376.61	29101	0.90	
		TOTAL		381,079.90	339639	0.89	
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	Renewable energy was sighted on the usage of fibre and shell for boiler operation to generate steam for operation.				Complied	
			2020				
			PRODUCE	DESPATCH	BOILER		
		SHELL	26,621.81	3,603.07	23,018.74		
		FIBRE	57,869.26	6,515.19	51,354.07		
			2021				
			PRODUCE	DESPATCH	BOILER		
		SHELL	25,575.07	1,947.51	23,627.56		
		FIBRE	56,986.62	4,800.16	52,186.46		
Criterion 4.5.3: Waste management and disposal							
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	Sedenak POM had identified all wastes and sources of pollution. The Waste Management Action Plan 2021 were established to mitigate and control the identified wastes and source of pollution. The most significant environmental receptors for the estates and				Complied	

Criterion / Indicator		Assessment Findings	Compliance																														
		<p>mill operations were:</p> <table border="1"> <thead> <tr> <th>Waste type</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td>Empty pesticide container (SW409)</td> <td>Chemical store</td> </tr> <tr> <td>Empty pesticide packaging (SW409)</td> <td>Chemical store</td> </tr> <tr> <td>Empty Hydrocarbon containers (SW409)</td> <td>Workshop</td> </tr> <tr> <td>Batteries (SW102)</td> <td>Workshop</td> </tr> <tr> <td>Spent oil (SW305)</td> <td>Workshop</td> </tr> <tr> <td>Contaminated Rags / sacks (SW410)</td> <td>Fertilizer store, Chemical store</td> </tr> <tr> <td>Hydrocarbon / pesticide spillages (SW408)</td> <td>Workshop</td> </tr> <tr> <td>Contaminated soil (SW409)</td> <td>Workshop</td> </tr> <tr> <td>Medical Waste</td> <td>Clinic</td> </tr> <tr> <td>Effluent Discharge (Mill)</td> <td>Furrow</td> </tr> <tr> <td>POME (Mill)</td> <td>Extraction of CPO</td> </tr> </tbody> </table> <p>All waste and pollution are identified and documented in the Waste Management Plan and Pollution Prevention Plan Financial Year 2021. The waste generated from the mill/estates operations as shown below. This CU has identified all waste products and its source of pollution and documented in Types of Waste Products and Method of Disposal. The waste identified as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Type of waste</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Scheduled waste</td> <td>SW409, SW102, SW305, SW410, SW408, SW409, SW307, SW410, SW422, SW430, SW307, SW404, SW110, SW110/109</td> </tr> </tbody> </table>	Waste type	Source	Empty pesticide container (SW409)	Chemical store	Empty pesticide packaging (SW409)	Chemical store	Empty Hydrocarbon containers (SW409)	Workshop	Batteries (SW102)	Workshop	Spent oil (SW305)	Workshop	Contaminated Rags / sacks (SW410)	Fertilizer store, Chemical store	Hydrocarbon / pesticide spillages (SW408)	Workshop	Contaminated soil (SW409)	Workshop	Medical Waste	Clinic	Effluent Discharge (Mill)	Furrow	POME (Mill)	Extraction of CPO		Type of waste	Details	1	Scheduled waste	SW409, SW102, SW305, SW410, SW408, SW409, SW307, SW410, SW422, SW430, SW307, SW404, SW110, SW110/109	
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Criterion / Indicator		Assessment Findings		Compliance
		2	Non-Schedule waste Domestic waste, Plastic, Garden waste, Kitchen waste, Scrap Iron, Empty Bags, Empty Pesticide containers, palm by product, Liquid waste, Office waste, Rubber materials, POME, Black Smoke etc.	
4.5.3.2	<p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>At the Sedenak POM the following procedures are used to identify, record, segregate and dispose wastes:</p> <ol style="list-style-type: none"> 1. Labelling, Handling, Storage and Disposal of Scheduled Waste Doc. No. SDM/WI/5 dated 18.10.2018 Rev.01 2. Waste Management (Boiler Ash and Decanter Cake) Doc. No. SDM/WI/8 DATED 1.7.2007 Rev.00 3. Handling, Storage and Disposal of Metal waste (scrap Iron) Doc. No. SDM/WI/7 dated 1.7.2007 Rev.00 Similar to the mill, the estates use below document: 4. Scheduled Waste Management Guidelines issue no.1, dated 15.5.2007 5. *Non-Scheduled Waste Guidelines issue no.1, dated 15.5.2007 * domestic wastes and general office 		Complied
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p>- Major compliance -</p>	<p>Procedure of Schedule waste management has been established. Refer Labelling, Handling, Storage and Disposal of Schedule waste dated 18/10/2018 document number SDM/WI/5.</p> <p>Sighted Record of Inventory of Schedule Waste and Disposal Record:</p> <p><u>Sedenak POM</u> <u>Inventory</u></p> <ul style="list-style-type: none"> • File reference Number: AS(B)J31/152/000/054 		Complied

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> Date Reporting: 29/11/2021 Waste Generated: SW110, SW 305, SW429, SW409, SW410 <p><u>Disposal</u></p> <p>Sample 1</p> <ul style="list-style-type: none"> Disposal consignment note: 20210929076H5X1Q Date Disposal: 28/09/2021 SW 408 – Contaminated Fibre, Debris, and Soil From Cleaning Spill Of Mineral Soil: 0.0050 MT by Kualiti Alam Sdn Bhd <p>Sample 2</p> <ul style="list-style-type: none"> Disposal consignment note: 2021092907J9PHR5 Date Disposal: 28/09/2021 SW 102 – Waste of lead acid batteries in whole or crushed: 0.0800 MT by Kualiti Alam Sdn Bhd <p>Excess chemical containers that were not used for premixing have been triple rinsed and punctured was categorized under scheduled waste and disposed through waste contractors.</p> <p><u>Sedenak POM</u></p> <ul style="list-style-type: none"> 0.2742 Mt of Plastic Pesticide Containers were disposed on 29/09/2021 to Kualiti Alam Sdn. Bhd. Verified the Consignment Note Number: 2021092918VI1X5S. 	
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	Domestic waste was managed by estate management by collecting 3 times per week.	Complied
Criterion 4.5.4: Reduction of pollution and emission including greenhouse gas			

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Criterion / Indicator		Assessment Findings	Compliance
4.5.4.1	<p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p>- Major compliance -</p>	<p>The GHG emissions are identified and assessed for the unit certification by sustainability team. The consumption GHG as record below:</p> <ul style="list-style-type: none"> • FFB record book • Stock book • Monthly stock issue • Stock requisition note Mill • Mill Month End Production Report • Monthly production report • Flowmeter & running hours record book • Bio-gas generation daily monitoring log sheet • Effluent analysis report Based on the verification of records; all the sampled issuance was traceable 	Complied
4.5.4.2	<p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p>- Major compliance -</p>	<p>Assessment of all polluting activities was conducted under Environmental Risk Assessment for identifying activities that contributes significant impact to environment including gaseous emission.</p>	Complied
4.5.4.3	<p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p>- Major compliance -</p>	<p>The effluent treatment plant was made in accordance and interview with operator in charge revealed that the operation was in accordance with standard operation procedure and legal requirements. No overflow was observed, and flow meter reading was recorded daily.</p> <p>Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored. Effluent Analysis conducted by accredited laboratory, Mahamurni Plantations Sdn Bhd and submitted to DOE every 3 months through OER (Online</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance															
	<p>Environmental Report) and in compliance with mill’s compliance schedule for quarterly submission. Refer to the latest report for dated October 2021. Monthly analysis was done for final discharge point. Total of 8 parameters (pH, BOD3, COD, TS, SS, TN, AN and O&G) were tested. Latest analysis report for November, October, September and August 2021 were verified.</p> <table border="1" data-bbox="1088 619 1868 820"> <thead> <tr> <th>Report Date</th> <th>Report No.</th> <th>BOD (Limit=2500mg/L)</th> </tr> </thead> <tbody> <tr> <td>01/12/2021</td> <td>EI/2021/12/211</td> <td>264</td> </tr> <tr> <td>26/10/2021</td> <td>EI/2021/10/193</td> <td>689</td> </tr> <tr> <td>28/09/2021</td> <td>EI/2021/09/178</td> <td>468</td> </tr> <tr> <td>23/08/2021</td> <td>EI/2021/09/169</td> <td>360</td> </tr> </tbody> </table> <p>As prescribed under DOE’s Compliance Schedule, the mill is obliged to conduct stack sampling minimum once a year. Below are the verified reports:</p> <p><u>2nd half 2020</u></p> <ul style="list-style-type: none"> - Report no.: PAC-AE-201118 - Report date: 30/11/2020 - Result: Dust: 58 mg/m³ (B5) vs limit 150, CO: 938 mg/m³ vs limit 1000 @ 12% CO₂ <p><u>1st half 2021</u></p> <ul style="list-style-type: none"> - Report no.: PAC-AE-210508 - Report date: 10/05/2021 - Result: Dust: 140 mg/m³ (B5) vs limit 150, CO: 938 mg/m³ vs limit 1000 @ 12% CO₂ 	Report Date	Report No.	BOD (Limit=2500mg/L)	01/12/2021	EI/2021/12/211	264	26/10/2021	EI/2021/10/193	689	28/09/2021	EI/2021/09/178	468	23/08/2021	EI/2021/09/169	360	
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Criterion / Indicator	Assessment Findings	Compliance
	<p>For Air Pollution Control System, management use Electrostatic Precipitator (ESP) for monitoring</p> <p>Continuous Emissions Monitoring System (CEMS) which link to the DOE on real time base were in progress for Dark smoke emissions monitored.</p> <p>Sighted Ambient Air Quality Monitoring Report as below:</p> <p><u>1st Quarter 2021</u></p> <p>Report Number: PAC-AA-210201/02</p> <p>Date Of monitoring: 3-4/2/2021</p> <p>Particulate matter: Point A1: 20 µg/m³ & Point A2: 47 µg/m³</p> <p>Limit: 100 µg/m³</p> <p><u>2nd Quarter 2021</u></p> <p>Report Number: PAC-AA-210509/10</p> <p>Date of monitoring: 10-11/5/2021</p> <p>Particulate matter: Point A1: 15 µg/m³ & Point A2: 45 µg/m³</p> <p>Limit: 100 µg/m³</p> <p><u>3rd Quarter 2021</u></p> <p>Report Number: PAC-AA-210809/10</p> <p>Date of monitoring: 19-20/8/2021</p> <p>Particulate matter: Point A1: 11 µg/m³ & Point A2: 65 µg/m³</p> <p>Limit: 100 µg/m³</p> <p>Sighted Online Environmental Reporting (OER) has been submitted to DOE on quarterly basis. The result within parameter as per Jadwal Pematuhan AS(B)J31/152/000/054 Jilid 18(12)</p>	

Criterion / Indicator	Assessment Findings	Compliance													
Criterion 4.5.5: Natural water resources															
4.5.5.1	<p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> a) Assessment of water usage and sources. b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill’s current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). <p>- Major compliance -</p>	<p>Noted management abstract water for domestic waste from the natural water catchment and treated the water for the domestic used.</p> <p>For mill, sighted Water Test Report. Refer Report Number WI/2021/08/396 dated 24/08/2021, WI/2021/09/431 dated 16/09/2021 and WI/2021/10/493 dated 12/10/2021.</p> <p>Sedenak POM has maintained monitoring of water usage for processing FFB which are recorded monthly. Water for processing is abstracted from water catchment by using pump. The trend of water usage is tandem with volume of FFB process. Refer Water Usage Record Sedenak POM. Average data as below:</p> <table border="1" data-bbox="1088 871 1868 1007"> <thead> <tr> <th>Year</th> <th>FFB Processed</th> <th>Water/L</th> <th>Water/FFB</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>415,278.24</td> <td>408,204</td> <td>0.98</td> </tr> <tr> <td>2021@Oct</td> <td>348,703.29</td> <td>363,528</td> <td>1.04</td> </tr> </tbody> </table>	Year	FFB Processed	Water/L	Water/FFB	2020	415,278.24	408,204	0.98	2021@Oct	348,703.29	363,528	1.04	<p>Complied</p>
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2020	415,278.24	408,204	0.98												
2021@Oct	348,703.29	363,528	1.04												
4.5.5.2	<p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p>- Major compliance -</p>	<p>The effluent treatment plant was made in accordance and interview with operator in charge revealed that the operation was in accordance with standard operation procedure and legal requirements. No overflow was observed, and flow meter reading was recorded daily.</p> <p>Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored. Effluent Analysis conducted by accredited laboratory, Mahamurni Plantations Sdn Bhd and submitted to DOE every 3 months through OER (Online Environmental Report) and in compliance with mill’s compliance schedule for quarterly submission. Refer to the latest report for</p>	<p>Complied</p>												

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Criterion / Indicator		Assessment Findings	Compliance															
		<p>dated October 2021. Monthly analysis was done for final discharge point. Total of 8 parameters (pH, BOD3, COD, TS, SS, TN, AN and O&G) were tested. Latest analysis report for October, September and August 2021 were verified.</p> <table border="1"> <thead> <tr> <th>Report Date</th> <th>Report No.</th> <th>BOD (Limit=2500mg/L)</th> </tr> </thead> <tbody> <tr> <td>01/12/2021</td> <td>EI/2021/12/211</td> <td>264</td> </tr> <tr> <td>26/10/2021</td> <td>EI/2021/10/193</td> <td>689</td> </tr> <tr> <td>28/09/2021</td> <td>EI/2021/09/178</td> <td>468</td> </tr> <tr> <td>23/08/2021</td> <td>EI/2021/09/169</td> <td>360</td> </tr> </tbody> </table>	Report Date	Report No.	BOD (Limit=2500mg/L)	01/12/2021	EI/2021/12/211	264	26/10/2021	EI/2021/10/193	689	28/09/2021	EI/2021/09/178	468	23/08/2021	EI/2021/09/169	360	
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4.6 Principle 6: Best Practices																		
Criterion 4.6.1: Mill Management																		
4.6.1.1	<p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p>- Major compliance -</p>	<p>Sedenak Certification Unit continued to implement the established procedure for mill and estate. For Sedenak POM, Standard Operating Procedure (SDPOM/QM), dated 1/2/2018 is referred to.</p> <ol style="list-style-type: none"> 1. Reception Station 2. Fruit Handling 3. Sterilisation 4. Threshing 5. Empty Bunch Press 6. Digestion and pressing 7. Clarification 8. Kernel Extraction 9. Effluent Treatment & Waste Management 	Complied															

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Criterion / Indicator		Assessment Findings	Compliance
		10. Boiler House	
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	Mechanism to check consistent implementation of procedures are in place. Internal audit by SQD department conducted on annual basis to check and report compliance against company policy and procedure with regards to operation, safety, health and welfare requirements. For other to ensure consistency of SOP implementation was verification from Regional Controller Report and Plantation Inspectorate Report. <u>Sedenak POM</u> 1. Inspectorate report visit 02/2021 dated 13/06/2021. 2. Internal audit report dated 15/09/2021 by SQD team.	Complied
Criterion 4.6.2: Economic and financial viability plan			
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	Management establish the Budget 2021 & Projection 2022- 2026. Review and sighted budget for 2021 as below: Mill throughput = 495,000MT CPO Extraction = 101,475MT PK Extraction – 26,235MT The projection for 2022-2026 has included as follows: a. Income & Expenditure b. Crop Projection c. Summary of Staff & Labour Establishment	Complied
Criterion 4.6.3: Transparent and fair price dealing			

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Criterion / Indicator		Assessment Findings	Compliance
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Pricing of the work was stated in the Section 4 of Schedule 1 and Appendix A of the agreement. Prior to the payment, the contractor is required to submit invoices and payment of fees will be made within 30 days from the date of certification of the submitted invoices as stated in the Memorandum of Agreement Clause 5.3. Interviewed with the contractors confirmed that payment was made promptly.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	Sampled of the contract and payment records for contractors and FFB suppliers as below: Contract No: MPSB/CPO 1/2020 (TEO), Memorandum of Agreement dated 05/10/2020, Contractor: Teo Tuan Kwee, Commencement Date: 01/06/2020, Tenure/Completion Date: 31/05/2023, Scope of Work: Transportation of CPO Invoice No: TV21100030 dated 31/10/2021, Payment No: 21000903 dated 25/11/2021, Debit Note No: 21000081 dated 31/10/2021. Contract No: MPSB/CPO 1/2020 (YEW TAN), Memorandum of Agreement dated 05/10/2020, Contractor: Yewtan Enterprise, Commencement Date: 01/06/2020, Tenure/Completion Date: 31/05/2023, Scope of Work: Transportation of CPO Invoice No: YT2110-00010 month: 31/10/2021, Payment No: 21000904 dated 25/11/2021, Debit Note No: 21000077 dated 31/10/2021	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required	The contractors have acknowledged on the terms and conditions for complying with all RSPO, ISCC, MSPO requirements related to the execution of the contract. The contractors have been briefed	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	documentation and information. - Major compliance -	on the MSP0 requirements prior to work and signed on the Permit to Work after being briefed. Letter of Acceptance (Ref No: MPSB/G1/6/2(2020) dated 15/06/2020, Contractor: Teo Tuan Kwee)	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor. - Major compliance -	Mill Management has engaged contractors for varieties of works such as maintenance/ repair works and transporters. Sampled of the agreement as below: Contract No: MPSB/CPO 1/2020 (TEO), Memorandum of Agreement dated 05/10/2020, Contractor: Teo Tuan Kwee, Commencement Date: 01/06/2020, Tenure/Completion Date: 31/05/2023, Scope of Work: Transportation of CPO. Letter of Acceptance (Ref No: MPSB/G1/6/2(2020) dated 15/06/2020, Contractor: Teo Tuan Kwee) Contract No: MPSB/CPO 1/2020 (YEW TAN), Memorandum of Agreement dated 05/10/2020, Contractor: Yewtan Enterprise, Commencement Date: 01/06/2020, Tenure/Completion Date: 31/05/2023, Scope of Work: Transportation of CPO. Letter of Acceptance (Ref No: MPSB/G1/6/2(2020) dated 15/06/2020 acknowledged by contractor on 02/07/2020	Complied
4.6.4.3	The management shall accept MSP0 approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	The contractors have acknowledged that they are subject to any certification audit assessment through a physical inspection if required when agreement was signed.	Complied

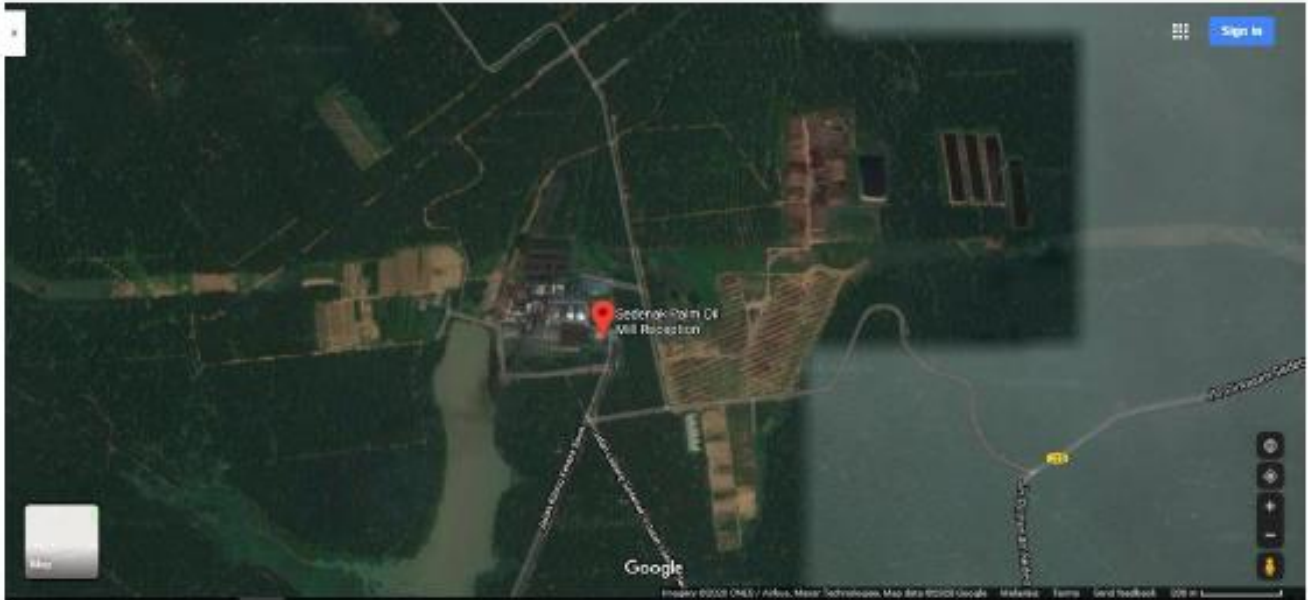
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Appendix B: Smallholder Member Details

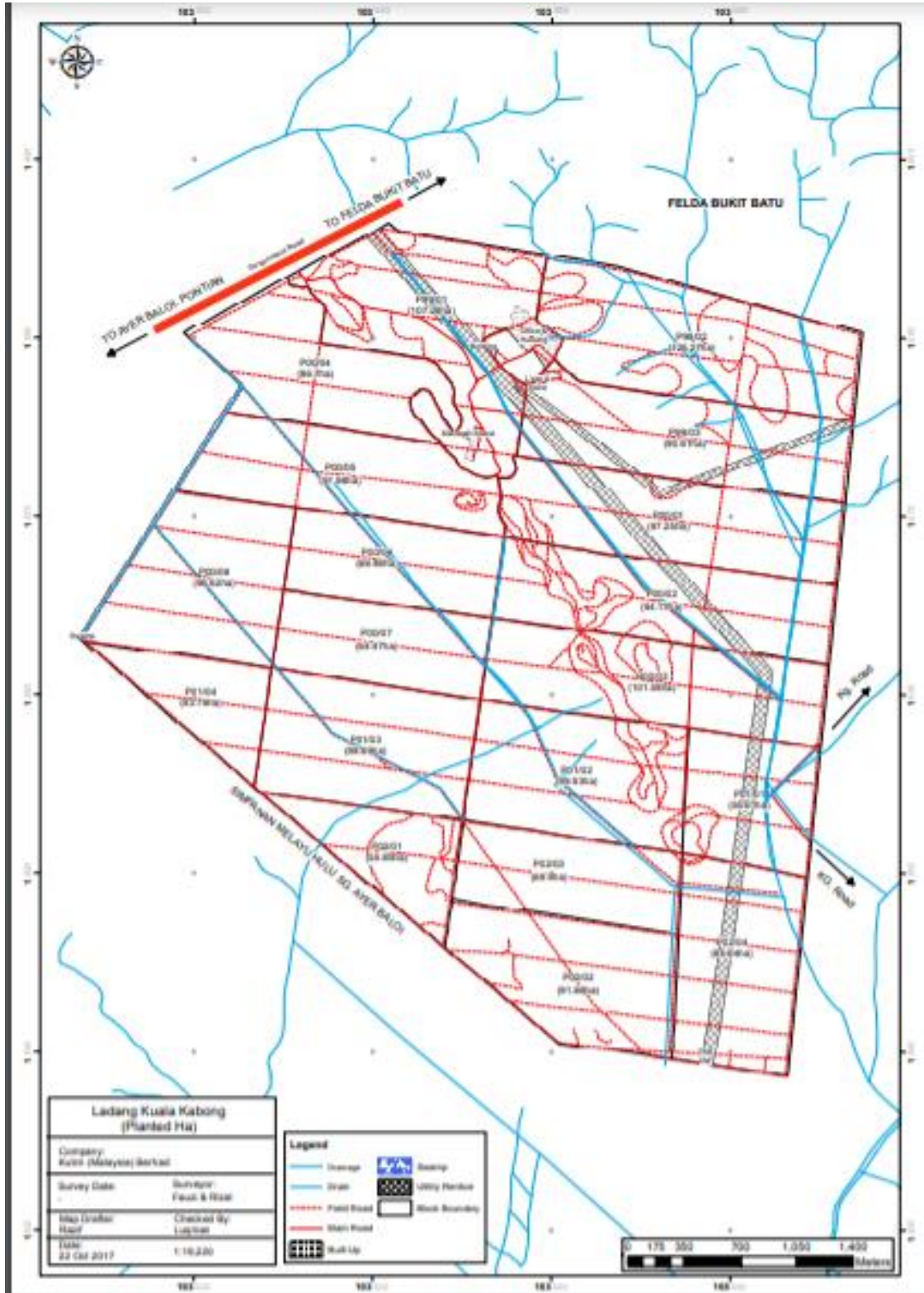
No.	Smallholder		Location of Planted Area (District)	GPS Coordinates		Certified Area (ha)	Planted Area (ha)
	Name	MPOB License Number		Latitude	Longitude		
	N/A						

Appendix C: Location and Field Map

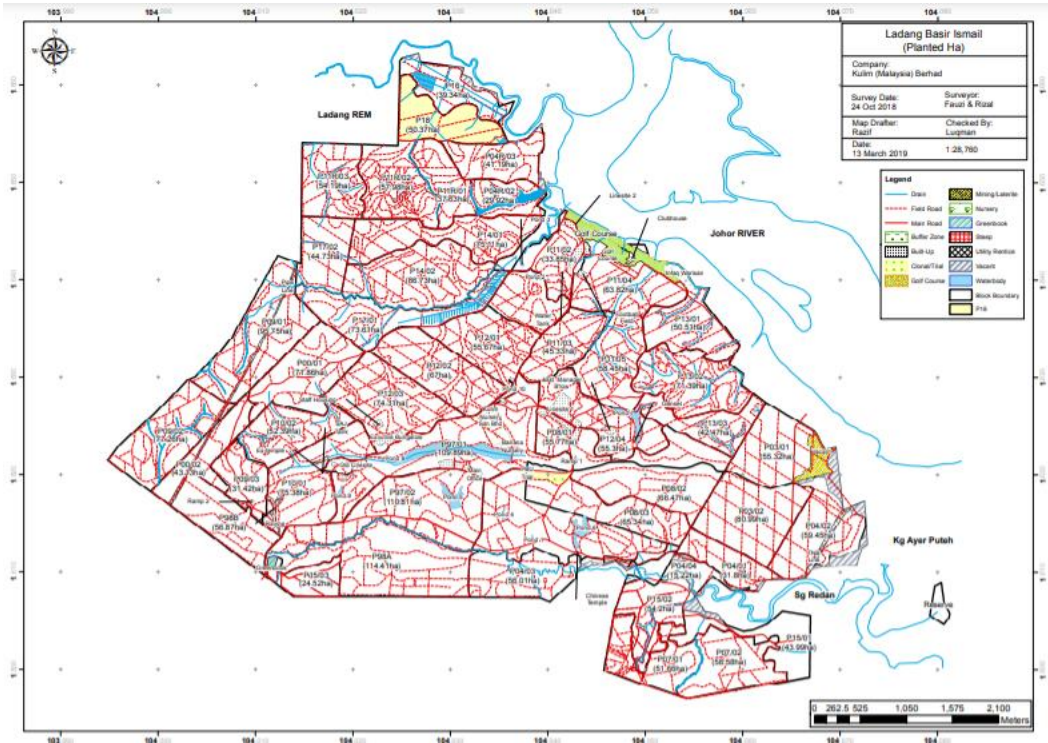
Sedenak POM



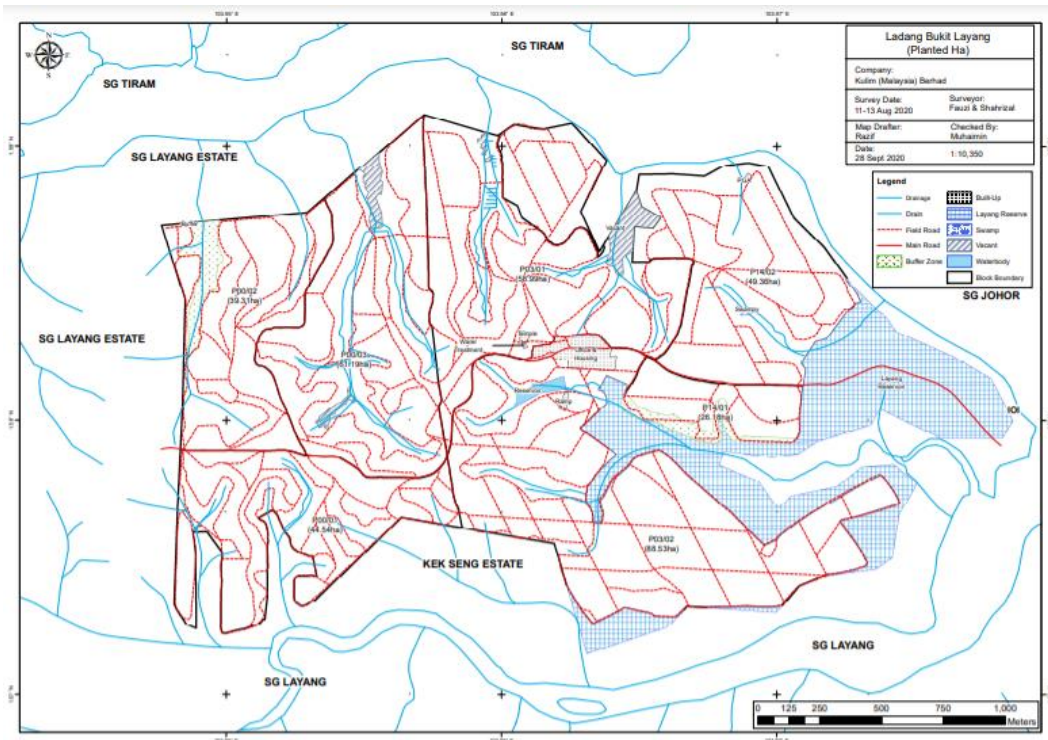
Kuala Kabong Estate



Basir Ismail Estate



Bukit Layang Estate



Appendix D: 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