

**MALAYSIAN SUSTAINABLE PALM OIL
MSPO OPMC Public Summary Report**

- Initial Assessment
- Annual Surveillance Assessment (4)
- Recertification Assessment (Choose an item.)
- Extension of Scope

MAHAMURNI PLANTATIONS SDN BHD
Client Company (HQ) Address: K.B. 705, 80990 Johor Bahru, Johor, Malaysia
Certification Unit: Palong Cocoa Palm Oil Mill & Plantations: Palong Complex (Palong Estate, Mungka Estate, UMAC Estate & Labis Bahru Estate)
Date of Final Report: 8/2/2023

Report prepared by:
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Report Number: 3511572

Assessment Conducted by:
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Section 1: Executive Summary

1.1 Organizational Information and Contact Person			
Company Name	Mahamurni Plantations Sdn Bhd (Formerly known as Kulim (M) Berhad)		
Mill/Estate	Certification Unit	MPOB License No.	Expiry Date
	Palong Cocoa Palm Oil Mill	578392004000	30/11/2023
	Palong Estate	570585002000	31/03/2023
	Mungka Estate	570584002000	31/03/2023
	UMAC Estate	501362602000	31/03/2023
	Labis Bahru Estate	501775302000	30/04/2023
Address	K.B. 705, 80990 Johor Bahru, Johor, Malaysia		
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 698010 Estate: MSPO 698011	Certificate Start Date	01/04/2019
Date of First Certification	01/04/2019	Certificate Expiry Date	31/03/2024
Scope of Certification	<input checked="" type="checkbox"/> Mill: Production of Sustainable Palm Oil and Palm Oil Products <input checked="" type="checkbox"/> Estate: Production of Sustainable Oil Palm Fruits		
Visit Objectives	<p>The objective of the assessment was to conduct an annual surveillance assessment 4 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)		
Stage 2 / Initial Assessment Visit Date (IAV)	22-25/10/2018		
Continuous Assessment Visit Date (CAV) 1	23-26/09/2019		

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Continuous Assessment Visit Date (CAV) 2	30/11-03/12/2020
Continuous Assessment Visit Date (CAV) 3	27-30/09/2021: Remote Audit
Continuous Assessment Visit Date (CAV) 4	17-20/10/2022

1.3 Other Certifications

Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
RSPO 613087	RSPO Principles & Criteria for Sustainable Palm Oil Production: 2018; Malaysian National Interpretation: 2019; with Identity Preserved Supply Chain Module	BSI Services Malaysia Sdn Bhd	22/01/2024
EU-ISCC-Cert-DE119-60226780	International Sustainability and Carbon Certification (EU)	ASG cert	17/05/2023
A158821	MS 1500:2009	JAKIM	15/09/2023
BVC-MSPO/SC-0031	MSPO Supply Chain Certification Standard (MSPO SCCS) 1 October 2018	Bureau Veritas (M) Sdn Bhd	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
Palong Cocoa Palm Oil Mill	PTD 15677, HSD 52397, Mukim Buloh Kasap, Daerah Segamat, Johor, Malaysia	2° 42' 22.80" N	102° 47' 11.80" E
Palong Estate	PTD 15677, HSD 52397, Mukim Buloh Kasap, Daerah Segamat, Johor, Malaysia	2° 44' 53.00" N	102° 45' 06.90" E
Mungka Estate	PTD 15678, HSD 52398, Mukim Buloh Kasap, Daerah Segamat, Johor, Malaysia	2° 41' 10.90" N	102° 47' 15.00" E
UMAC Estate	PTD 298, HSD 3746, Mukim Keratong, Daerah Rompin, Pahang, Malaysia	2° 53' 03.00" N	102° 54' 24.00" E
Labis Bahru Estate	Lot 1265, Geran 38197, Mukim Pogoh, Daerah Segamat, Johor, Malaysia	2° 25' 48.00" N	102° 52' 27.00" E

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1.5 Certified Area					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Palong Estate	3,496.07	20.74	185.11	3,701.92	94.44
Mungka Estate	2,646.42	80.79	171.06	2,898.27	91.31
UMAC Estate	1,555.98	0.84	59.59	1,616.41	96.26
Labis Bharu Estate	1,947.24	14.53	146.39	2,108.16	92.37
Total (ha)	9,645.71	116.90	562.15	10,324.76	

Notes:

1. Palong Estate - Planted areas decrease of 25.51 ha due to planting of Durian.
2. UMAC Estate - Hectarage increase of 6.35 ha, planted areas increase of 6.17 ha and Infrastructure increase of 1.48 ha due to resurvey area conducted on 30/05/2022.
3. Reduction of 1.4 ha HCV Area at UMAC Estate due to laterite area were planted with Oil Palm. This were reported in the HCV Report.
4. Kemedak Estate with hectarage of 1786.27 ha is merging with Palong Estate. The estate name will maintain Palong Estate and certification group is still within the Palong Cocoa Palm Oil Mill and Supply Bases group.
5. Sepang Loi Estate with hectarage of 970.21 ha is merging with Mungka Estate. The estate name will maintain Mungka Estate and certification group is still within the Palong Cocoa Palm Oil Mill and Supply Bases group.

1.6 Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Palong Estate	0	1,244.13	2,251.94	0	0	3,496.07	0
Mungka Estate	113.90	584.75	1,947.77	0	0	2,532.52	113.90
UMAC Estate	28.85	173.89	1,353.24	0	0	1,527.13	28.85
Labis Bharu Estate	271.39	247.69	988.24	439.92	0	1,675.85	271.39
Total (ha)	414.14	2,250.46	6,541.19	439.92	0	9,231.57	414.14

1.7 Certified Tonnage of FFB			
Estate	Tonnage / year		
	Estimated (Mar 2022 - Feb 2023)	Actual (Sep 2021 - Sep 2022)	Forecast (Mar 2023 - Feb 2024)
Palong Estate	39,174.00	62,571.67	74,147.00
Mungka Estate	36,033.00	35,590.71	59,699.00
Kemedak Estate	31,613.00	0.00	0.00
Sepang Loi Estate	20,686.00	0.00	0.00
UMAC Estate	35,970.00	22,356.42	36,587.00

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Labis Bharu Estate	35,560.00	28,817.43	38,831.00
Total (mt)	199,036.00	149,336.23	209,264.00

1.8 Uncertified Tonnage of FFB

Estate	Tonnage / year		
	Estimated (Mar 2022 - Feb 2023)	Actual (Sep 2021 - Sep 2022)	Forecast (Mar 2023 - Feb 2024)
N/A	N/A	N/A	N/A
Total (mt)	N/A	N/A	N/A

Note: No FFB purchase from outside crop, the mill is on segregation supply chain model.

1.9 Certified Tonnage

	Estimated (Mar 2022 - Feb 2023)	Actual (Sep 2021 - Sep 2022)	Forecast (Mar 2023 - Feb 2024)
	Mill Capacity: 40 MT/hr	FFB	FFB
	199,036.00	149,336.23	209,264.00
SCC Model: SG	CPO (OER: 21.98%)	CPO (OER: 20.25%)	CPO (OER: 22.00%)
	43,753.00	30,246.66	46,038.00
	PK (KER: 5.43%)	PK (KER: 5.28%)	PK (KER: 5.45%)
	10,812.00	7,884.95	11,405.00

1.10 Actual Sold Volume (CPO)

CPO (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
30,246.66	0	0	23,512.14	2,944.32	26,456.46

1.11 Actual Sold Volume (PK)

PK (mt)	MSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSPO		
7,884.95	0	0	7,034.77	0	7,034.77

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 17-20/10/2022. The audit programme is included as Section 2.4. The approach to the audit was to treat the Palong Cocoa Palm Oil Mill together with Palong Estate, Mungka Estate, UMAC Estate, and Labis Bahru 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. Major nonconformities were closed offsite due to documentation evidence were sufficient.

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)
Palong Cocoa Palm Oil Mill	√	√	√	√	√
Palong Estate	√	-	√	√	-
Mungka Estate	-	√	-	-	√
UMAC Estate	√	√	√	-	-
Labis Bharu Estate	-	-	-	√	√

Tentative Date of Next Visit: October 8, 2023 - October 11, 2023

Total No. of Mandays: 11 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>
Ahmad Rufi bin Abu Talib Khan (ARK)	Team Leader	<p>Education: Bachelor’s Degree in mechanical engineering from Universiti Teknologi Mara Shah Alam, graduated in 2015.</p> <p>Work Experience: He started his career as Assistant Mill Manager, managing the day-to-day mill operations. In his five years’ experience, he has experience handling the certification of ISO 9001, OHSAS 18001, ISO 14001 as well as Malaysia Sustainable Palm Oil (MSPO). He is a qualified Lead Auditor for MS 2530:2013 and has accumulated more than 300 audit days throughout his current career as the auditor for multiple disciplines covering all over Malaysia.</p> <p>Training attended: He has completed CQI – IRCA approved ISO 9001, ISO 14001 and ISO 45001 Lead Auditor Course together with MSPO 2530:2013 Lead Auditor Course, Endorsed RSPO Lead Auditor and RSPO SCC Auditor course.</p> <p>Aspect covered in this audit: Policy and commitment, internal audit, management review, occupational safety and health, HIRADC, trainings, mill and estate best practise.</p> <p>Language proficiency: Fluent in English and Bahasa Malaysia.</p>

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<p>Nor Halis Abu Zar (NHA)</p>	<p>Team Member</p>	<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: Legal requirements, traceability, occupational health and safety, GAP, training.</p> <p>Language proficiency: Fluent in Bahasa Malaysia and English Language.</p>
<p>Mohamad Fitri Mustafa (MFM)</p>	<p>Team Member</p>	<p>Education: Bachelor of Science Agribusiness, graduated from University Putra Malaysia in 2007.</p> <p>Work experience: Started his career as research officer with Malaysian Agri Hi Tech Sdn Bhd, before servicing as agronomist at Tradewinds Plantations Berhad and FASSB. Accumulating his experience is sustainability when he served as an auditor with Global Gateway Sdn Bhd since 2018.</p> <p>Training attended: Completed his training for MSPO Lead Auditor Course and ISO 9001:2015 Lead Auditor Course in 2018 and RSPO Lead Auditor Course in year 2019.</p> <p>Aspect covered in this audit: Legal requirements, natural and HCV conservation, water & wastes management, environmental aspects, GAP, mill best practices, training, and economic management plan.</p> <p>Language proficiency: Fluent in English and Bahasa Malaysia.</p>

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.

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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	ARK	NHA	MFM
Sunday, 16/10/2022		Audit team travel to Segamat	√		√
Monday, 17/10/2022	0800 0930	- Audit team travel to Labis Bahru 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 	√		√
	0930 1230	- 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.	√		√
	1230 1330	- Lunch	√		√
	1330 1700	- Document Review (MS 2530:2013 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, P7: Development of New Planting	√		√
	1700 1730	- Interim closing meeting	√		√
Tuesday, 18/10/2022	0900 1230	- 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.	√	√	√
	1030 1230	- Stakeholder Consultation – ARK – Mungka Estate	√		

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Date	Time	Subjects	ARK	NHA	MFM
Mungka Estate - ARK	1230 - 1330	Lunch	√	√	√
	1330 - 1700	Document Review (MS 2530:2013 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, P7: Development of New Planting	√	√	√
	1700 - 1730	Interim closing meeting	√	√	√
Wednesday 19/10/2022, Mungka Estate	0900 - 1230	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.	√	√	√
	1230 - 1330	Lunch	√	√	√
	1330 - 1700	Document Review (MS 2530:2013 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, P7: Development of New Planting	√	√	√
	1700 - 1730	Interim closing meeting	√	√	√
Thursday, 20/10/2022 Palong Cocoa Palm Oil Mill	0900 - 1030	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.	√	√	√
	1030 - 1230	Document review (MS 2530:2013 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	√	√	√
	1230 - 1330	Lunch	√	√	√
	1330 - 1600	Document review (MS 2530:2013 Part 4): P1: Management commitment and responsibility, P2: Transparency, P3:	√	√	√

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Date	Time	Subjects	ARK	NHA	MFM
		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 - 1615	Auditor Discussion	√	√	√
	1615 - 1630	Interim Closing Meeting	√	√	√
	1630 - 1700	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 one (1) Major & two (2) Minor nonconformities and Zero (0) OFI raised. The Palong Cocoa Palm Oil Mill and Supply Bases Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Non-Conformity Report			
NCR Ref #:	2263250-202210-M1	Issue Date:	20/10/2022
Due Date:	19/01/2023	Date of Closure:	16/01/2023
Area/Process:	Mungka Estate & Sepang Loi Estate	Clause & Category: (Major / Minor)	MSPO 2530 Part 3: 4.4.4.2(d)(e) Major
Requirements:	The occupational safety and health plan shall cover the following: 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 Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.		
Statement of Nonconformity:	Implementation of PPE usage and Handling of chemical procedures were not fully demonstrated.		
Objective Evidence:	During site visit ang Mungka Estate Main Division and Sepang Loi Division, the following evidence were observed: 1. Field P12/02 Circle Spraying Operation using CKS Pump and Mist Blower, it was found two workers who handle mist blower were not wearing earplug as their		

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	<p>PPE. It was not in line with "Prosedur Panduan Kerja Selamat – Penyemburan Meracun Mist Blower, Reference No: KULIM/PKS-OSH-1 dated 01/03/2021 Section 3.1.7 Semasa (i) Memakai alat keselamatan (PPE) yang lengkap iaitu sarung tangan getah, goggles, penutup hidung, kasut but, apron, topi dan "ear plug" semasa menjalankan kerja-kerja meracun.</p> <p>2. Field P07/01, Harvesting Operation, it was noticed that 2 Mechanical Buffalo (MB) Driver were wearing rubber shoes instead of safety shoes. Other than that, visit at Sepang Loi Division, Field P00/01, it was found that Tractor Kubota Driver was wearing Wellington Boots instead of safety shoes. It was not in line with "Prosedur Panduan Kerja Selamat – (6) Pemanduan Badang/Mechanical Buffalo (MB), Reference No: KULIM/PKS-OSH-1 dated 01/03/2021 Section 6.1.4, PPE (i) Topi Keselamatan, (ii) Kasut Keselamatan, (iii) Baju Pantul Cahaya, (iv) Cermin Mata keselamatan. And (b) Pemanduan Traktor Section 8.1.4 PPE (i) Topi Keselamatan, (ii) Kasut Keselamatan, (iii) Baju Pantul Cahaya, (iv) Cermin Mata keselamatan.</p> <p>3. Field P12/02, Circle Spraying Operation using CKS Pump and Mist Blower, Premix Chemical Supersate and Kelly was used. However, there were no SDS and Clean Water provided at the field for emergency purpose. It was not in line with "Prosedur Panduan Kerja Selamat – Meracun, Reference No: KULIM/PKS-OSH-1 dated 01/03/2021 Section 2.1.6 (iii) Mandur perlu sentiasa membawa peti pertolongan cemas dan Salinan SDS untuk kegunaan kecemasan and 3.1.6(viii) Pekerja Meracun di kehendaki membawa bersama sabun dan air bersih untuk kegunaan mencuci jika terkena racun. Kontainer yang digunakan hendaklah bertanda Air Bersih".</p>
<p>Corrections:</p>	<ol style="list-style-type: none"> 1. Refresher training on safety spraying had been conducted which includes briefing on the importance of wearing personal protective equipment (PPE) and 'Prosedur Panduan Kerja Selamat' before and after spraying activity. 2. Refresher training on 'Prosedur Panduan Kerja Selamat' pemanduan badang/tractor to all respective drives had been conducted on 21/10/2022. 3. The training was included briefing on the importance of wearing personal protective equipment (PPE) and 'Prosedur Panduan Kerja Selamat' for respective vehicle drivers. 4. Estate management had brief the mandore for the respective gang on requirement to bring a copy of SDS for respective chemical and Clean Water during spraying activities. 5. Estate management has conducted refresher training for mandore as per requirement.
<p>Root cause analysis:</p>	<ol style="list-style-type: none"> 1. Lack of monitoring by estate management on wearing PPE and inadequate of training on the importance of PPE usage among the sprayers. 2. Lack of monitoring by estate management on wearing rubber shoes for Mechanical Buffalo (MB) Driver Tractor and Kubota Driver. 3. Inadequate of training on the importance of PPE usage among the harvesters.
<p>Corrective Actions:</p>	<ol style="list-style-type: none"> 1. Refresher training will be conducted in every 3 months interval for all workers as per training plan. 2. Random weekly inspection by field staff in estate during working hours, and the respective workers without appropriate PPE will not allowed to work as per checklist. The respective reluctant workers will be recorded to monitor their PPE usage compliance.

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Assessment Conclusion:	The correction and CAP have been accepted. Evidence submitted was verified and found to be sufficient to close the NC on 16/01/2023. Continuous implementation will be further verified in the next assessment.
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Non-Conformity Report			
NCR Ref #:	2263250-202210-N1	Issue Date:	20/10/2022
Due Date:	Next Surveillance	Date of Closure:	Next Surveillance
Area/Process:	Palong Cocoa Palm Oil Mill	Clause & Category: (Major / Minor)	MSPO 2530 Part 4: 4.4.4.2 (a) Minor
Requirements:	The occupational safety and health plan should cover the following: a) A safety and health policy, which is communicated and implemented.		
Statement of Nonconformity:	The Safety and health procedure was not fully implemented.		
Objective Evidence:	During site visit at CPO despatch station, it was noticed that 1 Tanker driver with registration number JLR8698, climb up the tanker without wearing safety harness and safety shoes. Based on the interview with operator there, the unsafe act was done by the driver himself and refuse to follow normal safe work procedure. Based on interview, Normal practice was the Lab Operator will climb up the tanker with complete PPE for CPO filling process. It was not in line with SOP Pengisian CPO Dan Kernel (Makmal) PPPOM/SWP/13 dated 05/03/2020 Section 4 (a) Pekerja Makmal yang telah lengkap memakai PPE akan menurunkan jambatan yang menghubungkan tanker dan platform. Pemandu akan berada di platform yang di sediakan semasa kerja pengisian minyak di lakukan, and Section 6. PPE a) Topi Keselamatan, b) Kasut Keselamatan, c) Safety Harness and d) Sarung Tangan.		
Corrections:	<ol style="list-style-type: none"> Estate management had briefed the CPO Tanker driver and Lab operator on SOP Pengisian CPO Dan Kernel and strict enforcement will be done on daily basis. The training was included briefing on the SOP Pengisian CPO Dan Kernel (Makmal) lakukan, and Section 6. PPE a) Topi Keselamatan, b) Kasut Keselamatan, c) Safety Harness and d) Sarung Tangan respective vehicle drivers. 		
Root cause analysis:	<ol style="list-style-type: none"> Inadequate enforcement by mill management on safety on working at height. Inadequate awareness by Lab operators on PPE usage during CPO filing process. 		
Corrective Actions:	HIRARC for working at height, CPO despatch and CPO filling process had been updated on 30/11/2022.		
Assessment Conclusion:	The CAP is accepted, further verification will be done in the next audit.		

Non-Conformity Report			
NCR Ref #:	2263250-202210-N2	Issue Date:	20/10/2022
Due Date:	Next Surveillance	Date of Closure:	Next Surveillance
Area/Process:	Palong Cocoa Palm Oil Mill	Clause & Category: (Major / Minor)	MSPO 2530 Part 4: 4.6.3.2 Minor

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Requirements:	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.
Statement of Nonconformity:	The payment to the contractor was not made according with the agreed timeline.
Objective Evidence:	During document review, it was noticed that payment made for the contractor (Kluang Practical Engineering, Date: 26/06/2022) were lapse by 9 days against the agreed timeline payment terms. Latest payment: Invoice No: 2209007 dated 13/09/2022, PV No: 22000883 dated 23/10/2022 (Term of payment: 30 days after issuance of Invoice). It was not according to Contract No: MPSB/C1/41/6(2022) dated 26/06/2022 Section 6.0 Term of Payment: MPSB Agrees to pay the company by progress payment in consideration of the company's undertaking of the said contract within thirty (30) days from the date of receipt of the undisputed invoices supported with the relevant and incidental documentary evidence that has been certified as completed and satisfactory by the Superintending Officer.
Corrections:	Mill management will notify to CFD on each due date of the payment shall be made to contractor. Mill Management will ensure all data of respective contractor is send to CFD within 1 week on each instalment period.
Root cause analysis:	Lack of monitoring and follow up with regards to process of remittance for contractor payment.
Corrective Actions:	To discuss with Procurement department on this issue on payment terms duration.
Assessment Conclusion:	The CAP is accepted, further verification will be conducted in the next audit.

Opportunity For Improvement

Ref:	N/A	Clause:	MSP0 Part __: N/A
Area/Process:	N/A		
Objective Evidence:	N/A		

Noteworthy Positive Comments

1.	Good relationship being maintained with surrounding communities and stakeholders.
2.	Good commitment from the management on maintaining the certification.
3.	Good all-in round knowledge in handling the audit.

3.3 Status of Nonconformities Previously Identified and OFI

Non-Conformity Report

NCR Ref #:	N/A	Issue Date:	N/A
Due Date:	N/A	Date of Closure:	N/A
Area/Process:	N/A	Clause & Category: (Major / Minor)	MSP0 Part __:
Clause:	N/A		

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Requirements:	N/A
Statement of Nonconformity:	N/A
Objective Evidence:	N/A
Corrections:	N/A
Root cause analysis:	N/A
Corrective Actions:	N/A
Assessment Conclusion:	N/A
Verification Statement:	N/A

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

3.4 Summary of the Nonconformities and Status

CAR Ref.	Clause & Category (Major / Minor)	Issued Date	Status & Date (Closure)
1696077-201806-M1	4.3.1.2 Part 3-Major	25/10/2018	Closed on 17/01/2019
1696077-201806-M2	4.3.1.2 Part 4-Major	25/10/2018	Closed on 17/01/2019
2263250-202210-M1	4.4.4.2(d)(e) Part 3-Major	20/10/2022	Closed on 16/01/2023
2263250-202210-N1	4.4.4.2(a) Part 4-Minor	20/10/2022	Open
2263250-202210-N2	4.6.3.2 Part 4-Minor	20/10/2022	Open

3.5 Issues Raised by Stakeholders

IS #	Description
1	Issues: <u>Union Representative</u> They informed that no pending issue during the time of audit. They will discuss with the management if there is any issue reported. Workers are paying in accordance with Minimum Wage Order 2022.
	Management Responses: Noted on the information.
	Audit Team Findings: No further information.
2	Issues: <u>Worker's representative</u>



	<p>The workers are satisfied with the management, and they informed that their wages have achieved Minimum Wage Order 2022. They are aware of the complaint procedure. No discrimination from the management.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No further information.</p>
3	<p>Issues: <u>Local Community Head (Kg Melayu Raya)</u> The estate management has given good cooperation to the neighboring estate. No social issues are in the villager. No complaint from local villagers.</p> <p>Management Responses: The management already communicate workers to maintain good conduct when dealing with local communities and will give good cooperation to villagers in using the estate road to move around between two villages.</p> <p>Audit Team Findings: No further information.</p>
4	<p>Issues: <u>Contractors (Labour Supply)</u> There is no late payment issue from Estate to contractors. Agreement is valid and signed by both parties. Contractor workers’ pay slip were kept in office.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No further information.</p>
5	<p>Issues: <u>Headmaster – Sekolah Kebangsaan Melayu Raya</u> No issues with estate management. At the moment, all staff’s children attended the school, and the percentage of attendance is high due to support from estate in providing free transport to send the children to school.</p> <p>Management Responses: The management will maintain sending staff children to school, if school have any request, just request to estate management, it will be process accordingly.</p> <p>Audit Team Findings: No further information.</p>

3.6 List of Stakeholders Contacted

<p>Government Officer: Headmaster – Sekolah Kebangsaan Melayu Raya, Segamat</p>	<p>Community/neighbouring village: Village Chief, Kampung Melayu Raya, Segamat</p>
<p>Suppliers/Contractors/Vendors: Labour Supply Contractor</p>	<p>Worker’s Representative/Gender Committee: Union Representative</p>

	Gender Representative
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Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings	
Based on the findings during the assessment Palong Cocoa Palm Oil Mill and Supply Bases Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Palong Cocoa Palm Oil Mill and Supply Bases Certification Unit is continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name: SALASAH ELIAS	Name: AHMAD RUFİ BIN ABU TALİB KHAN
Company name: KULIM (MALAYSIA) BERHAD	Company name: BSI SERVICES MALAYSIA SDN BHD
Title: DEPUTY GENERAL MANAGER	Title: CLIENT MANAGER
Signature:  Date: 31/01/2023	Signature:  Date: 23/01/2023

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 Labis Bahru Estate has been done on 22/02/2022 and 20/06/2022 for Mungka Estate. Refer Muster Awareness Record book.	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

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	was planned to be conducted at the frequency at least once within 12 months (before the expiry of the certificate). There is evidence that the internal audit has been conducted on annual basis. Notification for internal audit has been distributed to all operating units prior to the audit. Refer letter dated 27/06/2022 with reference number SID/SD/ADMIN/006/22: RSPO, MSPO, ISCC Internal Audit Schedule – Full Audit Certification by SID Dept 2022	
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 were 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. Refer Internal Audit Report dated 15/09/2022 for Labis Bahru Estate and 12/09/2022 for Mungka Estate. There are no findings raised for Labis Bahru Estate and Mungka Estate.	Complied
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

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.1.3 – Management Review			
4.1.3.1	<p>The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.</p> <p>- Major compliance -</p>	<p>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. Management review meeting was conducted as below:</p> <p>Labis Bahru Estate: 22/09/2022 Mungka Estate: 19/09/2022</p> <p>Issues that have been discussed during the management review were:</p> <ol style="list-style-type: none"> 1. Chairman remarks 2. Follow up actions from Management Review 3. Process Performance and product conformity 4. Customer feedback 5. Changes that could affect the management system 6. Result of internal audit 7. Complaint and grievances 8. Other matters 	Complied
Criterion 4.1.4 – Continual Improvement			
4.1.4.1	<p>The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.</p> <p>- Major compliance -</p>	<p>Each estate established their continual improvement plan which cover the aspect of social, environment and safety & health. Among the action plan documented are:</p> <ol style="list-style-type: none"> 1. Planting beneficial plant. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		2. Additional barn owl installation. 3. Use mini tractor for FFB evacuation. 4. Installation safety features at steel loading ramp. 5. Repainting workers quarters. 6. Repairing roof and ceiling. 7. Implementation of tractor road roller.	
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption. - Major compliance -	The estates obtained the information of new technique or new industry from Agronomy Advisory Services Dept or from being members of various oil palm related association e.g. ISP, MPOA, Johor Planters Association (JPA), and relationship with suppliers. Any new practices or technology will be included in their annual training program, prior the approval from the estate manager.	Complied
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established. - Major compliance -	Each estate management developed their own training program based on the training matrix. Any new practices or technology will be included in their annual training program, prior the approval from the estate manager.	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 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. - Major compliance -	Kulim (Malaysia) Berhad has developed Transparency Procedure with Doc. No.: SQD/SMS/1.0 dated 01/08/2020 where operating units to provide adequate information when requested by stakeholders on sustainability, social and legal issues when appropriate. Briefing of the adequate information was conducted on 11/10/2022 to all the stakeholders during stakeholder meeting at VIP Hotel Segamat. The	Complied

Criterion / Indicator		Assessment Findings	Compliance
		Stakeholder Meeting was conducted at regional level, where all the government agencies, contractors, village leaders, neighbouring estate was invited. Sighted the minutes of meeting is available.	
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>Labis Bahru Estate and Mungka Estate has implemented Enquiry Register Book to record any requests from stakeholders. There was no request of information since last audit. The general requests from the stakeholders are such as request to organize night market in the estate, usage of van to hospital, request for job and donation. The management has responded and approved for all the requests as verified in the Enquiry Register records.</p> <p>The documents may be publicly available as listed in the procedure above are such as:</p> <ol style="list-style-type: none"> 1. Land title/ user rights 2. OSH plan 3. Plans and impact assessment relating to environmental and social impacts 4. HCV documentation 5. Pollution prevention and reduction plans 6. Details of Complaint and grievances 7. Public summary of certification assessment reports 8. Procedure for negotiation on compensation 9. Results of FPIC processes 10. HCS documentation 11. Continuous Improvement Plan 12. Company policies 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		Besides, the stakeholders could access to company’s website, http://www.Kulim.com.my/ to get the information such as annual reports and sustainability reports.	
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 -	Kulim (Malaysia) Berhad has established Consultation and Communication Procedure with Doc. No.: SQD/SMS/1.1 dated 01/08/2020 to ensure Kulim (Malaysia) Berhad has an open and transparent communication methods with local communities and other internal & external stakeholders. Modes of the communication are such as muster, meetings, campaigns, suggestion boxes, letter, email, social media, face to face communication and etc	Complied
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	Assistant Manager – Muhammad Izzat Bin Ismail has been appointed as Social Person In-charge and appointment letter dated 09/02/2022 was sighted in Labis Bahru Estate. Assistant Manager of Mungka Estate, En Mohd Hafizzi Bin Ismail has been appointed so Social Person-In-charge and seen the appointment letter dated 20/04/2022.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	List of stakeholders was last updated on 13/09/2022 for Labis Bahru Estate, and on 01/01/2022 for Mungka Estate which has included contractors, suppliers, government authorities, NGOs and local communities. A combine stakeholder meeting for Palong Complex was conducted on 11/10/2022 through physical meet at VIP Hotel. The stakeholders that involved such as government authorities, contractors, suppliers, neighboring plantations and local communities. Seen the participant list that attend the virtual meeting. Issues raised during the meeting were	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>recorded in the meeting minutes. However, there was no issue raised by stakeholders of Palong Estate.</p> <p>One of the stakeholders of Labis Bahru Estate has informed regarding the children in the estate are unable to go to school due to some circumstances. He also requested the estate management to have a transport to send the children to school. The estate management informed that the request to purchase a van to send children to school was approved and the purchase will be conducted in January 2023.</p> <p>One of the representatives from government agencies, District Information Officer, requested that Kulim Estate and Mill to communicate with District officer regarding the vacancies available in the estate and mill, so the district management can advertise for local population to work in the estate. Regional Controller Tuan Mohd Salim agreed and will cooperation with Information Department in the District Office.</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>The company has established traceability procedure, doc no: SQD/SMS/2.1, issue no: 01, rev no: 06, dated on 17/02/2022. The objective of this procedure is to ensure that the implementation of the company's sustainable management system is in line with the defined policies, procedures and other requirements.</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>The estate conducted regular inspection on their daily operation work besides receiving external visit from in house agronomist, plantation advisor and internal audit department. Sighted the visit records and minutes of meeting.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance						
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system. - Minor compliance -	The company has appointed estate managers (for each estate) as the person responsible for the sustainability matters. The appointment was made on 15/09/2021. <table border="1" data-bbox="1048 544 1621 647"> <thead> <tr> <th>Estate</th> <th>Manager's Name</th> </tr> </thead> <tbody> <tr> <td>Labis Bahru</td> <td>Mr. Mohd Hanafi Bin Anua</td> </tr> <tr> <td>Mungka</td> <td>Mr. Farouk Zaki Bin Zakaria</td> </tr> </tbody> </table>	Estate	Manager's Name	Labis Bahru	Mr. Mohd Hanafi Bin Anua	Mungka	Mr. Farouk Zaki Bin Zakaria	Complied
Estate	Manager's Name								
Labis Bahru	Mr. Mohd Hanafi Bin Anua								
Mungka	Mr. Farouk Zaki Bin Zakaria								
4.2.3.4	Records of sales, delivery or transportation of FFB shall be maintained. - Major compliance -	Estates transport the FFB to the Palong Cocoa POM. Records of FFB delivery to the mill were maintained and sampled recorded as below: <u>Labis Bahru Estate:</u> 1. DB A no: 78650 2. Lorry no: BEB8419 3. Field/Year: P03, P08, P13 4. Ticket no: 182581 5. Weight: 37.57 Mt <u>Mungka Estate:</u> 1. DB A no: 28927 2. Vehicle no: LM 3 3. Field/year: P07/1 4. Ticket no: 185110 5. Weight: 6.96 Mt	Complied						
4.3 Principle 3: Compliance to legal requirements									
Criterion 4.3.1 – Regulatory requirements									

Criterion / Indicator		Assessment Findings	Compliance
4.3.1.1	<p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p>- Major compliance -</p>	<p>The estate obtained the permits and licenses from related bodies as follow:</p> <ul style="list-style-type: none"> a. Labis Bahru Estate <ul style="list-style-type: none"> 1. MPOB license no: 501775302000, expired 30/04/2023. 2. "Permit Barang Kawalan Berjadual", diesel, registered no: JH(SGT)00103/03/PSK, expired on 23/04/2024. 3. Deduction from employee wages: <ul style="list-style-type: none"> a. "Khairat kematian", PP3/29/051/2009, effective on 15/11/2009. b. "Masjid/surau/masyarakat/sukan", PP3/29/005/2009, effective on 15/02/2009. c. "Bekalan elektrik", PP3/29/001/2009, effective on 15/02/2009. d. "Bekalan air", PMT.SEGT/2012/7, effective on 27/06/2012. e. "Keahlian NUPW", PMT/1000/2011/0085, effective on 27/05/2008. 4. Air compressor permit, JH-130353, expired on 04/07/2023. 5. Weighbridge certificate, JH(SGT)00103/03/PSK, expired on 02/08/2023. 6. CHRA report was conducted on February 2021, report no: JKKPHQ/03/ASS/00/154-2021/008, done by QMSPRO Sdn Bhd. 7. Noise Risk Assessment report no: HQ/18/PEB/00/00014-2021/030, conducted on 24/11/2021. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		b. Mungka Estate 1. MPOB license no: 570584002000, expired on 31/03/2023. 2. "Permit Barang Kawalan Berjadual", diesel, registered no: JH(SGT)0101/03 PSK, expired on 31/08/2023. 3. Deduction from employee wages: a. "Khairat kematian", TK(NJ)U-24, effective on 28/01/2021. b. "Simpanan Tabung Haji", TN(NJ)U-24, effective on 08/10/2008. c. "Bekalan elektrik", PP3/29/09/2000, effective on 01/11/2009. 4. "Pengandung Tekanan Tak Berapi", reg no: JH PMT 22244, expired on 25/04/2023. 5. SPAN class license no: SPN/EKS/(PT)800-(2)/29/09, expired on 15/08/2023. 6. "Lesen abstraksi air untuk bekalan air pekerja ladang", license no: 07/A/Sgt/024, expired on 31/12/2022.	
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	Documented procedure has been established and implemented, SQD/SMS/2.0, dated on 01/08/2020. All legal requirements were documented in legal and other requirement and updated as an when necessary. Latest updated for year 2022 was listed under the indicator 4.3.1.3.	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 -	Estate management will receive updates on new legal and regulation from HQ and distribute the information to the estate's workers. Sighted the update on legal as follow: 1. Minimum Wages Order 2022, dated on 27/04/2022.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		2. Employment Provident Fund Act 1991, 3. Prevention and Control of Infectious Diseases (Compounding of Offences) (Amendment) Regulations 2022.	
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 company has appointed estate managers (for each estate) as the person responsible for the sustainability matters. The appointment was made on 15/09/2021.	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 -	The usage of the lands in Labis Bahru Estate and Mungka Estate are under Oil Palm cultivation and do not diminish the land user rights of other users. Through the interview with stakeholders, verified that the community is aware about the estate and the legitimacy of ownership of the estate belong to Kulim (M) Bhd group.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	<u>Labis Bahru Estate</u> There is total 20 land titles found in the estate. The sample titles are as below: GM No.: 218 Total HA: 3.17 ha No. Lot: 449 Ownership: Kulim (Malaysia) Berhad GM No.: 218 Total HA: 1.47 ha No. Lot: 605	Complied

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Criterion / Indicator	Assessment Findings	Compliance
	<p>Ownership: Kulim (Malaysia) Berhad</p> <p><u>Mungka Estate</u></p> <p>Mungka Estate land title was divided to two groups, one is Mungka Division, and another is Sepang Loi Division. Sepang Loi Division has about 42 land titles, and Mungka Estate land titles is shared with the Palong Estate which currently having Kemedak Division. The land title are as follows:</p> <ol style="list-style-type: none"> 1. Negeri – Johor, Daerah – Segamat, Mukim – Buloh Kasap, PT No – PTD 15678, Hectarage – 3406 ha, Conditions – Agriculture (Oil Palm) 2. Negeri – Johor, Daerah – Segamat, Mukim – Buloh Kasap, PT No – PTD 15679, Hectarage – 501.8 ha, Conditions – Agriculture (Oil Palm) 3. Negeri – Johor, Daerah – Segamat, Mukim – Buloh Kasap, PT No – PTD 15680, Hectarage – 931.002 ha, Conditions – Agriculture (Oil Palm) 4. Negeri – Johor, Daerah – Segamat, Mukim – Buloh Kasap, PT No – PTD 15677, Hectarage – 806.5 ha, Conditions – Agriculture (Oil Palm) <p>The land title of Sepang Loi Division as follows:</p> <ol style="list-style-type: none"> 1. Negeri – Johor, Daerah – Segamat, Mukim – Sermin, No Hakmilik – 45484, Hectarage – 20.11 ha, Conditions – Agriculture (Oil Palm) 2. Negeri – Johor, Daerah – Segamat, Mukim – Sermin, No Hakmilik – 45486, Hectarage – 20.15 ha, Conditions – Agriculture (Oil 	

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Criterion / Indicator		Assessment Findings	Compliance
		<p>Palm)</p> <p>3. Negeri – Johor, Daerah – Segamat, Mukim – Sermin, No Hakmilik – 45487, Hectarage – 20.87 ha, Conditions – Agriculture (Oil Palm)</p> <p>4. Negeri – Johor, Daerah – Segamat, Mukim – Sermin, No Hakmilik – 45488, Hectarage – 20.94 ha, Conditions – Agriculture (Oil Palm)</p> <p>5. Negeri – Johor, Daerah – Segamat, Mukim – Sermin, No Hakmilik – 45489, Hectarage – 20.92 ha, Conditions – Agriculture (Oil Palm)</p> <p>Verified that the payment of land tax was done, sighted the official receipt from Pentadbiran Tanah Johor. Sample receipt as the following:</p> <p>1. Receipt No: 0174348, Daerah: Segamat, Mukim (10) Sermin, DHM No: GRN 00045484, Lot No: 00001438.</p> <p>2. Receipt No: 0174350, Daerah: Segamat, Mukim (10) Sermin, DHM No: GRN 00045486, Lot No: 00001438.</p>	
4.3.2.3	<p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p>- Major compliance -</p>	<p>Legal perimeter boundary pegging is available at field. Boundary stone mapping was developed. Seen the photo evident with GPS coordinates as below:</p> <p><u>Labis Bahru Estate</u> Boundary pegging no F63, located at block P03 with GPS coordinate: 2.41305 N, 102.87388 E.</p> <p><u>Mungka Estate</u> Boundary pegging no LSL 100, located at block P03 with GPS coordinate 2.72667 N, 102.83083.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC). - Minor compliance -	There is no land dispute in the Labis Bahru Estate, and Mungka Estate at the time of audit. The land belongs to Kulim (Malaysia) Berhad and land ownership documents verified.	N/A
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 -	There is no customary land or negotiated agreements within the Labis Bahru Estate, and Mungka Estate. Land area confirmed through document reviewed and interviewed with the communities.	N/A
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	There is no customary land or negotiated agreements within the Labis Bahru Estate, and Mungka Estate. Land area confirmed through document reviewed and interviewed with the communities.	N/A
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no customary land or negotiated agreements within the Labis Bahru Estate, and Mungka Estate. Land area confirmed through document reviewed and interviewed with the communities.	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 -	Sustainability & Quality Department has carried out Social Impact Assessment on 13/10/2022 as per the Standard Operating Procedure title Social Impact Assessment (Doc No; SQD/SMS/3.6, Date: 01/08/2020). The checklist has been sent to the estates management	Complied

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		<p>andfilled in by the workers and the contractors. The social impact registeris developed based on the scoring of frequency, consequence, and likelihood.</p> <p>Social Management Plan will be developed after the social impact register established. The last review of the social management plan was on 13/10/2022 with identification of negative and positive impacts. Mitigation and promotion actions were taken accordingly to the impacts identified.</p> <p>Verified the action taken for the negative issue and positive issue raised during last management plan on Year 2022 as below:</p> <ol style="list-style-type: none"> 1. Issue: during SUHAKAM visit to Labis Bahru Estate, it was noted by them that the estate management was keeping the workers passport as per request of the workers due to safety concern by the workers. SUHAKAM has mentioned that as per Passport Act 1955, the worker shall keep their own passport. <p>Action taken: The estate management gave back all the passport to the workers on 03/08/2022, with training was conducted on how to keep their passport safe.</p>	
Criterion 4.4.2: Complaints and grievances			
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>Kulim (Malaysia) Berhad has developed Grievance Procedure with Doc. No.: SQD/SMS/4.1 dated 01/08/2020 to ensure Kulim (Malaysia) Berhad has a documented system for dealing with complaints and grievances that is agreeable to all sides and accepted by all stakeholders. Dispute resolution mechanisms are established through open and consensual agreements with affected parties. Procedure has outlined the process of complaint management. The timeline to resolve the grievances is clearly stated in the procedure which is within 26</p>	Complied

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		<p>days for internal employees and 21 days for other stakeholders.</p> <p>Besides, Kulim (Malaysia) Berhad has developed Grievance Policy dated 07/12/2021 to ensure that there is a transparent process for ensuring stakeholder’s grievances and complaints are dealt with fairly, consistently and promptly.</p> <p>Briefing of the grievance policy and procedure was conducted on 10/02/2022 at Labis Bahru Estate and 10/08/2022 in Mungka Estate The briefing to other stakeholders was conducted on 11/10/2022 during stakeholder meeting.</p>	
4.4.2.2	<p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Labis Bahru Estate and Mungka Estate has implemented Suggestion/ Complaint form & Enquiry Register Book to record any grievances from external stakeholders and Complaint Book for workers.</p> <p>There are grievances recorded in the Enquiry Register Record dated 11/10/2022 requesting the estate to open the gate bar from the estate opening and Kampung Paya Besar road. The estate responded in opening the gate bar from 6.00am to 6.00 pm.</p> <p>Sampled the internal complaints as below:</p> <ol style="list-style-type: none"> House No.: 1 and 2 dated 07/10/2022 (Labis Bahru Estate) Issue: Septic Tank over, and Septic tank cover broken. Action: The repair job was done on 09/10/2022 and was done by carpenter. House No: E97, dated 04/08/2022, Issue: Broken Window Naco Glass, Action: Repair job was done on 06/08/2022 	Complied
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p>	<p>Complaint/ Suggestion Box was available in front of the office and in front of the security post in Labis Bahru Estate and Mungka Estate. The stakeholders and workers are aware of the complaint box as a method to lodge complaint.</p>	Complied

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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 -	Complaint/ Suggestion Box was available in front of the office and in front of the security post in Labis Bahru Estate and Mungka Estate. The stakeholders and workers are aware of the complaint box as a method to lodge complaint.	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 -	Complaint/ Enquiry Register records since 2018 were maintained.	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 -	<p>Labis Bharu Estate, and Mungka Estate has made contribution to the local communities.</p> <p><u>Labis Bahru Estate</u> Sighted the Petty Cash Voucher (No: 22001146) to Sek Agama Melayu Melayu Raya, for the cash given to school for their Annual General Meeting. Stakeholder interview with Mohd Ali Bin Hadoon @ Adon verified that the estate has been given CSR to school upon request.</p> <p><u>Mungka Estate</u> Sighted the Memo to Sekolah Kebangsaan Kemedak, for the cash given to school for their Annual Sports Day. (Ref: LM062/22/A-119, Date: 14/07/2022)</p>	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.	Occupational Safety and Health Policy dated 01/10/2021 has been established which in line with Occupational Safety and Health Act 1994	Complied

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	- Major compliance -	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	
4.4.4.2	<p>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 Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. 	<ul style="list-style-type: none"> a) 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). 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. Latest review was conducted on: <ul style="list-style-type: none"> Labis Bahru Estate: 20/09/2022 Mungka Estate: 01/03/2022 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. Labis Bahru Estate - The Chemical Health Risk Assessment Report (Ref. Number: JKPP HQ/03/ASS/00/154-2018/054) conducted by QMSPRO Sdn Bhd on August 2018 and Supplementary CHRA 	Major Non-Conformance

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Criterion / Indicator	Assessment Findings	Compliance
<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>Report dated February 2021 (Ref. Number: JKPP HQ/03/ASS/00/154-2021/008) was available for verification.</p> <p>Mungka Estate - The Chemical Health Risk Assessment Report (Ref. Number: JKPP HQ/03/ASS/00/154-2018/053) conducted by QMSPRO Sdn Bhd on August 2018 and Supplementary CHRA Report dated February 2021 (Ref. Number: JKPP HQ/03/ASS/00/154-2021/009) was available for verification.</p> <p>Medical Surveillance was conducted for workers exposed to chemicals and fertilizer 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>Labi Bahru Estate - Medical Surveillance was conducted on 03/09/2022 at Uni Klinik Permas Jaya that involved 36 workers. Result indicates that all workers condition were fit to work.</p> <p>Mungka Estate - Medical Surveillance was conducted on 03/07/2022 at Klinik Ladang Mungka Jaya that involved 28 workers. Result indicates that all workers condition were fit to work.</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>Labi Bahru Estate – Assessment conducted on 24/11/2021 by NRA Assessor registration No: HQ/18/PEB/00/00014. The assessment report (Ref. No: HQ/18/PEB/00/00014-2021/030) was available for verification.</p> <p>Mungka Estate – Assessment conducted on 24/11/2021 by NRA Assessor registration No: HQ/18/PEB/00/00014. The assessment</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>report (Ref. No: HQ/18/PEB/00/00014-2021/029) was available for verification.</p> <p>Audiometric tests were conducted as per recommendation by the NRA Assessor.</p> <p>Labis Bahru Estate – Audiometric test has been conducted on 13/10/2022 and the result indicates there is no abnormal hearing for that workers.</p> <p>Mungka Estate – Audiometric test was not required as per NRA assessor.</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> <p><u>Labis Bahru Estate</u></p> <ul style="list-style-type: none"> - Chemical handling training on 23/05/2022 - Safety Work at diesel tank dated 22/01/2022 - Workshop Training dated 14/07/2022 <p><u>Mungka Estate</u></p> <ul style="list-style-type: none"> - Spraying Calibration dated 08/01/2022 - Fertilizer Sampling dated 21/07/2022 - Spill Containment dated 06/06/2022 <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><u>Major NC</u></p> <p>Implementation of PPE usage was not fully demonstrated.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>During site visit at Mungka Estate, Field P12/02 Circle Spraying Operation using CKS Pump and Mist Blower, it was found two workers who handle mist blower were not wearing earplug as their PPE. It was not in line with "Prosedur Panduan Kerja Selamat – Penyemburan Meraacun Mist Blower, Reference No: KULIM/PKS-OSH-1 dated 01/03/2021 Section 3.1.7 Semasa (i) Memakai alat keselamatan (PPE) yang lengkap iaitu sarung tangan getah, goggles, penutup hidung, kasut but, apron, topi dan "ear plug" semasa menjalankan kerja-kerja meraacun.</p> <p>During site visit at Harvesting Area Mungka Estate, Filed P07/01, it was noticed that 2 Mechanical Buffalo (MB) Driver were wearing rubber shoes instead of safety shoes. Other than that, visit at Sepang Loi Division, Field P00/01, it was found that Tractor Kubota Driver was wearing Wellington Boots instead of safety shoes. It was not in line with "Prosedur Panduan Kerja Selamat – (6)Pemanduan Badang/Mechanical Buffalo (MB), Reference No: KULIM/PKS-OSH-1 dated 01/03/2021 Section 6.1.4, PPE (i) Topi Keselamatan, (ii) Kasut Keselamatan, (iii) Baju Pantul Cahaya, (iv) Cermin Mata keselamatan. And (b) Pemanduan Traktor Section 8.1.4 PPE (i) Topi Keselamatan, (ii) Kasut Keselamatan, (iii) Baju Pantul Cahaya, (iv) Cermin Mata keselamatan.</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><u>Major NC</u> Handling of chemical procedures was not fully demonstrated.</p>	

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Criterion / Indicator		Assessment Findings	Compliance															
		<p>During site visit at Circle Spraying Operation using CKS Pump and Mist Blower at Mungka Estate, Field P12/02, Premix Chemical Supersate and Kelly was used. However, there were no SDS and Clean Water provided at the field for emergency purpose. It was not in line with "Prosedur Panduan Kerja Selamat – Meracun, Reference No: KULIM/PKS-OSH-1 dated 01/03/2021 Section 2.1.6(iii) Mandur perlu sentiasa membawa peti pertolongan cemas dan Salinan SDS untuk kegunaan kecemasan and 3.1.6(viii) Pekerja Meracun di kehendaki membawa Bersama sabun dan air bersih untuk kegunaan mencuci jika terkena racun. Kontainer yang digunakan hendaklah bertanda Air Bersih".</p> <p>The procedures outline the handling of chemicals in accordance with the regulation. SDS were made available at the relevant workstations involved in chemical handling such as chemical stores and spraying area.</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"> <thead> <tr> <th>OSH Meeting</th> <th>Labis Bahru Estate</th> <th>Mungka Estate</th> </tr> </thead> <tbody> <tr> <td>1st Quarter</td> <td>17/03/2022</td> <td>20/03/2022</td> </tr> <tr> <td>2nd Quarter</td> <td>17/06/2022</td> <td>09/06/2022</td> </tr> <tr> <td>3rd Quarter</td> <td>27/09/2022</td> <td>22/09/2022</td> </tr> <tr> <td>4th Quarter</td> <td>-</td> <td></td> </tr> </tbody> </table>	OSH Meeting	Labis Bahru Estate	Mungka Estate	1 st Quarter	17/03/2022	20/03/2022	2 nd Quarter	17/06/2022	09/06/2022	3 rd Quarter	27/09/2022	22/09/2022	4 th Quarter	-		
OSH Meeting	Labis Bahru Estate	Mungka Estate																
1 st Quarter	17/03/2022	20/03/2022																
2 nd Quarter	17/06/2022	09/06/2022																
3 rd Quarter	27/09/2022	22/09/2022																
4 th Quarter	-																	

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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. ERP Training has been conducted on:</p> <p>Labis Bahru Estate: 29/08/2022 Mungka Estate: 21/09/2021</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:</p> <p>Labis Bahru Estate: 25/02/2022 Mungka Estate: 04/10/2022</p> <p>j) All accidents are to be investigated and reported to Head Office. Accident was discussed in the Quarterly OSH meeting in order to review necessary SOP and HIRARC. 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:</p> <p>Labis Bahru Estate: JKPP8/96876/2021 submitted on 17/01/2022: 8 accidents with 91 TLA Mungka Estate: JKPP8/94472/2021 submitted on 05/01/2022: 1 accident with 19 TLA</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 July 2022, August 2022 and September 2022 for the mill and as below.</p>	

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Criterion / Indicator		Assessment Findings				Compliance
		Operating Unit	Month	Total Workers	Amount	
		Labis Bahru Estate	July 2022	136	RM 5,712.50	
			August 2022	152	RM 6,336.80	
			September 2022	155	RM 6,587.10	
		Mungka Estate	July 2022	112	RM 5,276.70	
			August 2022	119	RM 5,787.30	
			September 2022	128	RM 5,811.70	
Criterion 4.4.5: Employment conditions						
4.4.5.1	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. - Major compliance -	Kulim (Malaysia) Berhad has developed Sustainability Policy dated 07/12/2021 where the company respect, support and protect international human rights against violence, threats, all forms of retaliation and contribute to the effective elimination of all forms of violations of human rights. Briefing of the policy was conducted on 15/02/2022 to workers at Labis Bharu Estate, 11/03/2022 at Mungka Estate. Besides, the stakeholders were briefed on 11/10/2022 during stakeholder meeting				Complied
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 -	Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 07/12/2021 where the company will not engage in nor support discrimination in any form. Briefing of the policy was conducted on 15/02/2022 to workers at Labis Bharu Estate, 11/03/2022 at Mungka Estate. Besides, the stakeholders were briefed on 11/10/2022 during stakeholder meeting. Phone interviewed with the workers confirmed that the management treated all the workers equally. Overtime was offered based on voluntarily basis.				Complied
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed	Employment contract was signed by the workers. Pay and conditions are documented and above the Minimum Wage Order 2022. Sampled				Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>of the employment contracts confirmed that terms and conditions are clearly outlined as per NUPW/ MAPA collective agreement and Minimum Wages Order 2022, the management has issued an addendum memo to all the workers regarding the salary adjustment to RM 1500, refer Per: Kenaikkan Gaji Mengikut Perintah Gaji Minimum 2022 dated 09/05/2022. The sample is as per below:</p> <p><u>Labis Bahru Estate</u></p> <ol style="list-style-type: none"> 1. Worker No: 605863 2. Worker No: 605024 3. Worker No: 605137 4. Worker No: 605908 5. Worker No: 605884 6. Worker No: 605903 7. Worker No: 605144 8. Worker No: 605904 9. Worker No: 605854 10. Worker No: E150001435 <p><u>Mungka Estate</u></p> <ol style="list-style-type: none"> 1. Worker No: 635007 2. Worker No: 635013 3. Worker No: 635426 4. Worker No: 635752 5. Worker No: E820000924 6. Worker No: 635489 7. Worker No: E820000922 	

Criterion / Indicator		Assessment Findings	Compliance
		8. Worker No: 635513 9. Worker No: 635433 10. Worker No: 635628	
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Labis Bahru and Mungka Estate has engaged contractors for activities such as harvesting of FFB and transporting of FFB. The workers employed by the contractors are foreign workers. Reviewed 11 sampled of employment contracts, payslips and permits of the contractors' workers found that all meet the requirements of the standard and legal requirements. SOCSO contribution was made accordingly.</p> <p>Labis Bahru Estate – Nusa Bersatu Enterprise</p> <ol style="list-style-type: none"> 1. Perkeso ID: 202056485425 2. Perkeso ID: 202032012502 3. Perkeso ID: 20205251420 <p>Labis Bahru Estate – Kumarevelan Contractor & Enterprise</p> <ol style="list-style-type: none"> 1. Passport ID: Cxxx578 2. Passport ID: Cxxx581 3. Passport ID: Cxxx581 <p>Mungka Estate – Malar Enterprise</p> <ol style="list-style-type: none"> 1. Passport ID: Cxxx275 2. Passport ID: Cxxx732 3. Passport ID: Cxxx521 4. Passport ID: Cxxx583 5. Passport ID: Cxxx589 	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>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.</p> <p>- Major compliance -</p>	<p>All the estates have implemented I-Plantation System to record and maintain the overview of employees in Employee Master. Details such as full name, gender, date of birth, date of entry, job description and type of wages was found in the system. Besides, a hardcopy of Registration Card/ Employee Card was implemented to fill in all the basic information of the workers.</p>	<p>Complied</p>
<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>The employees that recruited by the estates are from local and foreign workers. They are either under direct employment to the management or contractor' workers. All of them have signed on the employment contract prior to work. Terms and conditions were according to MAPA/ NUPW Agreement. Verified 20 samples of employment contracts</p> <p><u>Labis Bahru Estate</u></p> <ol style="list-style-type: none"> 1. Worker No: 605863 2. Worker No: 605024 3. Worker No: 605137 4. Worker No: 605908 5. Worker No: 605884 6. Worker No: 605903 7. Worker No: 605144 8. Worker No: 605904 9. Worker No: 605854 10. Worker No: E150001435 <p><u>Mungka Estate</u></p> <ol style="list-style-type: none"> 1. Worker No: 635007 2. Worker No: 635013 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		3. Worker No: 635426 4. Worker No: 635752 5. Worker No: E820000924 6. Worker No: 635489 7. Worker No: E820000922 8. Worker No: 635513 9. Worker No: 635433 10. Worker No: 635628	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer. - Major compliance -	All the daily attendance was recorded by checkroll attendance and scan barcode using K-PLANT system on daily basis and overtime was recorded in the Overtime Form. Seen the Overtime Form for the Month of May 2022, July 2022 and September 2022, it was found that no exceeded limit of 104 hours of overtime.	Complied
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement. - Major compliance -	Interviewed with workers and document reviewed on the Overtime Form as well as payslip shown that the overtime payments are in accordance to law and workers are not forced to work overtime.	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 overtime form and attendance report. Total hours of overtime and daily attendance has recorded in Attendance report in the system. Sampled total 20 payslips for May 2022, July 2022 and September 2022 found that all of the sampled workers have achieved the Minimum Wage 2022. <u>Labis Bahru Estate</u>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		1. Worker No: 605863 2. Worker No: 605024 3. Worker No: 605137 4. Worker No: 605908 5. Worker No: 605884 6. Worker No: 605903 7. Worker No: 605144 8. Worker No: 605904 9. Worker No: 605854 10. Worker No: E150001435 <u>Mungka Estate</u> 1. Worker No: 635007 2. Worker No: 635013 3. Worker No: 635426 4. Worker No: 635752 5. Worker No: E820000924 6. Worker No: 635489 7. Worker No: E820000922 8. Worker No: 635513 9. Worker No: 635433 10. Worker No: 635628	
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional	The company provided free medical facilities to all the workers. Subsidized of water and electricity were given to all the workers.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	development, medical care and health provisions. - Minor compliance -	Besides, free school uniforms to the children of workers and provide free transportation to send the children of workers to school.	
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation. - Major compliance -	The workers were provided with free housing facilities, subsidized of water and electricity. Estate Hospital Assistant has carried out linesite inspection on weekly basis in all sampled estates. Seen the record of linesite inspection. There was no issue raised during the inspection. The report of inspection will be verified and approved by the Assistant Manager and Manager.	Complied
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Kulim (Malaysia) Berhad has developed Sexual Harassment Policy dated 07/12/2021 where the company seeks to eradicate all forms of sexual harassment in the workplace and wherever possible influence the behavior of its employees. KULIM 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. Briefing of the policy was conducted on 21/02/2022 to workers in Labis Bahru Estate, and 20/07/2022 at Mungka Estate. A Women on Ward (WOW) committee was established in the Labis Bahru Estate and Mungka Estate and seen the name list of complaint panel for WOW with contact number for the workers to report if there any complaint. Meeting was conducted on 25/08/2022 (Labis Bahru Estate), 16/08/2022 (Mungka Estate). Briefing of the function of WOW Panel was conducted during meeting. No issue was reported during the meeting. Interviewed with the female workers confirmed that they are aware of the complaint procedure and informed that no sexual harassment and violence case report so far.	Complied

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<p>4.4.5.13 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>Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 07/12/2021 where the company recognized and respected the rights of employees to form and/ or join trade unions of their choice which are given due recognition by Kulim (Malaysia) Berhad. The policy was in bi-lingual which is Bahasa Malaysia and English. Briefing of the policy was conducted on 21/02/2022 to workers in Labis Bahru Estate, and 11/03/2022 in Mungka Estate. Interviewed with the workers confirmed that they are free to join NUPW without any restriction from management.</p> <p>NUPW meeting between management of Labis Bahru Estate and workers was conducted on 27/02/2022 and meeting minutes was sighted. There are concerns at that time regarding the implementation of minimum wages of Rm 1500.00 and COVID-19 incentive paid to foreign labour whether the incentive will be continued to local labour as well, the management has mentioned that the minimum wages is being discuss by the government and regarding the incentive, at the moment there is no order coming from the HQ.</p> <p>NUPW meeting between management of Mungka Estate and NUPW Committee was conducted on 19/07/2022, it was attended by the Estate Manager, and Mungka Estate NUPW Chairman. In the meeting, the chairman mentioned about the enforcement of Minimum Wages Order 2022, which increase the minimum salary to Rm 1500.00, as well as the COVID-19 prevention between the workers.</p>	<p>Complied</p>
<p>4.4.5.14 Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering</p>	<p>Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 01/10/2021 where they are not engaged in or support the use of Child Labour and will provide adequate support to enable children of its employees to attend and remain in school until no longer a child. Briefing of the policy was conducted on 15/02/2022 to workers in Labis</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance														
	<p>with their education. They shall not be exposed to hazardous working conditions.</p> <p>- Major compliance -</p>	<p>Bahru Estate, and 11/03/2022 in Mungka Estate. Briefing to the stakeholders was conducted on 11/10/2022 during stakeholder meeting. Verified the master list of the workers confirmed that the minimum age of workers employed are 18 years old.</p> <p>The National Union of Plantation Workers has sent the letter to the Labis Bahru Estate announcing their union committee member. Refer the letter from NUPW Johore (Ref No: NUPW/JSB/E60/2022, date: 17/02/2022)</p> <p><u>Mungka Estate</u></p> <p>The National Union of Plantation Workers has sent the letter to the Mungka Estate announcing their union committee member. Refer the letter from NUPW Johore (Ref No: NUPW/JSB/E65/2018, date: 10/10/2018).</p>															
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> <p>Labis Bahru Estate</p> <table border="1"> <thead> <tr> <th>Training</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Harvesting Training</td> <td>04/02/2022</td> </tr> <tr> <td>Spraying Calibration</td> <td>20/01/2022</td> </tr> <tr> <td>Chemical Handling</td> <td>23/05/2022</td> </tr> <tr> <td>ERP and CPR Training</td> <td>20/02/2022</td> </tr> <tr> <td>First Aid Training</td> <td>25/01/2022</td> </tr> <tr> <td>Triple Rinsing Training</td> <td>06/04/2022</td> </tr> </tbody> </table>	Training	Date	Harvesting Training	04/02/2022	Spraying Calibration	20/01/2022	Chemical Handling	23/05/2022	ERP and CPR Training	20/02/2022	First Aid Training	25/01/2022	Triple Rinsing Training	06/04/2022	Complied
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Criterion / Indicator		Assessment Findings		Compliance
		Working at Height	11/02/2022	
		Mungka Estate		
		Training	Date	
		Manuring Application Training	10/03/2022	
		Harvesting Safety Training	11/08/2022	
		Chemical Handling	19/04/2022	
		Safety Work Chemical Store	11/01/2022	
		Fogging	10/05/2022	
		Bagworm Treatment	08/03/2022	
		PPE usage Training	16/06/2022	
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) for the year 2022.</p>		Complied
4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services				
Criterion 4.5.1: Environmental Management Plan				

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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 -	Kulim (Malaysia) Berhad has established Environmental Policy signed by the Managing Director dated 01/10/2021. The policy stated the company's commitment to continuous success in their oil palm and bio-compost and work towards developing a balance between environmental conservation and business objectives. The policy had been communicated to the workforce thru morning briefing and training.	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 -	The estates have conducted Environmental Impact Assessment for all workstations. The assessment was reviewed on annually basis. Reviewed the environment management plan as follows: <ul style="list-style-type: none"> • Monitoring buffer zone near the water sources as per DID guideline. • Inlet and outlet water test monitoring for nitrate and phosphate. • Chemical handling and storage procedures (pesticide, herbicide, fertilizer) training. • Conduct monitoring and records of schedule waste records (disposal/transfer/inventory). • Cleaning and monitoring on PCD. a. Labis Bahru Estate EIA, refer document no LBE-EMP01, dated on 01/01/2022. b. Mungka Estate EIA, refer document no KULIM-LM-2022, dated on 08/08/2022. Base on the EIA conducted, the estate has identified 11 activities with significant impact to the environment and has established environmental plan. The EIA stated the aspect impact identification,	Complied

Criterion / Indicator		Assessment Findings	Compliance
		risk assessment, risk control, timeline, person in charge and implementation status.	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	The estates have established the environmental plan based on the Environmental Aspect Impact Identification which give significant impact for the environment. The EAI was reviewed on annual basis. The management plan stated the objectives of the environmental issue, mitigating measure, person in charge and timeline of completion. The progress was monitored on monthly basis. Sighted the implementation plan as follow: <ul style="list-style-type: none"> To allow vegetation to grow at all-natural areas as per procedures. To continue spreading awareness and educate all employees & stakeholders on the illegal hunting and wildlife conflict management at estate compound. To ensure all schedule waste and non-schedule waste were managed according to the waste management procedures. 	Complied
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	Program to promote activities with positive impacts to the environment were established in several management plan such as continuous improvement plan, environmental improvement plan, waste and pollution management plan and water management plan.	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 -	<u>Labis Bahru Estate</u> 1. IPM & beneficial plant training, conducted on 12/07/2022. 2. Manuring training, conducted on 14/06/2022. 3. Chemical mixing training, conducted on 10/06/2022. 4. Schedule waste segregation training, conducted on 17/05/2022. 5. Residential cleanliness and hygiene training, conducted on 07/05/2022.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		6. Buffer zone training, conducted on 22/04/2022. 7. Zero burning policy training, conducted on 18/04/2022. <u>Mungka Estate</u> 1. Manuring at buffer zone training, conducted on 10/03/2022. 2. Spraying calibration training, conducted on 08/01/2022. 3. Schedule waste training, conducted on 20/09/2022. 4. Spraying at HCV area & buffer zone, conducted on 26/01/2022. 5. Triple rinsing training, conducted on 16/06/2022.	
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed. - Major compliance -	Estate management conducted environmental audit once a year. Sighted the minute meeting for Labis Bahru Estate was conducted on 27/04/2022 and for Mungka Estate, the meeting was conducted on 19/09/2022. Among the agenda discussed during the meeting were as follow: a. Introduction and speech from chairman. b. Previous matter arising. c. Environmental related matters. d. Legal compliance. e. Environmental impact assessment. f. HC/Biodiversity monitoring. g. Training.	Complied
Criterion 4.5.2: Efficiency of energy use and use of renewable energy			

Criterion / Indicator		Assessment Findings				Compliance																																																														
<p>4.5.2.1</p> <p>Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.</p> <p>- Major compliance -</p>	<p>The estates maintain records of energy usage. The monitoring of non-renewable energy usage was conducted on monthly basis. Sighted the records as follows:</p> <p>Labis Bahru Estate</p> <table border="1"> <thead> <tr> <th rowspan="2">Water</th> <th colspan="3">Usage / Population (litre/people)</th> </tr> <tr> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Total Usage</td> <td>17.27</td> <td>22.50</td> <td>29.16</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2">Electrical</th> <th colspan="3">Usage / Population (kWH/people)</th> </tr> <tr> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Total Usage</td> <td>85.92</td> <td>123.96</td> <td>138.29</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2">Diesel</th> <th colspan="3">Usage / Population (Mt/litre)</th> </tr> <tr> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Total Usage</td> <td>1.29</td> <td>1.59</td> <td>1.47</td> </tr> </tbody> </table> <p>Mungka Estate</p> <table border="1"> <thead> <tr> <th rowspan="2">Water</th> <th colspan="3">Usage / Population (litre/people)</th> </tr> <tr> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Total Usage</td> <td>7.87</td> <td>27.42</td> <td>37.04</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2">Electrical</th> <th colspan="3">Usage / Population (kWH/people)</th> </tr> <tr> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Total Usage</td> <td>179.26</td> <td>228.96</td> <td>237.10</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2">Diesel</th> <th colspan="3">Usage (Litre/Mt)</th> </tr> <tr> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Total Usage</td> <td>0.65</td> <td>0.47</td> <td>0.58</td> </tr> </tbody> </table>	Water	Usage / Population (litre/people)			2020	2021	2022	Total Usage	17.27	22.50	29.16	Electrical	Usage / Population (kWH/people)			2020	2021	2022	Total Usage	85.92	123.96	138.29	Diesel	Usage / Population (Mt/litre)			2020	2021	2022	Total Usage	1.29	1.59	1.47	Water	Usage / Population (litre/people)			2020	2021	2022	Total Usage	7.87	27.42	37.04	Electrical	Usage / Population (kWH/people)			2020	2021	2022	Total Usage	179.26	228.96	237.10	Diesel	Usage (Litre/Mt)			2020	2021	2022	Total Usage	0.65	0.47	0.58	<p>Complied</p>
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4.5.2.2	The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations. - Major compliance -	All estates have a yearly estimation of energy usage. This estimation is compared to the actual usage monthly and reported to the head office. <table border="1" data-bbox="1048 544 1868 679"> <thead> <tr> <th rowspan="2">Estate</th> <th colspan="2">Diesel (liter)</th> </tr> <tr> <th>Budget</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>Labis Bahru</td> <td>22707</td> <td>13328</td> </tr> <tr> <td>Mungka</td> <td>24240</td> <td>11464</td> </tr> </tbody> </table>	Estate	Diesel (liter)		Budget	Actual	Labis Bahru	22707	13328	Mungka	24240	11464	Complied
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Labis Bahru	22707	13328												
Mungka	24240	11464												
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	No renewable energy being practices in the estate compound.	Complied											
Criterion 4.5.3: Waste management and disposal														
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The estate management has identified schedule waste related to the estate daily operation as follow; SW409 (empty chemical/pesticide containers), SW102 (batteries), SW305 (spent oil), SW410 (contaminated rags/sacks), SW408 (hydrocarbon/pesticide spillage, contaminated soil – diesel leakage), SW307 (water waste), SW410 (oil filter), SW429 (expired chemical), SW404 (clinical waste) and SW109 (spent bulb, electrical waste).	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 -	Identification and monitoring source of waste were included in the waste management plan. Among the action plan for the waste management are: <table border="1" data-bbox="1048 1198 1868 1396"> <thead> <tr> <th>Waste Type</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Schedule waste</td> <td>Collect and placed at schedule waste store. Dispose to licensed contractor if adequate quantity (20Mt) or due for 180 days.</td> </tr> <tr> <td>Non schedule waste</td> <td>Provide adequate garbage bins at line site. Prohibition of waste burning.</td> </tr> </tbody> </table>	Waste Type	Action Plan	Schedule waste	Collect and placed at schedule waste store. Dispose to licensed contractor if adequate quantity (20Mt) or due for 180 days.	Non schedule waste	Provide adequate garbage bins at line site. Prohibition of waste burning.	Complied					
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Criterion / Indicator		Assessment Findings	Compliance		
		<table border="1"> <tr> <td></td> <td>Recycle waste if possible. Disposed to landfill.</td> </tr> </table> <p><u>Labis Bahru Estate</u></p> <p>1. Schedule waste inventories were recorded in the record book and transferred to the Eswiss system at the end of each month. Latest of the schedule waste inventory was recorded on 11/09/2022. Disposal of previous schedule waste were made on 13/09/2022 to Kualiti Alam Sdn Bhd.</p> <p>Among the SW disposed were SW305 (spent lubricant oil – 1.425 mt), SW408 (contaminated soil– 0.3040 mt), SW409 (used containers – 0.6975 mt), SW109 (electrical waste – 0.0795 mt), SW410 (oil filter – 0.0871 mt), SW307 (spent mineral oil – 0.0510 mt).</p> <p>2. Disposal of domestic waste is made to land fill located at P08, Block A.</p> <p><u>Mungka Estate</u></p> <p>1. Schedule waste inventories were recorded in the record book and transferred to the Eswiss system at the end of each month. Disposal of previous schedule waste were made on 03/10/2022 to Kualiti Alam Sdn Bhd.</p> <p>2. Among the SW disposed were SW410 (filter contaminated – 0.0080 mt), SW307 (oil water emulsion – 0.0480 mt), SW409 (used containers – 0.0050 mt), SW305 (used oil – 0.0770 mt), SW110 (electrical assemblies – 0.0040 mt), SW408 (contaminated soil – 0.0080 mt) and SW306 (hydraulic oil – 0.0830 mt).</p>		Recycle waste if possible. Disposed to landfill.	
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4.5.3.3	<p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p>- Major compliance -</p>	<p>Kulim (Malaysia) Berhad has established SOP for scheduled waste handling documented in Work Instruction: Scheduled Waste, refer document no. SPO/WI/06 issue no. 1, rev. 0 dated 01/10/2020. The estates have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005. Inventory for all scheduled waste generated were recorded and reported to DOE through E-SWISS. Sighted the sampled scheduled waste disposal records:</p> <p>Labis Bahru Estate</p> <table border="1"> <thead> <tr> <th>Date</th> <th>SW</th> <th>Consignment Note</th> </tr> </thead> <tbody> <tr> <td rowspan="6">13/09/2022</td> <td>305</td> <td>2022091318B06TY3</td> </tr> <tr> <td>408</td> <td>202209131818JBYZ</td> </tr> <tr> <td>409</td> <td>2022091318ZQ5DW4</td> </tr> <tr> <td>109</td> <td>2022913188RESBSO</td> </tr> <tr> <td>410</td> <td>2022091318W9GRDP</td> </tr> <tr> <td>307</td> <td>20220913189IUDB5</td> </tr> </tbody> </table> <p>Mungka Estate</p> <table border="1"> <thead> <tr> <th>Date</th> <th>SW</th> <th>Consignment Note</th> </tr> </thead> <tbody> <tr> <td rowspan="7">03/10/2022</td> <td>410</td> <td>2022100310QX2MNZ</td> </tr> <tr> <td>307</td> <td>2022100309FTUVJB</td> </tr> <tr> <td>409</td> <td>2022100309E0WLV7</td> </tr> <tr> <td>305</td> <td>2022100309750TBX</td> </tr> <tr> <td>110</td> <td>20221003090AY9KW</td> </tr> <tr> <td>408</td> <td>20221003104WHFTO</td> </tr> <tr> <td>306</td> <td>2022100310KMO3VP</td> </tr> </tbody> </table>	Date	SW	Consignment Note	13/09/2022	305	2022091318B06TY3	408	202209131818JBYZ	409	2022091318ZQ5DW4	109	2022913188RESBSO	410	2022091318W9GRDP	307	20220913189IUDB5	Date	SW	Consignment Note	03/10/2022	410	2022100310QX2MNZ	307	2022100309FTUVJB	409	2022100309E0WLV7	305	2022100309750TBX	110	20221003090AY9KW	408	20221003104WHFTO	306	2022100310KMO3VP	Complied
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4.5.3.4	<p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there</p>	<p>Empty chemical containers were reused to store mixture of chemical or disposed to the licensed contractor. All generated empty containers</p>	Complied																																		

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Criterion / Indicator		Assessment Findings	Compliance
	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 -	were recorded in Empty Container Record Book. Most of the empty chemical containers disposed to Kualiti Alam Sdn Bhd and some of it were disposed to G-Planter Sdn Bhd (a chemical supplier). Sighted the UPPCR collection records dated on 25/03/2022 and 14/10/2022 for Labis Bahru Estate.	
4.5.3.5	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance -	Waste domestic disposed to landfill located at estate compound. 1. Labis Bahru Estate: Block P08 Block 1. 2. Mungka Estate: Blok P03 Block 1.	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 -	The estate management has developed Reduction of Pollution & Emission Management Plan. They have identified the source of emission from running vehicles & machine, electricity, fertilizer usage, landfill and septic tank.	Complied

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Criterion / Indicator		Assessment Findings	Compliance																		
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	Action plan was developed and implemented at the estate level. Sighted as below: <table border="1"> <thead> <tr> <th>Issues</th> <th>Source</th> <th>Action</th> </tr> </thead> <tbody> <tr> <td>Dark smoke</td> <td>Running vehicle</td> <td>Routine inspection.</td> </tr> <tr> <td rowspan="2">GHG emission</td> <td>Electricity</td> <td>Awareness program.</td> </tr> <tr> <td>Fertilizer</td> <td>Recommendation from agronomist</td> </tr> <tr> <td rowspan="3">Waste water</td> <td>Used of fossil fuel.</td> <td>Inspection of the fuel equipment.</td> </tr> <tr> <td>Pollution control device</td> <td>Daily inspection of PCD Collect and place SW to SW store.</td> </tr> <tr> <td>Septic tank</td> <td>Line site weekly inspection. Immediate action to control any spillage or over flow.</td> </tr> </tbody> </table>	Issues	Source	Action	Dark smoke	Running vehicle	Routine inspection.	GHG emission	Electricity	Awareness program.	Fertilizer	Recommendation from agronomist	Waste water	Used of fossil fuel.	Inspection of the fuel equipment.	Pollution control device	Daily inspection of PCD Collect and place SW to SW store.	Septic tank	Line site weekly inspection. Immediate action to control any spillage or over flow.	Complied
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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, 	Water supply for Labis Bahru Estate comes from Syarikat Air Johor, as for Mungka Estate, the water source comes from water bodies. <ol style="list-style-type: none"> The estate management had monitored the water consumption for past 3 years as follow: <table border="1"> <thead> <tr> <th>Estate</th> <th>Year</th> <th>Usage (liter)</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Labis Bahru</td> <td>2020</td> <td>46,898.00</td> </tr> <tr> <td>2021</td> <td>52,057.00</td> </tr> <tr> <td>2022</td> <td>44,260.00</td> </tr> <tr> <td rowspan="2">Mungka</td> <td>2020</td> <td>14,276.80</td> </tr> <tr> <td>2021</td> <td>44,717.50</td> </tr> </tbody> </table> 	Estate	Year	Usage (liter)	Labis Bahru	2020	46,898.00	2021	52,057.00	2022	44,260.00	Mungka	2020	14,276.80	2021	44,717.50	Complied			
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Criterion / Indicator		Assessment Findings					Compliance															
	maintenance of equipment to reduce leakage, collection of rainwater, etc.). 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. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. - Major compliance -		2022	43,190.80																		
		b. The estate management had conducted water analysis to ensure the Nitrate Nitrogen and Phosphorus from fertilizer application are at acceptable level (permissible limit is 7 and 0.2 for N & P respectively). The sample was analyzed by accredited lab, UTCL Laboratory on monthly basis. Labis Bahru Estate																				
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		c. Sighted the management has committed to optimize water and nutrient usage to reduce wastage from evidence rainwater harvesting use for general cleaning, operation, gardening etc. d. Protection of water course has been implemented for pond, reservoir and wetland. e. A relevant plan to restore removed vegetation at the buffer zone was sighted and reviewed. f. No bore well being used as the water source for this estate.																				
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	No bunds, weirs or dams built across main rivers or waterways passing through the estate.					Complied															

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Criterion / Indicator		Assessment Findings	Compliance																																																
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles). - Minor compliance -	Sighted the side drain technique and silt pit were practices in the estate compound.	Complied																																																
Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value																																																			
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover: a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities. b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities. - Major compliance -	<p>Kulim (M) Berhad conducted Rapid Biodiversity Assessment Factsheet for their operation unit on 26/09/2007 and review the assessment on February 2013. The report produced by A.J.F.M Dekker.</p> <p>Labis Bahru Estate</p> <table border="1"> <thead> <tr> <th>No</th> <th>Block/Description</th> <th>HCV Category</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>P03/03 – swampy area</td> <td>4</td> <td>3.12</td> </tr> <tr> <td>2</td> <td>P07/03 – pocket forest</td> <td>2</td> <td>5.88</td> </tr> <tr> <td>3</td> <td>P08/02 – swampy area</td> <td>4</td> <td>0.51</td> </tr> <tr> <td>4</td> <td>P08/03 – pond</td> <td>4</td> <td>5.02</td> </tr> </tbody> </table> <p>Mungka Estate</p> <table border="1"> <thead> <tr> <th>No</th> <th>Block/Description</th> <th>HCV Category</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>P09/04 – Pocket forest</td> <td>4</td> <td>7.29</td> </tr> <tr> <td>2</td> <td>P10/01 – reservoir</td> <td>4</td> <td>53.64</td> </tr> <tr> <td>3</td> <td>P10/01 – Infaq Warisan</td> <td>4</td> <td>3.17</td> </tr> <tr> <td>4</td> <td>P10/03 – shrubland</td> <td>2</td> <td>1.89</td> </tr> <tr> <td>5</td> <td>P11/07 – Pond</td> <td>4</td> <td>0.22</td> </tr> <tr> <td>6</td> <td>P12/04 – river</td> <td>4</td> <td>1.89</td> </tr> </tbody> </table>	No	Block/Description	HCV Category	Ha	1	P03/03 – swampy area	4	3.12	2	P07/03 – pocket forest	2	5.88	3	P08/02 – swampy area	4	0.51	4	P08/03 – pond	4	5.02	No	Block/Description	HCV Category	Ha	1	P09/04 – Pocket forest	4	7.29	2	P10/01 – reservoir	4	53.64	3	P10/01 – Infaq Warisan	4	3.17	4	P10/03 – shrubland	2	1.89	5	P11/07 – Pond	4	0.22	6	P12/04 – river	4	1.89	Complied
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4.5.6.2	If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:	The company has established a procedure to manage wildlife conflict in the estate compound, doc no: SQD/SMS/6.7, dated on 11/05/2021. The objective of this procedure was to ensure HCV and HCS area within Kulim (M) Berhad are protected and enhanced from any clearing or	Complied																																																

Criterion / Indicator		Assessment Findings	Compliance						
	a) Ensuring that any legal requirements relating to the protection of the species are met. b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts. - Major compliance -	damaging activities and are taken in account in integrated management plan and operations. Among the appropriate measures taken by the estate management was documented in the Biodiversity Improvement Plan 2022. Details of the plan is explained under indicator 4.5.6.3. Interview session with the workers indicated their good understanding regarding on the environmental related issues. There were aware of prohibition of animal hunting, not to spray any chemical at buffer zone area and to record any RTE found in the estate. Sighted the signage discouraging illegal hunting in the estate compound.							
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required. - Major compliance -	The estates have established Biodiversity Improvement Plan. The plan was divided into immediate action plan and long-term strategies. In the plan stated the action, completion date and person responsible. Among the action plan taken are: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Estate</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>Labis Bahru</td> <td> Installation of signage of prohibited activities to ensure no entry into the plantation and HCV area. To ensure there is no manuring activities near the water stream/river. To train the workers the workers on manuring and spraying. To conduct water analysis for manuring Conduct regular patrolling to detect any signs of encroachment. To immediate report if sighting any sign or see RTE species. </td> </tr> <tr> <td>Mungka</td> <td> Conduct regular patrolling to trace any sign of encroachment. </td> </tr> </tbody> </table>	Estate	Action Plan	Labis Bahru	Installation of signage of prohibited activities to ensure no entry into the plantation and HCV area. To ensure there is no manuring activities near the water stream/river. To train the workers the workers on manuring and spraying. To conduct water analysis for manuring Conduct regular patrolling to detect any signs of encroachment. To immediate report if sighting any sign or see RTE species.	Mungka	Conduct regular patrolling to trace any sign of encroachment.	Complied
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Mungka	Conduct regular patrolling to trace any sign of encroachment.								

Criterion / Indicator		Assessment Findings	Compliance
		Installation of hunting prohibition activities signage. To brief workers on biodiversity & HCV management. Promote vegetation at the riverbanks.	
Criterion 4.5.7: Zero burning practices			
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	Kulim Malaysia Berhad developed their environmental policy where they have stated their commitment to create quality environment as a key factor in the continuous success of their oil palm and bio-compost production business. Stated in the policy, the company adopt and practice zero burning techniques in land preparation for new planting and replanting program. No open burning allowed as per applicable environmental legislation.	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 -	No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction. No open burning approval was obtained, as there is no open burning is allowed.	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 visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction. No open burning approval was obtained, as there is no open burning is allowed.	N/A
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	Noted based on the records on the land clearing and felling for the replanting at visited estates, method of land clearing and preparation	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Minor compliance -	was used such as felling & chipping, cambering/land forming and path construction.	
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 (Malaysia) Berhad has established Standard Operating Procedure as guidance for daily operation for the mills and estates. The estates hold 3 SOPs as follows: 1. Agriculture Manual updated 2019 (for Plantations). 2. Sustainable Management System dated 2020. 3. Safety Work Procedure dated 2009 The management has established a system to monitor the mill operation such as Internal Audit, Operational Checklist, Workplace Inspection, Management Review Meeting and Mill/Estates Inspection Visit. As part of the monitoring process, the estate conducted daily monitoring on the work process besides receiving visitors from the agronomist, plantation advisor and internal audit department.	Complied
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 -	Kulim (M) Berhad has established Agriculture Manual under topic Replanting: Terrance & Platform Construction. The manual limits the construction on hilly area at 25 slope degree. Areas with greater than 25-degree slope are not to be planted but be left for biodiversity purposes.	Complied

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Criterion / Indicator		Assessment Findings	Compliance																		
4.6.1.3	A visual identification or reference system shall be established for each field. - Major compliance -	Both Estates visited had a visual identification/reference system for each established field/block and maps established. Field numbers and hectare were marked on palms and in some areas on concrete slaps.	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 -	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" style="margin-left: 20px;"> <thead> <tr> <th>Estate</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> <th>2027</th> </tr> </thead> <tbody> <tr> <td>Labis Bahru</td> <td>232.06</td> <td>208.50</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Mungka</td> <td>0</td> <td>0</td> <td>134.16</td> <td>82.67</td> <td>0</td> </tr> </tbody> </table>	Estate	2023	2024	2025	2026	2027	Labis Bahru	232.06	208.50	0	0	0	Mungka	0	0	134.16	82.67	0	Complied
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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 d) Price forecast	Business plan is reflected through the establishment of annual budget. The projection of 5 years was available at all the sampled estates. Among the information available in the business plan is crop budget, cost of production per Ha and per mt basis, price forecast and estimation of ROI.	Complied																		

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Criterion / Indicator		Assessment Findings	Compliance
	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>Labis Bahru Estate</u> a. Kumaravelan Contractor & Enterprise. Type of work: Transporting of FFB from Fields to Ramp, Reference No: KMB/C1/28/10(2021) dated 15/12/2021 valid from 01/01/2022 to 31/12/2024 b. Nusa Bersatu Enterprise. Type of work: Harvesting of FFB at Field P03, P07, P08 and P13, Reference No: KMB/C1/20/21/2020 dated 20/09/2020 valid from 01/10/2020 to 30/09/2023 <u>Mungka Estate</u> a. Sri MK Enterprise. Type of work: Harvesting of FFB at Field P09, P10 and P12 Reference No: MPSB/C1/24/27(2021) dated 15/12/2021 valid from 01/10/2022 to 31/12/2024	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		b. Perusahaan Juta Cemerlang. Type of work: Transporting FFB from All Field at Ladang Mungka to Palong Cocoa Mill Reference No: MPSB/C1/24/28(2021) dated 15/12/2021 valid from 01/10/2022 to 31/12/2024	
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	All contract agreement were sign by both parties and payment term and condition were conducted as the agreements. Refer sample payment to the contractor as below: <u>Labis Bahru Estate</u> a. Kumaravelan Contractor & Enterprise - Invoice No: 0299 dated 31/08/2022, Payment Voucher 22000954 dated 07/09/2022 b. Nusa Bersatu Enterprise - Invoice No: 22000060 dated 30/08/2022, Payment Voucher 2200051 dated 07/09/2022 <u>Mungka Estate</u> a. Sri MK Enterprise - Invoice No: 22000084 dated 30/09/2022, Payment Voucher 22000534 dated 03/10/2022 b. Perusahaan Juta Cemerlang - Invoice No: 22000085 dated 30/09/2022, Payment Voucher 22000538 dated 03/10/2022	Complied
Criterion 4.6.4: Contractor			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	Contractors were briefed on MSPO matters and the requirement to comply with MSPO matters was stipulated in the contract agreement. This insertion of this Policy is to ensure contractors are aware and comply with local, national laws such as payment of minimum wage, ratified international laws, and also with MSPO standards. This was also acknowledged by the contractors and reiterated during the stakeholder meeting.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.4.2	<p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>	<p>There is evidence that all sample contracts have been made fair, legal and transparent and has been agreed by both parties. Sample of contract agreement as below:</p> <p><u>Labis Bahru Estate</u></p> <p>a. Kumaravelan Contractor & Enterprise. Type of work: Transporting of FFB from Fields to Ramp, Reference No: KMB/C1/28/10(2021) dated 15/12/2021 valid from 01/01/2022 to 31/12/2024</p> <p>b. Nusa Bersatu Enterprise. Type of work: Harvesting of FFB at Field P03, P07, P08 and P13, Reference No: KMB/C1/20/21/2020 dated 20/09/2020 valid from 01/10/2020 to 30/09/2023</p> <p><u>Mungka Estate</u></p> <p>a. Sri MK Enterprise. Type of work: Harvesting of FFB at Field P09, P10 and P12 Reference No: MPSB/C1/24/27(2021) dated 15/12/2021 valid from 01/10/2022 to 31/12/2024</p> <p>b. Perusahaan Juta Cemerlang. Type of work: Transporting FFB From All Field at Ladang Mungka to Palong Cocoa Mill Reference No: MPSB/C1/24/28(2021) dated 15/12/2021 valid from 01/10/2022 to 31/12/2024</p>	Complied
4.6.4.3	<p>The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.</p> <p>- Minor compliance -</p>	<p>As per Agreement, Letter of Acceptance Section 6.0, All contract operation perform by any appointed contractors and sub-contractors in the certified mill and estates is subjected to any certification audit assessment through a physical inspection if required.</p>	Complied
4.6.4.4	<p>The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.</p>	<p>The control points on all tasks performed by the contractors were monitored. The Payment Card and Payment Record Form were updated on monthly's basis in order to ensure all claims by contractors and payment made to them were in line with the term and condition of the contract agreement.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -	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.	
4.7 Principle 7: Development of new planting			
Criterion 4.7.1: High biodiversity value			
4.7.1.1	Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation. - Major compliance -	Not Applicable, there are no new planting available.	N/A
4.7.1.2	No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest 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. - Major compliance -	Not Applicable, there are no new planting available.	N/A
Criterion 4.7.2: Peat Land			
4.7.2.1	New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice. - Major compliance -	Not Applicable, there are no new planting available.	N/A

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Criterion / Indicator		Assessment Findings	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 -	Not Applicable, there are no new planting available.	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 -	Not Applicable, there are no new planting available.	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 -	Not Applicable, there are no new planting available.	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 -	Not Applicable, there are no new planting available.	N/A
Criterion 4.7.4: Soil and topographic information			
4.7.4.1	Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.	Not Applicable, there are no new planting available.	N/A

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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 -	Not Applicable, there are no new planting available.	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 -	Not Applicable, there are no new planting available.	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 -	Not Applicable, there are no new planting available.	N/A
4.7.5.3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion. - Major compliance -	Not Applicable, there are no new planting available.	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, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to	Not Applicable, there are no new planting available.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	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 -	Not Applicable, there are no new planting available.	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 -	Not Applicable, there are no new planting available.	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 -	Not Applicable, there are no new planting available.	N/A
4.7.6.5	Identification and assessment of legal and recognised customary rights shall be documented. - Major compliance -	Not Applicable, there are no new planting available.	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 -	Not Applicable, there are no new planting available.	N/A
4.7.6.7	The process and outcome of any compensation claims shall be documented and made publicly available.	Not Applicable, there are no new planting available.	N/A

Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
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 -	Not Applicable, there are no new planting available.	N/A

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

Criterion / Indicator		Assessment Findings	Compliance
4.1 Principle 1: Management commitment & responsibility			
Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy			
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	The management of Kulim (M) Berhad has established internal policy for implementation of MSPO and has been documented in the document title “Kulim Malaysia Berhad, Malaysian Sustainable Palm Oil Policy” dated 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

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Criterion / Indicator		Assessment Findings	Compliance
		There is evidence that the internal audit has planned and done on annual basis. Internal audit for Palong Cocoa POM was conducted on 11/09/2022.	
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 mill 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 Palong Cocoa 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. Management review meeting was conducted on 29/09/2022.	Complied

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Criterion / Indicator		Assessment Findings	Compliance						
		<p>Issues that have been discussed during the management review were:</p> <ol style="list-style-type: none"> 1. Charman remarks 2. Confirmation of last meeting 3. Issue raised on previous meeting 4. Internal Audit Report 5. RSPO and MSPO Performance 6. Changes in the system 7. Complaint and grievances 8. Complaint from stakeholder 9. Customer feedback 10. Continuous Improvement 11. Social Issue 12. Environment 13. Productivity 14. Other matters 							
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>Continual improvement plan which covers the aspect of social, environmental, safety and business opportunity was made available to the audit plan and verified. Sighted the records as follow:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Aspect</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Social</td> <td>Repaint worker’s quarters. Repair drainage at worker’s quarters. Cleaning and flushing water tank</td> </tr> </tbody> </table>	No	Aspect	Action Plan	1	Social	Repaint worker’s quarters. Repair drainage at worker’s quarters. Cleaning and flushing water tank	Complied
No	Aspect	Action Plan							
1	Social	Repaint worker’s quarters. Repair drainage at worker’s quarters. Cleaning and flushing water tank							

Criterion / Indicator		Assessment Findings			Compliance
		2	Environment	Utilization of biogas for power produced for mill. Major repair ESP for smoke control. Major repair bund for anaerobic pond no 3.	
		3	Business	Replacement kernel silo no 3. Upgrading 5000-liter digester.	
		4	Safety	Repair and replacement roofing at boiler and EFB area.	
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 -	Any new technology and/or innovation equipment is subject to approval by management. Any new information is updated to employees through morning briefings, memo, meetings, station training. Where new technology or system are introduced, awareness briefing is provided to the employees at all levels prior to the implementation			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 -	Kulim (Malaysia) Berhad has developed Transparency Procedure with Doc. No.: SQD/SMS/1.0 dated 01/08/2020 where operating units to provide adequate information when requested by stakeholders on sustainability, social and legal issues when appropriate. Briefing of the adequate information was conducted on 11/10/2022 to all the stakeholders during stakeholder meeting at VIP Hotel Segamat. The Stakeholder Meeting was conducted at regional level, where all the government agencies, contractors, village leaders, neighbouring estate was invited. Sighted the minutes of meeting is available.			Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>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.</p> <p>- Major compliance -</p>	<p>Palong Cocoa Palm Oil Mill has implemented Enquiry Register Book to record any requests from stakeholders. There was not any request of information since last audit. The general requests from the stakeholders are such as request to organize night market in the estate, usage of van to hospital, request for job and donation. The management has responded and approved for all the requests as verified in the Enquiry Register records.</p> <p>The documents may be publicly available as listed in the procedure above are such as:</p> <ol style="list-style-type: none"> 1. Land title/ user rights 2. OSH plan 3. Plans and impact assessment relating to environmental and social impacts 4. HCV documentation 5. Pollution prevention and reduction plans 6. Details of Complaint and grievances 7. Public summary of certification assessment reports 8. Procedure for negotiation on compensation 9. Results of FPIC processes 10. HCS documentation 11. Continuous Improvement Plan 12. Company policies <p>Besides, the stakeholders could access to company's website, http://www.Kulim.com.my/ to get the information such as annual reports and sustainability reports.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
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 -	Kulim (Malaysia) Berhad has established Consultation and Communication Procedure with Doc. No.: SQD/SMS/1.1 dated 01/08/2020 to ensure Kulim (Malaysia) Berhad has an open and transparent communication methods with local communities and other internal & external stakeholders. Modes of the communication are such as muster, meetings, campaigns, suggestion boxes, letter, email, social media, face to face communication and etc	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 – Sheikh Ibrahim Bin Sheikh Awabl has been appointed as Social Person In-charge and appointment letter dated 10/02/2022 was sighted in Palong Cocoa Palm Oil Mill	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. - Major compliance -	List of stakeholders was last updated on 1/09/2022 for Palong Cocoa Palm Oil Mill which has included contractors, suppliers, government authorities, NGOs and local communities. A combine stakeholder meeting for Palong Complex was conducted on 11/10/2022 through physical meet at VIP Hotel. The stakeholders that involved such as government authorities, contractors, suppliers, neighboring plantations, and local communities. Seen the participant list that attend the virtual meeting. Issues raised during the meeting were recorded in the meeting minutes. However, there was no issue raised by stakeholders of Palong Estate. One of the stakeholders of Labis Bahru Estate has informed regarding the children in the estate are unable to go to school due to some circumstances. He also requested the estate management to have a transport to send the children to school. The estate	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		<p>management informed that the request to purchase a van to send children to school was approved and the purchase will be conducted in January 2023.</p> <p>One of the representatives from government agencies, District Information Officer, requested that Kulim Estate and Mill to communicate with District officer regarding the vacancies available in the estate and mill, so the district management can advertise for local population to work in the estate. Regional Controller Tuan Mohd Salim agreed and will cooperation with Information Department in the District Office.</p>	
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>The company has established traceability procedure, doc no: SQD/SMS/2.1, issue no: 01, rev no: 06, dated on 17/02/2022. The objective of this procedure is to ensure that the implementation of the company's sustainable management system is in line with the defined policies, procedures, and other requirements.</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>Regular inspections on compliance with traceability system conducted through internal audit. Daily implementation monitoring was done by the mill manager and assistant manager. Besides, the mill also received visit from Mill Inspectorate. Sighted the visit report dated on 15/06/2022.</p>	Complied
4.2.3.3	<p>The management shall identify and assign suitable employees to implement and maintain the traceability system.</p> <p>- Minor compliance -</p>	<p>The company has appointed mill manager, as the person responsible for the sustainability matters. The appointment was made on 15/09/2021.</p>	Complied

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Criterion / Indicator		Assessment Findings					Compliance
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	Record of FFB received were maintained. Palong Cocoa POM received FFB from own supplying estates and group estates. Sampled some of the records as follow:					Complied
		Estate	Date	W/B Ticket	Weight	Field	
		Palong	19/10/2022	185243	10.540 Mt	P13	
		Mungka	19/10/2022	185246	8.18 Mt	P11	
		UMAC	19/10/2022	185251	34.060 Mt	P03	
		Labis Bahru	19/10/2022	185231	28.790 Mt	P07	
4.3 Principle 3: Compliance to legal requirements							
Criterion 4.3.1 – Regulatory requirements							
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	<ol style="list-style-type: none"> 1. Deduction under Section 24, Labour Act 1955: <ol style="list-style-type: none"> a. "Potongan upah untuk bayaran elektrik", reference no: TK(NJ)U-24, effective on 30/10/2018. b. "Potongan upah untuk bayaran yuran kesatuan kerja", reference no: TK(NJ)U-24, effective on 03/10/2018. c. "Potongan upah untuk potongan Tabung Haji", reference no: TK(NJ)U-24, effective on 03/10/2018. d. "Potongan upah untuk bayaran khairat", reference no: TK(NJ)U-24, effective on 30/10/2018. 2. BAKAJ (Abstraksi Air Untuk Bekalan Air), reference no: BAKAJ/334/300/5/6/7/18, expired on 31/12/2022. 3. "Permit Kerja Lebih Masa", reference no: BHG.PU.9/134JLD 17, expired on 30/11/2022. 4. MPOB license no: 578392004000, expired on 30/11/2022. 					Complied

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Criterion / Indicator		Assessment Findings	Compliance
		5. "Lesen Perpasangan Persendirian", reference no: 51864, expired on 06/11/2022. 6. "Suruhanjaya Perkhidmatan Air Negara", reference no: SPAN/EKS/(PT)/800. (1)/2/14, expired on 12/04/2023. 7. "Peraturan – Peraturan Kawalan Bekalan 1974" for diesel supply, reference no: JH(SGT)0143/08 PSK, expired on 17/08/2024. 8. "Syarat syarat lesen premis kilang minyak kelapa sawit mentah", reference no: JAS.JHQ.00.3/1/39(02), expired on 30/06/2023.	
4.3.1.2	The management shall list all relevant laws related to their operations in a legal requirements register. - Major compliance -	Documented procedure has been established and implemented, SQD/SMS/2.0, dated on 01/08/2020. All legal requirements were documented in legal and other requirement and updated as an when necessary. Latest updated for year 2022 was listed under the indicator 4.3.1.3.	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 -	Estate management will receive updates on new legal and regulation from HQ and distribute the information to the estate's workers. Sighted the update on legal as follow: <ol style="list-style-type: none"> 1. Minimum Wages Order 2022, dated on 27/04/2022. 2. Employment Provident Fund Act 1991, 3. Prevention and Control of Infectious Diseases (Compounding of Offences) (Amendment) Regulations 2022. 	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.	The company has appointed mill manager, as the person responsible for the sustainability matters. The appointment was made on 15/09/2021.	Complied

Criterion / Indicator		Assessment Findings	Compliance
- Minor compliance -			
Criterion 4.3.2 – Lands use rights			
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 -	The usage of the lands in Palong Cocoa Palm Oil Mill are under Oil Palm cultivation and do not diminish the land user rights of other users. Through the interview with stakeholders, verified that the community is aware about the estate and the legitimacy of ownership of the estate belong to Kulim (M) Bhd group.	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 -	The mill is located in the Mungka inside the Field No P12/04, the land title of the mill will follow the Mungka Estate. <u>Mungka Estate</u> Mungka Estate land title was divided to two groups, one is Mungka Division and another is Sepang Loi Division. Sepang Loi Division has about 42 land titles, and Mungka Estate land titles is shared with the Palong Estate which currently having Kemedak Division. The land title are as follows: 1. Negeri – Johor, Daerah – Segamat, Mukim – Buloh Kasap, PT No – PTD 15678, Hectarage – 3406 ha, Conditions – Agriculture (Oil Palm) 2. Negeri – Johor, Daerah – Segamat, Mukim – Buloh Kasap, PT No – PTD 15679, Hectarage – 501.8 ha, Conditions – Agriculture (Oil Palm) 3. Negeri – Johor, Daerah – Segamat, Mukim – Buloh Kasap, PT No – PTD 15680, Hectarage – 931.002 ha, Conditions – Agriculture (Oil Palm) 4. Negeri – Johor, Daerah – Segamat, Mukim – Buloh Kasap, PT No – PTD 15677, Hectarage – 806.5 ha, Conditions – Agriculture	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		(Oil Palm)	
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable. - Major compliance -	Layout plan available indicated the whole mill area within Mungka Estate compound. Boundary map with other land-owners available at the estate. Sighted the mill was surrounded by fences.	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 at Palong Cocoa Palm Oil Mill at the time of audit. The land belongs to Kulim (M) Berhad and land ownership documents verified.	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 -	There is no customary land or negotiated agreements within the Palong Cocoa Palm Oil Mill Land area confirmed through document reviewed and interviewed with the communities.	N/A
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	There is no customary land or negotiated agreements within the Palong Cocoa Palm Oil Mill. Land area confirmed through document reviewed and interviewed with the communities.	N/A
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	There is no customary land or negotiated agreements within the Palong Cocoa Palm Oil Mill Land area confirmed through document reviewed and interviewed with the communities.	N/A
4.4 Principle 4: Social responsibility, health, safety and employment condition			

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	<p>Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.</p> <p>- Minor compliance -</p>	<p>Sustainability & Quality Department has carried out Social Impact Assessment on 13/10/2022 as per the Standard Operating Procedure Title Social Impact Assessment (Doc No; SQD/SMS/3.6, Date: 01/08/2020). The checklist has been sent to the estates management and filled in by the workers and the contractors. The social impact register is developed based on the scoring of frequency, consequence, and likelihood.</p> <p>Social Management Plan will be developed after the social impact register established. The last review of the social management plan was on 13/10/2022 with identification of negative and positive impacts. Mitigation and promotion actions were taken accordingly to the impacts identified.</p> <p>Verified the action taken for the negative issue and positive issue raised during last management plan on Year 2022 as below:</p> <p>Issue: During SUHAKAM visit to Sedenak Estate, it was noted by them that the estate management was keeping the workers passport as per request of the workers due to safety concern by the workers. SUHAKAM has mentioned that as per Passport Act 1955, the worker shall keep their own passport.</p> <p>Action taken: The estate management gave back all the passport to the workers on 03/08/2022, with training was conducted on how to keep their passport safe.</p>	Complied
Criterion 4.4.2: Complaints and grievances			

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Criterion / Indicator		Assessment Findings	Compliance
4.4.2.1	<p>A system for dealing with complaints and grievances shall be established and documented.</p> <p>- Major compliance -</p>	<p>Kulim (Malaysia) Berhad has developed Grievance Procedure with Doc. No.: SQD/SMS/4.1 dated 01/08/2020 to ensure Kulim (Malaysia) Berhad has a documented system for dealing with complaints and grievances that is agreeable to all sides and accepted by all stakeholders. Dispute resolution mechanisms are established through open and consensual agreements with affected parties. Procedure has outlined the process of complaint management. The timeline to resolve the grievances is clearly stated in the procedure which is within 26 days for internal employees and 21 days for other stakeholders.</p> <p>Besides, Kulim (Malaysia) Berhad has developed Grievance Policy dated 07/12/2021 to ensure that there is a transparent process for ensuring stakeholder's grievances and complaints are dealt with fairly, consistently and promptly.</p> <p>Briefing of the grievance policy and procedure was conducted on 05/04/2022 at Palong Cocoa Palm Oil Mill. The briefing to other stakeholders was conducted on 11/10/2022 during stakeholder meeting.</p>	Complied
4.4.2.2	<p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p>- Major compliance -</p>	<p>Palong Cocoa Palm Oil Mill has implemented Suggestion/ Complaint form & Enquiry Register Book to record any grievances from external stakeholders and Complaint Book for workers.</p> <p>There are grievances recorded in the Enquiry Register Record dated 01/09/2022 requesting the mill to repair the slippery road, to ease the kids going to school.</p>	Complied
4.4.2.3	<p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p>- Minor compliance -</p>	<p>Complaint/ Suggestion Box was available in front of the office and in front of the security post in Palong Cocoa Palm Oil Mill. The</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
		stakeholders and workers are aware of the complaint box as a method to lodge the complaint.	
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 -	Complaint/ Suggestion Box was available in front of the office and in front of the security post in Palong Cocoa Palm Oil Mill. The stakeholders and workers are aware of the complaint box as a method blodge complaint.	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 -	Complaint/ Enquiry Register records since 2018 were maintained.	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 -	Palong Cocoa Palm Oil Mill has made contribution to the local communities Sighted the Petty Cash Voucher (No: 22000070) to Sek Keb Kemedak, for the cash given to school for their Maulidur Rasul Event.	Complied
Criterion 4.4.4: Employees safety and health			
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	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	Complied

Criterion / Indicator	Assessment Findings	Compliance
	<p>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>4.4.4.2</p> <p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> a) A safety and health policy, which is communicated and implemented. b) The risk of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill: <ul style="list-style-type: none"> i. All employees involved are adequately trained on safe working practices; ii. All precautions attached to products should be properly observed and applied; d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). 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. 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. 	<ul style="list-style-type: none"> a) 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. Communication of the policy conducted on 23/01/2022. <u>Minor NC</u> The Safety and health procedure was not fully implemented. During site visit at CPO despatch station, it was noticed that 1 Tanker driver with registration number JLR8698, climb up the tanker without wearing safety harness and safety shoes. Based on the interview with operator there, the unsafe act was done by the driver himself and refuse to follow normal safe work procedure. Based on interview, Normal practice was the Lab Operator will climb up the tanker with complete PPE for CPO filling process. It was not in line with SOP Pengisian CPO Dan Kernel (Makmal) PPPOM/SWP/13 dated 05/03/2020 Section 4 (a) Pekerja Makmal yang telah lengkap memakai PPE akan menurunkan jambatan yang menghubungkan tanker dan platform. Pemandu akan berada di platform yang disediakan semasa kerja pengisian minyak di lakukan, and Section 6. PPE a) Topi Keselamatan, b) Kasut Keselamatan, c) Safety Harness and d) Sarung Tangan. 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 has been reviewed on 16/07/2022. 	<p>Minor Non-Conformance</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p>- Major compliance -</p>	<p>CHRA was conducted on 21/05/2018 – 13/08/2018 by QMSPRO Sdn Bhd (JKKP HQ/03/ASS/00/154). The CHRA Report (Report Number: JKKP HQ/03/ASS/00/154-2018/060) was available for verification.</p> <p>Medical Surveillance was conducted for mill workers on 27/07/2022 for those deemed to be exposed to hazardous chemicals and fumes. 36 workers were examined, and result indicates that all workers get satisfactory conditions.</p> <p>Noise Risk Assessment has been conducted at Palong Cocoa POM on 05/05/2020 by Noise Risk Assessor, Dr Syed Abdul Hamid Syed Hassan (JKKP Registration No.: JKKPHIE127/5/3-1(No.169). The NRA Report (JKKPHIE127/5/3-1(No.169)-2020/003) 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 has been conducted on 24/03/2021 by Kulim Safety Training & Services Sdn Bhd and Report dated 11/05/2021. A total of 52 workers were tested and the results showed that 9 workers have hearing Impairment, 17 workers with NIHL and 5 workers with Temporary 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> <p>i) ERP & CPR Training dated 21/08/2022</p> <p>ii) Safety Workshop at Workshop dated 02/09/2022</p> <p>d) Pesticide operators are given training on the safe handling and application of the pesticides. Suitable personal protective</p>	

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Criterion / Indicator	Assessment Findings	Compliance
	<p>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 padlock 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> <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</p>	

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Criterion / Indicator		Assessment Findings	Compliance								
		<p>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:</p> <table border="1"> <thead> <tr> <th>OSH Meeting 2022</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>1st Quarter</td> <td>07/01/2022</td> </tr> <tr> <td>2nd Quarter</td> <td>18/04/2022</td> </tr> <tr> <td>3rd Quarter</td> <td>15/07/2022</td> </tr> </tbody> </table> <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 30/09/2022.</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 on 02/10/2022.</p> <p>j) Accident records were maintained and updated monthly at the mill. All the accident has been discussed in the OSH quarterly meeting. The accident investigation has been conducted accordingly and the JKKP 6 forms have been submitted to DOSH and available for verification. The JKKP 8 form have been submitted for the year ending 2021 on 28/01/2022 with reference number JKKP8/75216/2021. As for 2021 to date</p>	OSH Meeting 2022	Date	1 st Quarter	07/01/2022	2 nd Quarter	18/04/2022	3 rd Quarter	15/07/2022	
OSH Meeting 2022	Date										
1 st Quarter	07/01/2022										
2 nd Quarter	18/04/2022										
3 rd Quarter	15/07/2022										

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Criterion / Indicator		Assessment Findings	Compliance											
		<p>there were 2 accident cases with 61 TLA in the mill. The JKKP 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="2">Palong Cocoa POM</td> <td>August 2022</td> <td>113</td> <td>RM 7,477.80</td> </tr> <tr> <td>September 2022</td> <td>112</td> <td>RM 7,495.60</td> </tr> </tbody> </table>	Operating Unit	Month	Total Workers	Amount	Palong Cocoa POM	August 2022	113	RM 7,477.80	September 2022	112	RM 7,495.60	
Operating Unit	Month	Total Workers	Amount											
Palong Cocoa POM	August 2022	113	RM 7,477.80											
	September 2022	112	RM 7,495.60											
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>Kulim (M) Berhad has developed Sustainability Policy dated 07/12/2021 where the company respect, support and protect international human rights against violence, threats, all forms of retaliation and contribute to the effective elimination of all forms of violations of human rights. Briefing of the policy was conducted on 08/05/2022 to workers at Palong Cocoa Palm Oil Mill. Besides, the stakeholders were briefed on 11/10/2022 during stakeholder meeting.</p>	Complied											
4.4.5.2	<p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>- Major compliance -</p>	<p>Kulim (M) Berhad has established Core Labour Standard Policy dated 07/12/2021 where the company will not engage in nor support discrimination in any form. Briefing of the policy was conducted on 08/05/2022 to workers at Palong Cocoa Palm Oil Mill. Besides, the stakeholders were briefed on 11/10/2022 during stakeholder meeting. Interviewed with the workers confirmed that</p>	Complied											

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Criterion / Indicator		Assessment Findings	Compliance
		the management treated all the workers equally. Overtime was offered based on voluntarily basis.	
4.4.5.3	<p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p>- Major compliance -</p>	<p>Employment contract was signed by the workers. Pay and conditions are documented and above the Minimum Wage Order 2022. Sampled of the employment contracts confirmed that terms and conditions are clearly outlined as per Minimum Wages Order 2022, the management has issued an addendum memo to all the workers regarding the salary adjustment tm RM 1500, refer Per: Kenaikkan Gaji Mengikut Perintah Gaji Minimum 2022 dated 09/05/2022. The sample is as per below:</p> <p>Palong Cocoa Palm Oil Mill</p> <ol style="list-style-type: none"> 1. Worker No: 637049 2. Worker No: 637244 3. Worker No: 637159 4. Worker No: 637018 5. Worker No: 637170 6. Worker No: 637219 7. Worker No: 637226 8. Worker No: 637239 	Complied
4.4.5.4	<p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- Minor compliance -</p>	<p>Palong Cocoa Palm Oil Mill does not engage any contractor to work full time in the mill. Only contractors work in the mill is the contractor coming for adhoc repair job.</p>	Complied

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Criterion / Indicator		Assessment Findings	Compliance
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. - Major compliance -	Palong Cocoa Palm Oil Mill have listed all the employees' details in the Employee Master. Details such as full name, gender, date of birth, date of entry, job description and type of wages was found in the system. Besides, a hardcopy of Registration Card/ Employee Card was implemented to fill in all the basic information of the workers.	Complied
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records. - Major compliance -	The employees that recruited by the mill are from local and foreign workers. They are either under direct employment to the management or contractor' workers. All of them have signed on the employment contract prior to work. Verified 8 sample of employment contracts Palong Cocoa Palm Oil Mill 1. Worker No: 637049 2. Worker No: 637244 3. Worker No: 637159 4. Worker No: 637018 5. Worker No: 637170 6. Worker No: 637219 7. Worker No: 637226 8. Worker No: 637239	Complied
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	All the daily attendance was recorded by punch. It was verified that there is no breach of overtime above 130 hours, and above 7 hours per day. This hour is approved by Jabatan Tenaga Kerja Semenanjung Malaysia dated 30/11/2018 with Ref No: BHG.PU/9/134 Jld17(16)	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.8	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	Interviewed with workers and document reviewed on the Overtime Form as well as payslip shown that the overtime payments are in accordance to law and workers are not forced to work overtime. Working hour is stated at the mill signboard.	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 overtime form and attendance report. Total hours of overtime and daily attendance has recorded in Attendance report in the system. Sampled total 8 payslips for May 2022, July 2022 and September 2022 found that all of the sampled workers have achieved the Minimum Wage 2022. Palong Cocoa Palm Oil Mill 1. Worker No: 637049 2. Worker No: 637244 3. Worker No: 637159 4. Worker No: 637018 5. Worker No: 637170 6. Worker No: 637219 7. Worker No: 637226 8. Worker No: 637239	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 medical facilities to all the workers. Subsidized of water and electricity were given to all the workers. Besides, free school uniforms to the children of workers and provide free transportation to send the children of workers to school.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	The workers were provided with free housing facilities, subsidized of water and electricity. Estate Hospital Assistant has carried out linesite inspection on weekly basis in all sampled estates. Seen the record of linesite inspection. There was no issue raised during the inspection. The report of inspection will be verified and approved by the Assistant Manager and Manager.	Complied
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Kulim (M) Berhad has developed Sexual Harassment Policy dated 07/12/2021 where the company seeks to eradicate all forms of sexual harassment in the workplace and wherever possible influence the behavior of its employees. KULIM 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. Briefing of the policy was conducted on 18/09/2022 to workers in Palong Cocoa Palm Oil Mill. A Women on Ward (WOW) committee was established in Palong Cocoa Palm Oil Mill and seen the name list of complaint panel for WOW with contact number for the workers to report if there any complaint. Meeting was conducted on 29/08/2022 for Palong Cocoa Palm Oil Mill. Briefing of the function of WOW Panel was conducted during meeting. No issue was reported during the meeting. Interviewed with the female workers confirmed that they are aware of the complaint procedure and informed that no sexual harassment and violence case report so far.	Complied
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	Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 07/12/2021 where the company recognized and respected the rights of employees to form and/ or join trade unions	Complied

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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>of their choice which are given due recognition by Kulim (Malaysia) Berhad. The policy was in bi-lingual which is Bahasa Malaysia and English. Briefing of the policy was conducted on 08/05/2022 to workers at Palong Cocoa Palm Oil Mill. Interviewed with the workers confirmed that they are free to join NUPW without any restriction from management.</p> <p>Meeting between management of Palong Cocoa Palm Oil Mill and Indonesian workers was conducted on 29/09/2022 and meeting minutes was sighted. There are concerns about workers passport submission to mill office, The management said that the passport shall be submitted to mill office before three months of the expiry date.</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>Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 01/10/2021 where they are not engaged in or support the use of Child Labour and will provide adequate support to enable children of its employees to attend and remain in school until no longer a child. Briefing of the policy was conducted on 08/05/2022 to workers in Palong Cocoa Palm Oil Mill, e. Briefing to the stakeholders was conducted on 11/10/2022 during stakeholder meeting. Verified the master list of the workers confirmed that the minimum age of workers employed are 18 years old.</p> <p>The National Union Of Plantation Workers has sent the letter to the Palong Cocoa Palm Oil Mill announcing their union committee member. Refer the letter from NUPW Johore (Ref No: NUPW/JSB/E56/2018, date: 22/03/2018)</p>	Complied
<p>Criterion 4.4.6: Training and competency</p>			

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Criterion / Indicator		Assessment Findings	Compliance																			
<p>4.4.6.1</p> <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>Palong Cocoa POM</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">Training</th> <th style="width: 20%;">Date</th> </tr> </thead> <tbody> <tr> <td>Chemical Handling</td> <td>05/10/2022</td> </tr> <tr> <td>First Aid Training</td> <td>30/09/2022</td> </tr> <tr> <td>PPE Usage</td> <td>20/05/2022</td> </tr> <tr> <td>Working at Height</td> <td>20/05/2022</td> </tr> <tr> <td>Refreshment on RSPO and MSPO</td> <td>17/08/2022</td> </tr> <tr> <td>Press Station Training</td> <td>09/02/2022</td> </tr> <tr> <td>Boiler Station Training</td> <td>10/02/2022</td> </tr> <tr> <td>Safety Workshop</td> <td>02/09/2022</td> </tr> <tr> <td>ERP and CPR</td> <td>21/08/2022</td> </tr> </tbody> </table>	Training	Date	Chemical Handling	05/10/2022	First Aid Training	30/09/2022	PPE Usage	20/05/2022	Working at Height	20/05/2022	Refreshment on RSPO and MSPO	17/08/2022	Press Station Training	09/02/2022	Boiler Station Training	10/02/2022	Safety Workshop	02/09/2022	ERP and CPR	21/08/2022	<p>Complied</p>
Training	Date																					
Chemical Handling	05/10/2022																					
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<p>4.4.6.2</p> <p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p>- Major compliance -</p>	<p>Training 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.</p>	<p>Complied</p>																				
<p>4.4.6.3</p> <p>A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.</p> <p>- Minor compliance -</p>	<p>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.</p>	<p>Complied</p>																				
<p>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</p>																						
<p>Criterion 4.5.1: Environmental Management Plan</p>																						

Criterion / Indicator		Assessment Findings	Compliance								
4.5.1.1	An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. - Major compliance -	Kulim (Malaysia) Berhad has established Environmental Policy signed by the Managing Director dated 01/10/2021. The policy stated the company's commitment to continuous success in their oil palm and bio-compost and work towards developing a balance between environmental conservation and business objectives. The policy had been communicated to the workforce thru morning briefing and training.	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 -	Kulim (Malaysia) Berhad has established Environmental Policy signed by the Managing Director dated 01/10/2021. The policy stated the company's commitment to continuous success in their oil palm and bio-compost and work towards developing a balance between environmental conservation and business objectives. The mill had developed Environmental Impact Assessment, reference no: EIA-PCPOM-2022, identified 21 activities that might give impacts to the environment. The EIA covered the environmental policy and objectives, stated the aspect impact identification, risk assessment, risk control, timeline, person in charge and implementation status.	Complied								
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored. - Major compliance -	Plan to mitigate the negative impacts and to promote the positive one was developed and included in the environmental management plan. Sighted the plan as follow: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Issues</th> <th>Action Plan</th> <th>Timeline</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>Discharge of effluent into land application</td> <td>Mill to conduct daily monitoring and upstream downstream water analysis.</td> <td>Continuously</td> <td>All</td> </tr> </tbody> </table>	Issues	Action Plan	Timeline	PIC	Discharge of effluent into land application	Mill to conduct daily monitoring and upstream downstream water analysis.	Continuously	All	Complied
Issues	Action Plan	Timeline	PIC								
Discharge of effluent into land application	Mill to conduct daily monitoring and upstream downstream water analysis.	Continuously	All								

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Criterion / Indicator		Assessment Findings				Compliance
		over BOD limit.				
		Oil spillage and leakage.	Mill to conduct periodically tank and machine inspection and conduct ERP training on oil spillage.	Continuously	All	
		Effluent spillage, leakage and bund rupture.	Mill to conduct daily monitoring of pond and furrow system and conduct ERP training on bund rupture.	Continuously	All	
		Emission of dust/ashes particles released to air.	Mill to conduct maintenance and inspection of boiler and maintenance of ESP.	Continuously	All	
		Disposal of EFB	Mill to conduct periodically inspection at EFB area.	Continuously	All	
		<ol style="list-style-type: none"> 1. Mill disposed the EFB to Bio compost Centre located at Mungka Estate on monthly basis. Amount disposed are, May (298.99 Mt), June (3057.34 Mt), July (4384.53 Mt), August (4184.43Mt) and September (2473.78 Mt). 2. Isokinetic stack sampling was conducted on 15/06/2022. The result shows that the average particulate emission of its water- 				

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Criterion / Indicator		Assessment Findings	Compliance
		<p>tube boiler no 4 was 198 mg/m3. This is happened due to the ESP is undergo a major repair.</p> <p>3. ERP training on oil spillage, bund rupture and fire drill was conducted on 21/08/2022. Attended by 18 personnel.</p>	
4.5.1.4	<p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p>- Minor compliance -</p>	<p>Program to promote activities with positive impacts to the environment were established in several management plan such as continuous improvement plan, environmental improvement plan, waste and pollution management plan and water management plan.</p>	Complied
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>Sighted the following training records related to environmental as follow:</p> <ol style="list-style-type: none"> 1. Schedule waste training, conducted on 13/05/2022. 2. Water sampling training, conducted on 05/10/2022. 3. Chemical handling training, conducted on 05/10/2022 4. Pollution control device training, conducted on 02/09/2022. 5. RSPO/MSPO and other company policy training, conducted on 09/09/2022. 	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 mill organized regular meeting related to the environment with workers dated on 10/08/2022. The meeting was attended by 13 personnel and discussed the following:</p> <ol style="list-style-type: none"> 1. Chairman speech. 2. Previous matter arising. 3. Competent person update. 4. Committee update. 5. Management review. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance																																																							
		6. Closing meeting.																																																								
Criterion 4.5.2: Efficiency of energy use and use of renewable energy																																																										
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period - Major compliance -	A plan for improving efficiency of the use of fossil fuels was established to include mill quarters, office, meeting room, weighbridge, laboratory and mill operation, fuel consumption at estate Diesel use per MT FFB was monitored every month. <table border="1"> <thead> <tr> <th colspan="5">Power Usage (KWh) 2022</th> </tr> <tr> <th>Month</th> <th>Diesel</th> <th>Steam</th> <th>TNB</th> <th>FFB (Mt)</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>1520</td> <td>314200</td> <td>48269</td> <td>14655.48</td> </tr> <tr> <td>February</td> <td>1550</td> <td>304200</td> <td>29812</td> <td>13592.04</td> </tr> <tr> <td>March</td> <td>1710</td> <td>352400</td> <td>28562</td> <td>14921.87</td> </tr> <tr> <td>April</td> <td>1660</td> <td>368400</td> <td>26298</td> <td>16164.40</td> </tr> <tr> <td>May</td> <td>1440</td> <td>340200</td> <td>30766</td> <td>17313.34</td> </tr> <tr> <td>June</td> <td>1160</td> <td>393300</td> <td>22890</td> <td>17262.36</td> </tr> <tr> <td>July</td> <td>1620</td> <td>358100</td> <td>27328</td> <td>19711.05</td> </tr> <tr> <td>August</td> <td>1710</td> <td>418100</td> <td>23331</td> <td>20238.52</td> </tr> <tr> <td>September</td> <td>2130</td> <td>428000</td> <td>19279</td> <td></td> </tr> </tbody> </table>	Power Usage (KWh) 2022					Month	Diesel	Steam	TNB	FFB (Mt)	January	1520	314200	48269	14655.48	February	1550	304200	29812	13592.04	March	1710	352400	28562	14921.87	April	1660	368400	26298	16164.40	May	1440	340200	30766	17313.34	June	1160	393300	22890	17262.36	July	1620	358100	27328	19711.05	August	1710	418100	23331	20238.52	September	2130	428000	19279		Complied
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4.5.2.2	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. - Major compliance -	The mill has estimated the direct usage of non-renewable energy for year 2022 at 60,705 liters. Actual usage of diesel for year 2022 recorded at 38,83 liters.	Complied																																																							
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	The mill has implemented biogas plant as renewable energy source.	Complied																																																							
Criterion 4.5.3: Waste management and disposal																																																										

Criterion / Indicator		Assessment Findings	Compliance
4.5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>Waste management plan for Palong Cocoa POM was made available to the audit team. The mill management had identified the following as schedule waste; SW409 (empty chemical container, empty chemical packaging, SW102 (batteris), SW305 (spent lubricant oil), SW410 (contaminated rags/sacks, worn PPE), SW408 (hydrocarbon/pesticide spillage, contaminated soil), SW307 (waste water), SW SW429 (discard chemical waste), SW430 (expired chemical), SW404 (clinical waste) and SW110 (electronic assemblies).</p> <p>Non schedule waste identified were domestic waste, recyclable waste, garden waste, kitchen waste, industrial waste such as iron scrap and broke equipment.</p> <p>Mill by products identified were POME, EFB & sludge, shredded fibre and shell.</p>	Complied
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. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p>- Major compliance -</p>	<p>The mill management disposed the schedule waste to the licensed contractor which are Kualiti Alam Sdn Bhd. 6 schedule waste was disposed on 28/04/2022, which are; SW408 (contaminated fiber – 0.0118 Mt), SW305 (spent lubricant oil – 0.5900 Mt), SW410 (contaminated filter – 0.0898 Mt), SW410 (contaminated cotton rag/glove – 0.1162 Mt), SW429 (hexane – 0.1007 Mt) and SW409 (empty container – 0.0752 Mt).</p>	Complied
4.5.3.3	<p>The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations,</p>	<p>Kulim (Malaysia) Berhad has established SOP for scheduled waste handling documented in Work Instruction: Scheduled Waste, refer document no. SPO/WI/06 issue no. 1, rev. 0 dated 01/10/2020. The estates have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. All the records were found adequate as per</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance																		
	2005 - Major compliance -	<p>required by EQ (Scheduled Waste) Regulations 2005. Inventory for all scheduled waste generated were recorded and reported to DOE through E-SWISS. Sighted the sampled scheduled waste disposal records:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>SW</th> <th>Consignment Note</th> </tr> </thead> <tbody> <tr> <td>24/04/2022</td> <td>408</td> <td>202242816GT4CIK</td> </tr> <tr> <td></td> <td>305</td> <td>20220428167F269H</td> </tr> <tr> <td></td> <td>410</td> <td>2022042816CX0UFL</td> </tr> <tr> <td></td> <td>429</td> <td>2022042816PX0NLC</td> </tr> <tr> <td></td> <td>409</td> <td>2022042816M0TI7N</td> </tr> </tbody> </table>	Date	SW	Consignment Note	24/04/2022	408	202242816GT4CIK		305	20220428167F269H		410	2022042816CX0UFL		429	2022042816PX0NLC		409	2022042816M0TI7N	
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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 arranged by the mill management and disposed to designated landfill located in Mungka Estate.	Complied																		
Criterion 4.5.4: Reduction of pollution and emission including greenhouse gas																					
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	The estate management has developed Reduction of Pollution & Emission Management Plan. They have identified the source of emission from running vehicles & machine, electricity, fertilizer usage, landfill and septic tank.	Complied																		
4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	<p>Mill management has identified the type of emission and documented it under Pollution & Emission Management Plan. The plan consists of emission, source, action, frequency, records, responsibility and training.</p> <p>Sighted the plan as follow:</p> <table border="1"> <thead> <tr> <th>Emission</th> <th>Source</th> <th>Action</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>Dark smoke</td> <td>Mill stack.</td> <td>Follow strictly procedures</td> <td>Mill manager, AM, boilerman</td> </tr> </tbody> </table>	Emission	Source	Action	PIC	Dark smoke	Mill stack.	Follow strictly procedures	Mill manager, AM, boilerman	Complied										
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Criterion / Indicator		Assessment Findings				Compliance
			All running vehicle.	highlighted in the mill manual to endure black smoke emission is within the allowable legal limit.		
		Noise	Operation of diesel engine. Running of vehicle.	Routine maintenance to be carried out as per scheduled. Boundary parameter noise mapping data keeping.	Mill manager, AM, supervisor.	
		Dust/ ashes particles.	Shredded EFB process. Boiler ash	Routine maintenance to be carried out as per scheduled. Placed in an area far from water source to prevent water pollution.	Mill manager, AM, supervisor.	
		GHG	Use of fossil fuel. POME	Inspection of vehicle condition. Methane captured and biogas operation. Palm kernel shell sold to external.	Mill manager, AM, supervisor.	
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the	Treated POME discharge was regularly monitored as prescribed under Compliance Schedule License no. 004720. Limit of Biochemical Oxygen Demand (BOD) discharge is 2500 mg/l for land application.				Complied

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Criterion / Indicator		Assessment Findings				Compliance																																																
	respective state and national policies and regulations. - Major compliance -	1 st Quarter <table border="1"> <thead> <tr> <th>Parameter</th> <th>January</th> <th>February</th> <th>March</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.50</td> <td>7.40</td> <td>7.40</td> </tr> <tr> <td>BOD</td> <td>70.00</td> <td>42.00</td> <td>21.00</td> </tr> <tr> <td>O&G</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> </tr> </tbody> </table> 2 nd Quarter <table border="1"> <thead> <tr> <th>Parameter</th> <th>April</th> <th>May</th> <th>June</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.70</td> <td>7.90</td> <td>8.50</td> </tr> <tr> <td>BOD</td> <td>72.00</td> <td>488.00</td> <td>440.00</td> </tr> <tr> <td>O&G</td> <td>0.00</td> <td>11.00</td> <td>0.00</td> </tr> </tbody> </table> 3 rd Quarter <table border="1"> <thead> <tr> <th>Parameter</th> <th>July</th> <th>August</th> <th>September</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.30</td> <td>8.70</td> <td>8.00</td> </tr> <tr> <td>BOD</td> <td>300.00</td> <td>316.00</td> <td>375.00</td> </tr> <tr> <td>O&G</td> <td>5.00</td> <td>0.00</td> <td>0.00</td> </tr> </tbody> </table>				Parameter	January	February	March	pH	7.50	7.40	7.40	BOD	70.00	42.00	21.00	O&G	0.00	0.00	0.00	Parameter	April	May	June	pH	7.70	7.90	8.50	BOD	72.00	488.00	440.00	O&G	0.00	11.00	0.00	Parameter	July	August	September	pH	7.30	8.70	8.00	BOD	300.00	316.00	375.00	O&G	5.00	0.00	0.00	
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Criterion 4.5.5: Natural water resources																																																						
4.5.5.1	The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: <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 (e.g. having in place systems for re-use, night application, 	Mill obtained the supply of water from reservoir pond and used for mill operation, housekeeping and domestic used. They also monitored the water usage on monthly basis. As of September 2022, the mill had used 268,062 m3 of water (mill operation + domestic use) and processed 149,336.23 Mt of FFB. Water quality analysis results. <table border="1"> <thead> <tr> <th>Parameter</th> <th>DW-R</th> <th>DW-T</th> <th>Limit</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>5.5</td> <td>5.5</td> <td>6.5 – 9.0</td> </tr> <tr> <td>Turbidity</td> <td>3.49</td> <td>0.57</td> <td>5.00</td> </tr> <tr> <td>Aluminum</td> <td><0.2</td> <td><0.2</td> <td>0.2</td> </tr> </tbody> </table>				Parameter	DW-R	DW-T	Limit	pH	5.5	5.5	6.5 – 9.0	Turbidity	3.49	0.57	5.00	Aluminum	<0.2	<0.2	0.2	Complied																																
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Criterion / Indicator		Assessment Findings				Compliance
	maintenance of equipment to reduce leakage, collection of rainwater, etc.). - Major compliance -	E. Coli	<10	<10	Nil	
		The mill recollects and reused the water from the operations.				
4.5.5.2	Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations. - Major compliance -	Not applicable since the mill discharged the POME to furrow system.				N/A
4.6 Principle 6: Best Practices						
Criterion 4.6.1: Mill Management						
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Palong Cocoa POM continued to implement the established procedure for mill. For Palong Cocoa POM, Standard Operating Procedure (SDPOM/QM), dated 1/2/2018 is referred to. <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 10. Boiler House 				Complied

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Criterion / Indicator		Assessment Findings	Compliance
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>Palong Cocoa POM</u> 1. Inspectorate report visit 21-22/06/2022. 2. Internal audit report dated 11/09/2022 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 -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. Sighted the annual budget FY 2022 and business plan FY 2022 – FY 2026. In the 5 years business plan include items as follows: 1. Mill intake – FFB input 2. Production of CPO 3. Production of PK 4. Total Palm Oil Extraction 5. Total Palm Kernel Extraction 6. Mill cost	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.	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	Complied

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<p>- Major compliance -</p>	<p>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.</p>	
<p>4.6.3.2 All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -</p>	<p>Sampled of the contract and payment records for contractors and FFB suppliers as below:</p> <p>Contract No: MPSB/G1/6/2(2020), Contractor: Teo Tuan Kwee Sdn Bhd, Date: 20/05/2022, Type of work: Transport CPO From Mahamurni Plantations Sdn Bhd Group Mills to Various Refineries. Latest Payment made: Invoice No: TV22080022 dated 30/08/2022, PV No: 22000779 dated 23/09/2022 (Term of payment: 30 days after issuance of Invoice)</p> <p>Contract No: PCPOM/02/2022, Contractor: Ghulam Qadiraslamen Enterprise, Date: 14/06/2022, Type of work: To Replacement Vertical Sterilizer No.3 Bottom Plate at Palong Cocoa POM. Latest Payment made: Invoice No: 22000028 dated 15/06/2022, PV No: 22000696 dated 23/08/2022 (Term of payment: 90% after completion of work and 10% after defect liability period)</p> <p>Contract No: MPSB/C1/41/6(2022), Contractor: Kluang Practical Engineering, Date: 26/06/2022, Type Of work: Replacement of 1 unit MS Kernel Silo No. 3 C/W Heaters at Palong Cocoa Palm Oil Mill. Latest payment: Invoice No: 2209007 dated 13/09/2022, PV No: 22000883 dated 23/10/2022 (Term of payment: 30 days after issuance of Invoice)</p> <p>Minor NC</p> <p>The payment to the contractor was not made according with the agreed timeline.</p>	<p>Minor Non-Conformance</p>

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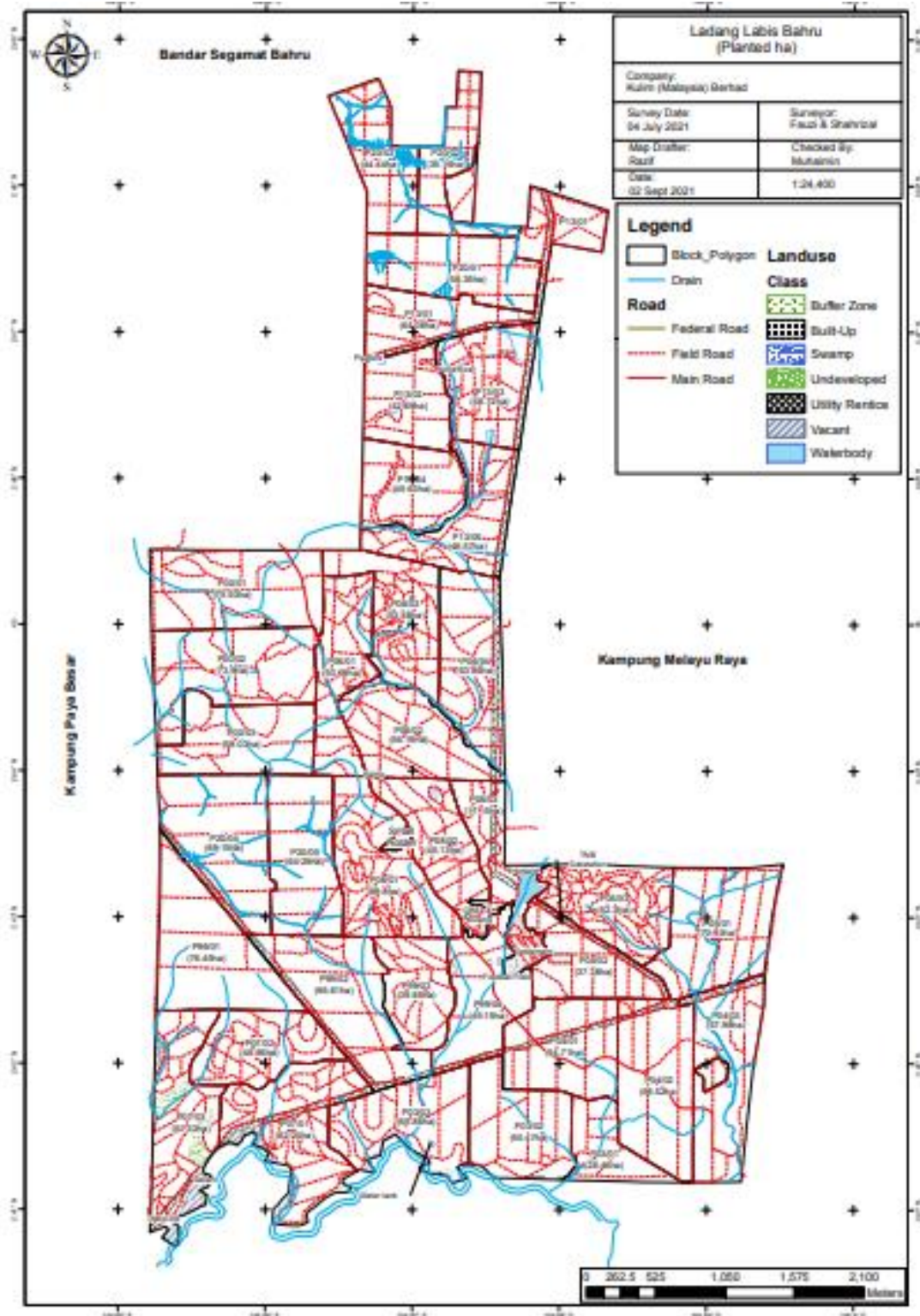
Criterion / Indicator		Assessment Findings	Compliance
		During document review, it was noticed that payment made for the contractor (Kluang Practical Engineering, Date: 26/06/2022) were lapse by 9 days against the agreed timeline payment terms. Latest payment: Invoice No: 2209007 dated 13/09/2022, PV No: 22000883 dated 23/10/2022 (Term of payment: 30 days after issuance of Invoice). It was not according to Contract No: MPSB/C1/41/6(2022) dated 26/06/2022 Section 6.0 Term Of Payment: MPSB Agrees to pay the company by progress payment in consideration of the company's undertaking of the said contract within thirty (30) days from the date of receipt of the undisputed invoices supported with the relevant and incidental documentary evidence that has been certified as completed and satisfactory by the Superintending Officer.	
Criterion 4.6.4: Contractor			
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	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 on the MSPO requirements prior to work and signed on the Permit to Work after being briefed.	Complied
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: 1. Contract No: PCPOM/02/2022, Contractor: Ghulam Qadiraslamen Enterprise, Date: 14/06/2022, Type of work: To Replacement Vertical Sterilizer No.3 Bottom Plate at Palong Cocoa POM.	Complied

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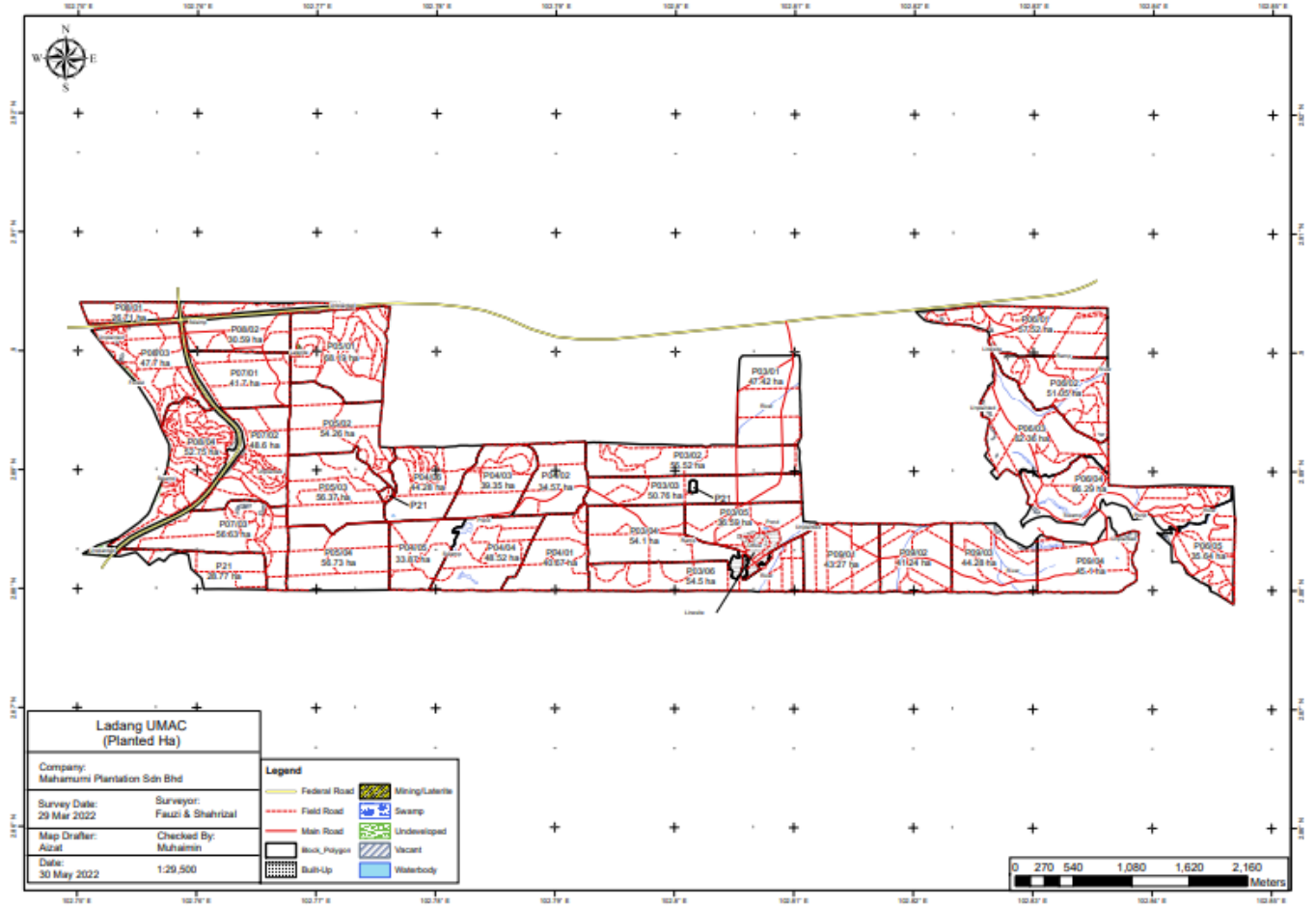
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4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	The contractors have acknowledged that they are subject to any certification audit assessment through a physical inspection if required when agreement was signed. Refer Section in the Contact Agreement.	Complied

Appendix C: Location and Field Map

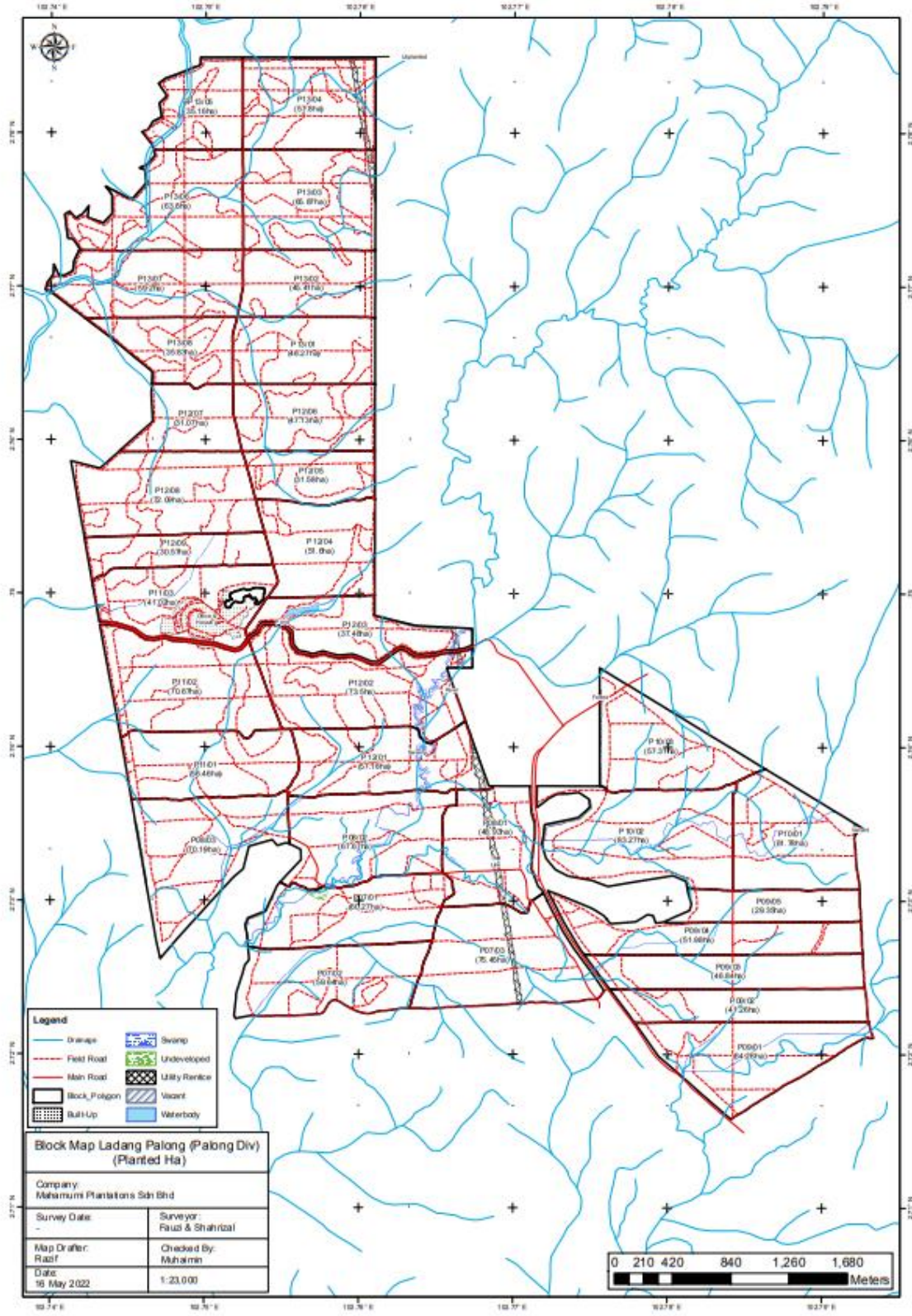
Labis Bahru Estate



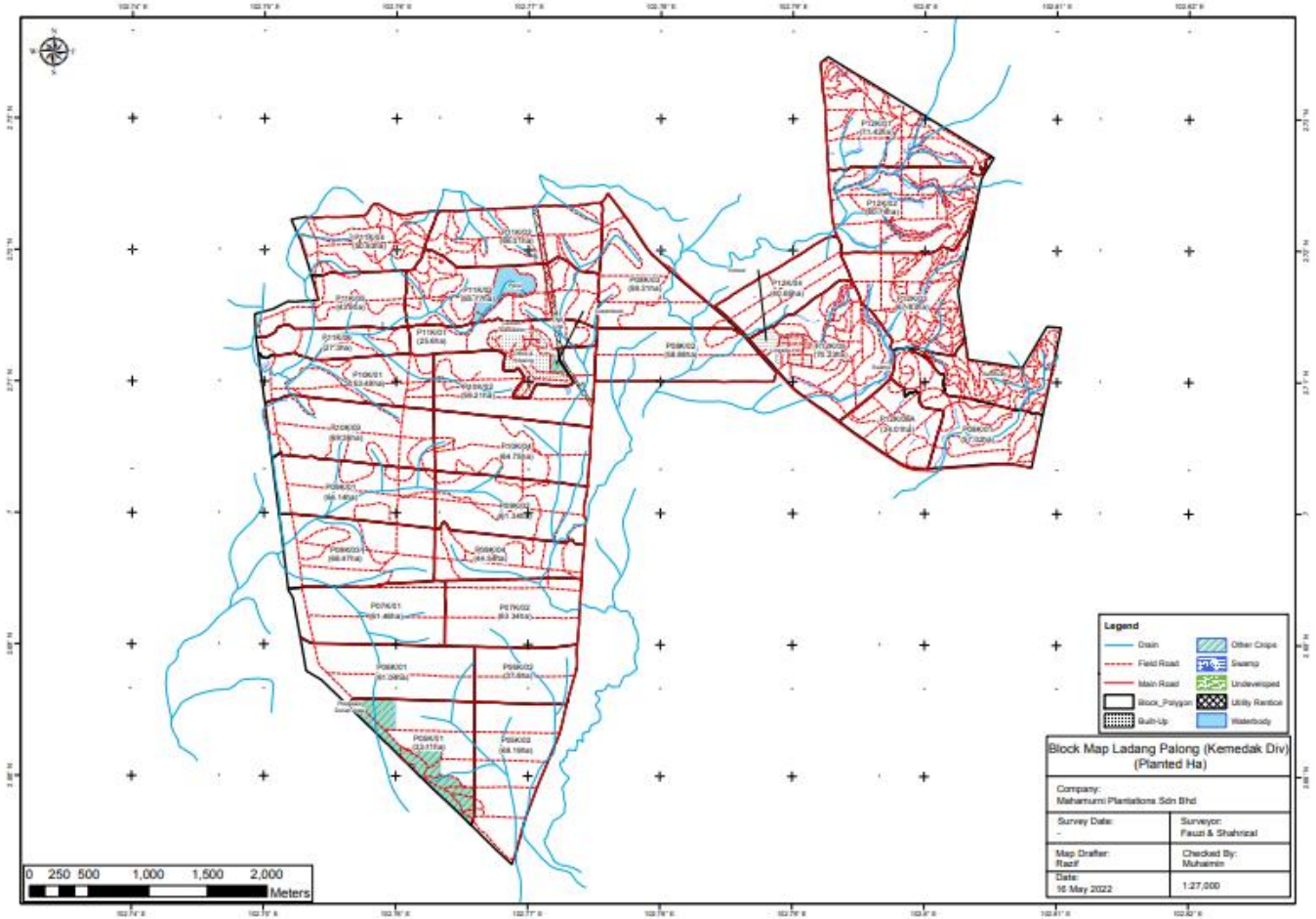
UMAC Estate



Palong Estate

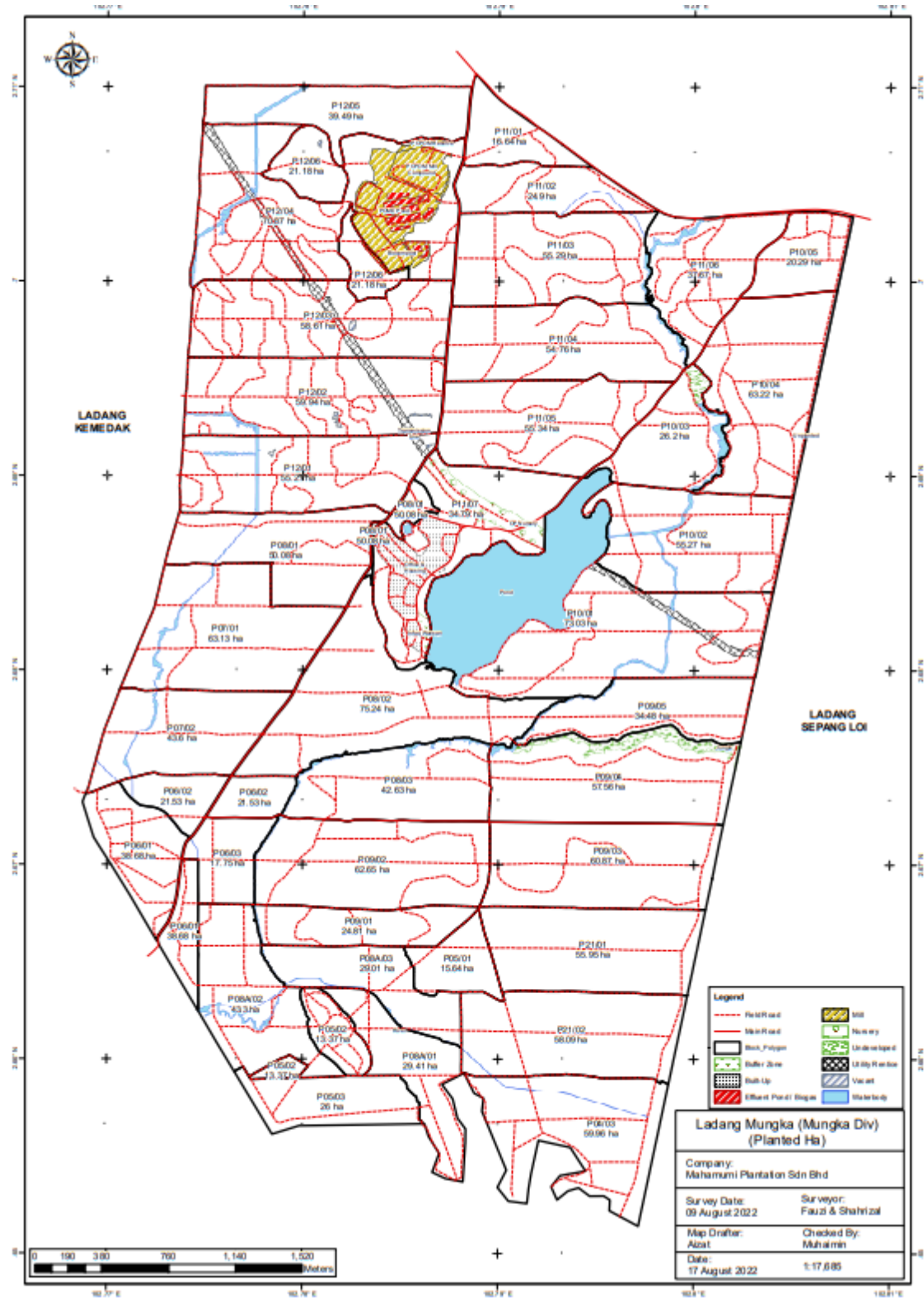


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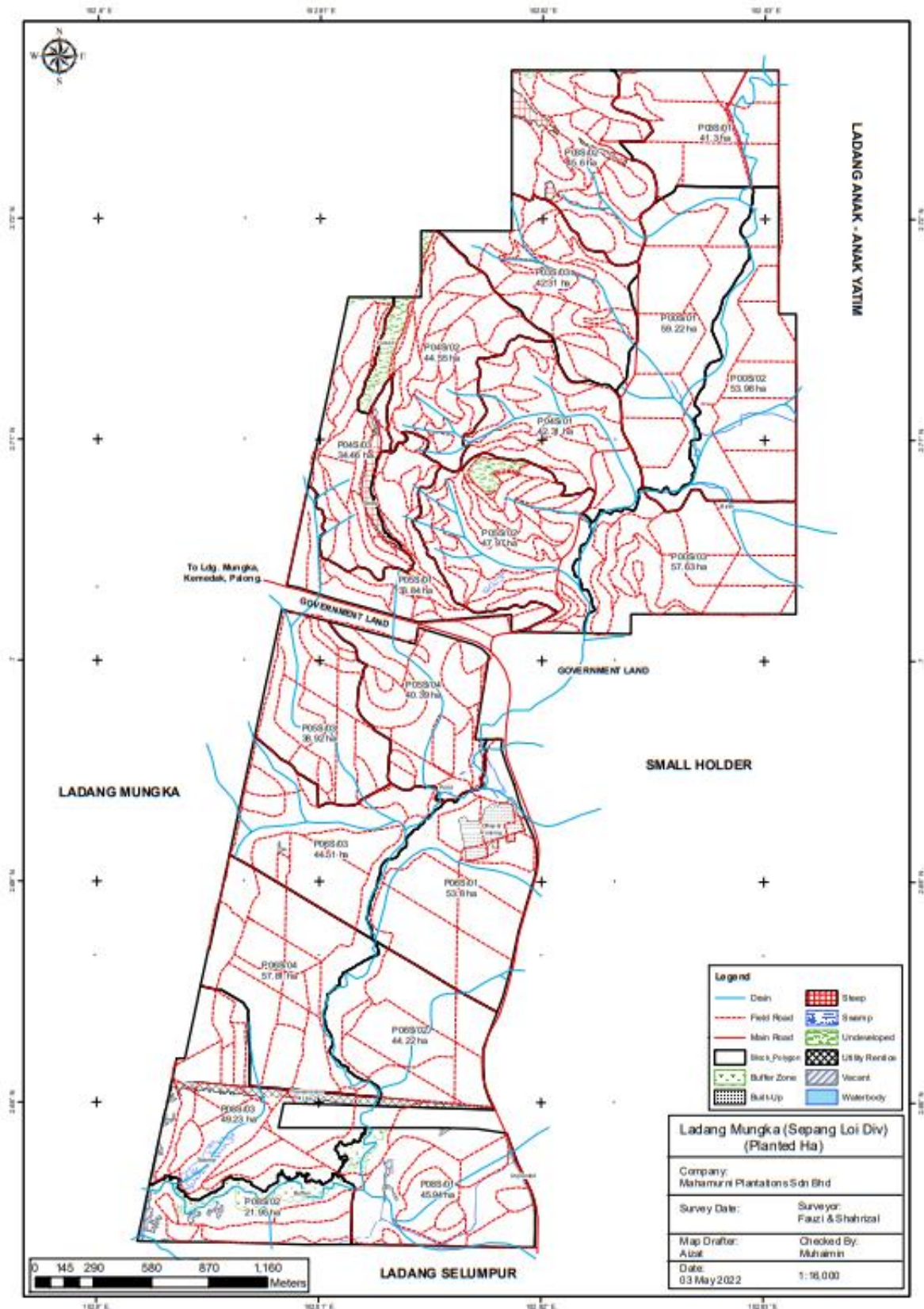


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Mungka Estate



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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