

**RSPO PRINCIPLE AND CRITERIA
PUBLIC SUMMARY REPORT**

- Initial Assessment**
- Annual Surveillance Assessment (2)**
- Recertification Assessment** (Choose an item.)
- Extension of Scope**

<p>Client Company name (Parent Company): Johor Corporation</p>
<p>Client company Address: Level 16, Menara Komtar, Johor Bahru City Centre, 80000 Johor Bahru, Johor Darul Takzim</p>
<p>Certification Unit: Kulim (Malaysia) Berhad Bukit Layang Estate</p> <p>Location of Certification Unit: Jalan Sungai Tiram, Mukim Sungai Tiram, 81800 Johor Bahru, Johor, Malaysia</p>
<p>Date of Final Report: 30/05/2022</p>

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Section 1: Scope of the Assessment

1. Company Details			
Parent Company	Johor Corporation		
RSPO Membership Number	1-0080-09-000-00	Membership Approval Date	15/06/2009
Address	Level 16, Menara Komtar, Johor Bahru City Centre, 80000 Johor Bahru, Johor Darul Takzim		
Palm Oil Mill / Group Manager / Estate (Certification Unit)	Kulim (Malaysia) Berhad – Bukit Layang Estate		
Location / Address	Jalan Sungai Tiram, Mukim Sungai Tiram, 81800, Johor Bahru, Johor, Malaysia		
Website	www.kulim.com.my		
Management Representative	Salasah Elias	E-mail	salazah@kulim.com.my
Telephone	07-8611611	Facsimile	07-8631084

2. Certification Information			
Certificate Number	RSPO 720133	Certificate Start Date	07/04/2020
Date of First Certification	07/04/2020	Certificate Expiry Date	06/04/2025
Scope of Certification	Production of Fresh Fruit Bunches		
Visit Objectives	The objective of the assessment was to conduct annual surveillance assessment to ensure the elements of the proposed scope of registration and the requirements of the management standard are effectively addressed by the organization's management system and to confirm the forward strategic plan.		
Assessment Cycle	<input type="checkbox"/> Pre Assessment (Choose an item.) <input type="checkbox"/> Initial Assessment <input checked="" type="checkbox"/> Annual Surveillance Assessment (ASA 2) <input type="checkbox"/> Recertification Assessment (Choose an item.) <input type="checkbox"/> Scope Extension		
Applicable Standards / Normative Reference	RSPO Certification System for P&C and RSPO ISH 2020 <input type="checkbox"/> Choose an item. <input checked="" type="checkbox"/> Malaysia National Interpretation 2019 for RSPO P&C 2018 for the Production of Sustainable Palm Oil		
Supply Chain Module	<input checked="" type="checkbox"/> Identity Preserved; <input type="checkbox"/> Mass Balance	Mill Capacity	N/A
ISH certification Phase	<input type="checkbox"/> Eligibility <input type="checkbox"/> Milestone A <input type="checkbox"/> Milestone B <input checked="" type="checkbox"/> Not Applicable		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MSPO 697948	MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders	BSI Services (M) Sdn. Bhd	29/03/2024

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base / Group Manager / Smallholders)	Location	GPS Coordinates	
		Latitude	Longitude
Bukit Layang Estate	Jalan Sungai Tiram, Mukim Sungai Tiram, 81800, Johor Bahru, Johor, Malaysia	1° 34' 56.70 N"	103° 57'46.93 E"

5. Description of Supply Base					
New Planting Development	<input checked="" type="checkbox"/> No (no change in total planted area)		<input type="checkbox"/> Yes (please refer to Principle 7 for details)		
Estate / Smallholders	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Bukit Layang Estate	371.10	12.89	13.77	397.76	93.29
Total	371.10	12.89	13.77	397.76	93.29

Note:
The estate has conducted area resurvey on 28/09/2020 by the Agronomy Advisory and Services Department

6. Plantings & Cycle							
Estate / Smallholders	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Bukit Layang Estate	0.00	75.54	147.52	148.04	0.00	371.10	0.00
Total (ha)	0.00	75.54	147.52	148.04	0.00	371.10	0.00

Note:
The estate has conducted area resurvey on 28/09/2020 by the Agronomy Advisory and Services Department

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7. Summary of Certified Tonnage of FFB (Own Certified Scope)				
Estate / Smallholders	Tonnage / year			
	Estimated last year (Apr 2021-Mar 2022)	Actual (Jan 2021 - Dec 2021)		Forecast (Apr 2022-Mar 2023)
		Previous license period (Nil)	Current license period (Jan 2021 - Dec 2021)	
Bukit Layang Estate	8,532.00	0.00	6,070.23	8,321.00
Total	8,532.00	6,070.23		8,321.00

8. Summary of Certified Tonnage of FFB (from other certified unit(s))				
Estate / Smallholders	Tonnage / year			
	Estimated last year (Apr 2021-Mar 2022)	Actual (Jan 2021 - Dec 2021)		Forecast (Apr 2022-Mar 2023)
		Previous license period (Nil)	Current license period (Jan 2021 - Dec 2021)	
N/A		N/A	N/A	
Total		N/A		

9. Summary of Non-Certified Tonnage of FFB (outside supplier – excluded from certificate)				
Out growers / smallholders	Tonnage / year			
	Estimated last year (Apr 2021-Mar 2022)	Actual (Jan 2021 - Dec 2021)		Forecast (Apr 2022-Mar 2023)
		Previous license period (Nil)	Current license period (Jan 2021 - Dec 2021)	
N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A		N/A

9A. Monthly Records of Certified and Uncertified FFB Received since the last audit				
No.	Month - Year	Volume of FFB from certified supply base (mt)	Volume of FFB from uncertified supply base (mt)	Total FFB/Month (mt)
1	Jan 2021	484.62	0	484.62
2	Feb 2021	415.78	0	415.78
3	Mar 2021	598.69	0	598.69
4	Apr 2021	571.27	0	571.27
5	May 2021	574.74	0	574.74
6	Jun 2021	634.78	0	634.78

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7	Jul 2021	534.07	0	534.07
8	Aug 2021	454.93	0	454.93
9	Sep 2021	451.57	0	451.57
10	Oct 2021	480.42	0	480.42
11	Nov 2021	432.52	0	432.52
12	Dec 2021	436.84	0	436.84
TOTAL		6,070.23	0	6,070.23

10. Summary of Certified Tonnage (not applicable for ISS)			
Estimated last year (Apr 2021-Mar 2022)	Actual (Jan 2021 - Dec 2021)		Forecast (Apr 2022-Mar 2023)
	Previous license period (Nil)	Current license period (Jan 2021 - Dec 2021)	
FFB	FFB		FFB
8,532.00 mt	0.00	6,070.23 mt	8,321.00 mt
CPO (OER: 20.00%)	CPO (OER: 20.14%)		CPO (OER: 20.00%)
1,706.40 mt	0.00	1,223.08 mt	1,664.20 mt
PK (KER: 5.00%)	PK (KER: 5.11%)		PK (KER: 5.00%)
426.60 mt	0.00	309.94 mt	416.05 mt

10A. Monthly Records of Certified CPO & PK since the last audit			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	Jan 2021	93.39	24.23
2	Feb 2021	80.54	20.58
3	Mar 2021	116.51	30.35
4	Apr 2021	110.88	28.73
5	May 2021	110.87	28.22
6	Jun 2021	147.02	37.58
7	Jul 2021	122.84	31.03
8	Aug 2021	85.89	21.02
9	Sep 2021	87.92	22.58
10	Oct 2021	93.49	22.84
11	Nov 2021	85.51	20.93
12	Dec 2021	88.24	21.84

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TOTAL	1,223.08	309.94
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11. Summary of Actual Volume sold

Current License period (Jan 2021 - Dec 2021)

	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
CPO (MT)	N/A	N/A	N/A	N/A	N/A
PK (MT)	N/A	N/A	N/A	N/A	N/A
Credits	N/A	N/A	N/A	N/A	N/A

Previous License period (Nil)

CPO (MT)	N/A	N/A	N/A	N/A	N/A
PK (MT)	N/A	N/A	N/A	N/A	N/A
Credits	N/A	N/A	N/A	N/A	N/A

11A. Records of Certified CPO & PK Sold under PalmTrace since the last audit (if any)

No.	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Certified PK Sold (mt)
N/A	N/A	N/A	N/A	N/A
TOTAL			N/A	N/A

11B. Records of CPO & PK Sold under other schemes since the last audit (if any)

No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)
N/A	N/A	N/A	N/A	N/A
TOTAL			N/A	N/A

11C. Records of CPO & PK Sold as conventional since the last audit (if any)

No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)
N/A	N/A	N/A	N/A
TOTAL		N/A	N/A

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11D. Records of Certified CPO Sold under RSPO Credits since the last audit (if any)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)
N/A	N/A	N/A	N/A
TOTAL			N/A

12. Independent Smallholders Certified Tonnage / Volume									
Phase	Estimated last year (N/A)			Actual (N/A)			Forecast (N/A)		
	Eligibility	MS A	MS B	Eligibility	MS A	MS B	Eligibility	MS A	MS B
	40%	70%	100%	40%	70%	100%	40%	70%	100%
FFB									
IS-CSPO	N/A	N/A		N/A	N/A		N/A	N/A	
IS-CSPKO	N/A	N/A		N/A	N/A		N/A	N/A	
IS-CSPKE	N/A	N/A		N/A	N/A		N/A	N/A	

13. Independent Smallholders Actual Sold Tonnage / Volume						
	FFB	FFB Conventional	FFB Other schemes	IS-CSPO	IS-CSPK	IS-CSPKE
Current License period (N/A)						
Credits				N/A	N/A	N/A
Physical	N/A	N/A	N/A	N/A	N/A	N/A

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn. Bhd. (ASI Accreditation Number: ASI-ACC-067)
Suite 29.01 Level 29, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.
Tel +60 (3) 9212 9638 Fax +60 (3) 9212 9639
Representative: Nicholas Cheong (Nicholas.Cheong@bsigroup.com)
Website: www.bsigroup.com

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 is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia.

2.1 Assessment Methodology, Programme, Site Visits

The on-site assessment was conducted on **19 – 20/01/2022**. The audit programme is included as Section 2.3.

The approach to the audit was to treat the group of estates as an RSPO Certification Unit. A range of occupational health and safety, environmental, best practice management, and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas, local communities engagement and workers welfare and safety.

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. Malaysia National Interpretation 2019 of the RSPO P&C 2018 was used as the normative reference to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula $N = (\sqrt{y}) \times (z)$ where y is the number of estates and where z is the multiplier defined by risk assessment.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO 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 3.4.

The non-conformities for this audit are detailed in Section 3.3 and unless it is stated in this section, all previous nonconformities including minor nonconformities are remains closed.

This report is structured to provide a summary of assessment finding as provided in Appendix A. The assessment was conducted based on risk based approach sampling and therefore nonconformities may exist.

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For Initial, Re-certification and Extension of Scope assessment, the report was externally reviewed by approved external peer reviewer prior to certification decision by BSI.

For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.

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

Assessment Program					
Name (Mill / Supply Base)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Bukit Layang Estate	√	√	√	√	√

Tentative Date of Next Visit: January 2, 2023 - January 3, 2023

Total Number of Mandays: 4.5 Mandays

2.2 BSI Assessment Team

Name	Role	Competency
Muhammad Fadzli Masran (MFM)	Team Leader	<p>Education: Holds a Bachelor Degree in Forestry Science, University Putra Malaysia</p> <p>Work Experience: He has more than 10 years working experience in palm oil estate as Assistant Manager managing operations and sustainability implementation experience including workers’ welfare, workers’ occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. He involved in internal auditing on ISO9001 and ISO14001 standards.</p> <p>Training attended: He has completed ISO IMS 9001, 14001, 45001 (OHS 18001) Lead Auditor Course, Endorsed RSPO Lead Auditor Course, MSPO Lead Auditor Course, Endorsed RSPO Supply Chain Certification training course, MSPO Supply Chain Certification System (SCCS) Auditor training Course, CQI and IRCA Certified ISO 9001:2015 Lead Auditor Training Course, HCV and GIS Training and SMETA Requirements Training.</p> <p>Aspect covered in this audit: During this assessment, he assessed on the aspects of Occupation Health Safety requirement, HIRARC, training, management plan, good agriculture practice, GHG and and RSPO supply chain requirements.</p> <p>Language proficiency: Fluent in Bahasa Malaysia and English</p>
Vijay Kanna Pakirisamy (VKP)	Team Member	<p>Education: Holds a Bachelor Degree in Agribusiness Science Management with Honours, University Utara Malaysia.</p> <p>Work Experience: He has 10 years’ experience in Oil Palm Estate Management in leading Oil Palm Companies such as KL Kepong Bhd, IOI Plantations and United Plantations. The last position held was Senior Assistant Manager. His experience includes the day-to-day estate operations and ensured the implementation of RSPO, ISCC and MSPO certification. He has been an sustainable palm oil auditor since 2019.</p> <p>Training attended: He has completed ISO IMS 9001, 14001, 45001(OHS 18001) Lead Auditor Course, Endorsed RSPO P&C Lead Auditor Course,</p>

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		<p>Endorsed RSPO SCCS Lead Auditor Course, Endorsed MSPO Lead Auditor Course, HCV & HCS Introductory Training g and SMETA Requirements Training, RSPO Independent Smallholder (IHS) Auditor Training.</p> <p>Aspect covered in this audit: During this assessment, he assessed on the aspects of Economic management plan, natural and biodiversity conservation, Waste management, Environment responsibility, training, environment impact assessment and HCV. Fluent in English.</p> <p>Language proficiency: Fluent in Bahasa Malaysia and English</p>
Hu Ning Shing (HNS)	Team Member	<p>Education: Holds Bachelor Degree in Science majoring in Applied Chemistry, graduated, University of Malaya.</p> <p>Work Experience: She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in her previous certification body since 2015.</p> <p>Training attended: She has completed the ISO 9001 Lead Auditor Course, Endorsed RSPO P&C Lead Auditor Course, Endorsed RSPO SCCS Lead Auditor Course, RSPO Social Auditor Training and SMETA Requirements Training.</p> <p>Aspect covered in this audit: During this assessment, she assessed on the aspects of social, legal, workers & stakeholders consultation.</p> <p>Language proficiency: Fluent in Bahasa Malaysia and English</p>
N/A	Peer Reviewer	<p>Education: N/A</p> <p>Work Experience: N/A</p> <p>Training attended: N/A</p>

Accompanying Persons:

Name	Role
N/A	N/A

1.3 Assessment Plan

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

Date	Time	Subjects	MFM	VKP	HNS
Tuesday, 18/01/2022	PM	Audit Team Travelling to Johor Bahru	√	√	√
Wednesday, 19/01/2021	08.30 – 09.00	<p>Opening Meeting:</p> <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan 	√	√	√

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Date	Time	Subjects	MFM	VKP	HNS
Bukit Layang Estate	09.00 – 12.30	Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.	√	√	√
	09.30 – 12.30	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)			√
	12.30 – 13.30	Lunch	√	√	√
	13.30 – 16.30	Document review P1 – P7: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation & etc.)	√	√	√
	16.30 - 17.00	Interim Closing briefing.	√	√	√
Thursday 20/01/2022 Bukit Layang Estate	08.30 – 11.00	Continue with document review: Document review P1 – P7: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation & etc.)	√	√	√
	09.00 –10.00	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)			√
	11.00 – 11.30	Preparation of audit report	√	√	√
	11.30 –12.30	Closing Meeting	√	√	√
	PM	Audit team travelling to Kuala Lumpur	√	√	√

Section 3: Assessment Findings

3.1 Multiple Management Units and Time Bound Plan

Requirement	Assessment	Compliance
Does the time bound plan include all current subsidiaries, estates and mills that is under the control and/or minor shareholding of the holding company?	The plan includes all current subsidiaries, estates and mills that is under management control.	Complied.
Have all the estates and mills certified within five (5) years after obtaining RSPO membership?	All the estates and mills certified within 5 years after obtaining RSPO membership except Palm Oil Plantations Asset at Indonesia (SUMSEL) following resolutions by Board of Director of Kulim to disposal of Palm Oil Plantations Asset at Indonesia (SUMSEL) on 2021.	Complied
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three (3) years from the date of acquisition. Certification plan for the new acquisition shall be available.	There have not been any new acquisitions.	Complied
Any deviations from the maximum periods requires approval by the RSPO Secretariat.	There have no any deviations from the maximum periods requires approval by the RSPO Secretariat.	Complied
Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting?	There has no any changes to the time-bound plan since the last audit. This is consistent with the RSPO ACOP reporting. The link provided below: https://rspo.org/members/310/Johor-%20Corporation	Complied
Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised	There is no isolated lapse in Time Bound Plan except for smallholder proposed certification program that halted due to unstable supply to mill.	Complied
Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a Major non-compliance shall be raised	There has been no fundamental failure to proceed with the implementation of the plan.	Complied
Un-Certified Units or Holdings		
No replacement of primary forest or any area required to maintain or enhance HCVs and HCS in accordance with RSPO P&C criterion 7.12.	There is no new plantings that replace primary forest.	Complied
Any new plantings since January 1 st 2010 shall comply with the RSPO New Plantings Procedure.	There are no new plantings since January 1st 2010.	Complied
Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints	No land conflict under all certification units as verified through RSPO RaCP tracker.	Complied

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System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8.		
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2	There is No labour dispute.	Complied
Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	There is No legal non-compliance.	Complied
Did the company conduct internal audit for those uncertified estates against the uncertified management units requirement and covering the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12? If yes, a positive assurance statement shall be available and justified.	No internal audit have been conducted for uncertified estates in Indonesia following resolutions by Board of Director of Kulim to disposal of Palm Oil Plantations Asset at Indonesia (SUMSEL).	Complied
Are there any Critical (Major) non-compliance raised against any of the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12 during the last internal audit of the uncertified estates? If yes is the NC(s) actively addressed with RSPO?	NA	Complied
Have there been any stakeholder (including NGO) consultation conducted?	NA	Complied

3.2 Progress of scheme smallholders and/or outgrowers

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification? OFI shall be raised if after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met after three years.	Not applicable as there are no scheme smallholders or scheme outgrowers under the certification unit.	Complied

Approved Time Bound Plan

Time Bound Plan for 100% Own Certified FFB

Project	Estate	Plan
Indonesia	PT RAJ	Kulim Malaysia Berhad had agreed to proceed with Sale and Purchase Agreement ("SPA") to dispose two palm oil plantation assets in South Sumatera, Indonesia during special BOD meeting held on 20/10/2021.
	PT TPR	
Kulim Estate	Bukit Layang Estate	Certified RSPO in 2020
Trader	Eng Lee Heng	Certified RSPO in 2020 under Wild Asia Sdn. Bhd (Wild Asia Group Scheme)

List of Estate Managed by KULIM				
Mill Base	Estate	Estate	Status	Remarks
Tereh Mill		tereh selatan	Certified RSPO in March 2009	The total number of Kulim Operating Units are now been reduced to 21 due to merger exercise between the following estates marked * that took effect from 01 January 2021. 1. Selai & Enggang under the name of Selai Estate 2. Mutiara & Sg Sembrong under the name of Mutiara Estate 3. REM & Ulu Tiram under the name of REM Estate 4. Mungka & Sepang Loi under the name of Mungka Estate
		tereh utara		
		sg. tawing		
		rengam		
		*Selai		
		*Enggang		
		*Mutiara		
		*Sg. Sembrong		

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Sindora Mill	Kulim EState	Sindora	Certified RSPO in March 2017	<p>5. Palong & Kemedak under the name of Palong Estate</p> <p>6. Pasir Panjang & Bukit Payung under the name of Pasir Panjang Estate</p> <p>**The SINDORA POM supply bases been changed, to add in the following supply bases :</p> <ol style="list-style-type: none"> 1. Basir Ismail Estate 2. Ulu Tiram Estate
		Sungai Papan		
		**Basir Ismail		
		*Rem		
		* **Ulu Tiram		
Sedenak Mill		Sedenak		
Palong Mill		Kuala Kabong		
		Umac		
		Labis Bahru		
		*Mungka		
		*Sepang Loi		
		*Palong		
		*Kemedak		
Pasir Panjang Mill		*Pasir Panjang		
		*Bukit Payung		
	Siang			
	Bukit Kelompok			
	Tunjuk Laut			
	Pasir Logok			

3.3 Details of Nonconformities

The nonconformities are listed below. The findings summary of the assessment by criteria are listed in Appendix A. During this Assessment there were no (0) Critical; no (0) Minor nonconformities and one (1) Opportunity For Improvement raised.

Non-conformity			
NCR Ref #	N/A	Date Issued	N/A
Due Date	N/A	Date of nonconformity Closure	N/A
Clause & Category (Critical / Minor)	N/A		
Statement of Nonconformity:	N/A		
Requirement Reference:	N/A		
Objective Evidence:	N/A		
Corrections:	N/A		
Root Cause Analysis:	N/A		
Corrective Actions:	N/A		
Assessment Conclusion:	N/A		

Opportunity for Improvements	
OFI #	Description
2156345-202201-I1	4.2.2 - The management to ensure all the grievances to be resolved within the set timeline.

Positive Findings	
PF #	Description
PF 1	Good commitment from the management to maintain the system.

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-conformity			
NCR Ref #	N/A	Date Issued	N/A
Due Date	N/A	Date of nonconformity Closure	N/A
Clause & Category (Critical / Minor)	N/A		

Statement of Nonconformity:	N/A
Requirement Reference:	N/A
Objective Evidence:	N/A
Corrections:	N/A
Root Cause Analysis:	N/A
Corrective Actions:	N/A
Assessment Conclusion:	N/A

Opportunity for Improvement	
OFI#	Description
OFI 1	OFI Statement: N/A Verification / Follow-up actions: N/A

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Critical / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1843576-201910-M1	Critical	4.7.2	30/10/2019	Closed on 24/03/2020
1843576-201910-M2	Critical	5.2.1	30/10/2019	Closed on 24/03/2020
1843576-201910-M3	Critical	5.6.2	30/10/2019	Closed on 24/03/2020
1843576-201910-N1	Minor	4.1.2	30/10/2019	Closed on 09/02/2021
1843576-201910-N2	Minor	2.1.3	30/10/2019	Closed on 09/02/2021
1843576-201910-N3	Minor	5.1.2	30/10/2019	Closed on 09/02/2021
1843576-201910-N4	Minor	5.3.3	30/10/2019	Closed on 09/02/2021

3.4 Stakeholders and previous land owner / user consultation

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Bukit Layang Estate Certification Unit's environmental and social performance, legal and any known dispute issues.

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO 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 later was verified with the management team. Any comment which is not complying to the RSPO P&C requirements have been incorporated as an assessment finding.

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

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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 below.

Stakeholders contacted		
Type of Stakeholder (e.g. Internal, Union, Contractor, Governmental Department, NGO, External, Communities)	Stakeholder name / organization	Means of communication (e.g. face to face interview, email, phone interview, comment from public notice)
Supplier	J&N Indah Bersatu Sdn. Bhd	Face to face interview
Neighbouring Smallholder	Alfian b. Abdul Sahar	Face to face interview
NUPW	Mandore	Face to face interview
Gender committee	Office helper	Face to face interview
Workers Representative	1. Mandore 2. Harvester 3. General workers	Face to face interview

Stakeholders comment	
1	<p>Feedbacks: Female Worker – She informed that the management treated the female workers equally compared with male workers. No discrimination occurred. She also informed that no case of sexual harassment and domestic violence reported. No pregnancy testing is required prior the employment.</p> <p>Audit Team verification and response: Reviewed the payslips, employment contracts and records of meeting minutes of Gender Committee confirmed that no discrimination and sexual harassment reported.</p>
2	<p>Feedbacks: Contractor – He informed that the payment was made promptly by Kulim. He also has been briefed on the company’s policy where no child labour shall be employed. He is aware of the complaint procedure and he has good relationship with the management.</p> <p>Audit Team verification and response: No other issue.</p>
3	<p>Feedbacks: Smallholder – He informed that no land dispute reported. Boundary was demarcated with trenches and gate. They are aware of the complaint procedure and they have good relationship with the management.</p> <p>Audit Team verification and response: No other issue.</p>
4	<p>Feedbacks: Workers’ Representative – He informed that he was elected by the workers without any interference from management. There was no pending issue reported from the workers. The management treated all the workers equally and no discrimination occurred. The wages of the workers were achieved Minimum Wage Order 2020.</p> <p>Audit Team verification and response:</p>

Reviewed the NUPW meeting minutes and payslips found no issue.
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List of land owner / user contacted					
Name	Years of ownership / used	Land area (ha)	Agreement (Yes / No)	Agreement base on FPIC (Yes/No)	Compliance on the agreement terms and conditions
Not applicable as the company has acquired and planted since Year 1967.					

Previous land owner / user comment	
	<p>Feedbacks: Not applicable as the company has acquired and planted since Year 1967.</p> <p>Audit Team verification and response: Not applicable as the company has acquired and planted since Year 1967.</p>



3.5 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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Formal Signing-off of Assessment Conclusion and Recommendation

The audit objectives have been achieved and the certificate scope is appropriate. Based on the results of this audit, it is concluded that Bukit Layang Estate has complied with the Malaysia National Interpretation 2019 of the RSPO P&C 2018 and audit criteria identified within the audit report. It is deemed that the management system has achieved its intended outcomes. Therefore, it is recommended that Bukit Layang Estate is remain certified.

Report prepared by	Acceptance of Assessment Conclusion
Name: Muhammad Fadzli b. Masran	Name: Salasah Elias
Company Name: BSI Services (M) Sdn. Bhd.	Company Name: Kulim (Malaysia) Berhad
Title: Client Manager	Title: Deputy General Manager
Signature: 	Signature: <i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i> 
Date: 21/04/2022	Date: 21/4/2022

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Behave ethically and transparently			
Criterion 1.1: The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	<p>(C) Documents that are specified in the RSPO P&C are made available to the public.</p> <p>- Critical (Major) compliance -</p>	<p>Kulim (M) 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.</p> <p>The documents may be publicly available but not limited to are such as:</p> <ul style="list-style-type: none"> i. Land title ii. OSH plan iii. Plans and impact assessment relating to environmental and social impacts iv. HCV documentation v. Pollution prevention and reduction plans vi. Complaint and grievances details vii. Human Rights policy viii. Procedure for negotiation on compensation ix. Results of FPIC processes x. HCS documentation xi. Continuous Improvement Plan xii. Report on the progress of smallholder support programme 	Complied

		<p>Besides, the stakeholders could access to company's website, http://www.kulim.com.my/ to get the information such as annual report.</p> <p>The stakeholders have been briefed on the request of publicly available documents during the stakeholder meeting conducted on 18/10/2021 as verified in the meeting presentation slides.</p>	
1.1.2	<p>Information is provided in appropriate languages and accessible to relevant stakeholders.</p> <p>- Minor compliance -</p>	<p>The stakeholders have been briefed on the request of publicly available documents during the stakeholder meeting conducted on 18/10/2021 as verified in the meeting presentation slides. All the relevant documents were in Bahasa Malaysia and English.</p>	Complied
1.1.3	<p>(C) Records of requests for information and responses are maintained.</p> <p>- Critical (Major) compliance -</p>	<p>Enquiry Register book was implemented in Bukit Layang Estate. Seen the Enquiry Register book and found there was no any request since Year 2019.</p>	Complied
1.1.4	<p>(C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.</p> <p>- Critical (Major) compliance -</p>	<p>KULIM (M) Berhad has established Consultation and Communication Procedure with Doc. No.: SQD/SMS/1.1 dated 01/08/2020 to ensure KULIM 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 and face to face communication. Any request for information that publicly available and grievance shall record in Enquiry Register.</p> <p>There was a virtual online stakeholder meeting organized for Siang Complex on 18/10/2021 which included Bukit Layang Estate. Seen the attendance list where contractors, suppliers and neighbouring communities were attended. Records of email invitation to the stakeholders was sighted. Meeting minutes and meeting slides was sighted and no issue was reported.</p>	Complied

		Assistant Manager of Bukit Layang Estate has been appointed as Social Officer by the Senior Manager and appointment letter dated 01/01/2021 was available.	
1.1.5	There is a current list of contact and details of stakeholders and their nominated representatives. - Minor compliance -	Stakeholder list was developed on 17/01/2022 in Bukit Layang Estate where stakeholders such as government authorities, contractors, suppliers, local communities and NGO was included. Details such as contact number and nominated representatives was included in the list.	Complied
Criterion 1.2: The unit of certification commits to ethical conduct in all business operations and transactions.			
1.2.1	A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts. - Minor compliance -	Kulim (M) Berhad has established Code of Business Ethics (COBE), last edited August 2021. The policy is applicable to all employees, board of director, business associates such as contractor and sub-contractors. The policy was signed by Managing Director. Briefing of the COBE was conducted on 18/10/2021 in Bukit Layang Estate during stakeholder meeting. Seen the briefing records such as attendance list and photo evident. Besides, the workers have signed on <i>Borang Aku Janji Integrity Pekerja</i> to ensure not involving in any bribe or carry out any illegal activity.	Complied
1.2.2	A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice. - Minor compliance -	Bukit Layang Estate has a system is in place to monitor compliance and the implementation of the policy and overall ethical business practice. The monitoring mechanism includes annual Internal Audits by HQ Sustainability Department team in the estate.	Complied
Principle 2: Operate legally and respect rights			
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.			

2.1.1	<p>(C) The Unit of Certification complies with legal requirements - Critical (Major) compliance -</p>	<p>Kulim Bukit Layang Estate Unit continues to ensure compliance towards all applicable local, national and ratified international laws and regulations. The compliances are guided by the document Sustainable Management System; Compliance to Legal Requirement; Document Number: SQD/SMS/2.0; Document Date: 01/08/2020; Issue: 01. Among permit and license sampled were:</p> <ol style="list-style-type: none"> 1. MPOB License; License Number: 592627002000; License Validity Period: 01/01/2021 – 31/12/2021. Estate Area: 397.76 Ha. The estate has applied for renewal and the matters is still in progress. 2. Energy Commission – Private Installation License; License Number; 2021/01726; Serial Number: 50745; License Validity Period: 22/09/2021 – 21/09/2022. 3. Permit Barang Kawalan Berjadual; Serial Number: P (J 003400); Reference Number: KPDNKK.J.KTG/PERMIT 0334 (PD); Description: Diesel; Storage Capacity: 5,460 Litres; License Validity Period: 29/08/2021 – 28/08/2022. 4. BAKAJ License – License to Divert and Abstract River Water; File Number: BAKAJ/334/300/05/08/07/23; License Number: 07/A/KT/026; License Expiry Date: 21/12/2021. Renewal for license has been submitted on 08/12/2021, pending approval. 	Complied
2.1.2	<p>A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations. - Minor compliance -</p>	<p>Kulim - Bukit Layang Estate certification unit continued to implement and maintain their established documented system for identifying, accessing, tracking updates and monitoring of compliance with the legal requirements that are applicable to the estate's operation.</p> <p>The estate has its own legal requirements register (LRR) and were being evaluated individually from time to time for compliance mainly</p>	Complied

		<p>through internal audit. Among the applicable legal laws registered are EQA, OSHA, Factory & Machinery Act, Employment Act, Workers' Minimum Standard of Housing and Amenities Act, Minimum Wages order 2020 to name a few. Other related legal for COVID19 pandemic under Prevention and Control of Infectious Diseases (Measure Within the Infected Local Areas) Regulation 2020 was also has been identified.</p> <p>Tracking system available to identify changes in the relevant regulations through head office, sustainability team, website information and the information are communicated from the Head Office. Kulim (Malaysia) Berhad have centralised system for tracking any changes in the law.</p> <p>Tn. Mohd Khairi Bin Md Shah, the Assistant Manager has been appointed as the PIC for compliance in the estate, as stated in the appointment letter dated 01/01/2021 undersigned by the Manager, Bukit Layang Estate.</p>	
2.1.3	<p>Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.</p> <p>- Minor compliance -</p>	<p>The estate has maps showing the locations of boundary stones that have been physically located and marked. Inspection of boundary stones/markers/trenching at the Keck Seng Estate boundary, during the field inspection confirmed that they were clearly marked and maintained. All the physical markers/Boundary stones along the legal boundaries between was visibly available.</p>	Complied
<p>Criterion 2.2: All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.</p>			
2.2.1	<p>A list of contracted parties is maintained.</p> <p>- Minor compliance -</p>	<p>In Bukit Layang estate, the list of contractors was made available under stakeholder list for 2022. The list has included for various contractor categories such as transportation, civil and mechanical works and harvesting.</p>	Complied

2.2.2	<p>All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.</p> <p>Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.</p> <p>- Minor compliance -</p>	<p>All contracts (short and long term), contain specific clauses on meeting applicable legal requirements were spelled out in the contract. Contractors contract</p> <p>a. Contractor: Soko SK Enterprise; Harvesting of FFB; Contract Number: MPSB/LBL 2/2018; MOA Date: 12/08/2018. Contract Expiry Date: 15/06/2023.</p> <p>b. Contractor: Soko SK Enterprise; Internal Transport of FFB; Contract Number: MPSB/LBL 4/189/2018; MOA Date: 20/05/2019; Contract Expiry Date: 31/12/2023.</p> <p>c. Contractor: Sungai Rezeki Sdn Bhd; Loading and Transporting of FFB; Contract Number: MPSB/LBL 2/2017; MOA Date: 21/09/2017; Contract Expiry Date: 30/06/2022.</p>	Complied
2.2.3	<p>All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.</p> <p>- Minor compliance -</p>	<p>All contracts mentioned in 2.2.2 included and undersigned with "Addendum to The Contract Agreement" which states:</p> <p>"The contractors represent and warrant that the Contractor shall comply with applicable labour and employment laws regarding; and prohibit any form of child labour, forced and trafficked labour. Any eligible your labour will be employed only in accordance with Children and Young Person (Employment) 1966."</p>	Complied
Criterion 2.3: All FFB supplies from outside the unit of certification are from legal sources.			
2.3.1	<p>(C) For all directly sourced FFB, the mill requires:</p> <ul style="list-style-type: none"> • Information on geo-location of FFB origins • Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder • One or more supporting documents for claims • Valid MPOB license <p>- Critical (Major) compliance -</p>	Not applicable as this is a single estate certification unit.	Not Applicable

2.3.2	For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1. - Minor compliance -	Not applicable as this is a single estate certification unit.	Not Applicable												
Principle 3: Optimise productivity, efficiency, positive impacts and resilience															
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.															
3.1.1	(C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders. - Critical (Major) compliance -	The 5-Year business management plan for the year 2023– 2027 was available for verification. The management plan includes Field Area Summary, Oil Palm Production, General Charges Expenditure and Oil Palm – Mature Field Expenditure. Bukit Layang Estate is a relatively small estate therefore there were no plans for any further business extension.	Complied												
3.1.2	An annual replanting programme projected for a minimum of five years with yearly review, is available. - Minor compliance -	Bukit Layang Estate have developed a replanting programme for the estate from 2021 - 2046. The estate consists of 3 sub fields and the proposed replanting for the 3 sub fields are as below. <table border="1" data-bbox="1137 938 1930 1117"> <thead> <tr> <th>Field</th> <th>P00</th> <th>P03</th> <th>P14</th> </tr> </thead> <tbody> <tr> <td>Proposed Replanting Year</td> <td>2024</td> <td>2028</td> <td>2039</td> </tr> <tr> <td>Hectare</td> <td>150.93</td> <td>147.52</td> <td>78.75</td> </tr> </tbody> </table>	Field	P00	P03	P14	Proposed Replanting Year	2024	2028	2039	Hectare	150.93	147.52	78.75	Complied
Field	P00	P03	P14												
Proposed Replanting Year	2024	2028	2039												
Hectare	150.93	147.52	78.75												
3.1.3	The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake. - Minor compliance -	The management review meeting for Bukit Layang Estate was conducted on 08/11/2021 where the meeting was chaired by the Estate Manager. The management review discussed on Operational Performance, Customer Feedback, Changes in Management, Internal Audit Findings, CAP Status and Grievances among others.	Complied												
Criterion 3.2: The unit of Certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable Continuous improvement in key operations.															

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3.2.1	<p>(C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.</p> <p>- Critical (Major) compliance -</p>	<p>The estate has established continuous improvement plan based on consideration of occupational safety and health, social, environmental and productivity issue in the estate. Reviewed the continuous improvement plan dated 01/11/2021. Among the the plans as follows:</p> <ol style="list-style-type: none"> 1. Purchase 1 unit Genset 2. Build new 1 unit guard post 3. Purchase mechanical buffalo L100 	Complied
3.2.2	<p>As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the [RSPO metrics template].</p> <p>PROCEDURAL NOTE:</p> <p>The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed.</p> <p>Until such metrics is agreed and developed, companies will carry on with existing reporting e.g. PalmGHG, Annual Communication of Progress (ACOP) reporting, and information provided to Certification Body and feedback via RSPO Secretariat is required.</p> <p>- Minor Compliance -</p>	<p>RSPO metrics template submitted was verified its data to be reflective of raw data sources from each operating units.</p>	Complied
Criterion 3.3: Operating procedures are Appropriately documented, consistently implemented and monitored.			
3.3.1	<p>(C) Standard Operating Procedures (SOPs) for the unit of certification are in place.</p> <p>- Critical (Major) compliance -</p>	<p>Standard Operating Procedures were available for Bukit Layang Estate in the form of a booklet. Among the SOP's that were sampled were Harvesting, Chemical Spraying (Manual), Chemical Spraying using Mist blower, Rat Baiting, Manuring Application, Mechanical Buffalo, Tractor Driver, Ramp, Workshop and Welding.</p>	Complied
3.3.2	<p>A mechanism to check consistent implementation of procedures is in place.</p> <p>- Minor Compliance -</p>	<p>The following mechanism is available and adopted as standard practices and procedures in the estate's operations.</p>	Complied

		<ol style="list-style-type: none"> 1. Internal audit by Sustainability Unit done twice a year. The most recent Internal Audit dated 03/11/2021. 2. Task Force visits 3. Monthly and weekly ad-hoc meetings 4. Daily /monthly production & financial report <p>Workstation Inspection</p>	
3.3.3	Records of monitoring and any actions taken are maintained and available. - Minor Compliance -	Bukit Layang Estate maintained all records of monitoring and available for verification. The Plantation Advisor (PA) is accountable to monitor the estate’s compliance towards the SOP, Budget and Productivity. Various checklists were available and being used by the estate for operations, health and safety monitoring, workers welfare and environmental issues.	Complied
Criterion 3.4: A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.			
3.4.1	(C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/out-grower scheme, is documented. - Critical (Major) compliance -	<p>There was no new planting reported in the Bukit Layang Estate. SIA was conducted on 27/06/2021 in Bukit Layang Estate, by Sustainability Department and the SIA report was developed on 15/09/2021. The methodology of the assessment was through field interview with stakeholders. The assessment has involved internal workers and external stakeholder as verified the attendance list.</p> <p>The social impact register is developed based on the scoring of frequency, consequence and likelihood. Social Management Plan will be developed after the social impact register established.</p> <p>The assessment of Sustainability Team to Bukit Layang Estate was made in Environmental Management Plan 2021/22 among others meant.</p> <p>a. To assess current condition based on identified potential environmental aspects</p>	Complied

		<p>b. To verify presence of protected & conservation areas that could be significantly affected.</p> <p>c. To assess the environmental impact on the affected areas/stakeholders arising from the estate activities.</p> <p>d. To comply with various sustainability certification schemes.</p> <p>The activities involved discussion with the estate management, sighting the documentation, observation on sites and surrounding, and interview with stakeholders adjacent to the conversion areas. The assessment covered the aspect of boundary control, water resources (if any), protection of river (if any), soil erosion and sedimentation of silt, planning of replanting program, protection of sensitive area, waste (oil, toxic soil and biomass) and air quality control. Interviews were conducted with stakeholders to obtain feedback on the impact of replanting activities on their daily lives.</p>	
<p>3.4.2</p>	<p>For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.</p> <p>- Minor Compliance -</p>	<p>Social management plan was developed in Bukit Layang Estate on 15/09/2021. Sampled of issue as below:</p> <ol style="list-style-type: none"> Issue: Welfare assistance to workers and the family who undergo quarantine at home due to Covid-19 pandemic. Action to be taken: The management to ensure all the workers and family are physical and mentally healthy during quarantine period. <p>Status: The management has provided foods basket to the workers who underwent quarantine in Y2021 and seen the photo evident of foods basket provided.</p> <p>The environmental management plan was developed after the conducted the environmental risk assessment with the selected stakeholders and management representatives.</p>	<p>Complied</p>

		The aspects such as air pollution, noise pollution, land pollution, depletion of natural resources and erosion were assessed. Positive impacts and negatives impacts were recorded in the report. Questionnaire has been used as a toolkit for environmental interview with the relevant stakeholders (internal and external) and use as the input for development of the environmental Management Plan.	
3.4.3	(C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way. - Critical (Major) compliance -	The social management plan was implemented, reviewed and updated on yearly basis in the participatory way by collected feedbacks during meeting with internal and external stakeholders. Seen the Social Management Plan 2020 dated 30/09/2020 and actions have been taken accordingly. Environmental Management Plan was developed for year 2021 (Aug 2021) with positive and negative impacts identified. Action plan and person in charge has clearly outlined in the management plan.	Complied
Criterion 3.5: A system for managing human resources is in place.			
3.5.1	Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable. - Minor Compliance -	KULIM (M) Berhad has developed procedures for Recruitment of Local Workers for Operating Units last updated on 01/10/2020 and Recruitment of New Foreign Workers last updated on 01/01/2019, Rev. No.: 1. Recruitment, selection, hiring, promotion, retirement and termination has been outlined in the procedure.	Complied
3.5.2	Employment procedures are implemented, and records are maintained. - Minor Compliance -	Reviewed the recruitment records such as application form, pre-employment medical check-up report, photocopied of identification card and employment contract of newly employed workers in Bukit Layang Estate. All the records were maintained.	Complied
Criterion 3.6: An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.			

<p>3.6.1</p>	<p>(C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented. - Critical (Major) compliance -</p>	<p>The estate has conducted risk assessment for all main and support operations in the estate and documented in the HIRARC form. The HIRARC was reviewed once a year or if any accident occur or there is changes in the operation. Latest HIRARC review was conducted on 30/03/2021 with changes in HIRARC for Covid-19.</p> <p>The estate has conducted CHRA on 13 – 20/9/2018 as per report no. JKKP HQ/03/ASS/00/154-2018/062 by assessor with DOSH reg. no. JKKP HQ/03/ASS/00/154 and HQ/07/ASS/00/236. Additionally, the estate has conducted supplementary CHRA on 22/12/2020 – 31/01/2021 as per report no. JKKP HQ/03/ASS/00/154-2021/052 by the same assessor.</p> <p>Baseline Noise Risk Assessment was conducted on 06/12/2021 by assessor with DOSH reg. no. HQ/18/PEB/00/00014. Refer report no. HQ/18/PEB/00/00014 – 2021/033.</p>	<p>Complied</p>
<p>3.6.2</p>	<p>(C) The effectiveness of the H&S plan to address health and safety risks to people is monitored. - Critical (Major) compliance -</p>	<p>Kulim has established safety and health plan and documented in the OSH Calendar. Reviewed the implementation of the management plan FY 2021 as follows:</p> <ol style="list-style-type: none"> 1. The estate conducted medical surveillance on annually basis as per recommendation in the CHRA report. Latest medical surveillance was conducted on 15/12/2021. The estate has yet to receive the report. 2. The estate conducted the medical screening for chemical handlers on monthly basis during VMO visit. Reviewed the medical screening records for the month of October, November and December 2021 and January 2022. 3. The estate conducted workplace inspection on monthly basis. Reviewed the workplace inspection records for the month of October, November and December 2021 and January 2022. 	<p>Complied</p>

		4. The estate conducted first aid kit inspection on monthly basis by the Hospital Assistant. Reviewed the inspection records dated 07/10/2021, 03/11/2021, 02/12/2021 and 06/01/2022.	
Criterion 3.7: All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained.			
3.7.1	<p>(C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and out-growers, taking into account gender-specific needs, and which covers applicable aspects of the RSPOP&C, in a form they understand, and which includes assessments of training.</p> <p>- Critical (Major) compliance -</p>	The estate has established and documented a training plan base on training need analysis conducted on annual basis. Sighted Training program 2021 which covers all job aspect of the RSPO Principles and Criteria. The training need and program was made available for verification at all visited sites.	Complied
3.7.2	<p>Records of training are maintained.</p> <p>- Minor Compliance -</p>	<p>The operating units maintained the training records conducted. Reviewed the training records as follows:</p> <ol style="list-style-type: none"> 1. Harvesting safety and SOP and harvesting at HCV area training dated 11/01/2021 2. Water treatment and water sampling training dated 27/01/2021 3. Safety work at diesel tank training dated 04/01/2021 4. Rat baiting training dated 06/01/2021 5. Spraying, chemical calibration and spraying at HCV/Buffer zone area training dated 19/02/2021 6. Waste cleaning and landfill training dated 21/02/2021 7. Fire drill and use of fire extinguisher training dated 17/02/2021 8. Fertiliser sampling and handling dated 12/03/2021 9. Safety work at chemical store training dated 16/04/2021 10. Triple rinsing training dated 23/04/2021 	Complied

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		<ul style="list-style-type: none"> 11. Emergency response plan (ERP) and CPR training dated 16/05/2021 12. PCD cleaning training dated 21/06/2021 13. Safety work at chemical store training dated 14/09/2021 14. PPE usage training dated 09/09/2021 15. First aid training dated 14/11/2021 	
3.7.3	<p>Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.</p> <p>- Minor Compliance -</p>	Not Applicable for Bukit Layang estate	Not Applicable
<p>Criterion 3.8: Supply chain requirement for mills (note: All supply chain requirements are considered as Critical (C). However it will not contribute to suspension if there is more than 5 non-compliance within a principle)</p>			
3.8.1	<p>Identity Preserved Module</p> <p>A mill is deemed to be Identity Preserved (IP) if the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme.</p> <p>Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Mass Balance Module is applicable.</p>	Not Applicable for Bukit Layang estate	Not Applicable
3.8.2	<p>Mass Balance Module</p> <p>A mill is deemed to be Mass Balance (MB) if the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own</p>	Not Applicable for Bukit Layang estate	Not Applicable

	and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.		
3.8.3	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	Not Applicable for Bukit Layang estate	Not Applicable
3.8.4	The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform.	Not Applicable for Bukit Layang estate	Not Applicable
3.8.5	<p>Documented procedures</p> <p>The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> a) Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). c) Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the mill's procedures for the implementation of this standard. d) The mill shall have documented procedures for receiving and processing certified and non-certified FFBs including ensuring no contamination in the IP mill. 	Not Applicable for Bukit Layang estate	Not Applicable

<p>3.8.6</p>	<p>Internal Audit</p> <ul style="list-style-type: none"> i) The mill shall have a written procedure to conduct annual internal audit to determine whether the mill: <ul style="list-style-type: none"> a. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. b. Effectively implements and maintains the standard requirements within its organisation. ii) Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The mill shall maintain the internal audit records and reports. 	<p>Not Applicable for Bukit Layang estate</p>	<p>Not Applicable</p>
<p>3.8.7</p>	<p>Purchasing and Goods In</p> <ul style="list-style-type: none"> i) The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received. ii) The mill shall inform the CB immediately if there is a projected overproduction of certified tonnage. iii) The mill shall have a mechanism in place for handling non-conforming FFB and/or documents. 	<p>Not Applicable for Bukit Layang estate</p>	<p>Not Applicable</p>
<p>3.8.8</p>	<p>Sales and Goods Out</p> <p>The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):</p> <ul style="list-style-type: none"> a) The name and address of the buyer; 	<p>Not Applicable for Bukit Layang estate</p>	<p>Not Applicable</p>

	<ul style="list-style-type: none"> b) The name and address of the seller; c) The loading or shipment / delivery date; d) The date on which the documents were issued; e) RSPO certificate number; f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations); g) The quantity of the products delivered; h) Any related transport documentation; i) A unique identification number. 		
3.8.9	<p>Outsourcing Activities</p> <ul style="list-style-type: none"> i) The mill shall not outsource its milling activities. In cases where he mill outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO Supply Chain Certification ii) The mill shall ensure the following: <ul style="list-style-type: none"> a) The mill has legal ownership of all input material to be included in outsourced processes b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary. c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. 	Not Applicable for Bukit Layang estate	Not Applicable

	d) The mill shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and all information, when this is announced in advance.		
3.8.10	The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil palm products.	Not Applicable for Bukit Layang estate	Not Applicable
3.8.11	The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.	Not Applicable for Bukit Layang estate	Not Applicable
3.8.12	<p>Record keeping</p> <p>i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements.</p> <p>ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.</p> <p>iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.</p> <p>iv) For Mass Balance Module, the mill:</p> <p>a) Shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.</p> <p>b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p>	Not Applicable for Bukit Layang estate	Not Applicable

	c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock.		
3.8.13	<p>Extraction Rate</p> <p>The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.</p>	Not Applicable for Bukit Layang estate	Not Applicable
3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.	Not Applicable for Bukit Layang estate	Not Applicable
3.8.15	<p>Processing</p> <p>For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation.</p>	Not Applicable for Bukit Layang estate	Not Applicable
3.8.16	<p>Registration of Transactions</p> <p>i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date.</p> <p>ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.</p>	Not Applicable for Bukit Layang estate	Not Applicable
3.8.17	Claims	Not Applicable for Bukit Layang estate	Not Applicable

	The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.		
General corporate communications			
4.1	A corporate communication is one made by any RSPO member that highlights its membership of the RSPO and/or its commitment to the principles of the RSPO. Corporate communication is an 'off-product' claim.	Not Applicable for Bukit Layang estate	Not Applicable
4.2	In corporate communications a member is allowed to: a. Display its RSPO membership status b. Display the RSPO web address (www.rspo.org) c. State that the member supports the work of the RSPO d. State the member's history with regard to the RSPO. e. Use the RSPO trademark to promote its membership of the RSPO. Additionally, where an RSPO member displays the RSPO trademark in digital format this must be accompanied by the text 'Check our progress at www.rspo.org' where the link must lead to the member's profile page.	Not Applicable for Bukit Layang estate	Not Applicable
4.3	In corporate communications RSPO members must not make any statement that may lead consumers to believe that RSPO membership by itself implies the selling of RSPO-certified oil palm products.	Not Applicable for Bukit Layang estate	Not Applicable
4.4	Members must ensure that all communication is consistent, clear and cannot mislead consumers or other stakeholders as to the certified content of oil palm products in the member's own products.	Not Applicable for Bukit Layang estate	Not Applicable
4.5	Members are not allowed to use the RSPO corporate logo as shown in the RSPO Rules on Market Communications & Claims document. This is for the sole use of the RSPO secretariat.	Not Applicable for Bukit Layang estate	Not Applicable
Business to business communications			

5.1	Business to Business communication relates to RSPO members in the supply chain selling to and/or communicating with other organizations in the supply chain about the use of certified sustainable oil palm products.	Not Applicable for Bukit Layang estate	Not Applicable
5.2	When confirming the sale of certified oil palm products, members must adhere to the requirements of the RSPO SCCS. This includes stating the supply chain model and certificate number under which the claim is being made.	Not Applicable for Bukit Layang estate	Not Applicable
5.3	Where a distributor or wholesaler takes title to products containing certified sustainable oil palm products, the requirements of the RSPO SCCS can follow either of two options: a. If the distributor or wholesaler holds only a Distributor license, it may only communicate RSPO-certified oil palm products by linking the product to the manufacturer using the manufacturer’s SCCS certificate number. This covers both brand and own brand products. However, in the case of own brand products it is essential that customers are aware that the product has been made on behalf of the distributor or wholesaler, with specific evidence either through on-pack claims or documentation. b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2.	Not Applicable for Bukit Layang estate	Not Applicable
Business to consumer communication			
6.1	Only RSPO members that have supply chain certification are allowed to make business to consumer claims about the certified sustainable oil palm products contained within product(s), which are known as ‘product-specific’ claims. Product-specific claims are voluntary.	Not Applicable for Bukit Layang estate	Not Applicable
6.2	Only RSPO members who have supply chain certification are authorised to use the RSPO trademark and/or RSPO label, with the exception of RSPO Credits and of retailers in accordance with 6.8 below.	Not Applicable for Bukit Layang estate	Not Applicable

6.3	When on-pack claims on RSPO-certified sustainable oil palm products are used, the RSPO trademark and associated identification number must be present.	Not Applicable for Bukit Layang estate	Not Applicable
6.4	Business to consumer communication shall not include information about the claimant's RSPO membership status.	Not Applicable for Bukit Layang estate	Not Applicable
6.5	Members shall not communicate to consumers' information about their suppliers' RSPO membership status.	Not Applicable for Bukit Layang estate	Not Applicable
6.6	Use of the RSPO trademark is restricted to claims about RSPO-certified sustainable palm oil products and it is not authorised for use in relation to any other ingredient.	Not Applicable for Bukit Layang estate	Not Applicable
6.7	Use of any other trademark or logo to highlight the presence of RSPO-certified sustainable oil palm products is an unauthorised product-specific claim.	Not Applicable for Bukit Layang estate	Not Applicable
6.8	RSPO members who are retailers or food service companies can apply for an RSPO trademark license for use in business to consumer communications, provided they can demonstrate the validity of these claims to an RSPO-accredited certification body (CB). This will be undertaken via a remote audit, prior to the trademark use, during which the retailer or food service company will need to demonstrate that the use of the trademark is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain. Any other palm oil claims, including those highlighting the absence of palm oil, must be highlighted to the CB during the audit to ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules	Not Applicable for Bukit Layang estate	Not Applicable

	applying to RSPO supply chain certified members. The guidance document for audits is available on www.rsपो.org .		
MODULE B – MASS BALANCE SPECIFIC RULES			
Minimum Mass Balance content			
	95% or above of the oil palm content must be RSPO MB-certified.	Not Applicable for Bukit Layang estate	Not Applicable
	Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the non-certified volume must be covered by equivalent volume of RSPO Credits.	Not Applicable for Bukit Layang estate	Not Applicable
Labelling and trademark (MB)			
	<p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> • Surrounded by the text: 'Certified sustainable palm oil'. • The RSPO label MUST contain the tag 'MIXED'. The tag MIXED designates oil palm products sourced under the Mass Balance (MB) supply chain system, which administratively balances inputs and outputs of certain palm oil volumes. The tag 'MIXED' on a product does not guarantee that the product itself contains the certified material; some or all of it may reside in a product that does not carry a claim. • The RSPO label can also include the statement: '[The palm oil contained in this product] contributes to the production of certified sustainable palm oil'. • Wherever the RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the trademark or the 'statement'. Font must be Calibri, font size must be at least 4 pt (1.4 mm or 0.06 inch). 	Not Applicable for Bukit Layang estate	Not Applicable

	<ul style="list-style-type: none"> In on-pack communications, the RSPO trademark can be printed anywhere on the pack. Further guidance on use of the trademark is provided in the RSPO Trademark License Terms and Conditions and in Annex 1 of the Rules on Market Communications & Claims document. 		
Principle 4: Respect community and human rights and deliver benefits			
Criterion 4.1: The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.			
4.1.1	<p>(C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.</p> <p>- Critical (Major) compliance -</p>	<p>Kulim (M) Berhad has developed Sustainability Policy dated 01/10/2021 where Kulim will 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 and fundamental freedoms of individuals and peoples which includes Environmental Human Rights Defenders, whistle-blowers, complainants and community spokesperson. Briefing of the policy was conducted on 25/10/2021.</p>	Complied
4.1.2	<p>The unit of certification does not instigate violence or use any form of harassment in their operations.</p> <p>- Minor compliance -</p>	<p>Kulim (M) Berhad ensure all personnel are treated fairly and protected from any form of discrimination that would constitute a violation of their human rights. Interviewed with the workers confirmed that no harassment by the management.</p>	Complied
Criterion 4.2: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties			
4.2.1	<p>(C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistle-blowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.</p> <p>- Critical (Major) compliance -</p>	<p>Kulim (M) Berhad has developed Sustainability Policy dated 01/10/2021 where KULIM will 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 and fundamental freedoms of individuals and peoples which includes Environmental Human Rights Defenders, whistle-blowers, complainants and community spokesperson.</p>	Complied

<p>4.2.2</p>	<p>Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.</p> <p>- Minor compliance -</p>	<p>Kulim (M) Berhad has developed Grievance Procedure with Doc. No.: SQD/SMS/4.1 dated 01/08/2020 to ensure Kulim 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. There is 4 steps to resolve the grievance as below:</p> <p>Step 1: Employee report to his/ her immediate superior.</p> <p>Step 2: If the issue not settled within 10 working days, the matter will be brought to the Department General Manager/ Manager/ Assistant or Executive in charge.</p> <p>Step 3: If the issue not settled within 7 working days at Step 2, the employee shall raise the grievance to Division/ Department Director.</p> <p>Step 4: If the issue not settled after 3 working days at Step 3, the HR & Admin Department will prepare a full report and submit to Managing Director within 6 working days from the date referred from Step 3.</p> <p>The total timeline to resolve the grievances is clearly stated in the procedure which is within 26 working days for internal employees and 21 working days for other stakeholders.</p> <p>Besides, KULIM has developed Grievance Policy dated 01/05/2018 to ensure that there is a transparent process for ensuring stakeholder's grievances and complaints are dealt with fairly, consistently and promptly. Briefing of the policy was conducted on 18/10/2021 to external stakeholders during stakeholder meeting and 10/01/2022 to the workers.</p>	<p>OFI</p>
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		<p>Whistleblowing channels were available in the company’s website, http://www.kulim.com.my/whistleblowing.aspx?p_Id=19&c_Id=2201 and Code of Business Ethics (COBE), edition August 2021. The workers have been briefed on the procedure on 17/01/2022.</p> <p>The management to ensure all grievances to be resolved within the set timeline. Thus, an OFI was raised.</p>	
4.2.3	<p>The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders.</p> <p>- Minor compliance -</p>	<p>Bukit Layang Estate has implemented Enquiry Register book and Housing Complaint book to record any complaints from all the stakeholders. There was no complaint received from external stakeholders. Sampled the internal complaint as below:</p> <p>1. House No.: B3 dated 26/05/2021 Issue: Broken toilet.</p> <p>Status: The management has repaired the toilet and seen the photo evident of action taken. The issue was resolved on 01/07/2021 as seen in the complaint book.</p>	Complied
4.2.4	<p>The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.</p> <p>- Minor compliance -</p>	<p>KULIM has developed Grievance Procedure with Doc. No.: SQD/SMS/4.1 dated 01/08/2020 where they have outlined the mechanism where consideration will be given to involve independent legal, technical advice and third parties mediator, such as disinterested community group, NGOs, or government to support the complainants and/ or act as observer to facilitate smallholder schemes and communities and others as appropriate in these communications where practicable.</p>	Complied
<p>Criterion 4.3: The unit of Certification contributes to local sustainable development as agreed by local communities.</p>			
4.3.1	<p>Contributions to community development that are based on the results of consultation with local communities are demonstrated.</p> <p>- Minor compliance -</p>	<p>Management of Bukit Layang Estate has provided job opportunity to local communities. Besides, the management has provided free food baskets to the workers who underwent quarantine at home.</p>	Complied

		Seen the photo evident of the food baskets provided. The smallholder has informed during the stakeholder interview that the management has provided assistance such as access of estate's road without any cost.	
Criterion 4.4: Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.			
4.4.1	<p>(C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents Related to the history of land tenure and the actual legal or customary use of the land are available.</p> <p>- Critical (Major) compliance -</p>	<p>Total of 11 land titles available in Bukit Layang Estate and sampled the land titles as below:</p> <ol style="list-style-type: none"> 1. Title No.: 100184; Total Area: 1.3582 ha; Lot No.: 283 2. Title No.: 105393; Total Area: 34.5753 ha; Lot No.: 712 3. Title No.: 84652; Total Area: 15.2389 ha; Lot No.: 720 <p>Kulim (M) Berhad has legal ownership on the lands as verified in the land titles.</p>	Complied
4.4.2	Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the smallholder. Trenches and gate were available to demarcate the boundary of land.	Complied
4.4.2a	Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making.	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the smallholder. Trenches and gate were available to demarcate the boundary of land.	Complied
4.4.2b	Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken.	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the smallholder.	Complied

	- Minor compliance -	Trenches and gate were available to demarcate the boundary of land.	
4.4.2c	Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land. - Minor compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the smallholder. Trenches and gate were available to demarcate the boundary of land.	Complied
4.4.3	(C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Critical (Major) compliance -	Bukit Layang Estate has maintained boundary stone map with total 46 boundary stones were identified. Weekly monitoring of the boundary stones was conducted and recorded in the Boundary Stone Record book. Seen the records of monitoring from January 2021 to December 2021.	Complied
4.4.4	All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. - Minor compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the smallholder. Trenches and gate were available to demarcate the boundary of land.	Complied
4.4.5	(C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose. - Critical (Major) compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the smallholder. Trenches and gate were available to demarcate the boundary of land.	Complied
4.4.6	There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties. - Minor compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the smallholder. Trenches and gate were available to demarcate the boundary of land.	Complied

Criterion 4.5: No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.			
4.5.1	(C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available. - Critical (Major) compliance -	No new plantings are established on local peoples' land. This was verified through stakeholders' consultation.	Complied
4.5.2	(C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation. - Critical (Major) compliance -	No new plantings are established on local peoples' land. This was verified through stakeholders' consultation.	Complied
4.5.3	Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations. - Minor compliance -	No new plantings are established on local peoples' land. This was verified through stakeholders' consultation.	Complied
4.5.4	To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process. - Minor compliance -	No new plantings are established on local peoples' land. This was verified through stakeholders' consultation.	Complied
4.5.5	Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is	No new plantings are established on local peoples' land. This was verified through stakeholders' consultation.	Complied

	independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. - Minor compliance -		
4.5.6	Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator. - Minor compliance -	No new plantings are established on local peoples' land. This was verified through stakeholders' consultation.	Complied
4.5.7	New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations. - Minor compliance -	No new plantings are established on local peoples' land. This was verified through stakeholders' consultation.	Complied
4.5.8	(C) New lands are not acquired in areas inhabited by communities in voluntary isolation. - Critical (Major) compliance -	No new plantings are established on local peoples' land. This was verified through stakeholders' consultation.	Complied
Criterion 4.6: Any negotiations Concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
4.6.1	(C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place. - Critical (Major) compliance -	Kulim (M) Berhad has developed Land Encroachment procedure (Doc. No.: PROP/MP/5 dated 09/06/2020, Rev. No. 4). The objective is to establish and maintain the procedures on handling properties encroachment cases. Flow chart of handling the land encroachment by the company and local communities was developed. Besides, compensation calculation (based on situation and management approval) was described in the procedure as well.	Complied
4.6.2	(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented,	SOP as per indicator 4.6.1.	Complied

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	monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. - Critical (Major) compliance -	There was no dispute that involved compensation in Bukit Layang Estate.	
4.6.3	Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings. - Minor compliance -	There were no scheme smallholders attached with Bukit Layang Estate.	Not Applicable
4.6.4	The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them. - Minor compliance -	There was no dispute that involved compensation in Bukit Layang Estate.	Not Applicable
Criterion 4.7: Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.			
4.7.1	(C) A mutually agreed procedure for identifying people entitled to compensation is in place. - Critical (Major) compliance -	KULIM (M) Berhad has developed Land Encroachment procedure (Doc. No.: PROP/MP/5 dated 09/06/2020, Rev. No. 4). The objective is to establish and maintain the procedures on handling properties encroachment cases. Flow chart of handling the land encroachment by the company and local communities was developed. Besides, compensation calculation (based on situation and management approval) was described in the procedure as well.	Complied
4.7.2	(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties. - Critical (Major) compliance -	SOP as per indicator 4.6.1.	Complied
4.7.3	Communities that have lost access and rights to land for plantation expansion are given opportunities including employment and supply contracts to benefit from plantation development. - Minor compliance -	There was no community that have lost access and rights to land for plantation since there was no expansion by the company during the time of audit. However, the company has provided job	Complied

		opportunity to the local communities as this has verified through the master list of employees.	
Criterion 4.8: The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.			
4.8.1	Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC. - Minor compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the smallholder. Trenches and gate were available to demarcate the boundary of land.	Complied
4.8.2	(C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms. - Critical (Major) compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the smallholder. Trenches and gate were available to demarcate the boundary of land.	Complied
4.8.3	Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4) - Minor compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the smallholder. Trenches and gate were available to demarcate the boundary of land.	Complied
4.8.4	For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). - Minor compliance -	No issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported during the time of audit through interviewed with the smallholder. Trenches and gate were available to demarcate the boundary of land.	Complied

Principle 5: Support smallholder inclusion			
Criterion 5.1: The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.			
5.1.1	Current and previous period prices paid for FFB are publicly available and accessible by smallholders. - Minor compliance -	Bukit Layang Estate is under single estate certification. Therefore, this Indicator is not applicable.	Not Applicable
5.1.2	(C) Evidence is available that the unit of certification explains the FFB pricing to smallholders on request from individual smallholders (at least once a year or upon request). - Critical (Major) compliance -	Bukit Layang Estate is under single estate certification. Therefore, this Indicator is not applicable.	Not Applicable
5.1.3	(C) Fair pricing, calculated as a portion of the international CPO price less costs is provided to smallholders in the supply base and documented. - Critical (Major) compliance -	Bukit Layang Estate is under single estate certification. Therefore, this Indicator is not applicable.	Not Applicable
5.1.4	(C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable. - Critical (Major) compliance -	Bukit Layang Estate is under single estate certification. Therefore, this Indicator is not applicable.	Not Applicable
5.1.5	Contracts are fair, legal and transparent and have an agreed timeframe. - Minor compliance -	Bukit Layang Estate is under single estate certification. Therefore, this Indicator is not applicable.	Not Applicable
5.1.6	(C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given. - Critical (Major) compliance -	Bukit Layang Estate is under single estate certification. Therefore, this Indicator is not applicable.	Not Applicable

5.1.7	Weighbridges used for determining payment to smallholders are verified by an independent third party on a regular basis (this can be government). - Minor compliance -	Bukit Layang Estate is under single estate certification. Therefore, this Indicator is not applicable.	Not Applicable
5.1.8	The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. - Minor compliance -	Bukit Layang Estate is under single estate certification. Therefore, this Indicator is not applicable.	Not Applicable
5.1.9	(C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner. - Critical (Major) compliance -	Bukit Layang Estate is under single estate certification. Therefore, this Indicator is not applicable.	Not Applicable
Criterion 5.2: The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.			
5.2.1	The Company consults with interested smallholders (irrespective of type) within the Unit of Certification, including women or other partners in their supply base, to assess their needs for support to improve their livelihoods and their interest in RSPO certification. - Minor compliance -	Bukit Layang Estate is under single estate certification. Therefore, this Indicator is not applicable.	Not Applicable
5.2.2	The unit of certification develops and implements smallholder support programme to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Independent Smallholder Standard or RISS). - Minor compliance -	Bukit Layang Estate is under single estate certification. Therefore, this Indicator is not applicable.	Not Applicable
5.2.3	Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production.	Bukit Layang Estate is under single estate certification. Therefore, this Indicator is not applicable.	Not Applicable

	- Minor compliance -		
5.2.4	(C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. - Critical (Major) compliance -	Bukit Layang Estate is under single estate certification. Therefore, this Indicator is not applicable.	Not Applicable
5.2.5	The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme. - Minor compliance -	Bukit Layang Estate is under single estate certification. Therefore, this Indicator is not applicable.	Not Applicable
Principle 6: Respect workers' rights and conditions			
Criterion 6.1: Any form of discrimination is prohibited.			
6.1.1	(C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age. - Critical (Major) compliance -	KULIM (Malaysia) Berhad has established Core Labour Standard Policy dated 01/10/2021 where the company will not engage in nor support discrimination in any form. Briefing of the policy was conducted on 25/10/2021. The policy was displayed at the notice board outside the office. Interviewed with the workers confirmed that the management treated all the workers equally. Overtime was offered to anyone who is willing to work without forcing them and they are given freedom to association.	Complied
6.1.2	(C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for foreign workers. - Critical (Major) compliance -	The process of recruitment and promotion based on individual qualification and performance regardless of religion, race, age, gender, nationality or physical disability. Interviewed with the workers from different nationalities and gender confirmed that no discrimination happened in the company. The management treated all equally and provide equal opportunity for promotion based on capabilities. There was no recruitment fee being paid by the workers during the time of audit as there was no recruitment of foreign workers since last audit.	Complied

6.1.3	<p>The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available.</p> <p>- Minor compliance -</p>	<p>The process of recruitment and promotion based on individual qualification and performance regardless of religion, race, age, gender, nationality or physical disability. Interviewed with the workers from different nationalities and gender confirmed that no discrimination happened in the company. The management treated all equally and provide equal opportunity for promotion based on capabilities.</p>	Complied
6.1.4	<p>Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.</p> <p>- Minor compliance -</p>	<p>Reviewed the pre-employment medical check-up record found that pregnancy testing is not one of the criteria for employment. Interviewed with the female worker confirmed that no pregnancy testing is conducted by the company as a measure for recruitment.</p>	Complied
6.1.5	<p>(C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</p> <p>- Critical (Major) compliance -</p>	<p>Gender committee was established in all the operating units and known as Women on Ward in KULIM (M) Berhad.</p> <p>The last meeting was conducted on 04/01/2021 where the committee is formed by the female workers and wives of the staffs/ executives in the estate. Function of the WOW and the complaint procedure of sexual harassment and violence was briefed. There was no sexual harassment case reported. During the meeting, the committee has discussed to organize short courses for the female to improve their knowledge on entrepreneurship. Interviewed with the female worker confirmed that no sexual harassment reported and she is aware of the complaint procedure.</p>	Complied
6.1.6	<p>There is evidence of equal pay for the same work scope.</p> <p>- Minor compliance -</p>	<p>Reviewed on the total 6 checkroll workers' payslips and 3 contractor's workers' payslips for February 2021, June 2021 and December 2021 which consists of male and female workers found that their salary is the same for the same job scope. They were paid according to the Minimum Wage Order 2020 without any discrimination. Overtime and work on rest day were paid according to Employment Act 1955.</p>	Complied

Criterion 6.2: Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).			
6.2.1	<p>(C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand.</p> <p>- Critical (Major) compliance -</p>	<p>All the workers have signed on the employment contract prior to work. The contract is in their national languages. All the terms and conditions were clearly outlined in the contract and briefed to all the workers before they signed the contract during induction training. Total sampled 6 employment contracts for checkroll workers and 3 for contractor’s workers.</p>	Complied
6.2.2	<p>(C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.</p> <p>- Critical (Major) compliance -</p>	<p>Sampled total 6 employment contracts for checkroll workers and 3 for contractor’s workers and payslips February 2021, June 2021, and December 2021). It has clearly stated that the payment and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, reasons for dismissal, period of notice) in the employment contract.</p>	Complied
6.2.3	<p>(C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</p> <p>- Critical (Major) compliance -</p>	<p>Verified total 6 checkroll workers’ payslips and 3 contractor’s workers’ payslips for February 2021, June 2021 and December 2021 confirmed that the workers were paid according to the Employment Act 1955 and Minimum Wage Order 2020.</p>	Complied
6.2.4	<p>(C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers’ Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the</p>	<p>The estate provided free water and electricity to the workers. The water was own treatment and the electricity was generated from genset. Clinic was available in the estate and the workers were provided with free medical facilities.</p> <p>Linesite inspection was carried out Estate Hospital Assistant on weekly basis in Bukit Layang Estate by using the Linesite/ Building</p>	Complied

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	<p>upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.</p> <p>- Critical (Major) compliance -</p>	<p>Inspection Checklist. Reviewed the records of inspection from January 2021 to December 2021. There was no issue raised.</p>	
6.2.5	<p>The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p>	<p>Interviewed with the workers confirmed that they are easily access to adequate, sufficient and affordable foods where they have located nearby to the town.</p>	Complied
6.2.6	<p>A DLW is paid to all workers, including piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p>PROCEDURAL NOTE: STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE</p> <p>With reference to procedural note of indicator 6.2.6, the RSPO has published a guidance on the DLW calculation in June 2019. The RSPO Secretariat will endeavour to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist (As of September 2019, GLWC has developed national benchmarks in Bangladesh, Belize, Brazil, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Ethiopia, Ghana, Guatemala, India, Kenya, Malawi, Mexico, Nicaragua, Pakistan, South Africa, Sri Lanka, Uganda and Vietnam These benchmarks are developed based on banana, coffee, floriculture, textile, manufacturing, seafood processing and tea industry. The RSPO is in the process of commissioning benchmarks for Malaysia and Indonesia for the palm oil sector and will develop methods to calculate and/or define DLW applicability for all palm oil producing countries in which RSPO members operate).</p> <p><i>Where a GLWC living wage standard (benchmark), or one that fulfils the basic requirements of the RSPO-endorsed living wage methodology, has been established in the country or region of operation, the same should be used as benchmarks.</i></p> <p>In the absence of such benchmarks, the RSPO will collaborate with the GLWC and/or local experts on developing oil palm industry benchmarks (Benchmark in this context may include other approaches and/or methods to calculate the applicability of DLW in the country or region in accordance to the RSPO endorsed method for determining a DLW. Local applicability for benchmarks is important and it may differ based on the needs of each locality or country). These benchmarks will be developed in collaboration and consultation with relevant stakeholders such as palm oil industry members, workers' union, authorities and/or relevant organisations.</p>	<p>Bukit Layang Estate has developed prevailing wages calculation for Y2020. The management has provided in-kind benefits such as Housing – RM 115.28, Electricity & Water – RM 161.21 and Healthcare – RM 33.81.</p> <p>The prevailing wages is more than the Minimum Wage Order 2020.</p>	Complied

	<p><i>For countries where no living wage standard is established, until such time that an RSPO endorsed benchmark for the country is in place, national minimum wages shall be paid to all workers. In addition to the payment of minimum wages, the Unit of Certification (UoC) shall conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage (RSPO Guidance for Implementing a Decent Living Wage). The RSPO will also develop further guidance and tools to calculate DLW in line with the RSPO endorsed methodology which may include independent studies by local experts in their respective region or country).</i></p> <p>Once these benchmarks are available, this procedural note is no longer applicable. UoC shall have an implementation plan towards the payment of a DLW with specific targets, and a phased implementation process including:</p> <ul style="list-style-type: none"> • Updated assessment on prevailing wages and in-kind benefits • There is annual progress on the implementation of living wages • Where a minimum wage, based on equivalent of baskets of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment • The UoC may choose to implement the living wage payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before eventual scale up of the living wage implementation. <p>- Minor compliance -</p>		
6.2.7	<p>Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p> <p>- Minor compliance -</p>	<p>All the core works are performed by permanent and full-time employees in Bukit Layang Estate. There were contractors' workers employed for harvesting and transporting FFB in the estate permanently. There were no casual or temporary workers used in the company.</p>	Complied
<p>Criterion 6.3: The unit of Certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			
6.3.1	<p>(C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa</p>	<p>Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 01/10/2021 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. The policy</p>	Complied

	Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented. - Critical (Major) compliance -	was in bi-lingual which is Bahasa Malaysia and English. Briefing of the policy was conducted on 25/10/2021.	
6.3.2	Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request. - Minor compliance -	NUPW committee was established in Bukit Layang Estate and the last meeting was conducted on 14/12/2021. There were total 16 participants attended the meeting with representatives from workers and management. Meeting minutes was sighted. There was no issue raised during the meeting. Interviewed with the worker's representative and workers confirmed that no pending issue.	Complied
6.3.3	Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers. - Minor compliance -	The representatives of NUPW and representative of workers were elected by all workers as confirmed through interview with the workers and workers' representative.	Complied
Criterion 6.4: Children are not employed or exploited.			
6.4.1	A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements. - Minor compliance -	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 25/10/2021.	Complied
6.4.2	(C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure. - Critical (Major) compliance -	KULIM (M) Berhad has developed procedures for Recruitment of Local Workers for Operating Units last updated on 01/10/2020 and Recruitment of New Foreign Workers last updated on 01/01/2019, Rev. No.: 1 where age verification will be part of the process during the recruitment process. A copy of identification card of local workers was obtained to ensure they meet the minimum age of employment. Document verified the master list of the workers	Complied

		confirmed that the minimum age of workers employed are above 18 years.	
6.4.3	(C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work. - Critical (Major) compliance -	There was no young person employed by the company as their minimum age was 18 years old. This has verified with the Master List.	Complied
6.4.4	The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live. - Minor compliance -	The policy has been briefed to the stakeholders during stakeholder meeting conducted on 18/10/2021. Interviewed with the contractor and workers confirmed that there was no child labour employed in the company.	Complied
Criterion 6.5: There is no harassment or abuse in the workplace, and reproductive rights are protected.			
6.5.1	(C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce. - Critical (Major) compliance -	KULIM (Malaysia) Berhad has developed Sexual Harassment Policy dated 01/05/2018 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 to workers was conducted on 17/01/2022. The policy was displayed at the notice board at the muster ground.	Complied
6.5.2	(C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce. - Critical (Major) compliance -	KULIM (Malaysia) Berhad 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 25/10/2021.	Complied

6.5.3	<p>Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified.</p> <p>- Minor compliance -</p>	<p>There was no new mother identified in Bukit Layang Estate. However, the female workers were briefed on the new mother needs during the WOW meeting conducted on 04/01/2021.</p>	Complied
6.5.4	<p>A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>Kulim (M) Berhad has established Panel Complaint for WOW in all the operating units as a grievance mechanism to make complaint related to sexual harassment and violence.</p>	Complied
<p>Criterion 6.6: No forms of forced or trafficked labour are used.</p>			
6.6.1	<p>(C) All workers have entered into employment voluntarily and the following are prohibited:</p> <ul style="list-style-type: none"> • Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes) • Charging the workers for recruitment fees. • Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty for termination of employment • Debt bondage • Withholding of wages <p>- Critical (Major) compliance -</p>	<p>Interviewed with the workers confirmed that no forced and trafficked labour in Bukit Layang Estate. The terms and conditions offered by the company were similar in their home country and when arrived in the plantations. No contract substitution has occurred. They kept their passport in the office for safety purpose and have given consent to the management to sign. They can access to their passport anytime. The workers are entered to overtime voluntarily. There was no penalty for termination of employment if they wish to terminate the contract earlier as per the employment contract signed. They also allowed to move freely without any restriction.</p>	Complied
6.6.2	<p>(C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.</p> <p>- Critical (Major) compliance -</p>	<p>Kulim (Malaysia) Berhad has developed Employee Handbook dated 01/09/2018 and Core Labour Standard Policy dated 01/10/2021. Besides, a Work Contract issued by Consulate Indonesia was signed by the workers prior to Malaysia. All the documents above have included the following terms:</p> <p>a) No forced labour and no contract substitution for all the</p>	Complied

		<p>employees.</p> <ul style="list-style-type: none"> b) Provide the appropriate trainings to each of the employees. c) The company will provide and ensure the facilities at least be at par with the minimum statutory requirements. d) The company will not engage in nor support discrimination in any form. e) Recruitment agencies are prohibited from charging candidates for recruitment fees and other expenses. <p>The company has implemented all the terms such as provide free and decent living condition to workers, induction training to workers, no discrimination and no contract substitution verified through interviewed with the workers.</p>	
<p>Criterion 6.7: The unit of certification ensures that the working environment under its control is safe and without undue risk to health.</p>			
<p>6.7.1</p>	<p>(C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>- Critical (Major) compliance -</p>	<p>The Estate Sr. Manager has been appointed as person responsible for safety and health in the estate as per appointment letter no SQD/ADMIN.020/21 dated 15/09/2021 signed by the Chairman, ESG Committee (Occupational Safety and Health).</p> <p>The management has established Safety Committee Member consist of Secretary, representatives from Employer and representatives from Employee as per appointment letter by the Estate/Mill Manager. The OSH committee discussed regarding the safety and health of the workers on quarterly basis during the OSH committee meeting. In the meeting discussed on the matters arising from the previous meetings, committee members reports, accident and incident report and workplace inspection. Reviewed the minutes meeting records FY 2021 dated 18/03/2021, 14/06/2021, 21/09/2021 and 23/12/2021.</p>	<p>Complied</p>

<p>6.7.2</p>	<p>Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>Kulim has established accident and emergency procedure consist of accident, fire incident and flood incident.</p> <p>The procedure were brief to all workers and displayed at the notice board. Noted during interview, the understanding of the workers on the procedure were satisfactory.</p> <p>The estate continuously conducted training on the accident and emergency procedure to ensure the workers understanding. Latest training was conducted on 16/05/2021.</p> <p>The estate also continuously conducted fire drill training. Latest training was conducted on 17/02/2021.</p> <p>The estate provided the first aid kit and mandore was appointed as responsible person. Noted during interview, the mandore understanding on the first aid treatment was satisfactory.</p> <p>The estate conducted first aid kit inspection on monthly basis by the Hospital Assistant. Reviewed the inspection records dated 07/10/2021, 03/11/2021, 02/12/2021 and 06/01/2022.</p> <p>The estate continuously conducted training on the first aid box treatment to ensure the first aider knowledge and understanding. Latest training was conducted on 14/11/2021.</p>	<p>Complied</p>
<p>6.7.3</p>	<p>(C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</p> <p>- Critical (Major) compliance -</p>	<p>All workers were provided with appropriate PPE as per "Panduan Kerja Selamat". Refer document no. KULIM/PKS/OSH-1, issue no. 0, revision no. 1 dated 01/03/2021.</p> <p>The estate maintain the records of PPE usage for all workers. Reviewed the PPE issuance records for workers with employment ID. no. as follows:</p> <ol style="list-style-type: none"> 1. 619134 2. 619135 3. 619139 	<p>Complied</p>

		<p>4. 619098 5. 619130 6. 619113 7. 619138 8. 619116 9. 619004</p> <p>Noted during the interview with the workers, the understanding and awareness of PPE usage is satisfactory.</p>			
6.7.4	<p>All workers are provided with medical care and covered by accident insurance. Costs incurred from work- related incidents leading to injury or sickness are covered in accordance with Malaysian law.</p> <p>- Minor compliance -</p>	<p>Medical care is provided to all the employees. Reviewed on workers profile records found that all workers are covered by the accident insurances.</p> <p>Local and foreign workers covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial). Reviewed the form 8A, "Jadual Caruman" for October, November and December 2021 for contribution of all employees.</p> <p>For local workers, they were also covered with Employment Insurance Scheme. Reviewed the SIP form, ""Jadual Caruman" for November and December 2021 for contribution of all employees.</p>	Complied		
6.7.5	<p>Occupational injuries are recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance -</p>	<p>Records of all accidents are kept. Accident incidences are reviewed during the safety meetings. Records on Lost Time Accident (LTA) metrics was maintained. Accident records are found to be updated. JKKP 8 form were submitted to DOE through MyKKP systems. Sighted the samples of accident statistic FY 2021 as reported to DOSH as follows:</p> <table border="1" data-bbox="1137 1278 1570 1342"> <tr> <td>Accident Cases</td> <td>LTA</td> </tr> </table>	Accident Cases	LTA	Complied
Accident Cases	LTA				

		0	0		
Principle 7: Protect, conserve and enhance ecosystems and the environment					
Criterion 7.1: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.					
7.1.1	<p>(C) IPM plans are implemented and monitored to ensure effective pest control.</p> <p>- Critical (Major) compliance -</p>	<p>The estate has incorporated an IPM Plan and Programme for the year 2020 where they have identified the proposed IPM plans for the estate. Among the plans are:</p> <ol style="list-style-type: none"> 1. Rat damage census 2. Rat baiting program 3. Barn owl census 4. Maintenance of barn owl box 5. Beneficial plant planting program <p>Reviewed the records of implementation as follows:</p> <p>Latest rat damage census was conducted in July 2021 with percentage rat damage recorded at 9.74% for P00, 7.85% for P03 and 12.22% for P14.</p> <p>Reviewed the planting records for beneficial plant planting FY 2021 at 73 planted during the year.</p> <p>Latest barn owl census was conducted in July 2021 with 67.00% occupancy rate recorded.</p>			Complied
7.1.2	<p>Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.</p> <p>- Minor compliance -</p>	<p>The estates has conducted assessment on list of species invasiveness used for biological control. No invasive species listed in the CABI.org introduced in the estate.</p> <p>Flora species were used for IPM such as Tunera subulata, Cassia cobanensis, and Antigonan leptopus.</p>			Complied

		Fauna species were used for IPM were Tyto alba.													
7.1.3	There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation, i.e. where no other effective methods exist, and with prior approval of government authorities. - Minor compliance -	No evidence and records of fire usage for pest control at all estate visited.	Complied												
Criterion 7.2: Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.															
7.2.1	(C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised. - Critical (Major) compliance -	Justification of pesticides usage was documented in Kulim (Malaysia) Berhad Agricultural Manual under section H: Justification of Chemical Use. In the section under table H01-2 – H01-6 stated the weed situation, active ingredient chemical brand, product rate/ha and pump dosage.	Complied												
7.2.2	(C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided. - Critical (Major) compliance -	Sighted a record of pesticide use (including active ingredients used and their LD 50, area treated, amount of a.i. applied per ha and number of applications) had been maintained from January-December 2021 and kept by the estate. Reviewed the sampled records of Monitoring Type of pesticides usage per hectare and per ton FFB Production at estates visited as follows: <table border="1" data-bbox="1137 997 1910 1230"> <thead> <tr> <th>Chemicals Name</th> <th>Active Ingredient</th> <th>LD 50</th> </tr> </thead> <tbody> <tr> <td>Ally</td> <td>Metsufforon methyl 20%</td> <td>0.0000</td> </tr> <tr> <td>Glyphosate</td> <td>Glyphosate 41%</td> <td>0.0001</td> </tr> <tr> <td>Storm</td> <td>Flocoumafen 0.005%</td> <td>0.0000</td> </tr> </tbody> </table>	Chemicals Name	Active Ingredient	LD 50	Ally	Metsufforon methyl 20%	0.0000	Glyphosate	Glyphosate 41%	0.0001	Storm	Flocoumafen 0.005%	0.0000	Complied
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Glyphosate	Glyphosate 41%	0.0001													
Storm	Flocoumafen 0.005%	0.0000													
7.2.3	(C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans. - Critical (Major) compliance -	The estate has established Pesticides Reduction Plan. The plan focusing on mechanization, biological control and chemical use. Among the plan as follows:	Complied												

		<ol style="list-style-type: none"> 1. Use rotoslasher for possible field 2. As per IPM plan (beneficial plant and barn owl) 3. Use chemical as per agronomist recommendation and SOP 4. Use chemical specific to target pest, weed and disease 	
7.2.4	<p>There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.</p> <p>- Minor compliance -</p>	No evidence of prophylactic use of pesticides in the estates visited.	Complied
7.2.5	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.</p> <p>The due diligence refers to:</p> <ol style="list-style-type: none"> a) Judgment of the threat and verify why this is a major threat b) Why there is no other alternative which can be used c) Which process was applied to verify why there is no other less hazardous alternative d) What is the process to limit the negative impacts of the application e) Estimation of the timescale of the application and steps taken to limit application to the specific outbreak. <p>- Minor compliance -</p>	<p>Kulim has ceased the usage and order of Paraquat since 01/03/2015 as per official letter dated 26/02/2015 signed by the Vice President – Estate Operation.</p> <p>The estate has established chemical register listed all the pesticides usage in the estate. Reviewed the chemical register dated 01/01/2022, no chemical categorised under Class 1A or 1B were used in the estate. verified during site visit at the chemical storage area, no chemical categorised under Class 1A or 1B were keep in the chemical store.</p>	Complied
7.2.6	<p>(C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criteria 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.</p>	<p>The pesticides operators has been given training regarding the usage safety and health issue and proper way for chemical application. The training was conducted by the personnel with knowledge on pesticide application such as Estate Manager, Asst. Manager and pesticide supplier. Reviewed the training records as follows:</p>	Complied

	- Critical (Major) compliance -	<ol style="list-style-type: none"> 1. Rat baiting training dated 06/01/2021 2. Spraying, chemical calibration and spraying at HCV/Buffer zone area training dated 19/02/2021 3. Safety work at chemical store training dated 16/04/2021 4. Safety work at chemical store training dated 14/09/2021 	
7.2.7	<p>(C) Storage of all pesticides is in accordance with recognised best practices.</p> <p>- Critical (Major) compliance -</p>	<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.</p> <p>The store was under lock and key at all times. All chemical issued out from the store must be through the requisition from store clerk. Safety signage were displayed at the store area. Safety work procedure were also displayed at the notice board at the chemical store.</p>	Complied
7.2.8	<p>All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes.</p> <p>- Minor compliance -</p>	<p>All used pesticides containers were triple rinse and were reused as premix chemical containers or punctured and disposed as recycle waste to approved contractors. The estate maintain the inventory records of triple rinsed chemical containers. Reviewed the records FY 2021. The latest disposal was conducted on 23/11/2021 by G-Planter Sdn. Bhd.</p>	Complied
7.2.9	<p>(C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.</p> <p>- Critical (Major) compliance -</p>	<p>No evidence of aerial spraying in the estate.</p>	Complied
7.2.10	<p>(C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.</p>	<p>The estate conducted medical surveillance on annually basis as per recommendation in the CHRA report. Latest medical surveillance</p>	Complied

	- Critical (Major) compliance -	was conducted on 15/12/2021. The estate has yet to receive the report. The estate conducted the medical screening for chemical handlers on monthly basis during VMO visit. Reviewed the medical screening records for the month of October, November and December 2021 and January 2022.	
7.2.11	(C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work. - Critical (Major) compliance -	Addressed in Kulim (Malaysia) Berhad, the SOP for Agrochemical Management under Sustainable Management System; Doc Number: SQD/SMS/6.1; Doc Date: 01/08/2020 (Issue 01) states "No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work."	Complied
Criterion 7.3: Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.			
7.3.1	A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented. - Minor compliance -	The Bukit Layang Estate had identified all wastes and sources of pollution. The Waste and Pollution Management Plan was available and reviewed on 01/08/2021. The plan has identified waste for reduce, recycling, reusing and methods of waste disposal. The management also establish waste management procedure (SQD/SMS/6.2) dated 01/08/2020. The Waste and Pollution Management Plan were established to mitigate and control the identified wastes and source of pollution. The common significant operational waste for the estate's operations were: <ul style="list-style-type: none"> a. Empty Pesticide / Chemical Containers (SW 409) b. Batteries (SW 102) c. Spent Oil (SW 305) d. Contaminated Rags / Sacks (SW 410) e. Hydrocarbon / Pesticide Spillage, Contaminated Soil - Leakage/spillage during transfer (SW 408) f. Broken Spray equipment (SW 409) 	Complied

		<ul style="list-style-type: none"> g. Wastewater – PCD (SW 307) h. Worn PPE (SW 410) i. Oil Filter (SW 410) 	
7.3.2	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p> <p>- Minor compliance -</p>	<p>In Bukit Layang estates, procedure SNPOM/W1/17 – Scheduled Wastes (Hazardous Waste) Management has been established.</p> <ul style="list-style-type: none"> a. Management and disposal of wastewater 2022 has been established compiled by Assistant /Staff. b. Waste and Pollution Management Plan has been established on 01/08/2021, prepared by SQD and verified by the Assistant Manager. c. Based on Environmental Impact Evaluation improper disposal of clinical items will be impact on community, depletion of natural resources and land contamination. d. Interview with staffs and workers i.e. storekeepers and chemical mixer were trained, and they had understood the hazards involved and how the chemicals should be used and disposed in a safe manner. Training records were available as below: <ul style="list-style-type: none"> - Schedule Waste Training – 08/08/2021 - Waste Cleaning and Landfill Training – 21/02/2021 e. Among the identified wastes include empty chemical containers including pesticides containers. Empty pesticides containers were washed at washing station prior to disposal. Disposals were carried out in compliance with relevant regulation of scheduled waste. Inventory and consignment documents verified for confirmation of proper management and disposal. The Bukit Layang scheduled waste is disposed to the Kualiti Alam Sdn Bhd registered with DOE. 	Complied

		<p>f. The disposal of waste was such as scheduled waste and recycle waste was verified as below:</p> <ul style="list-style-type: none"> - SW305 (Spent Lubricant Oil); Contractor: Kualiti Alam Sdn Bhd.; Consignment Note: 2022011108MGQ6F8; Date: 11/01/2022; Quantity: 0.0600 mt. - SW408 (Contaminated Soil); Contractor: Kualiti Alam Sdn Bhd.; Consignment Note: 2022011108AIB5Y2; Date: 11/01/2022; Quantity: 0.0070 mt. - SW409 (Contaminated Equipments); Contractor: Kualiti Alam Sdn Bhd.; Consignment Note: 2022011108Q7IXC5; Date: 11/01/2022; Quantity: 0.0150mt. - SW410 (Contaminated Filters); Contractor: Kualiti Alam Sdn Bhd.; Consignment Note: 20220111080REZAN; Date: 11/01/2022; Quantity: 0.0010 mt. 	
7.3.3	<p>The unit of certification does not use open fire for waste disposal.</p> <p>- Minor compliance -</p>	<p>Kulim Plantation Sdn Bhd practices of "Zero open burning" is enforced and elaborated in the Sustainability Policy. The operating units adhered to the policy of "Zero open burning" for any replanting. From field visits and interviews with the workers there is no open burning being practiced in the estate.</p> <p>In the fields visited during the audit in the estate, it was evident that all palms were previously felled, shredded, windrowed and left to decompose. There was no evidence that fire had been used to prepare land for replanting in the estate. No fire was used for waste disposal as well.</p>	Complied
<p>Criterion 7.4: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>			
7.4.1	<p>Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.</p> <p>- Minor compliance -</p>	<p>The Bukit Layang estate continued to use and implement SOP for each of the processes. Brief version of the SOP was displayed at the appropriate locations. Copies of the documented SOP were presented to the audit team. It was observed that activities being</p>	Complied

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		<p>implemented which involved safety, health, environmental, quality, employees, etc. had followed the established SOP.</p> <ul style="list-style-type: none"> a. Kulim Malaysia Berhad Agriculture Manual 1998 b. Sustainability Management System SOP - 2007 c. Quality Manual Jan 2018 d. Integrated Management Manual Jan 2018. e. Working Instruction ref SNPOM/W1 Jan 2018 f. Safety Standard Operating Procedures (SSOP) dated 25/02/2015, g. Pictorial Safety Standards and Security Guidelines (PSS). h. Security Guidelines <p>All the estate’s operations were guided through the manuals and SOP. The procedures as documented in the Kulim Malaysia Berhad Agriculture Manual were disseminated to the staff/workers through morning briefings and training. The manuals are kept in the main office for references of employees particularly for the supervisory personnel. The documents included all operations in the estates from seedlings in nursery to planting of young palms and plantation upkeep to mill FFB receipt, grading, processing, quality analysis and security. Site inspection and interview with workers confirmed that the SOP had been implemented and they understood the requirements of the SOP, the bottom-line of which is Good Agricultural Practice and the care for their safety and health and the environment.</p>	
7.4.2	<p>Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health.</p> <p>- Minor compliance -</p>	<p>Periodic tissue and soil sampling were carried out in the estate to monitor changes in nutrient status and its results formed the basis for the fertilizers input recommendation. The soil analysis provided the indication of soil health and monitors the changes in the organic</p>	Complied

		<p>carbon and total nitrogen. Leaf and soil nutrient analysis are commonly used in the diagnosis of fertilizer requirements in oil palms. The frequency for leaf sampling must be conduct for every year while for soil analysis, the frequency for soil sampling is conducted at 5 years intervals (Leaf and Soil Sampling Notes Procedure-Kulim (M) Bhd).</p> <p>The soil sampling been done periodically latest dated 21/05/2020 by UTCL Laboratory (SI/2005/0081-0084). The leaf sampling conducted on 22/02/2021 (Report Number: FI/2021/03/35) by UTCL Laboratory.</p>	
7.4.3	<p>A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers.</p> <p>- Minor compliance -</p>	<p>Bukit Layang estates visited had a nutrient recycling strategy in place which included stacking pruned fronds in the respective fields to decompose, grass cutting harvesters paths and letting the cut mass to decompose in the field. In addition, during replanting, palms were felled, chipped, windowed, and left to decompose. No EFB and POME implementation been used in Bukit Layang Estate.</p>	Complied
7.4.4	<p>Records of fertiliser inputs are maintained.</p> <p>- Minor compliance -</p>	<p>Fertilizer application program was monitored using records like program sheets, bin cards, field cost book, Fertilizer Application monitoring forms, etc. Records of programs and applications of fertilizers were reviewed by auditors. Review of the records revealed that the actual fertilizers applied in 2021 was in line with the program. The following sampled fertilizers were applied in the estates on recommendation by the Agronomist.</p> <p>a. Field: P00; Total Ha: 148.04; Block 03 (64.19 Ha); Fertiliser: MOP (14.15mt); Rate: 1.75 kg/palm; Application Date: April 2021; Status: Completed.</p> <p>b. Field: P03; Total Ha: 147.52 Ha; Block 02 (88.53 Ha); Fertiliser: AS (25.50 mt); Rate: 2.25kg/palm; Application Date: October 2021; Status: Completed.</p>	Complied

Criterion 7.5: Practices minimise and control erosion and degradation of soils.			
7.5.1	<p>(C) Maps identifying marginal and fragile soils, including steep terrain, are available.</p> <p>- Critical (Major) compliance -</p>	<p>A soil map was available for Bukit Layang Estate, identifying the types of soil available within the estate area. The soil map was sourced from Semi Detailed Soil Map (DOA), 2012 dated 26/06/2019. The soil series were Harimau Series (14.8 %), Keranji Series (1.99 %), Rengam Series (52.02 %), Tai Tak Series (22.48 %) and Tebok Series (8.71 %). Based on the classification provided, all the soil series do not fall under the category as marginal or fragile series.</p> <p>A slope map was available for Bukit Layang Estate, identifying the slope degree within the estate. The slope map was sourced from Nextmap Type II Berhad dated 26/06/2019. Based on the slope map, it was noted that the estate had slopes within 0° to 20°.</p>	Complied
7.5.2	<p>No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification.</p> <p>- Minor compliance -</p>	<p>A slope map was available for Bukit Layang Estate, identifying the slope degree within the estate. The slope map was sourced from Nextmap Type II Berhad dated 26/06/2019. Based on the slope map, it was noted that the estate had slopes within 0° to 20°. Therefore, this indicator is not applicable for this estate.</p>	Complied
7.5.3	<p>There is no new planting of oil palm on steep terrain.</p> <p>- Minor compliance -</p>	<p>This compliance is being addressed in the Sustainable Policy - "Slope and River Protection" signed by the ED dated May 2018 stating the following among others; "Slope of >25 degree to be excluded from any new plantation development and replanting program. For slope <25 degree, the existing crop and all vegetative shall be maintained accordingly".</p>	Complied
Criterion 7.6: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.			

7.6.1	<p>(C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations.</p> <p>- Critical (Major) compliance -</p>	<p>A soil map was available for Bukit Layang Estate, identifying the types of soil available within the estate area. The soil map was sourced from Semi Detailed Soil Map (DOA), 2012 dated 26/06/2019. Slope map was also available which are both used to manage the drainage and road works in the estate. There are no soils classified as marginal or fragile soils in the estate. There are no terrains exceeding 20° in the estate.</p>	Complied
7.6.2	<p>Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices.</p> <p>- Minor compliance -</p>	<p>A soil map was available for Bukit Layang Estate, identifying the types of soil available within the estate area. The soil map was sourced from Semi Detailed Soil Map (DOA), 2012 dated 26/06/2019. The soil series were Harimau Series (14.8 %), Keranji Series (1.99 %), Rengam Series (52.02 %), Tai Tak Series (22.48 %) and Tebok Series (8.71 %). Based on the classification provided, all the soil series do not fall under the category of marginal or fragile series.</p>	Complied
7.6.3	<p>Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.</p> <p>- Minor compliance -</p>	<p>Soil surveys are made and available in a soil map at the estate. Topographic contour map is also available which are both used to manage the drainage and road works in the estate. Details as per indicator 7.5.1 and 7.5.2.</p>	Complied
<p>Criterion 7.7: No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.</p>			
7.7.1	<p>(C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.</p> <p>- Critical (Major) compliance -</p>	<p>There is no new planting in Bukit Layang Estate. There is no soil that are classified as Peat Soil within the estate.</p>	Not Applicable
7.7.2	<p>Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat.</p> <p>PROCEDURAL NOTE:</p>	<p>There is no new planting in Bukit Layang Estate. There is no soil that are classified as Peat Soil within the estate.</p>	Not Applicable

	<p>Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).</p> <p>- Minor compliance -</p>		
7.7.3	<p>(C) Subsidence of peat is monitored, documented and minimised.</p> <p>- Critical (Major) compliance -</p>	There is no new planting in Bukit Layang Estate. There is no soil that are classified as Peat Soil within the estate.	Not Applicable
7.7.4	<p>(C) A documented water and ground cover management programme is in place.</p> <p>- Critical (Major) compliance -</p>	There is no new planting in Bukit Layang Estate. There is no soil that are classified as Peat Soil within the estate.	Not Applicable
7.7.5	<p>(C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation.</p> <p>This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure.</p> <p>Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.</p> <p>- Critical (Major) compliance -</p>	There is no new planting in Bukit Layang Estate. There is no soil that are classified as Peat Soil within the estate.	Not Applicable
7.7.6	<p>(C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>	There is no new planting in Bukit Layang Estate. There is no soil that are classified as Peat Soil within the estate.	Not Applicable

7.7.7	<p>(C) All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as “peatland conservation areas”; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the ‘RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat’, version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>	<p>There is no new planting in Bukit Layang Estate. There is no soil that are classified as Peat Soil within the estate.</p>	Not Applicable
Criterion 7.8: Practices maintain the quality and availability of surface and groundwater.			
7.8.1	<p>A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:</p> <p>a) The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>b) Workers have adequate access to clean water.</p> <p>- Minor compliance -</p>	<p>The Water Management Plan in Bukit Layang Estate is guided by the SOP Document Water Management; Doc Number: SQD/SMS/6.4; Date: 01/08/2020; Issue No: 1; Rev No: 0.</p> <p>An Estate Water Management Plan was available in the estate, reviewed on 01/08/2021 to include the water source, activities, water Use, possible threats, action plans, timelines and related records.</p> <p>The management have identified in the water management 2 areas that require regular monitoring. This the Sungai Layang and Water Catchment Area. The Inlet and Outlet of the river/water catchment are monitored on a monthly basis. Water samples are obtained from the pre-determined water sampling points at the inlet and outlet areas. The samples are submitted to UTCL Laboratory. The results are then provided to the estate for monitoring. Verified the recent Test Report (Report Number: WI/2021/11/571) dated 29/11/2021 was available for verification. The results indicated that all parameters were within the limits.</p> <p>All workers have access to clean water provided by the estate management. Interview with the workers indicated that they are satisfied with the water quality in the estate. The estate treats the</p>	Complied

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		own water obtained from the water catchment area and treated in the Water Treatment Plant. Drinking water sampling & testing are conducted on a monthly basis to monitor the drinking water quality. The samples are obtained from raw water and treated water and sent to Decagon Lab & Analytical Testing Sdn Bhd. Verified the recent Drinking Water Test Report (Report Number: LW/1131(1-2)/21) dated 22/11/2021 was available for verification. The results indicated that all parameters were within the Regulation Limit for Drinking Water.	
7.8.2	<p>(C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or applicable National legislation or specific environmental permit. Smallholders may replant existing planted areas provided there is no evidence of environmental deterioration having occurred during the previous cycle.</p> <p>- Critical (Major) compliance -</p>	<p>Biodiversity Report was available for Bukit Layang Estate to guide the management of water courses and wetlands in the estate. The Biodiversity Report has identified 2 water courses as HCV 4, Water Catchment Area Sg. Layang and Water Catchment Area Sungai Johor.</p> <p>Email dated 07/10/2019 by Badan Kawal Selia Air Johor, has stated the buffer zone at the banks of Water Catchment Layang Damp to be maintained at 50 meters. Visit to the area indicated that the buffer zone was well maintained with signboards prohibiting spraying and manuring erected.</p>	Complied
7.8.3	<p>Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.</p> <p>- Minor compliance -</p>	Not applicable as this is a single estate certification unit.	Not Applicable
7.8.4	<p>Mill water use per tonne of FFB is monitored and recorded.</p> <p>- Minor compliance -</p>	Not applicable as this is a single estate certification unit.	Not Applicable
Criterion 7.9: Efficiency of fossil fuel use and the use of renewable energy is optimised			
7.9.1	A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented.	A plan for improving the efficiency of the use of fossil fuels is in place and has been incorporated into the Environmental Aspect and	Complied

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	<p>- Minor compliance -</p>	<p>Impact activities report for 2022. The document was reviewed/updated on Jan 2022. The Environment Management Plan for efficiency of fossil fuel usage are detailed below:</p> <ul style="list-style-type: none"> a. Maintenance and Inspection of Vehicles b. Maintenance and inspection on diesel engine <p>The utilization of fossil fuels and renewable energies in 2021 is being monitored with records shown below:</p> <table border="1" data-bbox="1137 662 1921 1308"> <thead> <tr> <th>Month</th> <th>Diesel (L)</th> <th>Water (m³)</th> </tr> </thead> <tbody> <tr><td>Jan 2021</td><td>3126</td><td>310</td></tr> <tr><td>Feb 2021</td><td>2582</td><td>280</td></tr> <tr><td>Mar 2021</td><td>3126</td><td>310</td></tr> <tr><td>Apr 2021</td><td>2796</td><td>300</td></tr> <tr><td>May 2021</td><td>3126</td><td>310</td></tr> <tr><td>Jun 2021</td><td>2862</td><td>300</td></tr> <tr><td>Jul 2021</td><td>3366</td><td>300</td></tr> <tr><td>Aug 2021</td><td>3039</td><td>310</td></tr> <tr><td>Sep 2021</td><td>3042</td><td>300</td></tr> <tr><td>Oct 2021</td><td>3045</td><td>310</td></tr> <tr><td>Nov 2021</td><td>3045</td><td>300</td></tr> <tr><td>Dec 2021</td><td>6050</td><td>310</td></tr> </tbody> </table>	Month	Diesel (L)	Water (m ³)	Jan 2021	3126	310	Feb 2021	2582	280	Mar 2021	3126	310	Apr 2021	2796	300	May 2021	3126	310	Jun 2021	2862	300	Jul 2021	3366	300	Aug 2021	3039	310	Sep 2021	3042	300	Oct 2021	3045	310	Nov 2021	3045	300	Dec 2021	6050	310	
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<p>Criterion 7.10: Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.</p>																																										

7.10.1	<p>(C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.</p> <p>- Critical (Major) compliance -</p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place. Tools and systems used include SW disposal were adhering to DOE requirements. River water samples were regularly taken every 3 months send for tested at UTCL.</p> <p>Monitoring of the GHG quantity was done through RSPO PalmGHG Calculator Version 4.0 which is submitted to the RSPO Secretariat. Based on verification of various record, the data in the RSPO PalmGHG Calculator was correct.</p>	Complied
7.10.2	<p>(C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development).</p> <p>- Critical (Major) compliance -</p>	No development within Bukit Layang Estate since 2014.	Complied
7.10.3	<p>(C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.</p> <p>- Critical (Major) compliance -</p>	<p>Significant pollutants identification and plans are documented in Reduction of Pollution and Emission Management Plan. Among the plan established as follows:</p> <ol style="list-style-type: none"> 1. Inspection of vehicle condition 2. Routine maintenance to be carried out as per scheduled 3. Fertiliser application as per Agriculture Manual and Agronomist recommendation. 	Complied
Criterion 7.11: Fire is not used for preparing land and is prevented in the managed area			
7.11.1	<p>(C) Land for new planting or replanting is not prepared by burning.</p> <p>- Critical (Major) compliance -</p>	Kulim Malaysia Berhad has a policy of No Open Burning. As so, the estate practiced zero burning in all their operations. In the fields visited during the audit in the estate, it was evident that all palms were felled, shredded, windrow-ed and left to decompose. There was no evidence that fire had been used to prepare land for	Complied

		replanting in the estate. No fire was used for waste disposal. Last replanting conducted on 2014, visited the area no trace of fire been using as per site verification.	
7.11.2	The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification. - Minor compliance -	There is no fire used in preparation of existence or new planting in Bukit Layang Estate. There is a fire ERP team established by the estate. Estate management using ASEAN Fire Alert monitoring by HQ, this monitoring depends on FWI (Fire Weather Index) and Hotspots. As per verification in system the FWI for Bukit Layang estate was yellow (means high fire intensity. Direct attack at the fire head will required water under pressure and mechanized equipment may be required) dated 08/02/2021. The Standard Operating Procedure for fire prevention available as per 'Prosedur Pencegahan dan Kawalan Kebakaran' dated 01/08/2020.	Complied
7.11.3	The unit of certification engages with adjacent stakeholders on fire prevention and control measures. - Minor compliance -	Bukit Layang Estate has engaged smallholders on the fire prevention and control measures on during the Siang Complex Stakeholders Meeting held via Microsoft Teams on 18/10/2021. Records of meeting were available for verification.	Complied
Criterion 7.12: Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.			
7.12.1	(C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests. A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document. - Critical (Major) compliance -	The audit findings have confirmed that there is no new planting (refer 7.3.1 to 7.4.2) affecting present HCV and primary forest. There were no land clearing activities made nor had damaged any forest to protect or enhance the HCV.	Complied

<p>7.12.2</p>	<p>(C) HCVs, HCS forests and other conservation areas are identified as follows:</p> <p>a) For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.</p> <p>b) Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.</p> <p>PROCEDURAL NOTE: Requirement is further clarified under the Interpretation of Indicator 7.12.2 and Annex 5 (approved by BOG on 12 June 2019). - Critical (Major) compliance -</p>	<p>A Biodiversity Assessment was conducted internally by Mr. Sarawanan A/L Nakar Salapan on 14/03/2019. The assessment has identified "hotspots", type of wildlife and flora.</p> <p>The biodiversity assessment report description of hotspots is as per below: -</p> <table border="1" data-bbox="1142 549 1930 1011"> <thead> <tr> <th>Code</th> <th>Description</th> <th>HCV Category</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Hutan Paya/ Belukar</td> <td>3,4</td> </tr> <tr> <td>2</td> <td>Paya Bakau, Air Pasang Surut</td> <td>3,4</td> </tr> <tr> <td>3</td> <td>Paya Bakau, Air Pasang Surut</td> <td>3,4</td> </tr> <tr> <td>4</td> <td>Rizab Tadahan Air/ Hutan Paya</td> <td>3,4</td> </tr> <tr> <td>5</td> <td>Kolam Tadahan Air ladang Bkt Layang</td> <td>4</td> </tr> <tr> <td>6</td> <td>Kawasan Sempadan ladang Sepanjang Rizab Sungai Layang</td> <td>4</td> </tr> <tr> <td>7</td> <td>Kawasan Makam India Muslim (P14/2)</td> <td>6</td> </tr> </tbody> </table> <p>The identified hotspots are conserved in accordance to the mitigation plans provided in the biodiversity assessment report. Visit to <i>Kod 6 – Kawasan Sempadan ladang sepanjang Rizab Sungai Layang</i> indicated a 50m wide buffer has been established. Signboards indicating prohibition of chemical and fertiliser application has been erected at the buffer area. There was no evidence of such activities during the physical verification done along the area. Training on HCV and Buffer Zone for Sprayers was conducted on 19/02/2021 and for harvesters on 11/01/2021.</p>	Code	Description	HCV Category	1	Hutan Paya/ Belukar	3,4	2	Paya Bakau, Air Pasang Surut	3,4	3	Paya Bakau, Air Pasang Surut	3,4	4	Rizab Tadahan Air/ Hutan Paya	3,4	5	Kolam Tadahan Air ladang Bkt Layang	4	6	Kawasan Sempadan ladang Sepanjang Rizab Sungai Layang	4	7	Kawasan Makam India Muslim (P14/2)	6	<p>Complied</p>
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7	Kawasan Makam India Muslim (P14/2)	6																									
<p>7.12.3</p>	<p><i>Indicator is not applicable in Malaysia context</i></p>		<p>Not Applicable</p>																								

7.12.4	<p>(C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</p> <p>- Critical (Major) compliance -</p>	<p>In Kulim Bukit Layang estate, there are no peat or forest that convert after 15 November 2018 however the action plan was available to protect their HCV in estate. HCV monitoring will be done twice per month and will record if any wildlife sighting under Animal Sighting record, the latest record was on Jan 2022.</p> <p>The identified hotspots as stated in 7.12.2 are conserved in accordance to the mitigation plans provided in the biodiversity assessment report. Visit to <i>Kod 6 – Kawasan Sempadan ladang sepanjang Rizab Sungai Layang</i> indicated a 50m wide buffer has been established. Signboards indicating prohibition of chemical and fertiliser application has been erected at the buffer area. There was no evidence of such activities during the physical verification done along the area. Training on HCV and Buffer Zone for Sprayers was conducted on 19/02/2021 and for harvesters on 11/01/2021.</p>	Complied
7.12.5	<p>Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.</p> <p>- Minor compliance -</p>	<p>There were no rights of local communities been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas. The HCV Assessment report indicated that there is no threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation operations. There is only common bird, presence of wild boar and monkeys occasionally sighted. The appropriate measures that are expected to maintain and/or enhance them were implemented through an action plan reviewed in Jan 2022.</p>	Complied
7.12.6	<p>All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working</p>	<p>The management have identified the RTE that are common within the estate area as stated in the Biodiversity Assessment. In Bukit Layang Estate, there are some animal such as mammal, reptile, bird and plant such as <i>Sus scrofa</i> (Least concern), <i>Macaca Facicularis</i> (Least Concern), <i>Varanus salvator</i> (Least Concern), <i>Naja naja</i> (Least</p>	Complied

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	<p>for the company is found to capture, harm, collect, trade, possess or kill these species.</p> <p>- Minor compliance -</p>	<p>Concern) and etc. The last animal sighted was recorded under Rekod Haiwan Liar dated 15/1/2022 at field P14/1.</p> <p>Training and awareness on RTE have been provided to the workers as verified below:</p> <p>Training on Prohibition of Raring and Hunting of RTE and Wild Animals – 07/03/2021.</p>	
7.12.7	<p>The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.</p> <p>- Minor compliance -</p>	<p>The audit findings have confirmed that there is no new HCVs, HCS forests peatland and other conservation areas been identified after 15 Nov 2018 in SOU 2 estates (refer 7.3.1 to 7.4.2). Monitoring of these areas are made through the daily field supervision by the field staff and executives. There were also visits by the PI/GM and also personnel from the SQD Unit. Sighting of RTE are made and recorded during the AP rounds in the estates if any.</p>	Complied
7.12.8	<p>(C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.</p> <p>- Critical (Major) compliance -</p>	<p>The audit findings have confirmed that there is no new land clearing affecting areas of HCVs, HCS forests peatland and other conservation areas.</p>	Complied

Appendix B: GHG Reporting Executive Summary

The GHG emissions that were produced in **2021** for **Bukit Layang Estate** was calculated using the PalmGHG Calculator version 4. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

- i. Estates area planted data
- ii. Fuel consumed
- iii. Mill datas include CPO produced, PKO Produced and FFB Processed
- iv. Fertilizer consumed data for both estates and smallholders.

The summary of the Net GHG emitted in **2021** for **Bukit Layang Estate** and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	0.00
PKO	0.00

Extraction	%
OER	0.00
KER	0.00

Production	t/yr
FFB Process	0.00
CPO Produced	0.00
PKO Produced	0.00

Land Use	Ha
OP Planted Area	371.10
OP Planted on peat	0.00
Conservation (forested)	0.00
Conservation (non-forested)	0.00
Total	371.10

Summary of Field Emission and Sink

	Own Crop*		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB
Emission								
Land Conversion	3665.22	0.45	3176.39	0.96	0.00	0.00	48805.53	0.52
CO ₂ Emission from fertilizer	319.62	0.04	267.13	0.04	0.00	0.00	2924	0.03
NO ₂ Emission	278.34	0.03	147.73	0.01	0.00	0.00	1292.77	0.01
Fuel Consumption	144.25	0.02	42.72	0.01	0.00	0.00	471.26	0.01
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sink								
Crop Sequestration	-3474.14	-0.43	-3010.79	-0.48	0.00	0.00	-46261.16	-0.50
Conservation Sequestration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	933.29	0.11	623.17	0.00	0.00	0.00	7232.48	0.08

*Note: Includes both estates and smallholders

Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	0.00	0.00
Fuel Consumption	0.00	0.00
Grid Electricity Utilization	0.00	0.00
Credit		
Export of Grid Electricity	0.00	0.00
Sales of PKS	0.00	0.00
Sales of EFB	0.00	0.00
Total	0.00	0.00

Summary of Kernel Crusher Emission and Credit (if applicable)

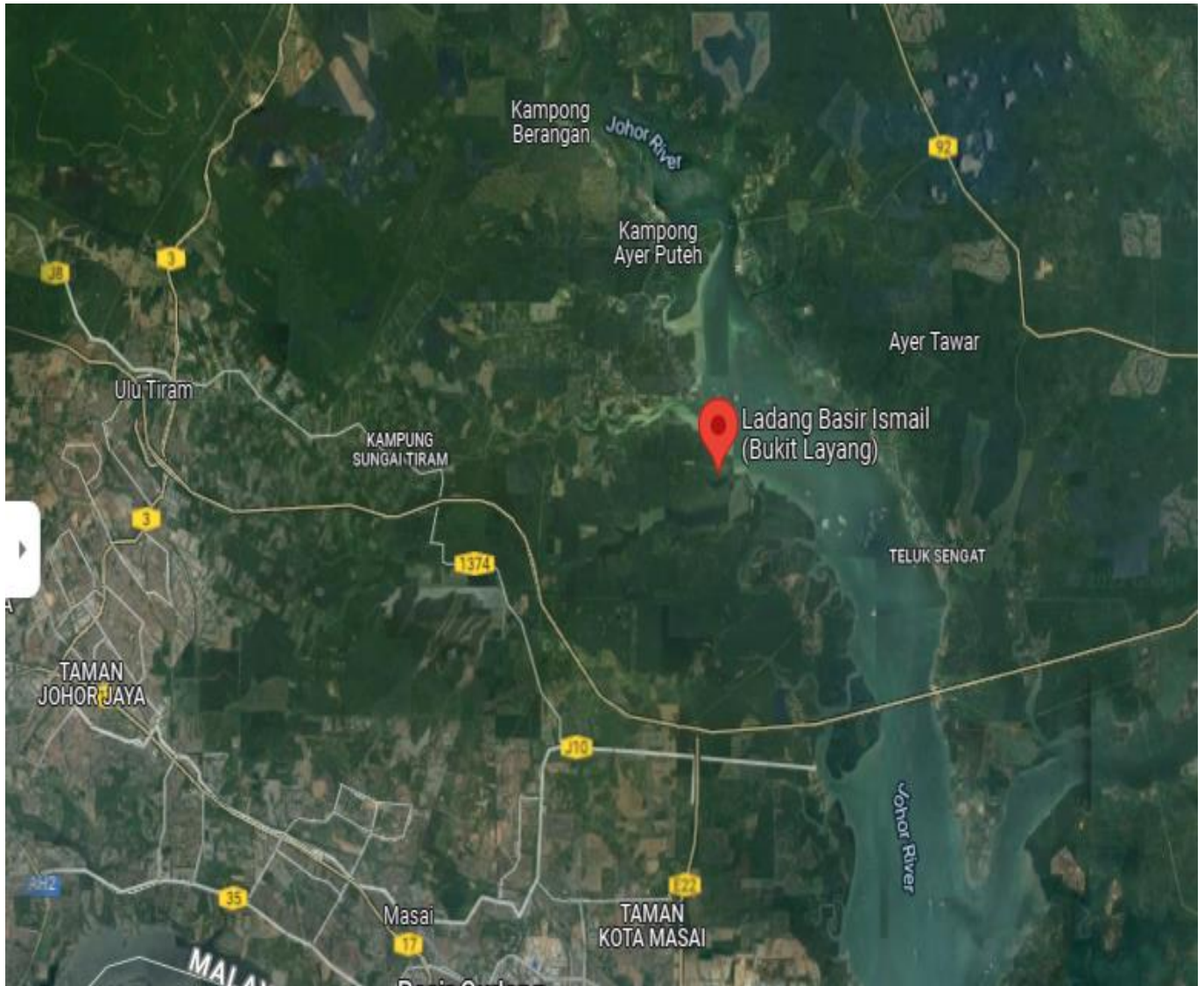
Emissions	tCO₂e
PK from own mill	0.00
PK from other source	0.00
Fuel Consumptions	0.00
Total Crusher emissions	0.00

*This mill has no kernel crusher operation.

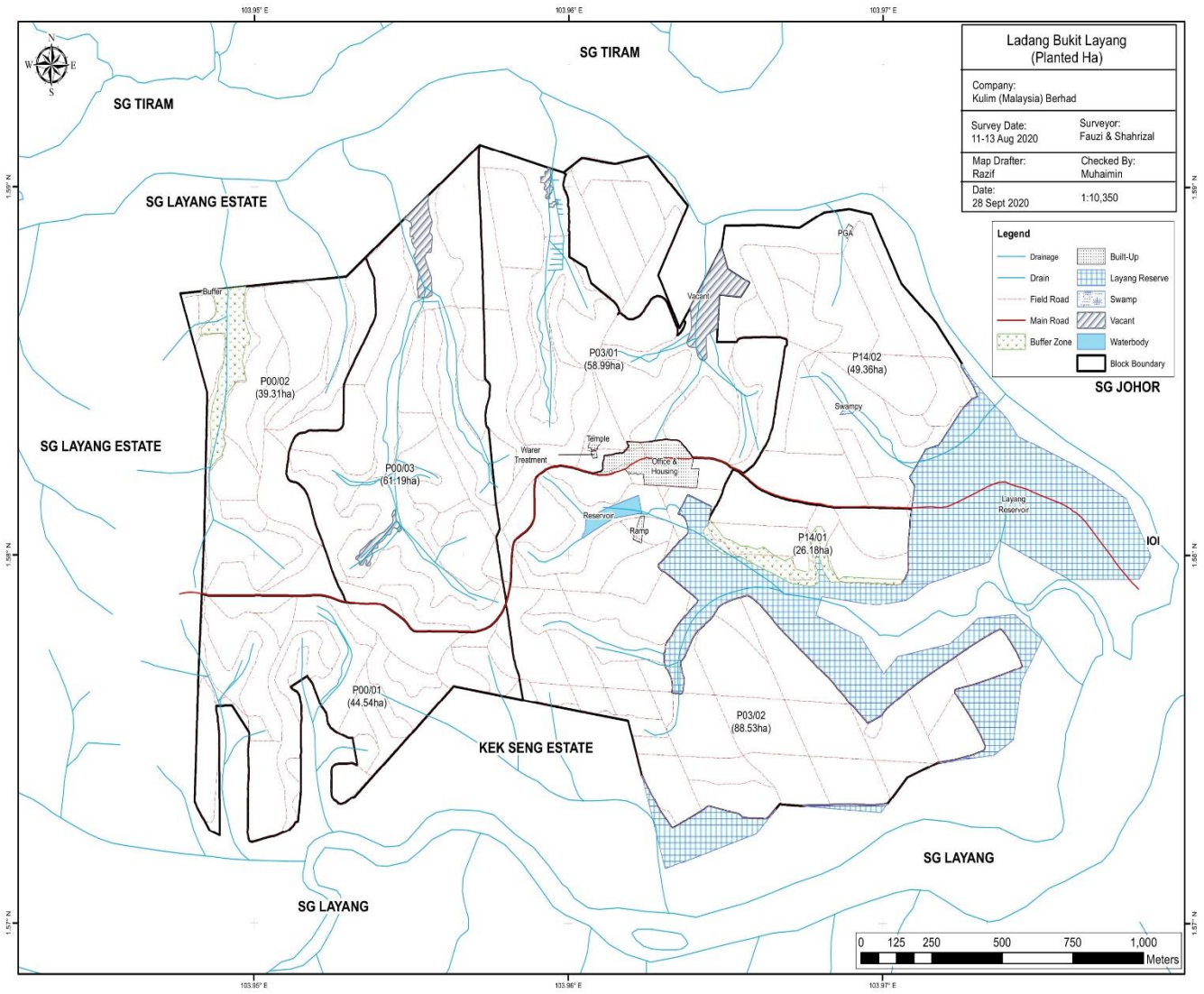
Palm Oil Mill Effluent (POME) Treatment:	
Divert to Compost (%)	0.00
Divert to anaerobic diversion (%)	0.00

POME Diverted to Anaerobic Digestion:	
Divert to anaerobic pond (%)	0.00
Divert to methane captured (flaring) (%)	0.00
Divert to methane captured (energy generation) (%)	0.00

Appendix C: Location Map of Certification Unit and Supply bases



Appendix D: Estate Field Map



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Appendix E: List of Smallholder Registered and sampled

No	Name of farmer	Location	GPS Reference		Area Summary (Ha)		Forecasted annual FFB Production (MT)	Date of joining	Smallholder ID
			Latitude (N)	Longitude (E)	Total Certified Area	Planted Area			
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total									
Note: * are smallholders sampled in this audit.									

Appendix F: List of Abbreviations

a.i	Active Ingredient
BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSPO	Certified Sustainable Palm Oil
CSPKO	Certified Sustainable Palm Kernel 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
IP	Identity Preserved
IS - CSPO	Independent Smallholder Certified Sustainable Palm Oil
IS – CSPKO	Independent Smallholder Certified Sustainable Palm Kernel Oil
IS – CSPKE	Independent Smallholder Certified Sustainable Palm Kernel Expeller
ISCC	International Sustainable Carbon Certification
ISS	Independent Smallholder Standard
LD50	Lethal Dose for 50 sample
MB	Mass Balance
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
RSPO	Roundtable on Sustainable Palm Oil
P&C	Principles & Criteria
RTE	Rare, Threatened or Endangered species
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure