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MSPO Public Summary Report Revision 0 (Aug 2017)

MALAYSIAN SUSTAINABLE PALM OIL - ANNUAL SURVEILLANCE ASSESSMENT 1 (ASA1) **Public Summary Report**

Kulim (Malaysia) Berhad

Head Office:

K.B 705, Ulu Tiram Estate, 81900 Ulu Tiram, Johor Bahru, Johor

Certification Unit:

Pasir Panjang Palm Oil Mill and Supply Bases

Location of Certification Unit: K.B. 527, 81909 Kota Tinggi, Johor, Malaysia

Report prepared by: Hu Ning Shing (Lead Auditor)

Report Number: 9673740

Assessment Conducted by:

BSI Services Malaysia Sdn Bhd, Suite 29.01, Level 29, The Gardens North Tower, Lingkaran Syed Putra, Mid Valley City, 59200 Kuala Lumpur Tel +603 2242 4211 Fax +603 2242 4218 www.bsigroup.com

MSPO Public Summary Report Revision 0 (Aug 2017)

TABLE of CONTENTS

Page No

Sect	ion 1: Executive Summary	3
1.1	Organizational Information and Contact Person	3
1.2	Certification Information	3
1.3	Location of Certification Unit	4
1.4	Plantings & Cycle	4
1.5	FFB Production (Actual) and Projected (tonnage)	4
1.6	Certified CPO / PK Tonnage	5
1.7	Certified Area	5
1.8	Details of Certification Assessment Scope and Certification Recommendati	on:6
Sect	ion 2: Assessment Process	7
	1. Assessment Program	
Sect	ion 3: Assessment Findings	9
	5	
	3.1 Details of audit results	
		9
	3.1 Details of audit results	9 9
	3.1 Details of audit results3.2 Details of Nonconformities and Opportunity for improvement	9 9 14
	3.1 Details of audit results3.2 Details of Nonconformities and Opportunity for improvement3.3 Status of Nonconformities Previously Identified and OFI	
	 3.1 Details of audit results	9 9 14 17 18
	 3.1 Details of audit results	9 9 14 17 18 19
Sect	 3.1 Details of audit results	9
Sect	 3.1 Details of audit results	9 9 14 14 17 18 19 109 110
Sect App	 3.1 Details of audit results	9
Sect App App	 3.1 Details of audit results	9

Section 1: Executive Summary

1.1 Organizational Information and Contact Person				
MPOB License	Pasir Panjang POM -592302-004000 Pasir Panjang Estate -578736-002000 Tunjuk Laut Estate -501477-102000 Bukit Payung Estate -501479-702000 Siang Estate -575783-002000 Bukit Kelompok Estate -502303-602000 Pasir Logok Estate - 502308-702000			
Company Name	Kulim (Malaysia) Berhad			
Address	(HQ): K.B 705, Ulu Tiram Estate, 81900 Ulu Tiram, Johor Bahru, Johor (Site): Pasir Panjang Palm Oil Mill - K.B. 527, 81909 Kota Tinggi, Johor, Malaysia			
Group name if applicable:	N/A			
Subsidiary of (if applicable)	N/A			
Contact Person Name	Mdm. Salasah Elias			
Website	www.kulim.com.my E-mail salasah@kulim.com.my			
Telephone	+607-8611611	Facsimile	+607-8631084	

1.2 Certification Information					
Certificate Number	Mill: MSPO 696199 Plantations: MSPO	Mill: MSPO 696199 Plantations: MSPO 696200			
Issue Date	08 March 2019		Expiry date	07 March 20	24
Scope of Certification	on Mill: Production of S Estate: Production of			Products	
Stage 1 Date		N/A (The cert	ification unit is RSP	O certified)	
Stage 2 / Initial Ass	sessment Visit Date (IAV)	03 - 06 Decen	nber 2018		
Continuous Assessr	ment Visit Date (CAV) 1	11 - 14 November 2019			
Continuous Assess	ment Visit Date (CAV) 2	N/A			
Continuous Assess	ment Visit Date (CAV) 3	N/A			
Continuous Assess	ment Visit Date (CAV) 4	N/A			
Other Certificat	ions				
Certificate Number	Standard(s) Certificate Issued by Expiry Dat			Expiry Date	
EU-ISCC-Cert- DE119-60196096	ISCC EU		ASG CERT		18.3.2020
A108289	MS 1500 : 2009	5 1500 : 2009 JAKIM 31.1.2021			



RSPO 657192	RSPO P&C 2013	BSI	8.3.2020
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1.3 Location of Certification Unit				
Name of the Certification	Site Address	GPS Reference of the site office		
Unit (Palm Oil Mill/ Estate/ Smallholder/ Independent Smallholder)		Latitude	Longitude	
Pasir Panjang Palm Oil Mill	K.B. 527, 81909 Kota Tinggi, Johor, Malaysia	2° 1' 4.8504" N	103° 56' 54.8736" E	
Pasir Panjang Estate	K.B. 527, 81909 Kota Tinggi, Johor, Malaysia	2° 0' 34.7616" N	103° 57' 15.9372" E	
Tunjuk Laut Estate	K.B. 527, 81909 Kota Tinggi, Johor, Malaysia	1° 57' 41.6916" N	103° 59' 9.5208" E	
Bukit Payung Estate	K.B. 517, 81909 Kota Tinggi, Johor, Malaysia	2° 0' 26.5572" N	103° 55' 12.558" E	
Siang Estate	K.B. 521, 81909 Kota Tinggi, Johor, Malaysia	1° 39' 10.1556" N	104° 12' 40.2372" E	
Bukit Kelompok Estate	K.B. 515, 81909 Kota Tinggi, Johor, Malaysia	2° 0' 24.3108" N	103° 59' 54.3984" E	
Pasir Logok Estate	K.B. 512, 81909 Kota Tinggi, Johor, Malaysia	2° 1' 53.3856" N	104° 2' 20.3532" E	

1.4 Plantings & Cycle

Estate	Age (Years) - ha					
Estate	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	
Pasir Panjang	509.65	695.28	0	0	243.48	
Tunjuk Laut	703.85	1,479.65	465.29	0	0	
Bukit Payung	642.7	797.84	0	251.13	228.84	
Siang	0	1,492.06	1,712.63	0	0	
Bukit Kelompok	0	1,616.92	786.47	34.36	0	
Pasir Logok	0	958.27	863.95	0	171.29	
Total (ha)	1,856.2	7,040.02	3,828.34	285.49	643.61	

1.5 FFB Production (Actual) and Projected (tonnage)					
Producer Group	Estimated (December 2018 - November 2019)	Actual (December 2018 – October 2019)	Forecast (December 2019 - November 2020)		

MSPO Public Summary Report Revision 0 (Aug 2017)

Total	338,929.50	238,620.66	279,483.00
Ladang Ulu Tiram Estate	-	757.99	-
Ladang Basir Ismail Estate	-	3,359.93	-
REM Estate	-	284.56	-
Pasir Logok Estate	65,920.40	44,088.31	49,416.00
Bukit Kelompok Estate	70,622.50	46,516.95	56,355.00
Siang Estate	106,843.10	69,970.65	82,480.00
Bukit Payung Estate	22,938.50	18,131.32	20,880.00
Tunjuk Laut Estate	54,590.90	41,324.84	51,222.00
Pasir Panjang Estate	18,014.10	14,186.11	19,130.00

1.6 Certified CPO / PK Tonnage

Mill	Estimated (December 2018 - November 2019)	Actual (December 2018 – October 2019)	Forecast (December 2019 – November 2020)
Pasir Panjang	CPO (OER: 21.87%)	CPO (OER: 22.86%)	CPO (OER: 22.54%)
Palm Oil Mill	74,123.88	54,556.53	63,003.00
45 MT/hr	PK (KER: 5.18%)	PK (KER: 5.42%)	PK (KER: 5.21%)
	17,556.54	12,922.57	14,557.00

1.7 Certified Area

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Pasir Panjang Estate	1,448.41	112.82	144.77	1,706.00	84.71
Tunjuk Laut Estate	2,648.79	29.23	189.78	2,867.80	92.36
Bukit Payung Estate	1,920.51	293.65	93.47	2,307.63	83.22
Siang Estate	3,204.69	71.11	167.30	3,443.10	93.08
Bukit Kelompok Estate	2,437.75	41.19	134.86	2,613.80	93.26
Pasir Logok Estate	1,993.51	17.40	86.82	2,097.73	95.03
TOTAL	13,653.66	565.40	817.00	15,036.06	90.78

1.8 Details of Certification Assessment Scope and Certification Recommendation:

BSI Services Malaysia Sdn Bhd has conducted the Annual Surveillance 1 Certification Assessment of Pasir Panjang Palm Oil Mill and Supply Bases at K.B. 527, 81909 Kota Tinggi, Johor, Malaysia comprising 1 mill; 6 estates and infrastructures.

The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders and MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill.

The onsite assessment was conducted on 11 – 14 November 2019.

Based on the assessment result, Pasir Panjang Palm Oil Mill and Supply Bases complies with the MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders and MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill and recommended for certification.

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd, Suite 29.01, Level 29, The Gardens North Tower, Lingkaran Syed Putra, Mid Valley City, 59200 Kuala Lumpur Tel +603 2242 4211 Fax +603 2242 4218 Nicholas Cheong: <u>Nicholas.Cheong@bsigroup.com</u> www.bsigroup.com

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 11 - 14/11/2019. The audit programme is included as Appendix A. The approach to the audit was to treat the mill or plantations as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

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

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

All the previous nonconformities are remains closed. The assessment findings for the annual surveillance assessment are detailed in Section 4.2.

This report is structured to provide a summary of assessment finding as attached in the Section 3. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was externally reviewed by MSPO approved Peer Reviewer prior to certification decision by BSI.

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

1. Assessment Program					
Name (Mill / Plantation / Group smallholders)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Pasir Panjang Palm Oil Mill	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark
Pasir Panjang Estate	\checkmark		√		\checkmark
Tunjuk Laut Estate	\checkmark		√		\checkmark
Bukit Payung Estate	\checkmark		√		\checkmark
Siang Estate		\checkmark		\checkmark	
Bukit Kelompok Estate		\checkmark		\checkmark	
Pasir Logok Estate		\checkmark		\checkmark	

Tentative Date of Next Visit: November 9, 2020 - November 12, 2020

Total No. of Mandays: 8

BSI Assessment Team:

Hu Ning Shing – Lead Assessor

She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011. 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. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the aspects of social, legal, workers & stakeholders consultation and SCC for CPO mill. She is fluent in Bahasa Malaysia and English languages.

Daniel Francis – Team Member

Daniel Francis is a fulltime employee with BSI Services Malaysia. He holds a Bachelor of Applied Science Degree in Food Science, graduated from Charles Sturt University, Australia. He has over 8 years of working experience in the oil and gas industry and 3 years in the food & beverage industry. He is an experienced auditor for several management system standards including ISO 9001, ISO 14001, OHSAS 18001 and Integrated Management System. He had completed the ISO 9001:2015 Lead Auditor Course and RSPO SCC Lead Auditor Course. He had been involved in the RSPO audits with various companies in Malaysia. During assessment, he covers the legal issues and occupational safety and health.

Accompanying Persons: N/A

Section 3: Assessment Findings

3.1 Details of audit results

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

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

3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were two (2) Major nonconformities and two (2) Minor nonconformities raised. The key in certification unit name Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for it effectiveness and closed accordingly.

Major Nonconformities:				
Ref	Area/Process	Clause		
NC ID from eReport	1844763-201910-M1	4.3.1.1 Part 3		
Requirements:	All operations are in compliance with the applicat international laws and regulations.	ble local, state, national and ratified		
Statement of Nonconformity:	Implementation of compliance with the legal req	uirements are not effective.		
Objective Evidence:	 Siang Estate: i) Document reviewed on the permits for a Enterprise) found that one of the permit was submission of the renewal passport on 14/10 ii) Besides, there are total 7 contractor's worker worked in Siang Estate are under another shown in the permit. Pasir Logok Estate: iii) There were total 90 units of houses in Pasin was carried out on weekly basis by Hospital was not covered for all the houses in weekly informed that he sampled half of the houses other half at following week. Besides, there we Block B housing area. iv) Site visit to the workshop found the following a. Oil spillage on the soil ground. 	s expired on 17/10/2019. Seen the 0/2019. (Passport No.: AT 531719) s employed by contractor LKG that company, Blossom Nurseries as r Logok Estate. Linesite inspection Assistant. However, the inspection basis where the Hospital Assistant to be inspected and rotate for the was a contractor's workshop in the		

MSPO Public Summary Report Revision 0 (Aug 2017)

	b. Five lorries were parking on the soil ground but not the designate
Corrections:	 parking bay. i) Estate had assisted the respective contractor to follow up with MyEG to enquire on the renewal approval status of these workers. Contractor has visited the MyEG office to clear the status of the workers and the renewal permit was obtained on 18/11/2019. ii) Estate management had conducted a briefing on 14 Nov. 2019 to the contractors with respect to understanding and compliance on the JTK and Immigration Act as per contract agreed by the contractor and the company. Reminder letter issued to the contractor for the issue. Reminder letter has been given on 14/11/2019. iii) Briefing to HA on 22/11/2019 on worker's minimum standard of housing and amenities Act 1990. Immediate to cover all houses weekly during linesite inspection. iv) Training on spill kit and parking procedure for driver lorries has been conducted on 20/11/2019.
Root cause analysis:	 i) The work permit were submitted for permit renewal process by the contractor. The main cause of pending submission until three days before expiry date, is due to late processing of FOMEMA report by panel clinic coupled with validity of passport belong to Saipul Bahri is less than 13 month which require him to replace with new passport for purpose of renewal. ii) Monitoring on the contractor' documents and the contractor' workers ws not properly conducted thus, thus the shortcoming cannot be detected earlier. iii) The respective HA had a wrong understanding of the requirements, and at the same time estate management failed in monitoring the work of their HA wrt respective task. iv) Estate does not conduct training for the drivers on how manage oil spillage on the soil ground and insufficient parking lot at designated area.
Corrective Actions:	 i) EOD to include monitoring of all contractor workers passports and PLKS Renewal process in the Job Description of the relevant personnel. ii) EOD to include monitoring of all contractor workers passports and PLKS Renewal process in the Job Description of the relevant personnel. iii) SQD will revised Work Instruction for linesite to include on verification of linesite inspection by Assistant Manager and Manager. iv) SQD to strengthen the Workshop guideline and Control monitoring Work instruction.
Assessment Conclusion:	 Verified on the evidence submitted as below: i) The valid permit was issued on 18/11/2019 and received the valid permit with the Permit No.: PE 9300321 valid until 17/10/2020. A Foreign Workers Checklist for Contractors was developed to monitor the validity of the permit of contractor's workers. The checklist was developed on 31/12/2019 by the typist od Siang Estate. Besides, the Job Description of the Executives and Non-Executives have been revised to include the job scope of "person in charge on Foreign Workers Affairs and Permits (PLKS)/ Passport Documentation of Checkroll and Contract Workers". Seen the job description of Assistant Manager and General Clerk dated 1/1/2020. ii) A training on "Understanding and Compliance of Immigration and Employment Act" was conducted on 14/11/2019 for the contractor. Seen the training evaluation record and the HOD recommended the training to be conducted

MSPO Public Summary Report Revision 0 (Aug 2017)

 minimum 2 times per year for the contractor in order to ensure compliance of legal requirements. A reminder letter dated 14/11/2019 issued by Senior Manager of Siang Estate was given to the contractor to ensure the contractor does not employ any workers using other companies' quota. The contractor has acknowledged on the received of the reminder letter on 14/11/2019. Besides, the Job Description of the Executives and Non-Executives have been revised to include the job scope of "person in charge on Foreign Workers Affairs and Permits (PLKS)/ Passport Documentation of Checkroll and Contract Workers". Seen the job description of Assistant Manager and General Clerk dated 1/1/2020. iii) The Assistant Manager has given training to the Hospital Assistant on Workers' Minimum Standard of Housing and Amenities Act 1990 on 22/11/2019. Seen the photo evident and training attendance record. Besides, a memo dated 22/11/2019 issued by the Manager of Pasir Logok to the Hospital Assistant to remind the Hospital Assistant to carry out the linesite inspection as per the regulation. In addition, a Work Instruction – Linesite with Doc. No.: SPO/WI/10, Rev. No.: 01 dated 1/1/2020 was developed to include the linesite inspection record to be verified by Assistant Manager or Manager on weekly basis. iv) Training on spillage management and parking procedure was conducted on 20/11/2019 to the lorry drivers. Seen the training attendance and photo evident. Besides, Work Instruction of Workshop with Doc. No.: SPO/WI/08, Rev. No.: 01 dated 1/1/2020 was developed. Designated parking for vehicles with drip tray is required as the SOP. Thus, the evidence submitted is sufficient and thus the major non-conformance
Thus, the evidence submitted is sufficient and thus the major non-conformance was closed on 12/1/2020.
The implementation of the corrective actions will be verified during next assessment.

Major Nonconformities:		
Ref	Area/Process	Clause
NC ID from eReport	1844763-201910-M2	4.4.5.8 Part 4
Requirements:	The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.	
Statement of Nonconformity:	The working hours has exceeded the maximum 12 hours per day as per in the Employment Act 1955	
Objective Evidence:	Pasir Panjang POM: Sampled of the workers below found that they worked more than 12 hours a day. This has confirmed with the JTK Johor Officer through phone interview that the workers are not allowed to work more than 12 hours a day. i. Employee No.: 640055 ii. Employee No.: 640086	

	iii. Employee No.: 640152
	iv. Employee No.: 640169
Corrections:	Mill has applied for overtime work permits through the Department of Labor (JTK) on 18/11/2019 and will follow up on the status of the application. Human Capital Management Division (HCMD) has conducted Employment Act 1955 training on 25/11/2019.The training was delivered by Pn Azleen Abd Rahman,
	Assistant Director of JTK Johor.
Root cause analysis:	Mill only does monitoring on monthly overtime to be not over than 104 hours instead of daily monitoring which should not more than 4 hours overtime after 8 hours of normal working hours.
Corrective Actions:	i) SQD will develop template of overtime daily monitoring.ii) Mill will monitor daily overtime records.
Assessment Conclusion:	Verified on the evidence submitted as below: Seen the letter of application for overtime exceeded 104 hours to JTK on 10/12/2019. A training on Employment Act 1955 was conducted on 25/11/2019 by HCDM to all the relevant employees. Seen the photo evident of the training conducted. A monitoring of overtime was conducted on daily basis by using the Checkroll for the month for each of the workers. Seen the monitoring on December 2019.
	Thus, the evidence submitted is sufficient and thus the major non-conformance was closed on 12/1/2020.
	The implementation of the corrective actions will be verified during next assessment.

Minor Nonconformities:		
Ref	Area/Process	Clause
NC ID from eReport	1844763-201910-N1	4.4.1.1 Part 3
Requirements:	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.	
Statement of Nonconformity:	SIA was not conducted and no management plan developed for the impacts below.	
Objective Evidence:	The impact of delay in renewal of work permit due to late process of MyEG and Immigration Department is not identified during SIA assessment and therefore, mitigation plan was not available for the impact.	
Corrections:	The delayed issue has been immediately included into the SIA Register of respective complex.	
Root cause analysis:	The renewal delay for Foreign Workers renewal process was initially in order and was not included in Pasir Panjang SIA assessment.	
Corrective Actions:	EOD is to liaise and advise SQD should there' any expected change of practices and/or requirements that warrant social impacts (negative or positive) to OUs & its workers through Social Impact Assessment to Internal Stakeholder (Management).	
Assessment Conclusion:	The implementation of the corrective actions will be verified during next assessment.	

Minor Nonconformities:		
Ref	Area/Process	Clause
NC ID from eReport Requirements:	1844763-201910-N2 4.4.5.4 Part 3 Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between	
Statement of Nonconformity:	the contractor and his employee. The contractor's workers have yet to pay according to the legal requirement for work on rest day.	
Objective Evidence:	 Siang Estate: Document reviewed on the payslip found that no work on rest day by the contractors' workers. However, reviewed on the Internal Crop Book from July 2019 to October 2019 found that there were crops harvested and delivered for weighing on the rest day. This shown that the contractors' workers did not pay double for the rest day work. Sampled 10 out of 30 workers from two contractors. 	
	Bukit Kelompok Estate:ii)Document reviewed on the Crop Book for (Lorry Driver - Passport No.: B 4115037) v 28/9/2019, 12/10/2019 and 26/10/2019. R show that the worker was paid as per the rest day.	worked on rest day on 21/9/2019, Reviewed on the payslips could not
Corrections:	 The contractor had paid the wages of the workers who worked on rest day but did not get double pay. Estate has brief the contractor that they need to offer work during rest day if needed and monitor their workers activity during rest day to avoid any voluntarily work. The Contractor shall communicate the information to their workers, acknowledged by all workers and record to be kept in file. 	
Root cause analysis:	 i) Estate pay the contractor based on the productivity tonnage so the contractor use the same approach to pay the workers tonnage even though they work on the rest day. Workers (Harvester) voluntarily work on Saturday to increase their productivity tonnage for extra earning. ii) Estate pay the contractor based on the productivity tonnage. Contractor workers being paid based on the productivity tonnage also. Contractor workers being paid based on the productivity tonnage even though they work on the rest day. Estate pay the contractor based on the productivity tonnage even though they work on the rest day. Estate pay the contractor based on the productivity tonnage even though they work on the rest day. Estate pay the contractor based on the productivity tonnage so the contractor use the same concept to pay the workers. Workers (Harvester) voluntarily work on Saturday to increase their 	
Corrective Actions:	productivity tonnage for extra earning.A briefing is to be conducted by estate to their contractors with respect to understanding on the legal or industry minimum standards for their employees' as per employment contract agreed between the contractor and his employee. Scheduled to be conducted during the 4th week of November 2019. 	



	Contractor shall seek for estate approval and advised if there's any need for work on rest day. Monitoring also through the approval of working on rest day.
Assessment Conclusion:	The implementation of the corrective actions will be verified during next assessment.

	Noteworthy Positive Comments
1	Good cooperation and commitment from the management and staff.
2	Management, staff and workers were able to demonstrate good understanding on sustainability.

3.3 Status of Nonconformities Previously Identified and OFI

Major Nonconformities:		
Ref	Area/Process	Clause
1716200-201806-M1	Pasir Panjang POM and supply base	4.3.1.1 (MSPO Part 3)
Requirements:	All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.	
Statement of Nonconformity:	Some of the legal requirement is not effectively	implemented.
Objective Evidence:	 Pasir Panjang Estate The linesite inspection has been conducted by Hospital Assistant in weekly basis. Verified the Linesite Management Guidelines and Weekly Linesite Inspection Record showed the housing area is clean. However, in Pasir Panjang Estate, during linesite inspection, house no. LPP 18 & LPP 19 were found to collect rainfall water in open water container outside the house. It is found that the container is having mosquito larvae inside it but not captured in the linesite inspection record. This is not comply with Act 446 WORKERS' MINIMUM STANDARDS OF HOUSING AND AMENITIES ACT 1990 Incorporating all amendments up to 1 January 2006: Weekly inspection of workers' housing 23. (1) It shall be the duty of the employer of a place of employment where workers and their dependants are provided with housing accommodation to ensure that— (a) the area surrounding the workers' housing is kept clear of undergrowth and maintained in a clean and sanitary condition; Tunjuk Laut Estate There is one contractor's worker (Chan Choon Contractor) namely Usman (Passport no: AR655416; permit no: PC5014886) having the work permit for plantation worker under IOI Corporation Berhad with validity until 06 January 2019. This is not comply with Act 155 IMMIGRATION ACT 1959/63 Incorporating all amendments up to 1 January 2006: Employing a person who is not in possession of a valid Pass 55B. (1) Any person who employs one or more persons, other than a citizen or a holder of an Entry Permit who is not in possession of a valid Pass 55B. (1) Any person who employs one or more persons, other than a citizen or a holder of an Entry Permit who is not in possession of a valid Pass 55B. (1) Any person who is not in possession of a valid Pass 55B. (1) Any person who to both for each such employee. Pasir Panjang Estate: The water inside the container had been removed immediately during the visit and later that day had been cleaned up by the owner. EHA had reconducted	
Corrections:		

MSPO Public Summary Report Revision 0 (Aug 2017)

	inspection of all water container in the house.
	Tunjuk Laut Estate: Estate had submitted to Indonesia embassy to renew the expired passport. Once estate getting the new passport, it will surrender to immigration department for his deportation. Contractor had been given warning letter not to employ worker that had expired valid work permit. Estate will terminate his contract if occur again.
Root cause analysis:	Pasir Panjang Estate: Monitoring of water in container was not included in linesite inspection.
	Tunjuk Laut Estate: The contractor failed to monitor and renew their worker work permit. Estate as a pay master also careless by not updated periodically the contractor's worker valid work permit.
Corrective Actions:	Pasir Panjang Estate: Awareness to the worker during muster roll call in the morning. Training to EHA on their responsibility and specified job description had been conducted on 6.12.2018 (estate level) and 12.12.2018 (company level).
	Tunjuk Laut Estate: Estate will closely monitoring the contractor's worker work permit by updating their name and expiry of the work permit.
Assessment Conclusion:	Audit team have reviewed the evidence summited and the major NC is satisfactorily closed. Continuous implementation of corrective action taken will be further verified in the next assessment visit. The major NC was closed out on 12.01.2019.
Status during ASA 1:	During ASA1, both the NCs repeated again. Refer to NC 1844763-201910-M1

Opportunity For Improvement		
Ref	Area/Process	Clause
1716200-201806-01	Pasir Panjang POM and supply base	4.4.4.2 Part 3 & Part 4
Requirements:	The occupational safety and health plan should co d) The management shall provide the appropriate all potentially hazardous operations as identified i such as Hazard Identification, Risk Assessment an	PPE at the place of work to cover n the risk assessment and control
Objective Evidence:	The HIRARC assessment has been reviewed however, the recommended action to be taken is not effective.	
Status during ASA 1:	A Hazard Identification Risk Assessment and Risk Control (HIRARC) document for mill and estate operations made available.	
	Mill:	
	Risk assessment carried on activities such as clarification process, nut & kernel plant operation plant, office, etc.	
	The latest annual review on recommended action	plan done on 24 July 2019.

Estates:
Risk assessment carried on activities such as spraying, fertilizer, harvesting, pruning and other activities.
Siang Estate:
The latest annual review on recommended action plan done on 18/09/2019. Revision was made for work activity: sharpening of sickle due to accident happened.
Pasir Logok Estate:
The latest annual review on recommended action plan done on August 2019. Revision was made for work activity: FFB harvesting using chisel (Young mature area) – thorn hazard and physical hazard due to accident happened.
Bukit Kelompok Estate:
The latest annual review on recommended action plan done on recommended action plan done on 3 January 2019.
Thus, the OFI was closed on 14/11/2019.

Opportunity For Improvement				
Ref	Area/Process	Clause		
1716200-201806-02	Pasir Panjang POM and supply base	4.4.6.3 Part 3		
Requirements:	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.			
Objective Evidence:	The training has been given to the workers and record is available, however the awareness on the training can be further improved.			
Status during ASA 1:	It was evident that from the training programs & records of all trainings are planned and implemented to ensure that all employees are well trained in their job function and responsibility.			
	Awareness and training programed had been carried out. All workers involved had been adequately trained in safe working practices.			
	Sample an awareness program on Briefing on R Stakeholders dated 04/11/2019 where the objective involved have been adequately trained in understated and the correct use of PPE.	ective was to ensure all workers		
	Thus, the OFI was closed on 14/11/2019.			



3.4 Issues Raised by Stakeholders

IS #	Description
1	Feedbacks:
	Contractors – They have signed on the agreement prior commence of work. They were understood on the terms and conditions such as the payment terms and the compliance of MSPO requirements. They informed that the payment made by company was on time. In conclusion, they have good relationship with the managements.
	Management Responses:
	The management will continue to maintain good relationship with the contractors.
	Audit Team Findings:
	Verified on the agreement and payment advice found that the payments were made promptly.
2	Feedbacks:
	Workers' Representatives and NUPW representative – They informed that they have signed on the agreement prior to work. They were treated equally and no discrimination reported. If they have any complaints or grievances, they will report to the supervisor or mandore or fill in the Complaint Book. Their wages were accordance to Minimum Wage Order.
	Management Responses:
	The management will ensure they treat all the workers fairly and comply with legal requirements.
	Audit Team Findings:
	No further issue.
3	Feedbacks:
	Representatives of Ladang Kumpulan Melayu– No land dispute case reported so far. They good relationship with the management. They are aware of the complaint & grievance procedure.
	Management Responses:
	The management will continue to maintain the good relationship with the management.
	Audit Team Findings:
	No other issue.
4	Feedbacks:
	Teachers (SK Tunjuk Laut) – He informed that the management has provided assistance to the school activities such as sport day. They have good relationship with the management and aware of complaint procedure.
	Management Responses:
	The management will continue to maintain the good relationship with the school's management.
	Audit Team Findings:
	No other issue.
5	Feedbacks:



PF824

	Officers from Wildlife Department – The officers informed that the management has provided corporation to the department for any activities organized. There was no complaint received regarding encroachment or illegal hunting by the company.		
	Management Responses:		
	The management will continue to maintain the good relationship and ensure no illegal activity is carry out.		
	Audit Team Findings:		
	No other issue.		
6	Feedbacks:		
	Officer of JTK (Phone Interviewed) – The officer informed that the workers are not allow to work more than 12 hours per day as per the Employment Act 1955. Besides, there was no complaint received from the workers.		
	Management Responses:		
	The management will ensure to compl with the Employment Act 1955 accordingly.		
	Audit Team Findings:		
	Refer to NC# 1844763-201910-M2.		

3.5 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
1716200-201806-M1	Major	06/12/2018	Closed out on 12/01/2019
1844763-201910-M1	Major	10/10/2019	Closed out on 12/01/2020
1844763-201910-M2	Major	10/10/2019	Closed out on 12/01/2020
1844763-201910-N1	Minor	10/10/2019	"Open"
1844763-201910-N2	Minor	10/10/2019	"Open"



3.6 Summary of the findings by Principles and Criteria

on / Indicator	Assessment Findings	Compliance		
4.1 Principle 1: Management commitment & responsibility				
n 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy				
A policy for the implementation of MSPO shall be established. - Major compliance -	Kulim (Malaysia) Berhad has established Malaysian Sustainable Palm Oil Policy dated 1/5/2018 signed by Executive Director. The company is committed to implement all Principles and Criteria set out by the MSPO.	Complied		
The policy shall also emphasize commitment to continual improvement. - Major compliance -	The company is committed to implement Principles and Criteria of MSPO. KULIM will make every effort to achieve the balance between People, Planet and Profit in all management decisions and operations through continual program. The policy has been communicated to relevant stakeholders during stakeholder meeting conducted on 4/11/2019 in Siang Estate and 17/10/2019 in Pasir Logok Estate. Besides, briefing to the workers on 10/10/2019 during morning muster in Siang Estate and 4/2/2019 in Pasir Logok Estate.	Complied		
n 4.1.2 – Internal Audit				
Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement. - Major compliance -	An integrated internal audit for RSPO/ MSPO/ ISCC was carried out on 22/10/2019 in Siang Estate by Sustainability team. Seen the RSPO, ISCC & MSPO List of Documentation Audit where it has covered all the principles and criteria of MSPO. There was no non-conformity raised during the audit.	Complied		
	ciple 1: Management commitment & responsibility + 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy A policy for the implementation of MSPO shall be established. - Major compliance - The policy shall also emphasize commitment to continual improvement. - Major compliance - m 4.1.2 – Internal Audit Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	ciple 1: Management commitment & responsibility n 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy A policy for the implementation of MSPO shall be established. - Major compliance - The policy shall also emphasize commitment to continual improvement. - Major compliance - The policy shall also emphasize commitment to continual improvement. - Major compliance - The policy shall also emphasize commitment to continual improvement. - Major compliance - The policy shall also emphasize commitment to continual improvement. - Major compliance - The policy shall also emphasize commitment to continual improvement. - Major compliance - The company is committed to implement Principles and Criteria of MSPO. KULIM will make every effort to achieve the balance between People, Planet and Profit in all management decisions and operations through continual program. The policy has been communicated to relevant stakeholders during stakeholder meeting conducted on 4/11/2019 in Siang Estate and 17/10/2019 in Pasir Logok Estate. Besides, briefing to the workers on 10/10/2019 during morning muster in Siang Estate and 4/2/2019 in Pasir Logok Estate. n 4.1.2 - Internal Audit An integrated internal audit for RSPO/ MSPO/ ISCC was carried out on 22/10/2019 in Siang Estate by Sustainability team. Seen the RSPO, ISCC & MSPO List of Documentation Audit where it has covered all the principels and criteria of MSPO. There was no non-conformity raised		

MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	on / Indicator	Assessment Findings	Compliance
		Internal audit was carried out on 21/10/2019 in Pasir Logok Estate with total 1 non-conformance and 1 OFI raised.	
		Internal audit for Bukit Kelompok Estate was carried out on 22/10/2019 and 1 non-conformance raised.	
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action. - Major compliance -	Kulim (Malaysia) Berhad has developed Internal Audit Procedure with Doc. No.: SQD/SMS/5.0 dated 1/7/2018. The aim of the procedure is to ensure that the implementation of the company's RSPO, ISCC and MSPO management system is in line with the defined policies, procedures and other requirements. The frequency of the audit to be carried out is at least once within 12 months (before expiry of the certificate). The result of internal audit was recorded in the Non-Conformance Report. There was no non-conformity raised during the last audit on 22/10/2019 in Siang Estate.	Complied
		There was 1 non-conformance and 1 OFI raised during the internal audit in Pasir Logok Estate. Seen the Corrective Action Plan dated 27/10/2019 with root caused identified and implemented of the correction and corrective action accordingly.	
		1 non-conformance raised during the internal audit in Bukit Kelompok Estate. Seen the Corrective Action Plan dated 28/10/2019 with root caused identified and implemented of the correction and corrective action accordingly.	



Criterion / Indicator		Assessment Findings	Compliance
4.1.2.3	Report shall be made available to the management for their review. - Major compliance -	The Non-Conformance Report and RSPO, ISCC & MSPO List of Documentation Audit was distributed to the estates after the audit was completed and the Estate Manager has acknowledged on the report.	Complied
Criterio	n 4.1.3 – Management Review		
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	 Siang Estate has carried out Management Review Meeting for MSPO on 28/10/2019. Seen the meeting minutes with the following agendas discussed during the meeting: Follow up action from previous meeting Internal and External Audit Report Performance and effectiveness of the sustainable management system Correction Action Plan Continual Improvement Plan Other matters Management of Pasir Logok Estate and Bukit Kelompok Estate has conducted Management Review Meeting for RSPO/MSPO/ISCC on 24/10/2019 and 30/10/2019 with total 12 participants and 8 participants respectively. The agenda that has been discussed in the meeting as below: Results of Internal Audit Report and Follow up action Other matters 	Complied



Criterio	n / Indicator	Assessment Findings	Compliance
Criterior	1 4.1.4 – Continual Improvement		
4.1.4.1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company. - Major compliance -	Continual Improvement Plan for Siang Complex and Tunjuk Laut Complex are available. Among the sampled document reviewed: Siang Estate: OSHA 1. Medical surveillance/screening - all chemical handlers to attend. 2. CHRA – to hire competent person for CHRA SOCIAL 1. SIA – to conduct SIA 2. Union/Stakeholder/WOW meeting – to conduct meeting to know the related issues and solve the problem ENVIRONMENTAL 1. Biodiversity – awareness on biodiversity and monitoring HCV area 2. Water Management Plan – monitoring of water management plan. Pasir Logok Estate: OSHA 1. Use of PPE (as appropriate to the task) – monitoring at muster and work site 2. Pesticide containers disposed into schedule waste store – collection/disposal record & scheduled waste handling SOCIAL	Complied

MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	n / Indicator	Assessment Findings	Compliance
		 Renewal of work permit – monitoring the status of renewal work permit from MyEG and Immigration department through email and liase with Foreign Workers Unit Team No illegal hunting activities – Monitoring program monthly ENVIRONMENTAL To establish and maintain and accurate record of spraying and manuring program including disposal of scheduled waste – monitoring SIN records and GRN records To recycle the use paper – use both side of paper Bukit Kelompok Estate: OSHA Information - Update OSH information at every signboard SOCIAL Housing – Replace new furniture for staff house and new water tank at linesite Facilities – Upgrading volley ball court and masjid's floor. ENVIRONMENTAL Erosion – Maintenance of road and drain Energy – Maintenance of solar lamp at guard post and the muster ground. 	
4.1.4.2	The company shall establish a system to improve practices in line with new information and techniques or new industry	Newly project proposed and planned sighted in all the estates. Among of them are: Siang Estate:	Complied

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Criterio	on / Indicator	Assessment Findings	Compliance
	standards and technology (where applicable) that are available and feasible for adoption.	1. Loading and transporting of FFB from fields to ramp using BIN system.	
	- Major compliance -	Pasir Logok Estate: 1. Growing of Guatemala grass to control erosion. 2. Back-up water from Ranhill Syarikat Air Johor.	
		Bukit Kelompok Estate: 1. Mechanisation – Use CDA/mist blower for spraying at mature area and fertilizer spreader for manuring at flat area.	
4.1.4.3	An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.	The action plan are available as per progress report for the projects. Sighted the scenario, issue, recommendation and benefits of the projects.	Complied
	- Major compliance -		
4.2 Prin	ciple 2: Transparency		
Criterion	4.2.1 – Transparency of information and documents relevant	to MSPO requirements	
4.2.1.1	The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.	Kulim (Malaysia) Berhad has developed SPO Transparency Program dated 4/9/2007 to ensure company provide information when requested by stakeholders on sustainability, social and legal issues. The documents that could requested by the stakeholders are such as land titles, OSH plan, SEIA management plan, procedures and policies. Besides, the stakeholders can view the policies and negotiation procedure via company's website (http://www.kulim.com.my).	Complied

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Criterion / Indicator		Assessment Findings	Compliance
	- Major compliance -		
4.2.1.2	Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	Integrated Annual Report 2018 of the company is available in the company's website (<u>http://www.kulim.com.my</u>). Information such as financial position, policies, and audit results by independent party were publicly disclosed in the annual report.	Complied
	- Major compliance -	Siang Estate, Pasir Logok Estate and Bukit Kelompok Estate has implemented Enquiry Register to record any requests from stakeholders. Seen the Enquiry Register 2019 mainly requests from workers and external stakeholders such as safety issue on the road and request to use the area of Pasir Logok Estate. Besides, seen the JKKP visit book where the authority last visited on 23/4/2018 to carry out inspection of air compressor in Siang Estate. The management has attended to all the requests.	
Criterio	n 4.2.2 — Transparent method of communication and consult	ation	
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Kulim (Malaysia) Sdn Bhd has developed a Communication and Consultation Management Guidelines V2.0 dated November 2009 where the objective of the procedure is to effectively communicate with internal and external stakeholders on matter pertaining to social and environmental aspect and impacts, performance and safety & health issue. The modes for internal communication are such as muster call, meeting with representatives, inspections, suggestion boxes and memo. In addition, meeting with stakeholders and telephone are the modes of communication with external stakeholders.	Complied



Criterio	on / Indicator	Assessment Findings	Compliance
4.2.2.2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit. - Minor compliance -	Senior Assistant Manager of Siang Estate and Assistant Managers of Pasir Logok Estate and Bukit Kelompok Estate has been appointed to be the Officer for Social to handle any issue raised by the stakeholders. Seen the appointment letter dated 1/1/2019, 15/1/2019 and 13/1/2019 respectively issued by the Managers.	Complied
4.2.2.3	List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained. - Major compliance -	Siang Estate and Pasir Logok Estate has developed List of Stakeholders for Y2019. The stakeholder list has included categories such as government authorities, neighbouring plantations, local communities and factory, contractors and suppliers. Stakeholder meeting was conducted on 4/11/2019 in Siang Estate and combine meeting on 17/10/2019 in Pasir Logok Estate and Bukit Kelompok Estate. Seen the meeting minutes and attendance list of the meeting. The management has briefed on the RSPO/ MSPO requirements to the stakeholders. There was some comments and requests from the stakeholders and were responded immediately by the management during the meeting. Interviewed with the stakeholders such as contractors confirmed that they have been invited to attend stakeholder meeting. Relationship between the company and stakeholders is well maintained.	Complied
Criterio	n 4.2.3 – Traceability		
4.2.3.1	The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s). - Major compliance -	Kulim (Malaysia) Berhad has developed Traceability Procedure with Doc. No.: SQD/SMS/1.2 dated 20/9/2019. The aim of the procedure is to ensure that the implementation of company's sustainable management system (RSPO/ MSPO/ ISCC/ RSPO SCCS/ MSPO SCCS) is in line with the defined policies, procedures and other requirements. Sampled of the FFB Despatch Chit as below: i. Estate: Siang Estate dated 3/11/2019 DB A No.: 215643	Complied

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MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	on / Indicator	Assessment Findings	Compliance
		Lorry No.: JRV 8020 Field/ Year: P03 – P12 Ticket No.: 084602 Weight: 43,289 kgs ii. Estate: Pasir Logok Estate dated 12/10/2019 DB A No.: 194635 Lorry No.: JCN 5999 Field/ Year: P10 Ticket No.: 083420 Weight: 17,320 kgs iii. Estate: Bukit Kelompok Estate dated 13/10/2019 DB A No.: 208565 Lorry No.: JDB 7584 Field/ Year: P05/1 Ticket No.: 083433 Weight: 7,990 kgs	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Estate Managers have been appointed as the person responsible for traceability system to comply with the requirements. Seen the appointment letter dated 22/9/2019. Inspection during the receiving of FFB was conducted. The estates are using Avery Weigh-Tronix system to record the incoming of FFB.	Complied
4.2.3.3	The management should identify and assign suitable employees to implement and maintain the traceability system Minor compliance -	Estate Managers have been appointed as the person responsible for traceability system to comply with the requirements. Seen the appointment letter dated 22/9/2019.	Complied



Criterion / Indicator Assessment Findings Compliance There was no sale of FFB carried out by Siang Estate, Pasir Logok 4.2.3.4 Records of sales, delivery or transportation of FFB shall be Complied Estate and Bukit Kelompok Estate because all its FFB were sent to maintained. own company's mill. Records of FFB delivery to the mill were maintained and sampled recorded as below: - Major compliance -Estate: Siang Estate dated 3/11/2019 i. DB A No.: 215643 Lorry No.: JRV 8020 Field/ Year: P03 - P12 Ticket No.: 084602 Weight: 43,289 kgs Estate: Pasir Logok Estate dated 12/10/2019 ii. DB A No.: 194635 Lorry No.: JCN 5999 Field/ Year: P10 Ticket No.: 083420 Weight: 17,320 kgs Estate: Bukit Kelompok Estate dated 13/10/2019 iv. DB A No.: 208565 Lorry No.: JDB 7584 Field/ Year: P05/1 Ticket No.: 083433 Weight: 7,990 kgs 4.3 Principle 3: Compliance to legal requirements

Criterion 4.3.1 – Regulatory requirements



Criterio	on / Indicator	Assessment Findings	Compliance
4.3.1.1	All operations are in compliance with the applicable local, state,	Sampled of licenses and permits:	Not Complied
	national and ratified international laws and regulations.	Siang Estate	not complica
	- Major compliance -	 a) MPOB license 575783002000 valid from 01/09/2019 – 31/08/2020. 	
		b) Energy Commission license no 2019/01427 (Serial no: 35024) for capacity 110 kW (validity period 29/04/2019 – 28/04/2020).	
		c) Energy Commission license no 2019/01428 (Serial no: 35876) for capacity 294 kW (validity period 29/04/2019 – 28/04/2020).	
		 d) Diesel permit, ref. no. KPDNKK.J.KTG/PERMIT 0268 (PD); serial no: J/KTG 000044 for diesel 10,800 liter valid from 25/03/2019 – 24/03/2020. 	
		 e) Petrol permit, ref. no. KPDNKK.J.KTG/PERMIT KHAS 0025 (PD)(R); PK serial no: J 000572 for RON95 petrol 200 liter/weekly valid from 27/08/2019 – 26/02/2020. 	
		 f) SPAN Registration notice for class license no: SPAN/EKS/(PT)/800-4(1)/11/14; Facilities license: Private water supply system (validity period 26/08/2017 – 25/08/2020) 	
		 g) BAKAJ Extraction river water license no: 07/A/KT/016; file no: BAKAJ/334/300/05/08/08/14 for maximum quantity 1160 m3/day valid until 31/12/2019. 	
		 h) Energy Commission written approval for electric fencing (Thunderbird MB1750R) ref: ST(SJB)PGR/JHR/2016/00016 dated 08/05/2017. 	
		Pasir Logok Estate	

MSPO Public Summary Report Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	a) MPOB license 502308702000 valid from 01/03/2019 – 29/03/2020.	
	 b) Energy Commission license no 2019/02123 (Serial no: 38498) for capacity 100 kW (validity period 23/08/2019 – 22/08/2020). 	
	 Diesel licence - BLESS submission no: BL22019044048; Status: On-hold pending JMPP meeting (refer email dated 06/11/2019). 	
	 Petrol permit, ref. no. JH/MSG/05/16 SK (KHAS); Serial no: PK (J/MSG 000117) for Petrol 200 liter/daily valid from 10/07/2019 – 09/02/2020. 	
	 e) SPAN Registration notice for class license no: SPAN/EKS/(PT)/800-4(1)/6/15; Facilities license: Private water supply system (validity period 26/08/2017 – 25/08/2020) 	
	 f) BAKAJ Extraction river water license no: 07/A/KT/009; file no: BAKAJ/334/430/2/8/1/8 for maximum quantity 330 m3/day valid until 31/12/2019. 	
	 g) Energy Commission approval ref: ST(KAW/J)11/2/4(3-15); Serial no: ST(KAW/J)11/2/4(3/2015) dated 08/02/2015. 	
	Bukit Kelompok Estate	
	 a) MPOB license 502303602000 valid from 01/02/2019 – 31/01/2020. 	
	 b) Energy Commission license no 2019/00877 (Serial no: 35626) for capacity 96 kW (validity period 29/03/2019 – 28/03/2020). 	
	 c) Energy Commission license no 2019/00883 (Serial no: 35625) for capacity 68 kW (validity period 29/03/2019 – 28/03/2020). 	

MSPO Public Summary Report Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	 d) Diesel permit, ref. no. KPDNKK.J.KTG/PERMIT 0052 (PD); serial no: J/KTG 000075 for diesel 30,000 liter valid from 30/05/2019 – 29/05/2020. 	
	 Petrol permit, ref. no. KPDNKK.J.KTG/PERMIT KHAS 0276 (PD)(R); PK serial no: J 000649 for RON95 petrol 100 liter/daily valid from 06/11/2019 – 05/05/2020. 	
	 f) SPAN Registration notice for class license no: SPAN/JKSP/PT/800-4(1)/5/15; Facilities license: Private water supply system (validity period 02/07/2018 – 01/07/2021) 	
	 g) BAKAJ Extraction river water license no: 07/A/KT/013; file no: BAKAJ/334/300/05/08/07/19 for maximum quantity 486 m3/day valid until 31/12/2019. 	
	 h) BAKAJ Extraction river water license no: 07/A/KT/014; file no: BAKAJ/334/300/05/08/07/18 for maximum quantity 405 m3/day valid until 31/12/2019. 	
	Energy Commission approval ref: ST(KAW/J)11/2/4(2/2015); Serial no: ST(KAW/J)11/2/4(2-15).	
	Siang Estate and Pasir Logok Estate has obtained approval from <i>Jabatan Tenaga Kerja Negeri Johor</i> for deduction of salary as below:	
	 i. Ref. No.: TK(NJ)U-21 dated 10/12/2017 for Skim Khairat Keluarga Perbadanan Johor for not more than RM 5/ month and saving for Lembaga Tabung Haji not more than RM 400/ month. (SE) ii. Ref. No.: TK(NJ)U-21 dated 31/3/2019 for Skim Khairat Keluarga Perbadanan Johor for not more than RM 5/ month 	

MSPO Public Summary Report Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	 and premium package not more than RM 37.50/ month. (PLE) iii. Ref. No.: Bil.(63)dlm.JB/11138/41 dated 11/6/1996 for electricity deduction in Pasir Logok Estate. However, the estate has stopped deduct the salary for electricity. iv. Ref. No.: Bil.(48)dlm.JB/11123/26 dated 8/5/1996 for electricity deduction in Bukit Kelompok Estate. v. Ref. No.: TK(NJ)U-21 dated 31/3/2019 for <i>Skim Khairat</i> <i>Keluarga Perbadanan Johor</i> for not more than RM 5/ month and premium package not more than RM 37.50/ month. (BKE) 	
	Siang Estate:	
	Document reviewed on the permits for contractor's workers (Vetri Vinot Enterprise) found that one of the permit was expired on 17/10/2019. Seen the submission of the renewal passport on 14/10/2019. (Passport No.: AT 531719)	
	Besides, there are total 7 contractor's workers employed by contractor LKG that worked in Siang Estate are under another company, Blossom Nurseries as shown in the permit that employed as Garden Worker in sector Agricultural. This is accordance to the Immigration Act 1959.	
	Pasir Logok Estate:	
	There were total 90 units of houses in Pasir Logok Estate. Linesite inspection was carried out on weekly basis by Hospital Assistant. However, the inspection was not covered for all the houses in weekly basis where the Hospital Assistant informed that he sampled half of	

MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	on / Indicator	Assessment Findings	Compliance
4.3.1.2	The management shall list all laws applicable to their operations in a legal requirements register. - Major compliance -	 the houses to be inspected and rotate for the other half at following week. Besides, there was a contractor's workshop in the Block B housing area. Site visit to the workshop found the following issues: Oil spillage on the soil ground. Five lorries were parking on the soil ground but not the designate parking bay. Bukit Kelompok Estate: One of the contractor that carry out harvesting work in field P11 – P13 found that the sampled 6 workers with permit that employed as Garden Worker in sector Agricultural. This has confirmed with the Officer of Immigration Department Johor that this is not allowed. Thus, a major non-conformance was raised. All applicable laws and regulations to their operation such as OSHA 1996, FMA 1978, Min. Housing and Amenities Act 1990 and others been listed. Kulim Group Compliance Framework dated 05/09/2019 for Siang Complex available for review. 	Complied
		Kulim Group Compliance Framework dated 07/11/2019 for Tunjuk Laut Complex available for review.	



Criterio	on / Indicator	Assessment Findings	Compliance
4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force. - Major compliance -	 The following law and acts incorporated in the Kulim Group Compliance Framework for compliance August 2019: a) Employee Social Security Act 1969 (Act 4) b) Employees Social Security Act (Amendment of First Schedule) (No. 2) Order 2018 Employees Social Security (Exemption of Foreign Workers) (Revocation) Notification 2018 	Complied
4.3.1.4	The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. - Minor compliance -	Siang Complex The management had appointed Cik Nurfazliwati Suzana Bt Zainal (Executive Regional Controller) as person responsible for legal compliance for updating changes in laws and compliance monitoring (refer to letter ref (14) RMC/COM/GM/18/09 dated on 27 June 2018). <u>Tunjuk Laut Complex</u> The management had appointed Puan Norazimah Abas (Executive Regional Controller) as person responsible for legal compliance for updating changes in laws and compliance monitoring (refer to letter ref (12) RMC/COM/GM/18/07 dated on 27 June 2018). <u>Pasir Logok Estate</u> The management had appointed En Noor Muadzam Shsh Bin Baharudin (Assistant Manager) as person responsible for legal compliance monitoring (refer to letter LPL/RSPO/04/2018 dated on 01 January 2018). Tracking system available to identify changes in the relevant regulations through head office under Risk Management and Compliance Department and site representative. Tracking system on any changes in the law been well implemented.	Complied



Criterio	on / Indicator	Assessment Findings	Compliance
Criterio	n 4.3.2 – Lands use rights		
4.3.2.1	The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users. - Major compliance -	The usage of the lands in Siang Estate, Pasir Logok Estate and Bukit Kelompok Estate are under Oil Palm cultivation and do not diminish the land use rights of other users through interviewed with the communities.	Complied
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land. - Major compliance -	Siang Estate: There are total 2 land titles found in the estate. The titles are as below: i. Title No.: 33258 Total HA: 3413.9842 ha No. PT: PTD 532 Ownership: Mahamurni Plantations Sdn Bhd ii. Title No.: 35429 Total HA: 29.119 ha No. PT: Lot 1221 Ownership: Kumpulan Penambang Johor Sdn Bhd Mahamurni Plantations Sdn Bhd has purchased the land and the change of name of ownership is still under process by verified through the communication with the Land Department. Pasir Logok Estate: There are total 3 land titles found in the estate. The titles are as below: i. Title No.: 32182 Total HA: 2837.998 ha No. PT: PTD 401 Ownership: Johor Corporation ii. Title No.: 32183 Total HA: 1055.629 ha No. PT: PTD 402	Complied

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MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	on / Indicator	Assessment Findings	Compliance
Criteric 4.3.2.3	Legal perimeter boundary markers should be clearly	Assessment Findings Ownership: Johor Corporation iii. Title No.: 32184 Total HA: 144.2 ha No. PT: PTD 403 Ownership: Johor Corporation Bukit Kelompok Estate: There are total 3 land titles found in the estate. The titles are as below: i. Title No.: 32183 Total HA: 1055.629 ha No. PT: PTD 402 Ownership: Johor Corporation ii. Title No.: 32184 Total HA: 144.2 ha No. PT: PTD 403 Ownership: Johor Corporation ii. Title No.: 32184 Total HA: 144.2 ha No. PT: PTD 403 Ownership: Johor Corporation iii. Title No.: 32182 Total HA: 2837.998 ha No. PT: PTD 401 Ownership: Johor Corporation	Compliance
	demarcated and visibly maintained on the ground where practicable Major compliance -	Siang Estate Boundary no. 4 (P10/04) and boundary no. 12 (P10/05) verified as per map & site visit. Clear demarcation (red and white boundary stone) was sighted.	
		Pasir Logok Estate Boundary no. 114 & 116 (P09/01) verified as per map & site visit. Clear demarcation (red and white boundary stone) was sighted.	



Criterio	on / Indicator	Assessment Findings	Compliance
		Bukit Kelompok Estate Boundary no. 13 (P10/01) & boundary no. 14 (P10/05) verified as per map & site visit. Clear demarcation (red and white boundary stone) was sighted.	
4.3.2.4	Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).	There is no land dispute in the Siang Estate, Pasir Logok Estate and Bukit Kelompok Estate at the time of audit. The land belongs to Kulim (Malaysia) Berhad and land ownership documents verified.	Complied
	- Minor compliance -		
Criterio	n 4.3.3 – Customary rights		
4.3.3.1	Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. - Major compliance -	There is no customary land or negotiated agreements within the Siang Estate, Pasir Logok Estate and Bukit Kelompok Estate land area confirmed through document reviewed and interviewed with the communities.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available. - Minor compliance -	There is no customary land or negotiated agreements within the Siang Estate, Pasir Logok Estate and Bukit Kelompok Estate land area confirmed through document reviewed and interviewed with the communities.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available. - Major compliance -	There is no customary land or negotiated agreements within the Siang Estate, Pasir Logok Estate and Bukit Kelompok Estate land area confirmed through document reviewed and interviewed with the communities.	Complied

4 Principle 4: Social responsibility, nealth, safety and employment condition



Criterio	n / Indicator	Assessment Findings	Compliance
Criterion 4.4.1: Social Impact Assessment (SIA)			
4.4.1.1	Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance –	Sustainability & Quality Department has carried out Social Impact Assessment on 26/4/2019 and 22/10/2019 during internal audit for Siang Estate, 25/4/2019 and 21/10/2019 in Pasir Pogok Estate and 15/6/2019 and 22/10/2019 in Bukit Kelompok Estate. The assessment has involved participation of contractors, internal workers and contractor's workers. The method of assessment is through interview and document review using the Checklist Interview Social Impact Assessment for Kulim. There was a Social Impact Register 2019 for whole Kulim (Malaysia) Berhad group. Besides, Siang Estate, Pasir Logok Estate and Bukit Kelompok Estate has developed SIA Management Plan for Y2019 on 29/10/2019. Positive and negative impacts were identified with action to be taken to promote and mitigate the impacts. However, the impact of delay in renewal of work permit due to late process of MyEG and Immigration Department.not identified during SIA assessment. Thus, a minor non-conformance was raised.	Not Complied
Criterior	1 4.4.2: Complaints and grievances		
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented.	Kulim (Malaysia) Sdn Bhd has developed Grievance Policy dated 1/5/2018. The objective of the procedure is to ensure that there is a transparent process for ensuring stakeholder's grievances and complaints are dealt with fairly, consistently and promptly. The policy	Complied

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MSPO Public Summary Report Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
• Major compliance - 4.4.2.2 The system shall be able to resolve disputes in an effetimely and appropriate manner that is accepted by all part • Major compliance -		Complied



Criterio	on / Indicator	Assessment Findings	Compliance
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint. - Minor compliance -	Defect Complaint Book was available in the office. Besides, suggestion box was publicly available in front of the office which accessible by everyone. The stakeholders are aware of the complaint form and suggestion box as a method to lodge complaint.	Complied
4.4.2.4	Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time. - Minor compliance -	Defect Complaint Book was available in the office. Besides, suggestion box/ complaint box was publicly available in front of the office which accessible by everyone. The stakeholders are aware of the complaint form and suggestion box as a method to lodge complaint.	Complied
4.4.2.5	Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request. - Major compliance -	Defect Complaint records since Y2010 in Siang Estate and Y2018 in Pasir Logok Estate were maintained.	Complied
Criterior	n 4.4.3: Commitment to contribute to local sustainable devel	opment	L
4.4.3.1	Growers should contribute to local development in consultation with the local communities Minor compliance -	The estates' management have contributed to the local communities such as donation for the schools' activities. Besides, the management has organized festival celebration with all the workers such as Hari Raya. Besides, the neighbouring plantations also informed that the management would provide assistance whenever they required help such as their lorry stuck in the field.	Complied
Criterio	n 4.4.4: Employees safety and health		1



4.4.4.1 An occupational safety and health policy and plan shall be documented, effectively communicated and implemented. Occupational Safety & Health Policy had been established and implemented. Compliance - - Major compliance - Major compliance - Occupational Safety & Health Policy had been established and implemented. Complied Occupational Safety & Health Policy had been established and implemented. The policy signed by the Executive Director of Kulim (Malaysia) Berhad on 01/05/2018 and displayed prominently on notice boards in Bahasa Malaysia and English. The policy already communicated through morning muster and during the stakeholders meeting. OSH Plan had been established and Implemented. Chemical Health Risk Assessment (CHRA) Siang Estate CHRA conducted on 27/02/2018 – 13/08/2018 by registered assessor, Hjh Noormahani Harun (JKKP HQ/03/ASS/00/154) & Aisyah Borhan (HQ/12/ASS/00/309) of QMSPRO Sdn Bhd. Based on the CHRA, 17 findings/recommendations reported. Pasir Logok Estate Pasir Logok Estate Pasir Logok Estate	Criterio	on / Indicator	Assessment Findings	Compliance
CHRA conducted on 25/04/2018 – 13/08/2018 by registered assessor, Hjh Noormahani Harun (JKKP HQ/03/ASS/00/154) & Aisyah Borhan (HQ/12/ASS/00/309) of QMSPRO Sdn Bhd. Based on the CHRA, 17 findings/recommendations reported. <u>Bukit Kelompok Estate</u> CHRA conducted on 26/04/2018 – 13/08/2018 by registered assessor, Hjh Noormahani Harun (JKKP HQ/03/ASS/00/154) & Aisyah Borhan (HQ/12/ASS/00/309) of QMSPRO Sdn Bhd. Based on the CHRA, 17 findings/recommendations reported.		An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.	Occupational Safety & Health Policy had been established and implemented. The policy signed by the Executive Director of Kulim (Malaysia) Berhad on 01/05/2018 and displayed prominently on notice boards in Bahasa Malaysia and English. The policy already communicated through morning muster and during the stakeholders meeting. OSH Plan had been established and Implemented. Chemical Health Risk Assessment (CHRA) Siang Estate CHRA conducted on 27/02/2018 – 13/08/2018 by registered assessor, Hjh Noormahani Harun (JKKP HQ/03/ASS/00/154) & Aisyah Borhan (HQ/12/ASS/00/309) of QMSPRO Sdn Bhd. Based on the CHRA, 17 findings/recommendations reported. Pasir Logok Estate CHRA conducted on 25/04/2018 – 13/08/2018 by registered assessor, Hjh Noormahani Harun (JKKP HQ/03/ASS/00/154) & Aisyah Borhan (HQ/12/ASS/00/309) of QMSPRO Sdn Bhd. Based on the CHRA, 17 findings/recommendations reported. Pasir Logok Estate CHRA conducted on 25/04/2018 – 13/08/2018 by registered assessor, Hjh Noormahani Harun (JKKP HQ/03/ASS/00/154) & Aisyah Borhan (HQ/12/ASS/00/309) of QMSPRO Sdn Bhd. Based on the CHRA, 17 findings/recommendations reported. Bukit Kelompok Estate CHRA conducted on 26/04/2018 – 13/08/2018 by registered assessor, Hjh Noormahani Harun (JKKP HQ/03/ASS/00/154) & Aisyah Borhan (HQ/12/ASS/00/309) of QMSPRO Sdn Bhd. Based on the CHRA, 17	-



Criterio	n / Indicator	Assessment Findings	Compliance
4.4.4.2	 The occupational safety and health plan shall cover the following: a) A safety and health policy, which is communicated and implemented. b) The risks of all operations shall be assessed and documented. c) An awareness and training programme which includes the following requirements for employees exposed to pesticides: i. all employees involved shall be adequately trained on safe working practices ii. all precautions attached to products shall be properly observed and applied d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC). e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000. f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements. 		Complied



Criterion / Indicator	Assessment Findings	Compliance
g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.	wearing appropriate personal protective equipment (PPE). Records were available of PPE issued to individual workers, including signatures to confirm receipt. PPE issued based on CHRA assessor's	
h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.	e) The management had established Standard Operating Procedure for handling of chemicals, Doc SDM/WI/9 Rev 0 dated 01/07/2017 to ensure proper and safe handling and storage in accordance to	
i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.	Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.	
 j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals. 	Chemicals were handled as per the requirements in SDS/CSDS, CHRA, HIRARC and SOP (Doc SDM/WI/9 Rev 0 dated 01/07/2017). Siang Estate	
- Major compliance -	Medical Surveillance conducted on 20/07/2019 by Dr Muhammad Sayuthi Bin Zakaria (HQ/17/DOC/00/00053) from Klinik FALCK Bestari. 35 workers sent for the medical check-up. <u>Pasir Logok Estate</u> Medical Surveillance conducted on 29/07/2019 by Dr Muhammad Sayuthi Bin Zakaria (HQ/17/DOC/00/00053) from Klinik FALCK Bestari.	
	37 workers sent for the medical check-up. <u>Bukit Kelompok Estate</u> Medical Surveillance conducted on 29/07/2019 by Dr Muhammad Sayuthi Bin Zakaria (HQ/17/DOC/00/00053) from Klinik FALCK Bestari. 26 workers sent for the medical check-up. However, all the medical surveillance test result/report are still in- progress due to the Doctor on leave (Haj).	

MSPO Public Summary Report

Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
	 g) OSH meeting conducted quarterly and meeting minutes was available. These meetings were to conduct regular two-way communication with their employees. <u>Siang Estate</u> Sighted records for OSH meeting minutes dated 18/09/2019, 25/07/2019 and 18/03/2019. <u>Pasir Logok Estate</u> Sighted records for OSH meeting minutes dated 05/09/2019, 27/06/2019 and 31/03/2019. <u>Bukit Kelompok Estate</u> Sighted records for OSH meeting minutes dated 24/09/2019, 17/06/2019 and 19/03/2019. i) The estate had employees trained in First Aid present at all estates 	
	 operation worksites. First Aid equipment was available at each worksite. All items/contents in the first aid box found adequate and not expired. j) Records of all accidents kept and reviewed periodically at OSH meetings. Records on Lost Time Accident (LTA) metrics maintained and based on JKKP 6, 7 & 8. <u>Siang Estate</u> JKKP 8 sent to DOSH on 30/01/2019 showed that in 2018 there were 10 accident cases with a loss 84 workdays. JKKP 6 submitted on 13/03/2019 (accident on 10/03/2019). <u>Pasir Logok Estate</u> JKKP 8 sent to DOSH on 14/01/2019 showed that in 2018 there were 25 accident cases with a loss 27 workdays. No accident reported to-date. 	



Criterio	on / Indicator	Assessment Findings	Compliance
		Bukit Kelompok Estate JKKP 8 sent to DOSH on 08/01/2019 showed that in 2018 there were 15 accident cases with a loss 36 workdays. No accident reported to-date.	
Criterio	Criterion 4.4.5: Employment conditions		
4.4.5.1	The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees. - Major compliance -	Kulim (Malaysia) Berhad has developed Sustainability Policy where the company respects, supports and upholds fundamental human rights and does not engage in any discrimination of race, religion and gender. The policy has been displayed at the notice board outside the office and briefing was conducted on 18/10/2019 in Siang Estate and 27/8/2019 in Pasir Logok Estate.	Complied
4.4.5.2	The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. - Major compliance -	Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1/5/2018 where the company will not engage in nor support discrimination in any form. The policy has been displayed at the notice board outside the office. Briefing was conducted on 19/10/2019 in Siang Estate and 20/8/2019 in Pasir Logok Estate. Interviewed with the workers confirmed that the management treated all the workers equally.	Complied
4.4.5.3	Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage. - Major compliance -	There was employment contracts for staffs and workers. Pay and conditions are documented and above the Minimum Wage Order 2018. Sampled of employment contracts confirmed that terms and conditions are clearly and have been signed by the worker. Sampled of payslip for May 2019, August 2019 and September 2019 found that the workers have achieved Minimum Wage Order 2018. Interviewed with the workers confirmed that their wages are in accordance to legal requirements.	Complied



Criterio	n / Indicator	Assessment Findings	Compliance
4.4.5.4	Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance -	 Siang Estate: Siang Estate has engaged contractors for activities of harvesting of FFB at P06, P09 and P10 and loading & transporting of FFB from to ramp. Sampled of the pay slips of contractor's workers for July 2019 to October 2019. Document reviewed on the payslip found that no work on rest day by the contractors' workers. However, reviewed on the Internal Crop Book from July 2019 to October 2019 found that there were crops harvested and delivered for weighing on the rest day. This shown that the contractors' workers did not pay double for the rest day work. Sampled 10 out of 30 workers from two contractors. Pasir Logok Estate: Pasir Logok Estate has engaged contractor for loading and transporting FFB to mill. There are 3 workers employed by the contractors. Seen the payslip from January 2019 to October 2019 found that the workers were paid accordance to the Employment Act 1955 and Minimum Wage Order 2018. Bukit Kelompok Estate: Document reviewed on the Crop Book found that the contractor's worker (Lorry Driver - Passport No.: B 4115037) worked on rest day on 21/9/2019, 28/9/2019, 12/10/2019 and 26/10/2019. Reviewed on the payslips could not show that the worker was paid as per the Employment Act 1955 for work on rest day. Thus, a minor non-conformance was raised. 	Not Complied
4.4.5.5	The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records	Siang Estate and Pasir Logok Estate has implemented I-Plantation System to record and maintain the overview of checkroll employees in	Complied



Criterio	on / Indicator	Assessment Findings	Compliance
	should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.	Employee Master. Details such as full name, gender, date of birth, date of entry, job description and type of wages was found in the system.	
	- Major compliance -	Besides, Siang Estate and Pasir Logok Estate has implemented Employment Card for contractors' workers to record and maintain the overview of contractors' workers.	
4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records. - Major compliance -	The employees that recruited by the estates are from local and foreign workers. They are under direct employment and contract workers to the estates. All of them have signed on the employment contract prior to work. Terms and conditions were clearly stated in the contract. Sampled of employment contracts as below: i. Employee No.: 638553 (SE) ii. Employee No.: 639544 (SE) iii. Employee No.: 639544 (SE) iv. Employee No.: 639546 (SE) v. Employee No.: 639503 (SE) vi. Passport No.: B 9254331 (SE Contractor's Worker) vii. Passport No.: C 0819170 (SE Contractor's Worker) viii. Passport No.: AM 029561 (SE Contractor's Worker) viii. Passport No.: 632803 (PLE) x. Employee No.: 632791 (PLE) xi. Employee No.: 632954 (PLE) xii. Employee No.: 632963 (PLE) xiii. Employee No.: 632888 (PLE) xiv. Passport No.: B 7200354 (PLE Contractor's Worker) xv. Passport No.: B 2234621 (PLE Contractor's Worker) xvi. Employee No.: 634006 (BKE) xviii. Employee No.: 634043 (BKE) xviii. Employee No.: 633558 (BKE)	Complied

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MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	on / Indicator	Assessment Findings	Compliance
		 xix. Employee No.: 633987 (BKE) xx. Passport No.: AU 003192 (BKE Contractor's Worker) xxi. Passport No.: C 0463259 (BKE Contractor's Worker) xxii. Passport No.: B 4582044 (BKE Contractor's Worker) xxiii. Passport No.: B 2098998 (BKE Contractor's Worker) xxiv. Passport No.: AT 776688 (BKE Contractor's Worker) 	
4.4.5.7	The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.	All the daily attendance were recorded by IDEAS system on daily basis and overtime was recorded in the Overtime Form.	Complied
	- Major compliance -		
4.4.5.8	The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.	Interview with workers and document reviewed on the Checkroll Attendance as well as payslip shown that the overtime payments are in accordance to law and workers are not forced to work overtimes.	Complied
	- Major compliance -		
4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.	Wages and overtime were paid according to the IDEAS system. Total hours of overtime and daily attendance has recorded in Overtime Form and Checkroll Report. Sampled the payslip based on the crop summary for May 2019, August 2019, September 2019 and October 2019 as	Complied
	- Major compliance -	below: i. Employee No.: 639466 (SE) ii. Employee No.: 639454 (SE) iii. Employee No.: 639516 (SE) iv. Employee No.: 639527 (SE)	

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MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	n / Indicator	Assessment Findings	Compliance
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions. - Minor compliance -	 v. Employee No.: 639231 (SE) vi. Employee No.: 632922 (PLE) vii. Employee No.: 632963 (PLE) viii. Employee No.: 632963 (PLE) ix. Employee No.: 63200 (PLE) x. Employee No.: 632937 (PLE) xi. Employee No.: 633558 (BKE) xii. Employee No.: 634026 (BKE) xiii. Employee No.: 633846 (BKE) xiv. Employee No.: 634043 (BKE) All of them above have achieved the Minimum Wage 2018. The company provided free medical facilities to all the workers. Free water and electricity was supplied to all the workers. Besides, Siang Estate has provided free transportation to send their children to school and to Bandar Penawar for badminton session. Football field and mosque was provided to the workers. 	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.	The workers were provided with free housing facilities such as water and electricity. Hospital Assistant has carried out Housing Inspection on average 3 times per week in Siang Estate. The last inspection was carried out on 11/11/2019 in Siang Division and Balau Division.	Complied
	- Major compliance -		
4.4.5.12	The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.	Kulim (Malaysia) Berhad has developed Sexual Harassment Policy dated 1/5/2018 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	Complied

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MSPO Public Summary Report Revision 0 (Aug 2017)

Criterion / Indicator	Assessment Findings	Compliance
4.4.5.13 The management shall respect the right of all employed form or join trade union and allow workers representative(s) to facilitate collective bargainin accordance with applicable laws and regulations. Employed shall be given the freedom to join a trade union relevate the industry or to organize themselves for colle bargaining. Employees shall have the right to organize negotiate their work conditions. Employees exercising right should not be discriminated against or sere repercussions. - Major compliance -	own g in oyees ant to ective and to g this by the solution of 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 was in bi- lingual which is Bahasa Malaysia and English. The policy has been displayed at the notice board outside the office. Briefing was conducted on 19/10/2019 in Siang Estate and 20/8/2019 in Pasir Logok Estate. Interviewed with the workers confirmed that they are allow to join UNION freely. The last NURW meeting was carried out	Complied



Criterio	n / Indicator	Assessment Findings	Compliance
4.4.5.14	Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions. - Major compliance -	Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1/5/2018 where they are not engage 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. Besides, the company has developed Buku Panduan Anggota Pekerja Perladangan dated 1/9/2018 where the company comply with the Children and Young Persons Employment Act 1966. The policy has been displayed at the notice board outside the office and briefed to the workers on 19/10/2019 during morning muster in Siang Estate and 20/8/2019 in Pasir Logok Estate. Document verified the master list of the workers confirmed that the minimum age of workers employed are above 16 years old for non-hazardous work and 18 years old for hazardous work.	Complied
Criterior	14.4.6: Training and competency		
4.4.6.1	All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept. - Major compliance -	 Kulim (Malaysia) Berhad has established an annual training program that covers all aspects of the RSPO Principles and Criteria, RSPO Supply Chain and MSPO standards. Awareness and training programed had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding SDS, safe working practices and the correct use of PPE. The records included the title of training, name and signature of the attendees, name of the trainer, time and venue. 	Complied

MSPO Public Summary Report Revision 0 (Aug 2017)

Criterion / Indicator		Assessment Findings		Compliance
	Date of	Trainings	No. of	
	training	-	Participants	
	04/11/2019	Briefing on RSPO, ISCC, MSPO, OSH & ISO to Stakeholders	15	
	02/10/2019	Buffer Zone & Protection of natural water courses Training	3	
	16/07/2019	First Aid Training	5	
	17/06/2019	Scheduled Waste Handling	3	
	27/04/2019	Training for Tractor & MB Driver	25	
	Pasir Logok Es	state		
	Date of	Trainings	No. of	
	training		Participants	
	23/10/2019	First Aid & Ammonia Salt Briefing	16	
	22/10/2019	Spraying, HCV & Buffer Zone Training	9	
	08/10/2019	Elephant Incursion Patrolling Briefing	6	
	15/09/2019	Integrated Pest Management	9	
	04/08/2019	Briefing RSPO, ISCC, MSPO, OSH & ISO to Contractor	14	
	Bukit Kelompo	k Estate		
	Date of training	Trainings	No. of Participants	
		First Aid Training	15	
	31/10/2019	Fire Drill Training and use of Fire Extinguisher (DEMO)	17	

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Criterio	n / Indicator	Assessment Findings	Compliance
		02/10/2019Chemical handling and triple rinsing329/01/2019Awareness on RSPO, MSPO and ISCCAll	
4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	 Training needs of individual employees identified prior to the planning and implementation of the training programs. This was in order to provide the specific skill and competency required to all employees based on their job description. a) Sighted the Training Program and Refresher & Awareness Program (Doc no: SQD/SMS/3.14-F1) for year 2019 is available. 	Complied
4.4.6.3	A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.	It was evident that from the training programs & records of all trainings are planned and implemented to ensure that all employees are well trained in their job function and responsibility.	Complied
	- Minor compliance -		
4.5 Prine	ciple 5: Environment, natural resources, biodiversity	and ecosystem services	
Criterior	4.5.1: Environmental Management Plan		
4.5.1.1	An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented. - Major compliance -	The Environmental policy dated 01/05/2018 signed by Kulim (M) Bhd Executive Director. The policy has emphasis commitment towards protecting the environment and conserving biodiversity through sustainable development.	Complied



Criterio	on / Indicator	Assessment Findings	Compliance
		Policy for Environmental is available and already been communicated to workers as per the Buku Panduan Anggota Pekerja Perladangan.	
4.5.1.2	 The environmental management plan shall cover the following: a) An environmental policy and objectives; b) The aspects and impacts analysis of all operations. - Major compliance - 	The Environment Improvement Plan 2019 has included all pertinent environmental receptors and in lined with company's policy and legal requirement as per EQA 1974. Aspects and impacts analysis of all operations during normal/ abnormal/emergency situation identified. <u>Siang Estate</u> Environmental Risk Assessment (Form no: EPA-LS-2013) dated 05/09/2019 was sighted. <u>Pasir Logok Estate</u> Environmental Risk Assessment (Form no: EPA-LPL-2019) dated 30/08/2019 was sighted. <u>Bukit Kelompok Estate</u> Environmental Risk Assessment (Form no: EPA-LPL-2019) dated 30/09/2019 was sighted.	Complied
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored. - Major compliance -	 The Environmental Management Plan 2019 available. Significant environmental issues identified: 1. Buffer zone 2. Chemical handling 3. Domestic waste 4. Scheduled waste 5. Zero burning 	Complied



Criterio	on / Indicator	Assessment Findings	Compliance
		The estates Assistant Manager appointed to monitor the overall implementation of the management plan.	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan. - Minor compliance -	There were no major changes to the identified impacts since the establishment of the documents above. Impacts such as smoke emissions, EFB management were verified at the all estate. HCV and other environmentally sensitive areas were documented and inspected on site. Signage on buffer and signage on the prohibited activities along all the buffer zones were found to be sufficiently placed for the operating units estates visited.	Complied
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. - Major compliance -	An awareness and training programme is been established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives. Training program available and updated on a yearly basis or revised as per the management requirement. Included in this program are subject related to environment e.g environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training.	Complied
4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.	Management has organize regular meetings with employees where their concerns about environmental quality are discussed.	Complied
	- Major compliance -	Siang Estate Latest environmental management meeting conducted on 20/10/2019.	

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Criterio	Criterion / Indicator		Assessment Finding	js	Compliance
Criterio	n 4.5.2: Efficiency of energy use and use of renewable energy	Bukit Kelompok Estate Latest environmental m This meeting discuss m quality. Among the top RTE species.	nanagement meeting co	onducted on 01/08/2019. onducted on 24/09/2019. rns about environmental er zone, HCV area and	
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.	Consumption of non-renewable energy was been optimized and closely monitored by management, the establishing baseline values and trends is be observed within an appropriate timeframe. Similarly, planting of beneficial plants reduce the usage of fuel (and			Complied
	- Major compliance -				
4.5.2.2	The oil palm premises shall estimate the direct usage of non- renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.	basis for monitoring.			Complied
	- Major compliance -	Estate Siang Estate	Year 2018 2019 (up to Aug)	Diesel/ mt FFB 4.82 litre/mt 2.16 litre/mt	

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MSPO Public Summary Report Revision 0 (Aug 2017)

Criterion / Indicator			Compliance				
		Pasir Logok Estate	2018	3.22 litre/mt			
			2019 (up to Oct)	3.43 litre/mt			
		Bukit Kelompok Estate	2018	4.95 litre/mt			
			2019 (up to Oct)	4.14 litre/mt			
4.5.2.3	The use of renewable energy should be applied where possible.	The company has optin	The company has optimized the use of renewable energy. The energy usage varies depending on the FFB supplied by the estates and contractor.				
	- Minor compliance -						
		During low crop there transportation because in diesel usage.					
Criterion	4.5.3: Waste management and disposal						
4.5.3.1	All waste products and sources of pollution shall be identified and documented.	Pollution Management	Plan 2019 made on th	mented in the Waste & e Regional level. tes/mill activities among	Complied		
	- Major compliance -	others as shown below					
		No Type of waste	1	Location			
		1 Domestic wast	e rubbish	Line sites, Office complex			
		2 Industrial wast	e-fertilizer bags	Empty bags store			
		3 Disposed	containers, bags,	, Scheduled waste			
			contaminated with	store			
		chemicals, pes					
				SOPs and are posted at			
		the Muster Notice Boar		ns at the estates, such as			

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Criterio	on / Indicator	Assessment Findings	Compliance
		Eg: Scheduled Waste Management Guidelines, Landfill Management Guidelines, Linesite Management Guidelines, Diesel Engine Management Guidelines and etc.	
4.5.3.2	A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:a) Identifying and monitoring sources of waste and pollution	The waste and pollution management plan was available. The documentation and identification of all the waste products based on waste type and source which review on 1 August 2019. Waste types such as domestic, schedule waste, rubber material, scrap, mill by products, emissions, liquid waste, office and medical waste.	Complied
	 b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products - Major compliance - 	Records on the usage and disposal were recorded. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.	
4.5.3.3	The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.	The procedures for handling used chemicals classified under Environment Quality Regulation (Scheduled Waste) 2005, Environmental Quality Act, 1974 are available prepared on Group level by SQD and implemented in all estates and mills for all the applicable practices.	Complied
	- Major compliance -	The operational control procedures provide guidelines as follows ; a) Management of class 2 (and higher) chemical containers b) Management of fertilizer bags <u>Siang Estate</u> Latest disposal referred consignment dated 8 November 2019 by Kualiti Alam Sdn Bhd (License no: 003319; validity 01/05/2019 – 30/04/2020) for SW 102, SW 305, SW 306, SW 404, SW 408, SW 409 and SW 410.	
		Pasir Logok Estate	

MSPO Public Summary Report

Revision 0 (Aug 2017)

Criterio	n / Indicator	Assessment Findings	Compliance
4.5.3.4	Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers. - Major compliance -	Latest disposal referred consignment dated 8 November 2019 by Kualiti Alam Sdn Bhd (License no: 003319; validity 01/05/2019 – 30/04/2020) for SW 102, SW 305, SW 307, SW 404, SW 408, SW 409 and SW 410. <u>Bukit Kelompok Estate</u> Latest disposal referred consignment dated 7 November 2019 by Kualiti Alam Sdn Bhd (License no: 003319; validity 01/05/2019 – 30/04/2020) for SW 102, SW 109, SW 110, SW 305, SW 306, SW 307, SW 404, SW 408, SW 409 and SW 410. Empty pesticide containers was be punctured and disposed in an environmentally and socially responsible way and dispose at G- Planter. The triple rinse procedure can be refer working instruction dated Dec 2016 by SPO Team. Empty pesticide container was been triple rinsing and dispose at G – Planters Sdn Bhd. <u>Siang Estate</u> Latest record disposal dated 11/11/2019 with total 1,835 pieces have been dispose. <u>Bukit Kelompok Estate</u> Latest record disposal dated 15/08/2019 with total 385 pieces have been dispose.	Complied



Criterio	Criterion / Indicator		Assessment Findings			Compliance
4.5.3.5 Criterio	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses. - Minor compliance - n 4.5.4: Reduction of pollution and emission	The Domestic waste is been manage by estate management. They using sandwich technique and disposal is done by weekly. The site for disposal is far from water source. Verified during site visit. Domestic waste disposal through the collection and disposal to the estate's landfill. Collection 2 to 3 times a week. <u>Siang Estate</u> Landfill situated in field no P07/04 (opened on 25/09/2019). <u>Pasir Logok Estate</u> Landfill situated in field no P04/02 (opened on 21/08/2019). <u>Bukit Kelompok Estate</u> Landfill situated in field no P05/01 (opened on 01/10/2019).			Complied	
4.5.4.1 An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent. - Major compliance -			ssessment of GHG, sche ole under aspect and impac ssessment of all polluting a ution & Emission Managem s as provided therein amon Emission Dark smoke Noise	t assessment. ctivities defined in ent Plan reviewed	the Kulim Estates on 01/08/2019.	Complied



Criterio	on / Indicator		1	Assessme	nt Findings		Compliance
		3	Air pollution		Diesel engine	Operational hours	
					Running vehicles	Operational hours	
		4	Waste water		PCD	Scheduled inspection	
					Septic tank spillage	Weekly inspection	
		5	Green House	Gas (GHG)	Use of fossil fuel	Daily inspection	
					Fertilizer usage	As required monitoring	
4.5.4.2	An action plan to reduce identified significant pollutants and	and The management action plan is documented under the Kulim Estat - Pollution & Emission Management Plan for 2019.					Complied
	emissions shall be established and implemented.				t plan will be revie	wed every quarter	
	- Major compliance -		nmental meeting		pollutants as sho	wn below and is a	
			uation from the 4				
		No	Emission	Action Pla	n	PIC	
		1	Dark smoke	Inspection condition	of vehicle	Exec/staff	
		2	Noise		maintenance	Exec/staff	
				Inspection inspection		Exec/staff	
		3	Air pollution	Routine n schedule	naintenance as	Exec/staff	
				Inspection condition	of vehicle	Exec/staff	
		4	Waste water	Inspection functional	of PCD for	Exec/staff/ foreman	

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Criterio	n / Indicator	Assessment Findings	Compliance
Criterior 4.5.5.1	4.5.5: Natural water resources The management shall establish a water management plan to	Adherence to SW guidelines Weekly line site inspection Appropriate action on spillage The Water Management Plan for the estates established. Focus areas are:	Complied
4.5.5.1	 The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a. Assessment of water usage and sources of supply. b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities. c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate. e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. 	 Focus areas are: Buffer Zone management – No spraying and manuring Carry out water analysis Follow SOPs to avoid water pollution by schedule waste Rain water harvesting Obtain water from other estates during shortage/draughts. Monitor domestic water consumption Educate workers to conserve water Monitor leakages and periodic maintenance of piping/equipment Keep drains clean and to have bunds to conserve/retain water Water course and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. The guidelines detailed in the SOP No 12: Protection of River Reserves (Riparian & Buffer Zone). The estates visited monitors the water entering small stream through water sampling for Nitrate Nitrogen and Phosphate. This was done in months when fertilisers were applied. Water analysis was done by UTCL Laboratory in Kota Tinggi, Johor. Siang Estate Report No: WI/1910/1331-1332 dated 15/10/2019 of test results of samples from inlet (P10) and outlet (P03A) points verified. Report No: WI/1910/1327-1330 dated 15/10/2019 of test results of samples from before and after treatment verified. 	Complied

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MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	n / Indicator	Assessment Findings	Compliance
	 f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually. - Major compliance - 	Pasir Logok Estate Report No: WI/1923/1099 dated 23/10/2019 of test results of samples from inlet (WI-1062) and outlet (WI-1063) points verified. Report No: WI/1932/1074 dated 05/09/2019 of test results of samples from drinking water (WI-1061) verified. Bukit Kelompok Estate Report No: WI/1910/1370 - 1373 dated 18/10/2019 of test results of samples from inlet (WI-1370 & WI-1372) and outlet (WI-1371 & WI- 1373) points verified.Report No: WI/1910/1374-1377 dated 18/10/2019 of test results of samples from before (WI-1374 & WI- 1376) and after (WI-1375 & WI- 1377) treatment verified.	
4.5.5.2	No construction of bunds, weirs and dams across main rivers or waterways passing through an estate. - Minor compliance -	At time of visit no bunds, weirs and dams observed across waterways passing through the estates.	Complied
	·	During the site visit, observed that water harvesting practised.	
4.5.5.3	Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).	Surface run of waters directed into field drains, conservation terraces and moisture pits.	Complied
	- Minor compliance -		
Criterion 4.5.6: Status of rare, threatened, or endangered species an		nd high biodiversity value	
4.5.6.1	Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:	Rapid Biodiversity Assessment of 10 Oil Palm Plantations of JCORP by Biodiversity Consultant, A.J.F.M. Dekker conducted on July 2009. The report has identified the list of natural habitats that is possible present in the operating units.	Complied



Criterion / Indicator	Assessment Findings	Compliance
 a) Identification of high biodiversity value habitats, such as rar and threatened ecosystems, that could be significant affected by the grower(s) activities. b) Conservation status (<i>e.g.</i> The International Union of Conservation of Nature and Natural Resources (IUCN) statu on legal protection, population status and habita requirements of rare, threatened, or endangered species that could be significantly affected by the grower(s) activities. - Major compliance - 	 the estates and addresses the RSPO P&C relevant to biodiversity conservation and HCV. Therein being provided details relating to the following; a) General biodiversity issues b) Watercourses and drainage c) Habitats natural and man-made d) Wildlife 	

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Criterio	n / Indicator		Assessm	ent Findings	Compliance
			Outside estate	Tiger, Silvered Leaf Monkey, Spectacled Langur, Malayan Sunbear	
		Bukit Kelompo Rapid Biodive Vegetation Wildlife	rsity Assessment	conducted on 07/07/2018. servation Value None None None	
			Outside estate	Silvered Leaf Monkey	
4.5.6.2	If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:			asures to take to ensure the protection	Complied
	a) Ensuring that any legal requirements relating to the protection of the species are met.			er signage for no hunting, no fishing to intain the area with have a patrol and	
	b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.	monitoring.			
	- Major compliance -				
4.5.6.3	A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.	monitoring, th	e monitoring will b	e implementation verified for animal e done monthly and the report will be y Quality Department).	Complied
	- Major compliance -				

MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	on / Indicator	Assessment Findings	Compliance
Criterio	The Biodiversity Improvement Plan 2019 dated 01/08/2019 had identified the plan. Among others; a) To continue educating the workers regarding RTE. Workers interviewed confirmed that they are aware of no hunting permitted in and within the estate. b) Regular educating the employees via morning muster briefing about the need to protect the RTE species. c) Appropriate disciplinary measures will be taken if found violated. d) Information pertaining RTE and relevant CU policies displayed at the display boards. e) Training in relation to the RTE/Biodiversity organized in the following sessions.		
Criterio	n 4.5.7: Zero burning practices	There is no lond proportion by burning	
4.5.7.1	Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice. - Major compliance -	There is no land preparation by burning. Kulim Sustainability Handbook (People-Planet-Profit) described on Environmental policy including Pollution management - Zero Burning dated January 2008. Management complied with the Malaysian environmental law –EQA and Regulations 1974.	Complied
4.5.7.2	A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.	No use of fire for waste disposal and for preparing land for oil palm cultivation or replanting practised by Kulim (Malaysia) Berhad estates. Furthermore, previous crop were not highly diseased and there was no significant risk of disease spread or continuation into the next crop.	Complied



Criterio	n / Indicator	Assessment Findings	Compliance
	- Major compliance -		
4.5.7.3	Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.	No use of fire for waste disposal and for preparing land for oil palm cultivation or replanting practised by Kulim (Malaysia) Berhad estates	Complied
	- Major compliance -		
4.5.7.4	Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.	All previous oil palms were felled, chipped, shredded, windrowed and left to decompose.	Complied
	- Minor compliance -		
4.6 Prine	ciple 6: Best Practices		
Criterior	1 4.6.1: Site Management		
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	 In Kulim (Malaysia) Berhad SOPs for plantations/estates were documented in: Kulim (Malaysia) Berhad – Agricultural Manual – 01.07.2013 Work Instructions – 01.04.2018 Buku Panduan Anggota Perkerja Perladangan – 01.09.2018 Panduan Kerja Selemat (SOP) 01.05.2009 The SOPs confirmed that all activities in the estates from seedlings in nursery to planting in the fields have been included. The Agricultural Manual had chapters A to K. The chapters covered topic as follows: a. Replanting. b. Roads, Drains, Bridges, Culverts & Fences. 	Complied

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MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	on / Indicator	Assessment Findings	Compliance
		 c. Construction of Estate Buildings d. Manuring e. Harvesting f. Pruning and Ablation g. Soil Conservation h. Justification of Chemical Use i. Weeds Management j. Integrated Pest management k. Plant Diseases On the estate's SOPs were consistently implemented and monitored by on-site visits, inspections and discussions with relevant personnel and by conducting audits such as Internal Audits, RSPO Audits and visits by RC, PI and Agronomists and by Periodic reporting – monthly Production Statement, Labour Statement, FFB Grading, etc. The recommendations for improvements are given to maintain the sustainable practices. 	
4.6.1.2	Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals. - Major compliance -	Sighted slope map (Slope Classification Map). Slope area constructed with terrace and stop bund. Planting terraces had been constructed where slope >7°. Fields are established with cover crops such as mucunna and others. For area workshop or washing tractor area, have a silt trap and oil trap for prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.	Complied
4.6.1.3	A visual identification or reference system shall be established	All fields were marked and identified.	Complied



Criterio	n / Indicator	Assessment Findings	Compliance
	for each field. - Major compliance -	Information like field no, year planting and total hectare shown in all markers.	
Criterior	4.6.2: Economic and financial viability plan	Stone boundary markers placed at field boundaries observed.	
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.	The estates had documented annual business plan (budgets) for 2020 and projections up to 2024. The business plans were prepared as guidance for future planning.	Complied
	- Major compliance -	The budget contains monthly budget per operating units including FFB, CPO and PK. Component of operating expenditure includes Administration, harvesting & collection, field upkeep, transportation, road and bridges, labour overhead, EVIT (running accounts for engines, vehicles, implements & tractors.	
		Inclusive in the business plan is also Capital Expenditure (CAPEX) includes building-general, tractors and agricultural implement, office equipment and others as per the annual budget for 2019 for estates sighted and verified.	
4.6.2.2	Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.	Kulim estates had a long-range replanting program from 2018 and projected up to the year 2044. <u>Siang Estate</u> No replanting. Next replanting scheduled in 2024 (P99 – 198.58ha).	Complied
	- Major compliance -	Pasir Logok Estate No replanting. Next replanting scheduled in 2020 (P92 – 141.74ha).	
		Bukit Kelompok Estate	

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Criterio	on / Indicator	Assessment Findings	Compliance
		No replanting. Next replanting scheduled in 2023 (P99 – 23.80ha).	
4.6.2.3	The business or management plan may contain:	In Kulim business management plan the projection crop can refer report ABPJ-cx. This report have a projection of crop such as age	Complied
	a) Attention to quality of planting materials and FFB	profile, the yield tread and also include the cost per ha.	
	b) Crop projection: site yield potential, age profile, FFB yield trends	It also have discuss the financial for benefit and cash flow of each unit.	
	c) Cost of production : cost per tonne of FFB		
	d) Price forecast		
	e) e) Financial indicators : cost benefit, discounted cash flow, return on investment		
	- Major compliance -		
4.6.2.4	The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.		Complied
	- Major compliance -	The Kulim estates performance recorded in the monthly progress reports. Details on the actual vs budget, i.e crop production, fixed and direct cost shown therein.	
		The management also provided variance report on the performance and reviewed on a monthly basis.	
Criterio	n 4.6.3: Transparent and fair price dealing		
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented.	Estates have engaged contractors for varieties of works such as FFB transporters and harvesting. Sampled of the agreement between company and the contractors as below:	Complied

MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	on / Indicator	Assessment Findings	Compliance
4.6.3.2	- Major compliance - All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	 i. Contract No.: EPA/Siang 1/2012 for harvesting of FFB in P09 which valid until 31/12/2020. ii. Contract No.: EPA/Siang 5/2013 for loading and transporting of FFB from ramp at Siang Estate to mill which valid until 28/2/2018. An extension contract was sighted which valid 31/3/2020. iii. Contract No.: EPA/LPL 1/2014 for loading and transporting of FFB in fields to mills which valid until 31/12/2020. iv. Contract No.: EPA/LPL 1/2014 for harvesting of FFB in P06, P07 & P09 which valid until 31/8/2021. Pricing of the job was stated in the Variation Order and the fees and payment for the services has clearly outlined in Clause 5 of the agreement where the payment of fees shall be made within 30 days from the date of certification of submitted invoices. Interviewed with the contractors confirmed that payment was made promptly. Payment terms were clearly stated in the agreement signed by the contractors. Verified the invoice submitted and payment records as below: i. INV# 14/2019 dated 30/8/2019; Payment No.: 19000588 dated 6/9/2019 ii. INV# 12/2019 dated 31/7/2019; Payment No.: 19000509 dated 5/9/2019 	Complied
		 dated 5/8/2019 iv. INV# 02/06 dated 31/7/2019; Payment No.: 19000511 dated 5/8/2019 v. INV# 0160 dated 31/7/2019; Payment No.: 19000332 dated 6/8/2019 	

MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	on / Indicator	Assessment Findings	Compliance
		 vi. INV# I-201909C0004 dated 30/9/2019; Payment No.: 19000384 dated 7/10/2019 vii. INV# 10/2019 dated 31/10/2019; Payment No.: 19000443dated 4/11/2019 Interviewed with contractors also confirmed that payment was made 	
Criterio	n 4.6.4: Contractor	promptly.	
Citterio			
4.6.4.1	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.	The contractors engaged by the estates' management has attached with an addendum for compliance of RSPO/ ISCC/ MSPO. All the contractors need to follow the RSPO/ ISCC/ MSPO requirements.	Complied
	- Major compliance -	Briefing of MSPO was given to the contractors in Siang Estate on 4/11/2019 and 17/10/2019 in Pasir Logok Estate during stakeholder meeting. Seen the training attendance list and interviewed with the contractors confirmed that they were provided with training and understood the compliance of sustainability.	
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor.	Estates have engaged contractors for varieties of works such as FFB transporters and harvesting. Sampled of the agreement between company and the contractors as below: i. Contract No.: EPA/Siang 1/2012 for harvesting of FFB in P09	Complied
		 ii. Contract No.: EPA/Siang 1/2012 for harvesting of PTB in P09 which valid until 31/12/2020. ii. Contract No.: EPA/Siang 5/2013 for loading and transporting of FFB from ramp at Siang Estate to mill which valid until 28/2/2018. An extension contract was sighted which valid 31/3/2020. 	



MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	on / Indicator	Assessment Findings	Compliance
		 iii. Contract No.: EPA/LPL 1/2014 for loading and transporting of FFB in fields to mills which valid until 31/12/2020. iv. Contract No.: MPSB/LBK 4/2018 for harvesting of FFB in P06, P06, P07 & P09 which valid until 31/8/2021. There was an addendum for the contractors engaged by the mill 	
4.6.4.3	The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.	management to allow any certification audit assessment through a physical inspection if required.	Complied
	- Minor compliance -		
4.6.4.4	The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the		Complied
	contractor for each task and season contracted.	Briefing of MSPO was given to the contractors in Siang Estate on	
	- Major compliance -	4/11/2019 and 17/10/2019 in Pasir Logok Estate during stakeholder meeting. Seen the training attendance list and interviewed with the contractors confirmed that they were provided with training and understood the compliance of sustainability.	

4.7 Principle 7: Development of new planting - Siang, Bukit Kelompok and Pasir Logok Estate did not carry out any new plantings since January 2015. Therefore, Principle 7 is not applicable during this main assessment. The immature areas are replanted area.



PF824 **MSPO Public Summary Report** Revision 0 (Aug 2017)

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

Criterio	on / Indicator	Assessment Findings	Compliance
4.1 Prin	ciple 1: Management commitment & responsibility		
Criterio	n 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy		
4.1.1.1	Policy for the implementation of MSPO shall be established. - Major compliance -	Kulim (Malaysia) Berhad has established Malaysian Sustainable Palm Oil Policy dated 1/5/2018 signed by Executive Director. The company is committed to implement all Principles and Criteria set out by the MSPO.	Complied
4.1.1.2	The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation. - Major compliance -	The company is committed to implement Principles and Criteria of MSPO. KULIM will make every effort to achieve the balance between People, Planet and Profit in all management decisions and operations through continual program. Besides, the policy has been communicated to relevant stakeholders during the stakeholder meeting conducted on 17/10/2019.	Complied
Criterio	n 4.1.2 – Internal Audit		
4.1.2.1	Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.	An integrated internal audit for RSPO/ MSPO/ ISCC was carried out on 23/10/2019 by Sustainability team. Seen the RSPO, ISCC & MSPO List of Documentation Audit where it has covered all the principles and criteria of MSPO. There was no non-conformity raised during the audit.	Complied
	- Major compliance -		
4.1.2.2	The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.	Kulim (Malaysia) Berhad has developed Internal Audit Procedure with Doc. No.: SQD/SMS/5.0 dated 1/7/2018. The aim of the procedure is to ensure that the implementation of the company's RSPO, ISCC and MSPO management system is in line with the defined policies, procedures and other requirements. The frequency of the audit to be	Complied



Revision 0 (Aug 2017)

4.1.2.3	 Major compliance - Reports shall be made available to the management for their review. Major compliance - 	carried out is at least once within 12 months (before expiry of the certificate). The result of internal audit was recorded in the Non-Conformance Report. There was no non-conformity raised during the last audit on 23/10/2019. The Non-Conformance Report and RSPO, ISCC & MSPO List of Documentation Audit was distributed to the mill after the audit was completed and the Mill Manager has acknowledged on the report.	Complied
Criterio	n 4.1.3 – Management Review		
4.1.3.1	The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification. - Major compliance -	Pasir Panjang Palm Oil Mill has carried out Management Review Meeting for RSPO/ MSPO/ ISCC on 3/11/2019. Seen the meeting minutes with the following agendas discussed during the meeting:i.Review of previous meetingii.Internal and external audit resultsiii.Changes in policiesiv.Traceabilityv.Performance of the millvi.Inventory of GHGvii.Status of preventive and Corrective Actionix.Customer feedbackx.Continual improvement planxi.Other matters	Complied
Criterio	n 4.1.4 – Continual Improvement		
4.1.4.1	The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.	Continual Improvement Plan and action plan dated 22 October 2019 for Pasir Panjang POM are available. Among the sampled document reviewed:	Complied

MSPO Public Summary Report Revision 0 (Aug 2017)

	- Major compliance -	SOCIAL Union/Stakeholder/WOW meeting Implementation – to conduct meeting in order to know the related issues and solve the problem Monitoring – to conduct the meeting Frequency – annually PIC – Mill Management OSHA Medical surveillance Implementation – all chemical handler to attend Monitoring – yearly programme Frequency – annually PIC – Asst Mgr/HA/HOD ENVIRONMENTAL	
		Pollution emissions Implementation – monitoring of schedule waste Monitoring – schedule waste record book and e-SWISS update Frequency – monthly PIC – Asst Mgr/HA/HOD	
4.1.4.2	The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce. - Major compliance -	 Pasir Panjang POM as a group has a new project namely : 1. Installation of Bioscrubber – to reduce diesel usage for saving natural resources. 2. Construct a Polishing plant – to reduce BOD level to below 100mg/L for reduction of pollution. 	Complied



4.2 Principle 2: Transparency			
Criterion	4.2.1 – Transparency of information and documents relevant	to MSPO requirements	
4.2.1.1	The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms. - Major compliance -	Kulim (Malaysia) Berhad has developed SPO Transparency Program dated 4/9/2007 to ensure company provide information when requested by stakeholders on sustainability, social and legal issues. The documents that could requested by the stakeholders are such as land titles, OSH plan, SEIA management plan, procedures and policies. Besides, the stakeholders can view the policies and negotiation procedure via company's website (<u>http://www.kulim.com.my</u>).	Complied
4.2.1.2	The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. - Major compliance -	Integrated Annual Report 2018 of the company is available in the company's website (<u>http://www.kulim.com.my</u>). Information such as financial position, policies, and audit results by independent party were publicly disclosed in the annual report. Besides, Pasir Panjang POM has implemented Enquiry Register Record to record any requests from stakeholders. The records mainly from external stakeholders to request for assistance and visits from authorities such as BOMBA and Health Department.	Complied
Criterio	1 4.2.2 – Transparent method of communication and consult	tation	
4.2.2.1	Procedures shall be established for consultation and communication with the relevant stakeholders. - Major compliance -	Kulim (Malaysia) Sdn Bhd has developed a Communication and Consultation Management Guidelines V2.0 dated November 2009 where the objective of the procedure is to effectively communicate with internal and external stakeholders on matter pertaining to social and environmental aspect and impacts, performance and safety & health issue. The modes for internal communication are such as muster call, meeting with representatives, inspections, suggestion boxes and memo. In addition, meeting with stakeholders and telephone are the modes of communication with external stakeholders.	Complied



Revision 0 (Aug 2017)

4.2.2.2	The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . - Minor compliance -	Assistant Mill Engineer has been appointed to be the Officer for Complaint and Social Biro to handle any issue raised by the stakeholders. Seen the appointment letter dated 1/3/2019 issued by the Mill Manager.	Complied
4.2.2.3	A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained. - Major compliance -	Pasir Panjang POM has developed List of Stakeholders which last updated on 1/10/2019. The stakeholder list has included categories such as government authorities, internal FFB suppliers, buyers of CPO and PK, contractors and suppliers. Stakeholder meeting was conducted on 17/10/2019 for whole Pasir Panjang Complex. Seen the meeting minutes and attendance list of the meeting. The management has briefed on the RSPO/ MSPO requirements to the stakeholders. There was no feedback or complaint reported by the stakeholders. Interviewed with the stakeholders such as school's representatives, contractors and neighbouring plantation confirmed that they have been invited to attend stakeholder meeting. Relationship between the company and stakeholders is well maintained.	Complied
4.2.3.1	The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability. - Major compliance -	Kulim (Malaysia) Berhad has developed Traceability Procedure with Doc. No.: SQD/SMS/1.2 dated 20/9/2019. The aim of the procedure is to ensure that the implementation of company's sustainable management system (RSPO/ MSPO/ ISCC/ RSPO SCCS/ MSPO SCCS) is in line with the defined policies, procedures and other requirements. Pasir Panjang POM only received FFB from own certified supplying estates. All the supplying estates will submit FFB Despatch Chit and weigh the FFB in the mill. Sampled of the FFB Despatch Chit and weighbridge tickets as below: v. Estate: Bukit Kelompok Estate dated 14/10/2019 DB A No.: 208199 Lorry No.: JDY 3617	Complied

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MSPO Public Summary Report Revision 0 (Aug 2017)

		Field/ Year: P05/3 Ticket No.: 083520 Weight: 5,230 kgs vi. Estate: Pasir Logok Estate dated 30/10/2019 DB A No.: 192937 Lorry No.: JCN 5999 Field/ Year: P05, P09 Ticket No.: 084476 Weight: 19,160 kgs vii. Estate: Siang Estate dated 26/10/2019 DB A No.: 215605 Lorry No.: JRV 8020 Field/ Year: P03 – P12 Ticket No.: 084252 Weight: 37,500 kgs	
4.2.3.2	The management shall conduct regular inspections on compliance with the established traceability system. - Major compliance -	Mill Manager has been appointed as the person responsible for traceability system to comply with the requirements. Seen the appointment letter dated 22/9/2019. Inspection during the receiving of FFB and outgoing of CPO/ PK was conducted. The mill is using DOMAIN system to record the incoming of FFB and outgoing of CPO/ PK.	Complied
4.2.3.3	The management shall identified and assign suitable employees to implement and maintain traceability system.	Mill Manager has been appointed as the person responsible for traceability system to comply with the requirements. Seen the appointment letter dated 22/9/2019.	Complied
4.2.3.4	Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained. - Major compliance -	The records of CPO and PK sales has been verified. The despatch of the CPO and PK are determine by HQ Marketing and will be recorded into the DOMAIN System. The weighbridge operator will check the system before releasing the despatch.	Complied

MSPO Public Summary Report Revision 0 (Aug 2017)

		Sampled of the despatch weighbridge ticket as below: CPO: i. Ticket No.: C05747 dated 17/9/2019 Nett Weight: 30,130 kgs Customer: XXXXX ii. Ticket No.: C05744 dated 17/9/2019 Nett Weight: 44,650 kgs Customer: XXXXX PK: i. Ticket No.: K01337 dated 27/8/2019 Nett Weight: 37,100 kgs Customer: XXXXX ii. Ticket No.:K01338 dated 27/8/2019 Nett Weight: 39,210 kgs Customer: XXXXX	
	n 4.3.1 – Regulatory requirements		
4.3.1.1	All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. - Major compliance -	 Pasir Panjang POM has been complied with the compliance that applicable to local, state and national as per below detail:- a) MPOB license referred to 592302004000 is valid from 30 January 2019 until 31 December 2019. b) DOE license No 005367 dated 10 September 2019 (validity period 05/06/2019 - 05/06/2020) for 45mt/hr and method of POME discharge is land application with BOD final discharge limit <100mg/l. 	Complied

MSPO Public Summary Report Revision 0 (Aug 2017)

Complied
Complied

Page 81 of 117

MSPO Public Summary Report

Revision 0 (Aug 2017)

4.3.1.3	The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.	The following law and acts incorporated in the Kulim Group Compliance Framework for compliance reporting period 01 September 2019 – 31 October 2019:	Complied
	- Major compliance -	 a) Employee Social Security Act 1969 (Act 4) b) Employees Social Security Act (Amendment of First Schedule) (No. 2) Order 2018 c) Employees Social Security (Exemption of Foreign Workers) (Revocation) Notification 2018 	
4.3.1.4	The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.	The management had appointed En Mohd Radzi Muhamad Dul (Assistant Mill Engineer) as person responsible for legal compliance for updating changes in laws and compliance monitoring (refer to letter dated on 01 March 2019).	Complied
	- Minor compliance -		
Criterio	n 4.3.2 – Lands use rights	·	
4.3.2.1	The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.	Pasir Panjang POM is located under the land of Pasir Panjang Estate. A copy of land title was kept in the mill. The land is belongs to Johor Corporation by verified the land title.	Complied
	- Major compliance -		
4.3.2.2	The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.	Pasir Panjang POM is located under the land of Pasir Panjang Estate. A copy of land title was kept in the mill. The land is belongs to Johor Corporation by verified the land title.	Complied
	- Major compliance -		
4.3.2.3	Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where	Legal parameter for mill build up with fencing available and verified during site visit.	Complied



MSPO Public Summary Report Revision 0 (Aug 2017)

	practicable.		
	- Major compliance -		
4.3.2.4	Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC).	Pasir Panjang POM is located under the land of Pasir Panjang Estate. A copy of land title was kept in the mill. The land is belongs to Johor Corporation by verified the land title.	Complied
	- Minor compliance -		
Criterio	n 4.3.3 – Customary rights		
4.3.3.1	 Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced. Major compliance - 	Pasir Panjang POM is located under the land of Pasir Panjang Estate. A copy of land title was kept in the mill. The land is belongs to Johor Corporation by verified the land title.	Complied
4.3.3.2	Maps of an appropriate scale showing extent of recognized customary rights shall be made available. - Minor compliance -	Pasir Panjang POM is located under the land of Pasir Panjang Estate. A copy of land title was kept in the mill. The land is belongs to Johor Corporation by verified the land title.	Complied
4.3.3.3	Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available. - Major compliance -	Pasir Panjang POM is located under the land of Pasir Panjang Estate. A copy of land title was kept in the mill. The land is belongs to Johor Corporation by verified the land title. There was no land dispute as to date by verified through interviewed with neighbouring stakeholders.	Complied

MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	n 4.4.1: Social Impact Assessment (SIA)		
4.4.1.1	Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones. - Minor compliance -	Sustainability & Quality Department has carried out Social Impact Assessment on 23/10/2019 during internal audit. The assessment has involved participation of contractors, internal workers and contractor's workers. The method of assessment is through interview and document review using the Checklist Interview Social Impact Assessment for Kulim.	Complied
		Social Management Plan 2019 was developed on 29/10/2019 with identification of negative and positive impacts. Mitigation and promotion actions were taken accordingly to the impacts identified.	
Criterion	4.4.2: Complaints and grievances		
4.4.2.1	A system for dealing with complaints and grievances shall be established and documented. - Major compliance -	Kulim (Malaysia) Sdn Bhd has developed Grievance Policy dated 1/5/2018. The objective of the procedure is to ensure that there is a transparent process for ensuring stakeholder's grievances and complaints are dealt with fairly, consistently and promptly. The policy was briefed to the workers on 2/6/2019 in the mill during morning muster.	Complied
		The company has implemented SPO Grievance Procedure dated 4/9/2007. The objective of the procedure is to ensure that Kulim has a documented system for dealing with complaints and grievances that is agreeable to all sides and accepted by all stakeholders. The timeframe to resolve the complaints and grievance is 25 workdays. Extension of time limits may be authorized upon request to the Human Resources. The dispute resolution mechanisms are established through open and consensual agreements with affected parties. Interviewed with stakeholders confirmed that they have been briefed on the grievance mechanism during stakeholder meeting.	



Revision 0 (Aug 2017)

4.4.2.2	The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties. - Major compliance -	 Pasir Panjang POM has implemented Enquiry Register Record and Housing Complaint to record complaints and grievances by the internal and external stakeholders. Example of the complaint as below: House No.: PPM 217 dated 15/10/2019 Issue: Lighting in bedroom and kitchen was malfunction. Action: Seen the Delivery Order# 15149 dated 4/11/2019 for the purchase of light bulb. The repairing job was carried out on 7/11/2019. 	Complied
4.4.2.3	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.	Complaint Form was publicly available in front of the office next to the suggestion box. The stakeholders are aware of the complaint form and suggestion box as a method to lodge complaint.	Complied
	- Minor compliance -		
4.4.2.4	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.	Complaint Form was publicly available in front of the office next to the suggestion box. The stakeholders are aware of the complaint form and suggestion box as a method to lodge complaint.	Complied
	- Minor compliance -		
4.4.2.5	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.	Housing Complaint records since Y2015 and records of Enquiry Register since Y2016 were maintained.	Complied
	- Major compliance -		
Criterio	n 4.4.3: Commitment to contribute to local sustainable develo	opment	
4.4.3.1	Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community	The Mill Management has contributed to the local communities such as provided free transportation to send the children to school and free school uniforms once a year to the children. Besides, interviewed with the stakeholders (neighbouring plantation and schools) confirmed that	Complied



Revision 0 (Aug 2017)

	development may be regarded as a joint effort by the mill and the plantation.- Minor compliance -	the management has provide assistance such as donation to the school's activities. Seen the petty cash voucher for the contribution to the schools.	
Criterio	n 4.4.4: Employees safety and health		
4.4.4.1	An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented. - Major compliance -	An Occupational Safety & Health Policy had been established and implemented. The policy signed by the Executive Director of Kulim (Malaysia) Berhad on 01/05/2018 and displayed prominently on notice boards in Bahasa Malaysia. This policy already been communicated to workers on 1 October 2018 referred Buku Panduan Anggota Pekerja Perladangan. An OSH Plan had been established and implemented. <u>Baseline & Annual Audiometric Testing</u> Audiometric testing report and employee audiogram testing dated 13/01/2019 by En. Edaris Bin Ahmad (Senior Technician) and supervised by Dr. Mohd Rizal Bin Abd Azis (OHD HQ/15/DOC/00/395) was verified. Total 42 employees tested where 25 employees with normal hearing, 08 employees with hearing impairment and 07 workers with STS. The workers were sent for re-test and the results were available. <u>Chemical Health Risk Assessment (CHRA)</u> A review CHRA monitoring (Report no: HQ/14/ASS/00/350-2018/016) was conducted on 27 November 2018 by registered assessor, Yeow Liang Ming (HQ/14/ASS/00/350). Based on the CHRA, 09 findings/recommendations reported.	Complied
4.4.4.2	The occupational safety and health plan should cover the following:a) A safety and health policy, which is communicated and implemented.b) The risk of all operations shall be assessed and documented.	a) The occupational safety and health policy was communicated and implemented through daily toolbox meetings/briefings and trainings. The briefing includes among others to prioritise safety, execute work safely, adherence to all safety rules & regulations and to target for zero accident. The policy been communicated to the staff and workers.	Complied

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MSPO Public Summary Report Revision 0 (Aug 2017)

c)	An awareness and training programme which includes the	On site supervisors and mill assistant managers ensure the
	following requirements for employees exposed to chemicals	implementation of it.
	used at the palm oil mill:	b) A Hazard Identification Risk Assessment and Risk Control (HIRARC)
	i. All employees involved are adequately trained on safe	document for mill operations made available. Risk assessment carried
	working practices;	on activities such as sterilization press operation, oil clarification
	ii. All precautions attached to products should be properly	process, nut & kernel plant operation, boiler operation, bio-composting
	observed and applied;	plant, office, etc.
4)	The management shall provide the appropriate PPE at the	The latest annual review done on 24 July 2019.
u)	place of work to cover all potentially hazardous operations as	c) Awareness training program was established and workers involved
	identified in the risk assessment and control such as Hazard	with chemical handling trained.
	Identification, Risk Assessment and Risk Control (HIRARC).	Chemicals arranged and segregated accordingly in the chemical store.
、		The CCDS/SDS for chemicals available at point of use. In addition to
e)	The management shall establish Standard Operating	specific training courses, safety briefings given during muster to
	Procedure for handling of chemicals to ensure proper and	reinforce awareness, such as correct wearing of PPE.
	safe handling and storage in accordance to Occupational	d) During the audit, noted that all employees provided with and were
	Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and	wearing appropriate personal protective equipment (PPE). Records
		were available of PPE issued to individual workers, including signatures
	Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.	to confirm receipt. PPE issued based on CHRA assessor's recommendation, HIRARC and SOPs.
~	5	In the mill, pictorial signage of PPE use displayed.
t)	The management shall appoint responsible person(s) for	e) The management had established Standard Operating Procedure
	workers' safety and health. The appointed person(s) of trust	for handling of chemicals, Doc SDM/WI/9 Rev 0 dated 01/07/2017 to
	shall have knowledge and access to latest national	ensure proper and safe handling and storage in accordance to
	regulations and collective agreements.	Occupational Safety Health (Classification Packaging and Labelling)
g)	The management shall conduct regular two-way	Regulation 1997 Occupational Safety Health (Use and Standard of
	communication with their employees where issues that affect	Exposure of Chemical Hazardous to Health) Regulation 2000.
	their business such as those related to employees' safety,	Chemicals were handled as per the requirements in SDS/CSDS, CHRA,
	health and welfare are discussed openly. Records from such	HIRARC and SOP (Doc SDM/WI/9 Rev 0 dated 01/07/2017).
	meeting shall be kept ant the concerns of employees and any	f) The management had identified and assigned the Mill Manager as
	remedial actions taken shall be recorded.	the person responsible for workers' safety and health.
h)	Accident and emergency procedures shall exist and	The OSH committee Chairman – Tuan Amir Muslimin Bin Mohamed
	instructions shall be clearly understood by all employees.	(appointment letter SQD/ADMIN/018/19 dated 22 September 2019).

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MSPO Public Summary Report Revision 0 (Aug 2017)

	 i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite. j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals. - Major compliance - 	Some appointment letters for other OSH committee members dated 01/02/2019 were sighted. g) Records showed that in 2019 OSH committee meetings conducted on 29/09/2019, 30/06/2019, 21/03/2019 and 25/12/2018. These meetings were to conduct regular two-way communication with their employees. h) Accident and emergency procedures and flow charts had been established for: - Biogas plant emergencies - CPO/POME/Diesel/Chemical Spillage/ Effluent Treatment Pond Bund Rapture - Accident/Fire/Boiler Tube Rapture. Established during interviews, that accident and emergency procedures clearly understood by all employees. i) The mill had employees trained in First Aid present at all mill operations worksites. First Aid equipment was available at each worksite. j) Records of all accidents kept and reviewed periodically at OSH meetings. No accident reported to-date for year 2019. The JKKP 8 sent to DOSH on 28/01/2019 showed that in 2018 there were 03 accident cases with a loss 26 workdays. The JKKP 7 sent to DOSH on 13/01/2019 sighted.	
Criterion	4.4.5: Employment conditions		
4.4.5.1	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees. - Major compliance -	Kulim (Malaysia) Berhad has developed Sustainability Policy where the company respects, supports and upholds fundamental human rights and does not engage in any discrimination of race, religion and gender. The policy has been displayed at the notice board outside the office and briefed to the external stakeholders on 23/10/2019 and workers on 1/11/2019 during morning muster.	Complied

MSPO Public Summary Report Revision 0 (Aug 2017)

Kulim (Malaysia) Berhad has established Core Labour Standard Policy 4.4.5.2 Complied The management shall not engage in or support discriminatory dated 1/5/2018 where the company will not engage in nor support practices and shall provide equal opportunity and treatment discrimination in any form. The policy has been displayed at the notice regardless of race, colour, sex, religion, political opinion, board outside the office. Besides, a QR code was implemented for all nationality, social origin or any other distinguishing the stakeholders to scan and access to the company's policies. Briefing characteristics. was conducted on 1/11/2019. Interviewed with the workers confirmed - Major compliance that the management treated all the workers equally. Overtime was offered to anyone who want to work. There was employment contracts for staffs and workers. Pay and 4.4.5.3 Management shall ensure that employees' pay and conditions Complied conditions are documented and above the Minimum Wage Order 2018. meet legal or industry minimum standards as per Collective Sampled of employment contracts confirmed that terms and conditions Agreements. The living wage should be sufficient to meet basic are clearly outlined as per NUPW/ MAPA collective agreement and have needs and provide some discretionary income based on minimum been signed by the worker. Sampled of payslip for May 2019, August wage. 2019 and September 2019 as below: - Major compliance -Employee No.: 640140 i. Employee No.: 640143 ii. iii. Employee No.: 640168 Employee No.: 640173 iv. Employee No.: 640171 ν. Pasir Panjang POM has not engaged to contractors for work in the mill. Management should ensure employees of contractors are paid 4.4.5.4 Complied based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee. - Minor compliance -Pasir Panjang POM has implemented I-Plantation System to record and 4.4.5.5 The management shall establish records that provide an accurate Complied maintain the overview of employees in Employee Master. Details such overview of all employees (including seasonal workers and as full name, gender, date of birth, date of entry, job description and subcontracted workers on the premises). The records should type of wages was found in the system. contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.



Revision 0 (Aug 2017)

- Major compliance -		
All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment	 conditions were according to MAPA/ NUPW Agreement. Sampled of employment contracts as below: i. Employee No.: 640114 ii. Employee No.: 640147 iii. Employee No.: 640183 iv. Employee No.: 640171 	Complied
The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance -	All the daily attendance were recorded by punch card system on daily basis and overtime was recorded in the Monthly Checkroll Report.	Complied
The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. - Major compliance -	Interview with workers and document reviewed on the punch card as well as payslip shown that the overtime payments are in accordance to law and workers are not forced to work overtimes. Sampled of the workers below found that they worked more than 12 hours a day. This has confirmed with the JTK Johor Officer through phone interview that the workers are not allowed to work more than 12 hours a day. i. Employee No.: 640055 ii. Employee No.: 640055 iii. Employee No.: 640152 iv. Employee No.: 640169 Thus, a major non-conformance was raised.	Not Complied
	signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records. - Major compliance - The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. - Major compliance - The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records. The employees that recruited by the mill are from local and foreign workers. They are all under direct employment to the mill. All of them have signed on the employment contract prior to work. Terms and conditions were according to MAPA/ NUPW Agreement. Sampled of employment contracts as below: - Major compliance - Employee No.: 640147 The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers. Employee No.: 640171 - Major compliance - Major compliance - The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable. Interview with workers and document reviewed on the punch card as well as paysip shown that the overtime payments are in accordance to law and workers are not forced to work worker than 12 hours a day. This has confirmed with the UTX Johor Officer through phone interview that the workers are not allowed to work more than 12 hours a day. • Major compliance - Employee No.: 640055 II. Employee No.: 640055 Employee No.: 640055 Employee No.: 640152 Employee No.: 640152



Revision 0 (Aug 2017)

4.4.5.9	Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements. - Major compliance -	 Wages and overtime were paid according to the "punch card system". Total hours of overtime and daily attendance has recorded in Checkroll Report. Sampled the payslip based on the crop summary for May 2019, August 2019 and September 2019 as below: i. Employee No.: 640140 ii. Employee No.: 640143 iii. Employee No.: 640168 iv. Employee No.: 640173 v. Employee No.: 640171 All of them above have achieved the Minimum Wage 2018. 	Complied
4.4.5.10	Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.	The company provided free medical facilities to all the workers. Besides, the management also gave chicken and beef during festive season to all the workers. Free water and electricity was supplied to all the workers. The management also provide transport to send the workers to town to withdraw the salary from the bank.	Complied
4.4.5.11	In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities. - Major compliance -	The workers were provided with free housing facilities such as water and electricity. Hospital Assistant has carried out Housing Inspection on weekly basis. The last inspection was carried out on 7/11/2019. Site visit to the housing area found that the housing area are well maintained with proper waste disposal and grass cutting.	Complied
4.4.5.12	The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace. - Major compliance -	Kulim (Malaysia) Berhad has developed Sexual Harassment Policy dated 1/5/2018 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 1/5/2018 where the company recognized and	Complied

MSPO Public Summary Report Revision 0 (Aug 2017)

4.4.5.13	The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions. - Major compliance -	respects the right of employees of their rights and freedoms relating to reproduction and reproductive health. The policy has been displayed at the notice board outside the office. Besides, a QR code was implemented for all the stakeholders to scan and access to the company's policies. Briefing was conducted on 1/11/2019. Interviewed with the females workers confirmed that no case of sexual harassment and violence reported. They are aware of the complaint procedure. A Women on Ward (WOW) committee was established in the mill and meeting was conducted on 28/7/2019. No issue was reported during the meeting. Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1/5/2018 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 was in bi-lingual which is Bahasa Malaysia and English. The policy has been displayed at the notice board outside the office. Besides, a QR code was implemented for all the stakeholders to scan and access to the company's policies. Briefing was conducted on 1/8/2019. Interviewed with the workers confirmed that they are allow to join UNION freely. The last UNION meeting was carried out on 8/10/2019 with the representatives from employer, AMESU and NUPW. Issues were reported during the meeting and the management has taken action to resolve. Site visit to the housing area confirmed that the issues have been resolved.	Complied
4.4.5.14	The minimum age shall comply with local, state and national legislation.	Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1/5/2018 where they are not engage 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.	Complied
	- Major compliance -	Besides, the company has developed Buku Panduan Anggota Pekerja Perladangan dated 1/9/2018 where the company comply with the Children and Young Persons Employment Act 1966. The policy has been displayed at the notice board outside the office and briefed to	

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MSPO Public Summary Report

Revision 0 (Aug 2017)

		•			
		the workers or	1/11/2019 during morning muster. B	Besides, a QR coo	le
			ted for all the stakeholders to scan a		
			icies. Document verified the master I		
			the minimum age of workers emplo		
		years old for no	on-hazardous work and 18 years old fo	or hazardous wor	k.
Criterio	n 4.4.6: Training and competency				
4.4.6.1	All employees and contractors shall be appropriately trained. A		POM Training Program 2019 sighted	. Records showe	ed Complied
	training programme shall include regular assessment of training		ees appropriately trained.		
	needs and documentation, including records of training.		sment of training conducted to ensu	ure understandir	ng
		among the em		DO D · · · I	
	- Major compliance -	The training program included all aspects of RSPO Principles and			na
			Supply Chain and MSPO standards.	d _:	
			cluded the title of training, name and	a signature of tr	ie
			ne of the trainer, time and venue. ainings verified were:		
		Date of		No. of	
		training	Trainings	Participants	
		23/10/2019	Working at height & Safety work at	10	
		23/10/2019	Diesel tank	10	
		04/09/2019		12	
		07/03/2013	Training	12	
		17/07/2019	5	10	
		14/07/2019		6	
		10/06/2019	5,	18	
		05/05/2019	First Aid Training	10	
		01/04/2019	ERP for Fire, Thank Leakage &	80	
			Bund Rupture Training	00	
				<u> </u>	



Revision 0 (Aug 2017)

4.4.6.2	Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description. - Major compliance -	Training needs of individual employees identified prior to the planning and implementation of the training programs. This was in order to provide the specific skill and competency required to all employees based on their job description. The training matrix Training Program 2019 sighted.	Complied
4.4.6.3	A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure. - Minor compliance -	It was evident that from the training matrix for 2019 and training records for 2019 that all trainings planned and implemented to ensure that all employees trained in their job function and responsibility.	Complied
4.5 Prin	ciple 5: Environment, natural resources, biodiversity	and ecosystem services	
Criterio	n 4.5.1: Environmental Management Plan		
Criterion 4.5.1.1	 An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented. Major compliance - 	The Environmental policy dated 01/05/2018 signed by Kulim (M) Bhd, Executive Director. The policy has emphasis commitment towards protecting the environment and conserving biodiversity through sustainable development. Amongst the commitment are: 1. Adhere to and comply with all relevant environmental legislations of the country in which we operate. 2. Strive for continual improvement in our environmental performance. 3. Review, adopt and implement Good Management Practices currently established in the industry.	Complied

MSPO Public Summary Report

Revision 0 (Aug 2017)

	- Major compliance -	This cover such as emission smoke, noise, air pollution, effluent and others.	
		Aspects and impacts analysis of all operations during normal/ abnormal/emergency situation identified.	
4.5.1.3	An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.	Environmental management plan for 2019 (Pollution & Emission) available. Significant environmental issues identified: 1. Emission of dark smoke	Complied
	- Major compliance -	 Emission of noise Emission of dust/ashes particle Emission of air pollutant POME Waste water (cleaning - production area, lubricant store, workshop, wash down, line site) Continuous implementation of management action plan sighted for control of significant impact including proper handling of scheduled waste, practices of 3R program. 	
		For each operating units, an assistant manager was appointed as the responsible person for management plan assisted by staff within the environmental aspect impact review committee.	
4.5.1.4	A programme to promote the positive impacts should be included in the continual improvement plan.	In Pasir Panjang POM, the programme to promote positive impact to environment is available example:-	Complied
	- Minor compliance -	 Installation of Bioscrubber – to reduce diesel usage for saving natural resources. Construct a Polishing plant – to reduce BOD level to below 100mg/L for reduction of pollution. 	
4.5.1.5	An awareness and training programme shall be established and implemented to ensure that employees understand the policy,	An annual training program 2019 is available and updated on a yearly basis or revised as per the management requirement.	Complied



Revision 0 (Aug 2017)

	 objectives and management plans and are working towards achieving objectives. - Major compliance - 	Included in this program are subject related to environment e.g environmental, safety & health policy, scheduled waste management, environmental responsibility, HCV & Biodiversity training.	
4.5.1.6	The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed. - Major compliance -	The establishment of EPMC @ Environmental Performance Monitoring Committee (operation level – mill) and ERCMC @ Environmental Regulatory Compliance Monitoring Committee (HQ level) shows the commitment towards continuous compliance. The Environmental Performance Monitoring Committee (EPMC) is setup to comply with the DOE requirement on Guidance Self- Regulation (GSR). The 10th Environmental Regulatory Compliance Monitoring Committee (ERCMC) carried out on 27 August 2019 planned on quarterly basis. For EPMC, the latest EPMC meeting (03/2019) conducted on 15 October 2019. The meeting is to review environmental performance within Kulim's Group POM.	Complied
Criterio	n 4.5.2: Efficiency of energy use and use of renewable energy	۲ <i>.</i> /	
		JY	
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period	The consumption of non-renewable energy is been monitored closely and management already plan to reduce the consumption by install the second burner using methane generate from Bio-gas at boiler no 2.	Complied
4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including	The consumption of non-renewable energy is been monitored closely and management already plan to reduce the consumption by install the second burner using methane generate from	Complied



Revision 0 (Aug 2017)

	- Major compliance -		
4.5.2.3	The use of renewable energy should be applied where possible. - Minor compliance -	 The management plan to improve the efficiency of fossil fuel usage was established and approved by the Mill Manager. 1. To reduce diesel usage for saving natural resources by reducing diesel usage by 50% using the 600kW gas engine. The plan was monitored by Mill Engineer on monthly basis. 	Complied
Criterio	n 4.5.3: Waste management and disposal	The plan was monitored by thin Engineer on monthly basis.	
4.5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	All waste and pollution identified and documented in the Waste & Pollution Management Plan 2019 made on the Regional level. The Waste & Pollution Management Plan latest review on 01/08/2019. a) Details of waste generated from Pasir Panjang POM activities among others as shown below: No Type of waste Location 1 Domestic waste rubbish 2 Industrial waste-fertilizer bags 8 Scrap metal 4 SW 404 Clinical waste 5 SW rags, plastics, filters 6 Spent lubricant & hydraulic oil 7 Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW 8 Sewage waste 8 Sewage waste b) The pollution identified from Pasir Panjang POM activities: No Emission	Complied

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MSPO Public Summary Report Revision 0 (Aug 2017)

		1	Dark smoke	Mill stack	– boiler		
				Running	vehicles		
		2	Noise	Diesel en	gines		
		3	Dust particles	Shreddeo			
			•	Boiler as			
		4	Air pollutant	Boiler cor			
				Diesel en			
				Running	2		
		5	POME	Mill proce			
		6	Waste Water	PCD			
				Septic ta	nk spillage		
		The	source of mill pollution		e mill is the smoke from		
			the boiler. It is monitored from the stack emission during the entire operations.				
		Thes					
			ajor issue.	,			
4	A waste management plan shall be developed and implemented,			nagement Plan lates	t review on 01/08/2019		
4.5.3.2	to avoid or reduce pollution. The waste management plan should		ailable.	5		Complied	
	include measure for:						
		It co	vers Domestic, plastic	c, Garden waste, indu	strial waste and others.		
	a) Identifying and monitoring sources of waste and pollution.	Ther	e are procedures an	d guidelines in the	disposal of wastes and		
	b) Improving the efficiency and recycling potential of mill by-	pollu					
	products by converting them into value-added products.	the r	outine operation.		-		
	- Major compliance -	No	Type of waste	Description	Location		
		1	Domestic waste	Rubbish	Line sites, office,		
					workshop, store		
		2	Industrial Waste	Scrap metal	Workshop		
				POME	ETP		
		3	Sewage waste	Sewage	Workers/housing		
			-	-	toilets/office		

MSPO Public Summary Report Revision 0 (Aug 2017)

4	Scheduled	Wast		SW 404 waste		Clinic	
				SW rags, p		Workshop	
				Spent lub		Workshop	
				hydraulic o	bil		
				Disposed		SW store	
				containers	, bags,		
				equipment			
				contamina	ted with		
				chemicals			
No	Type waste	of	Desc	ription	Action		
1	Domestic		Rubb	oish	Collectio	n/disposal min 2x-	
	waste					internally.	
						i landfill/ collection	
						tablish collection	
					schedule	& PIC	
					Create	awareness on	
					hygiene		
						ng of line site	
2	Industrial		Scra	p metal	Inventor		
	Waste				tender a	at zone level for	
					sale to lie	censed contractor.	
		Γ	POM	E	Daily	monitoring of	
					application	on at designated	
					field P00		
3	Sewage		Sewa	age	To monit	tor during housing	
	waste			-		on and residents'	
					complain		

MSPO Public Summary Report Revision 0 (Aug 2017)

			Engagement with licensed	
			contractor for sewage	
			management.	
4	Scheduled	SW 404		
	Waste	Clinical waste	Storage in sharp bin in	
			clinic.	
			Disposal to Kualiti Alam	
			Sdn Bhd.	
		SW rags,	Inventory maintained.	
		plastics,	Storage in scheduled	
		filters	waste store.	
			Disposal to licensed	
			contractor.	
		Spent	Collection by licensed	
		lubricant &		
		hydraulic oil	Inventory maintained.	
		Disposed	Inventory maintained.	
		containers,	Storage in SW store.	
		bags,	All containers are labelled.	
		equipment	Empty containers collected	
		contaminated	by authorized vendor.	
		with		
		chemicals, SW		
h) ∆d	ditional type of y	<u>.</u>	o the mill processing	
No	Type of waste	Action	o the min processing	
1	POME		at designated field specified	
1		by Agronom	-	
2	EFB		at designated field specified	
		by Agronom		
3	Fibre/shell	Utilization a	s fuel in the boiler.	

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MSPO Public Summary Report Revision 0 (Aug 2017)

		4	Boiler Ash	Surplus fibre used in compost production & shell sold externally Placed in area far from water source to prevent water pollution.	
4.5.3.3	The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005 - Major compliance -	The whic Ther a) Le b) Le c) Le d) Le Ame issue date Sam avail SW4 Lates	standard operation h is prepared on e are levels of the evel 1 Integrated evel 2 Standard of evel 3 Work instru- evel 4 Records. Indments are man es/situation. htory of schedu d 03/11/2019. pled inventory r able for SW102, S 10 and SW429. st disposal sched	e documentation identified as follows; Management Manual operating procedure/SPO OHS	Complied
4.5.3.4	Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse. - Minor compliance -	colle man	ction and dispos	posal for the Pasir Panjang POM through the sal to Pasir Panjang estate landfill. The estate ndfill for Pasir Panjang POM. veek.	Complied

MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	n 4.5.4: Reduction of pollution and emission		
4.5.4.1	An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent. - Major compliance -	Assessment for polluting activity is conducted yearly by management. This assessment include greenhouse gases, solid waste effluent and others. The identified source for air emission was from boiler. Current monitoring was through online boiler smoke density and alarm and six-monthly boiler and stack monitoring of dust particulate. On top of the air emission monitoring, ambient air monitoring is required to be carried out on quarterly basis. Sample of reports verified: <u>Boiler no. 2</u> Date of reporting: 13/06/2019 Reference report: PPJ2-7/06/19 The average stack particulate emission of its water-tube boiler no. 2 was 0.055g/Nm3 or 0.131g/Nm3 if corrected to 12%CO2. The opacity of dark smoke emitted is within the limits of Environment Quality (Clean Air) Regulations 2014. <u>Ambient air monitoring</u> 3rd quarter: 22-24/09/2019, report ref: PPJAmbient-4/09/19: Point A1: 49 PM10 Point A2: 42 PM10 2nd quarter: 12-14/06/2019, report ref: PPJAmbient-3/06/19: Point A1: 38 PM10 Point A2: 41 PM10 1st quarter: 26-28/03/2019, report ref: PPJAmbient-2/03/19: Point A1: 39 PM10 Point A2: 42 PM10 Based on the above results, ambient air monitoring showed that PM10, SO2, NOx & CO complied with the limit of Interim Target 2 (2018) of the New Malaysia Ambient Air Quality Standard.	Complied

MSPO Public Summary Report

Revision 0 (Aug 2017)

4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented. - Major compliance -	The action plan documented under Kulim Mills - Emission and Pollution Management Plan last review on 1 August 2019. Implementation of management plan will be reviewed every quarter during the EPMC meeting.	Complied
4.5.4.3	Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations. - Major compliance -	Palm Oil Mill Effluent (POME) treated through anaerobic pond treatment system where the licensed limit for final discharge BOD is 100mg/l for latest compliance schedule. Regular monitoring conducted by the mill by taking the sample of wastewater in final discharge point. Effluent final discharge analysis monitored on monthly basis by accredited 3rd party UTCL Laboratory. Refer to the latest analysis dated 23/10/2019, report ref: EI/1905/0938-0941. Final discharge at PCD No. 1 BOD is 43mg/l, PCD No. 2 BOD is 57mg/l and PCD No. 3 BOD is 37mg/l. It comply with the limit stipulated in mill's compliance schedule of 100 mg/l. On the performance monitoring, environmental reporting is submitted via online portal Online Environmental Reporting @ OER. Sighted the latest quarterly return (1 July – 30 September 2019) dated 10/10/2019.	Complied
Criterior	1 4.5.5: Natural water resources		
4.5.5.1	The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include: a) Assessment of water usage and sources.	The Pasir Panjang POM water management plan has been established with the recent review made on 16/04/2019. Among others the plan therein has emphasized; a) rain water harvesting for cleaning purposes, b) water from the reservoir for the mill operations c) water from pond and treated for human consumption d) continual training for workers on water efficiency consumption, e) de-silting of water reservoir to retain the reservoir optimal capacity.	Complied

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MSPO Public Summary Report Revision 0 (Aug 2017)

 b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities. c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.). 	The e Samp 16/10 mg/l,	estates simila bled: UTCL La 0/2019, repo downstream	rly possessed aboratory rep rt ref: WI/19 = <6 mg/l a	l the following orts - Refer t 010/1335-133	pollution and water management plan. the latest analysis dated 7, BOD5 upstream = <6 mestic water= <6 mg/l).	
- Major compliance -	<u>No</u> 1	Source Reservoir/ pond/ River/Rain	Activity Chemical mixing	Threat Pollution Draught Wastage	Action Plan Enforcement of buffer zone as non- spraying activities	
	2		General upkeep	Pollution Draught Wastage	Follow WI & SOP to avoid water pollution. Follow SW SOP to avoid pollution caused from SW	
			Line site	Pollution Draught Wastage	Every house supplied with containers. To schedule water supply to avoid wastage. Awareness on water usage efficiency. Outsource from neighboring estates.	
			Drain upkeep	Interrupt ion water flow at	Periodic desilting Building of sand bags at specific	

MSPO Public Summary Report Revision 0 (Aug 2017)

4.5.5.2 Where open discharge of POME into water course mills should undertake to gradually phase it out in a the applicable state or national regulations.	
- Major compliance -	Nitrogen, Oil & Grease, pH, COD, Total Suspended Solids) are checked by UTCL LaboratoryMonthJul 2019Aug 2019Sep 2019BOD3 (mg/l)318225373The mill management has applied "Lesen Pelanggaran" to discharge BOD above 1000 ppm. Sighted DOE letter ref: AS(B)J 31/152/000/007 Jilid (17) dated 24/09/2019 (validity period 01/07/2019 – 31/12/2019).For the long term solution, the management is initiating to upgrade the POMETS with polishing plant.
4.6 Principle 6: Best Practices	

MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	n 4.6.1: Mill Management		
4.6.1.1	Standard operating procedures shall be appropriately documented and consistently implemented and monitored. - Major compliance -	Mill Operation Manual includes mill SOP and work instruction as a guidance document for mill operation. Work Instructions have been derived from SOPs and it were displayed at work stations at the mill and at certain locations at the estates, such as the Muster Notice Boards. Implementation of the SOP being monitored consistently through regular visit and audit by Safety (KSTS) and Sustainability Department team. Any gap identified will be reported and rectification will be done management team for improvement.	Complied
4.6.1.2	All palm oil mills shall implement best practices. - Major compliance -	Mill Inspectorate makes regular visit to evaluate the performance of the mill and estates. General Manager visits the estates on quarterly basis to review estate performance against Kulim Sustainability standard. Latest Mill Inspectorate visit was on 26/08/2019 (MI's report 4/2019). Rating given was good at 79% of overall performance.	Complied
Criterio	n 4.6.2: Economic and financial viability plan		
4.6.2.1	A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning. - Major compliance -	 Pasir Panjang POM and supply bases have established and implemented its commitment to long term sustainability and improvements through a capital expenditure programme. Budget year 2019 – Income & Expenditure Budget (2018 & 2019 and 2020 – 2024 projections) was verified during the audit. Pasir Panjang Palm Oil Mill and supply bases have made progress towards achieving their performance production targets for the current financial year. 	Complied



MSPO Public Summary Report Revision 0 (Aug 2017)

Criterio	n 4.6.3: Transparent and fair price dealing		
4.6.3.1	Pricing mechanisms for the products and other services shall be documented and effectively implemented. - Major compliance -	Pricing of the work was stated in the Appendix B Fee of the agreement. Besides, the fees and payment for the services has clearly outlined in Clause 5 of the agreement where the payment of fees shall be made within 30 days from the date of certification of submitted invoices. Interviewed with the contractors confirmed that payment was made promptly.	Complied
4.6.3.2	All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner. - Major compliance -	 Payment of fees shall be made within 30 days from the date of certification of submitted invoices as per the contract agreement. Sampled of the payment records as below: INV# 1909020 dated 30/9/2019; Payment No.: 19000596 dated 22/10/2019 INV# YT1909-00007 dated 30/9/2019; Payment No.: 19000599 dated 22/10/2019 	Complied
Criterio	n 4.6.4: Contractor		
4.6.4.1	In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. - Major compliance -	There was an addendum for the contractors engaged by the mill management to ensure the contractors are comply with all RSPO, ISCC and MSPO requirements related to the execution of the contract. Briefing of sustainability were given to the contractors on 23/10/2019 during stakeholder meeting. Interviewed with the contractors confirmed that they were provided with training and understand about MSPO.	Complied
4.6.4.2	The management shall provide evidence of agreed contracts with the contractor Major compliance -	 Mill has engaged contractors for varieties of works such as maintenance works and transporters. Sampled of the agreement between company and the contractors as below: i. Contract No.: MPSB/CPO 1/2016 (OLIMPIK) for transportation of CPO to refineries which valid until 28/2/2018. An extension contract was sighted which valid until 29/2/2020. 	Complied

MSPO Public Summary Report

Revision 0 (Aug 2017)

		 ii. Contract No.: MPSB/CPO 1/2016 (TEO) for transportation of CPO to refineries which valid until 28/2/2018. An extension contract was sighted which valid until 29/2/2020. iii. Contract No.: MPSB/PPPOM 1/45/2019 for design, fabricate, supply and install overhead cabling complete with auxiliaries for effluent treatment plant which valid until 31/7/2019. 	
4.6.4.3	The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required. - Minor compliance -	There was an addendum for the contractors engaged by the mill management to allow any certification audit assessment through a physical inspection if required.	Complied



Section 4: Assessment Conclusion and Recommendation

Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings

Based on the findings during the assessment Pasir Panjang Palm Oil Mill and supply bases' Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Pasir Panjang Palm Oil Mill and supply bases' Certification Unit is approved and/or continued.

Acknowledgement of Assessment Findings	Report Prepared by
Name:	Name:
Salasah Elias	Hu Ning Shing
Company name:	Company name:
Kulim Malaysia Berhad	BSI Services Malaysia Sdn Bhd
Title:	Title:
Deputy General Manager	Lead Auditor
Signature:	Signature:
	hip
Date: 22/01/2020	Date: 22/01/2020



PF824 MSPO Public Summary Report Revision 0 (Aug 2017)

Appendix A: Assessment Plan

Date	Time	Subjects	HNS	DF
Sunday 10/11/2019			√	\checkmark
Monday 11/11/2019 Pasir Panjang	0830 - 0900	 Opening Meeting: Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation). Verification on previous audit findings 		\checkmark
РОМ	0900 - 1300	Pasir Panjang POM FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.	~	V
		Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	\checkmark	-
	1300 - 1400		\checkmark	\checkmark
	1400 - 1630	Pasir Panjang POM Document Review P1 – P6 (part 4), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity andecosystem services and P6 : Best practices	\checkmark	\checkmark
	1630 - 1700	Interim Closing Briefing	\checkmark	\checkmark
Tuesday 12/11/2019 Siang Estate	0830 - 1300	Siang Estate 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.	\checkmark	\checkmark
	1000 - 1300	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	\checkmark	-
	1300 -1400	Lunch	\checkmark	\checkmark
	1400 - 1630	Siang Estate Document review P1 – P6 (part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	\checkmark	\checkmark
	1630 - 1700	Interim Closing Briefing	\checkmark	\checkmark
Wednesday 13/11/2019 Pasir Logok Estate	0830 - 1300	300 Pasir Logok Estate 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.		√



MSPO Public Summary Report Revision 0 (Aug 2017)

	1300 - 1400	Lunch	\checkmark	
	1400 - 1630	Pasir Logok Estate Document review P1 – P6 (part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	√	√
	1630 - 1700	Interim Closing Briefing	\checkmark	\checkmark
Thursday 14/11/2019 Bukit Kelompok Estate	0830 - 1300	Bukit Kelompok Estate 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.	√	
	1300 - 1400	Lunch	\checkmark	\checkmark
	1400 - 1600	Bukit Kelompok Estate Document review P1 – P6 (part 3), P1: Management commitment and responsibility, P2: Transparency, P3: Compliance to legal requirement, P4: Social responsibility, health safety and employment condition, P5: Environment, natural resources, biodiversity and ecosystem services and P6 : Best practices, P7: Development of New Planting	√	\checkmark
	1600 - 1630	Preparation of Closing Meeting	\checkmark	\checkmark
	1630 - 1700	Closing Meeting	\checkmark	\checkmark
Friday 15/11/2019	AM	Audit team travel to KL	\checkmark	\checkmark

Appendix B: List of Stakeholders Contacted

Internal Stakeholders Sprayers Harvesters Manurers Mill Operators Gender Committee Representatives Workers Union Representatives NUPW Representatives Workers Representative	<u>Union/Contractors/Local Communities</u> Contractors School representative (SK Tunjuk Laut) Neighbouring Plantation (Ladang Kumpulan Melayu)
Government Departments	NGO
JTK Johor	No complaint by NGO for Pasir Panjang POM &
Wlidlife Department Johor	supply bases. Therefore, NGO was not contacted.

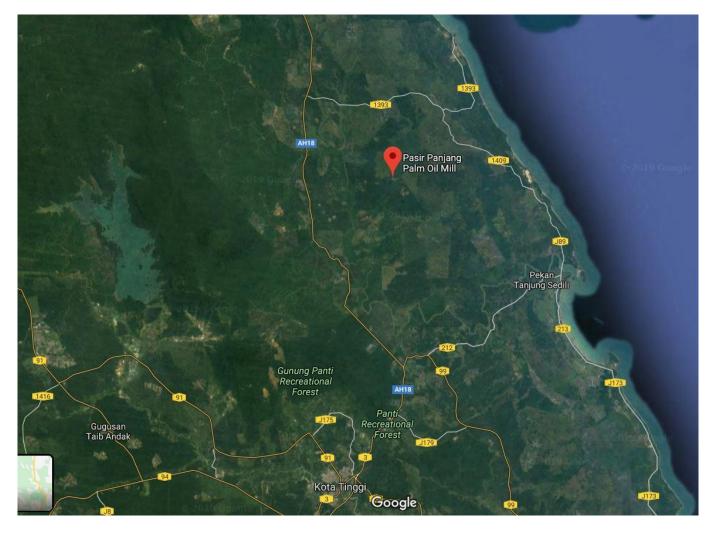
Appendix C: Smallholder Member Details

No	Name of smallholder	Year Planted	Land Area (ha)	Forecast FFB (Mt/ha/year)
1		Not applicable		



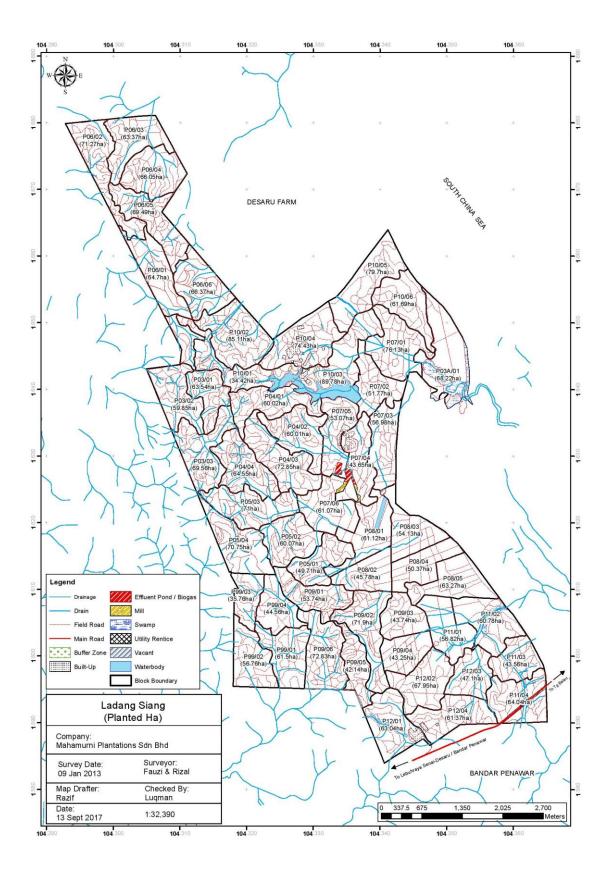
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Appendix F: Location and Field Map



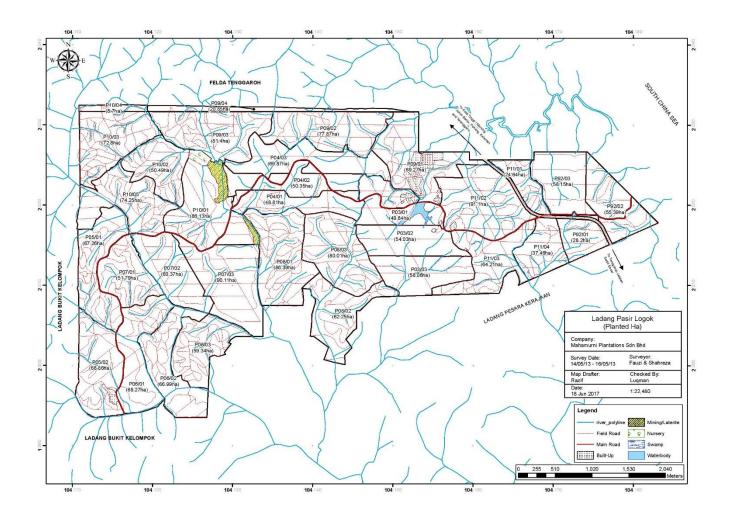


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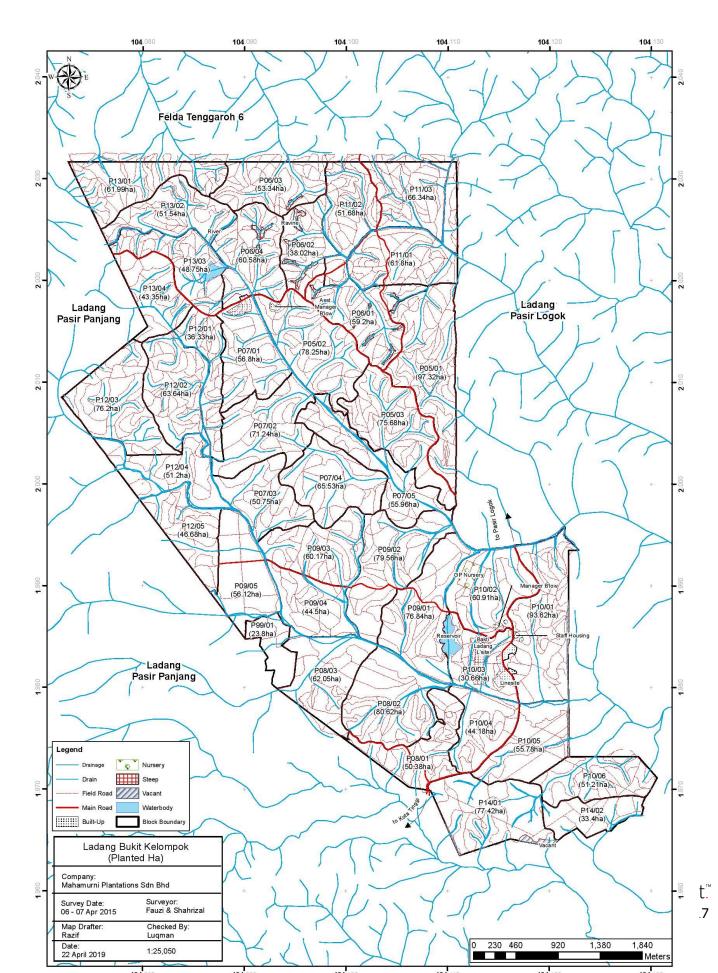




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Appendix G: List of Abbreviations

BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MSPO	Malaysian Sustainable Palm Oil
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
РКО	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RTE	Rare, Threatened or Endangered species
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure