

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

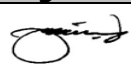
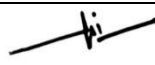

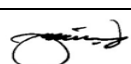

CERTIFICATION AUDIT REPORT


Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders

TH Plantations Berhad
Mamahat Complex [Estate]

-Group Certification-

MAIN ASSESSMENT AUDIT
25th March 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	30/05/19	Issued as Draft Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
A	11/06/19	Peer Review 1 Comments	Remi bin Rasidi	Peer Reviewer 1	
A	11/06/19	Peer Review 2 Comments	Mohd Zuhaili bin Mukri	Peer Reviewer 2	
B	12/06/19	Issued as Final Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	18/06/19	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by TH Plantations Berhad					
Rev	Date	Description	Management Representative	Role	Signature
B	18/06/19	Acceptance of the contents	Mr. Ahmad Anuar bin Sairi	General Manager (CEO's Office)	

Declaration

The auditor(s) has (had) no personal, business or other ties to the client and the assessment is carried out objectively and independently.

WITH INTEGRITY WE SERVE



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Note: Section II of this report contain confidential information and been protected from public disclosure.

SECTION I : PUBLIC SUMMARY REPORT

1.1 Certification Scope

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of **TH Plantations Berhad, Mamahat Complex [Estate]**. During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by Estate Manager, of the supply base disposition. The estate consists only Mamahat Estate.

This assessment was conducted onsite on **25th March 2019** to assess the compliance of the certification unit against the "**MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder**". The scope of certification is "**Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches**".

1.2 Company details and Contact information

Company Name	TH Plantations Berhad
Business Address	Menara TH Platinum, Level 31-35, No. 9 Persiaran KLCC, 50088 Kuala Lumpur.
Contact Person	Mr. Ahmad Anuar bin Sairi
Office Telephone	+603 2603 4800
E-Mail	anuar@thplantations.com

1.3 Certification Unit

Name of the Certification Unit

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Ladang Mamahat	Locked Bag No. 1, 89109 Kota Marudu, Sabah.	E 117°33'33.05"	N 6°28'20.28"

MPOB License Information

No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Ladang Mamahat	504056902000	31.10.2019	Menjual & Mengalih FFB
		508827802000	30.06.2020	Menjual & Mengalih FFB

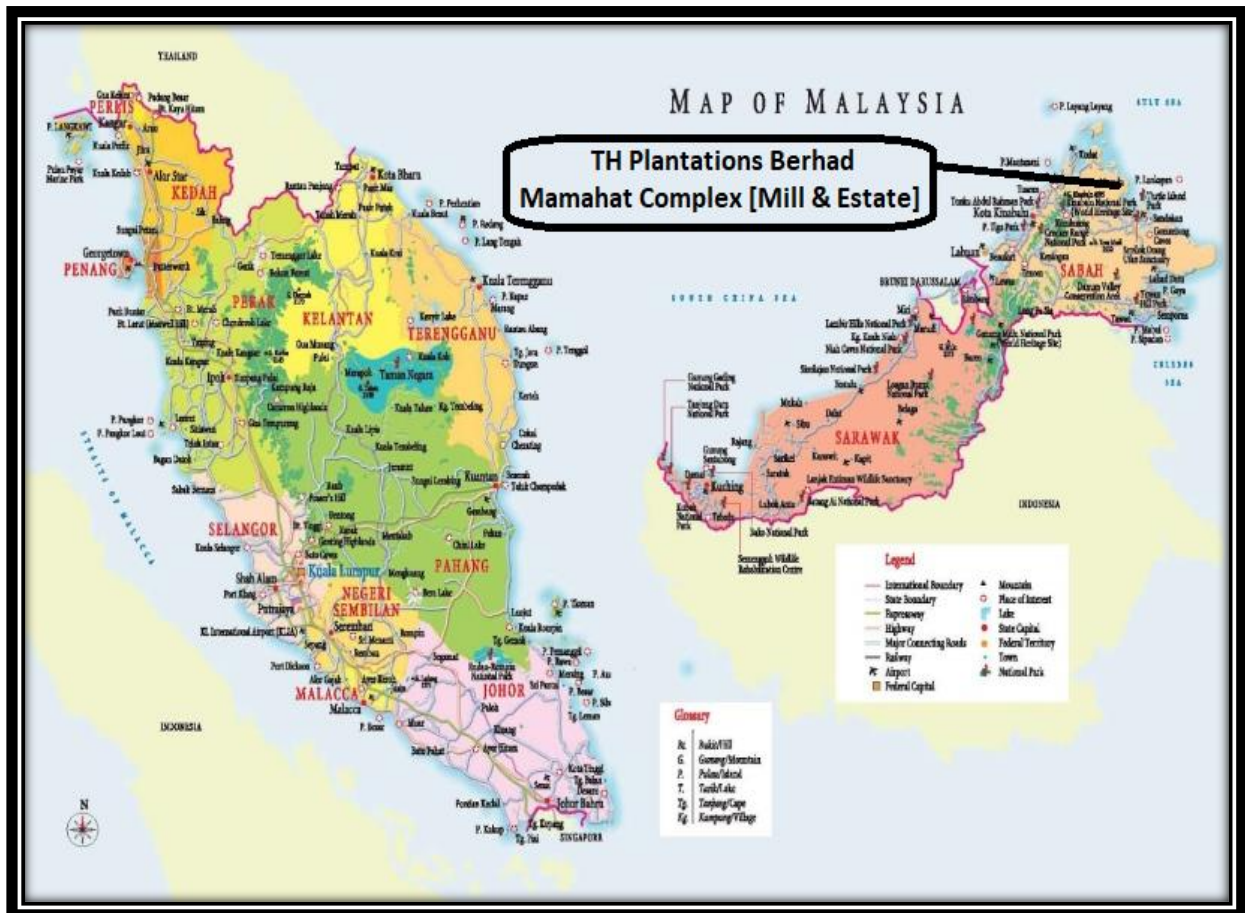


Others Sustainability Certification

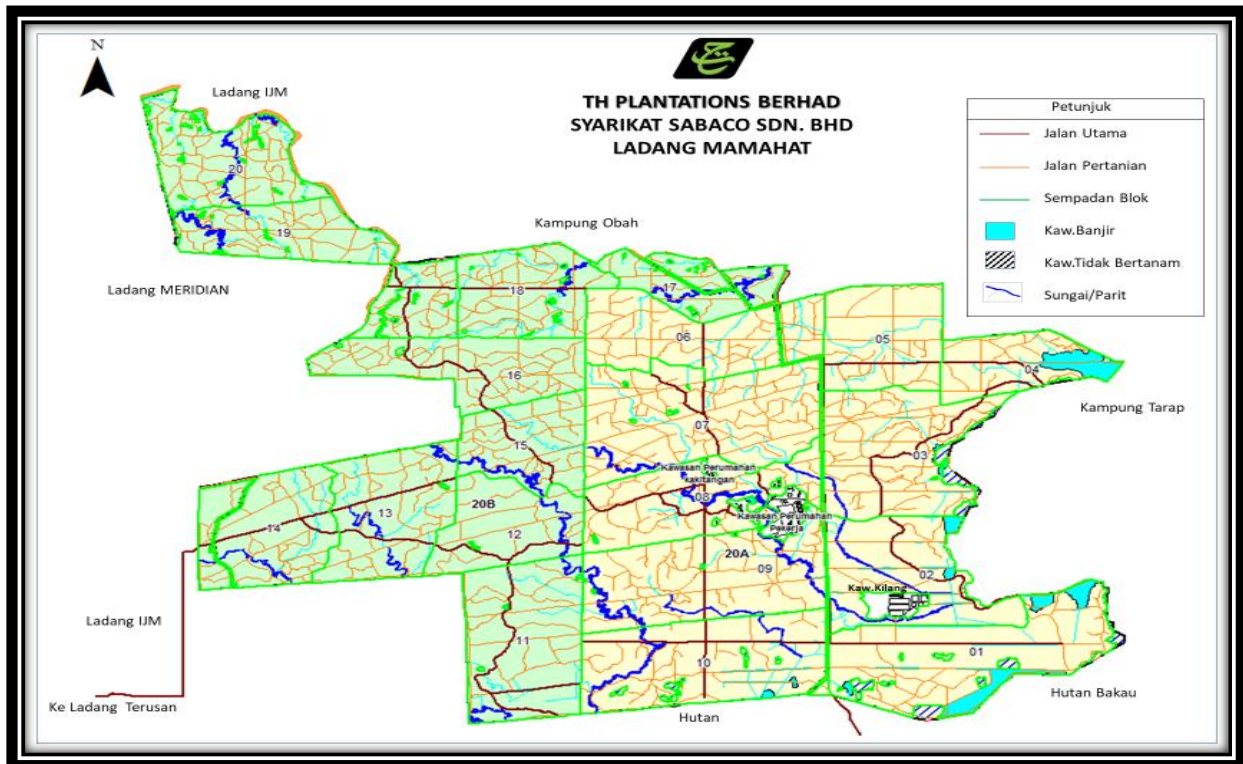
No	Name Of The Site	Others Sustainability Certifications
1.	Ladang Mamahat	NIL

1.4 Map Showing Geographical Location

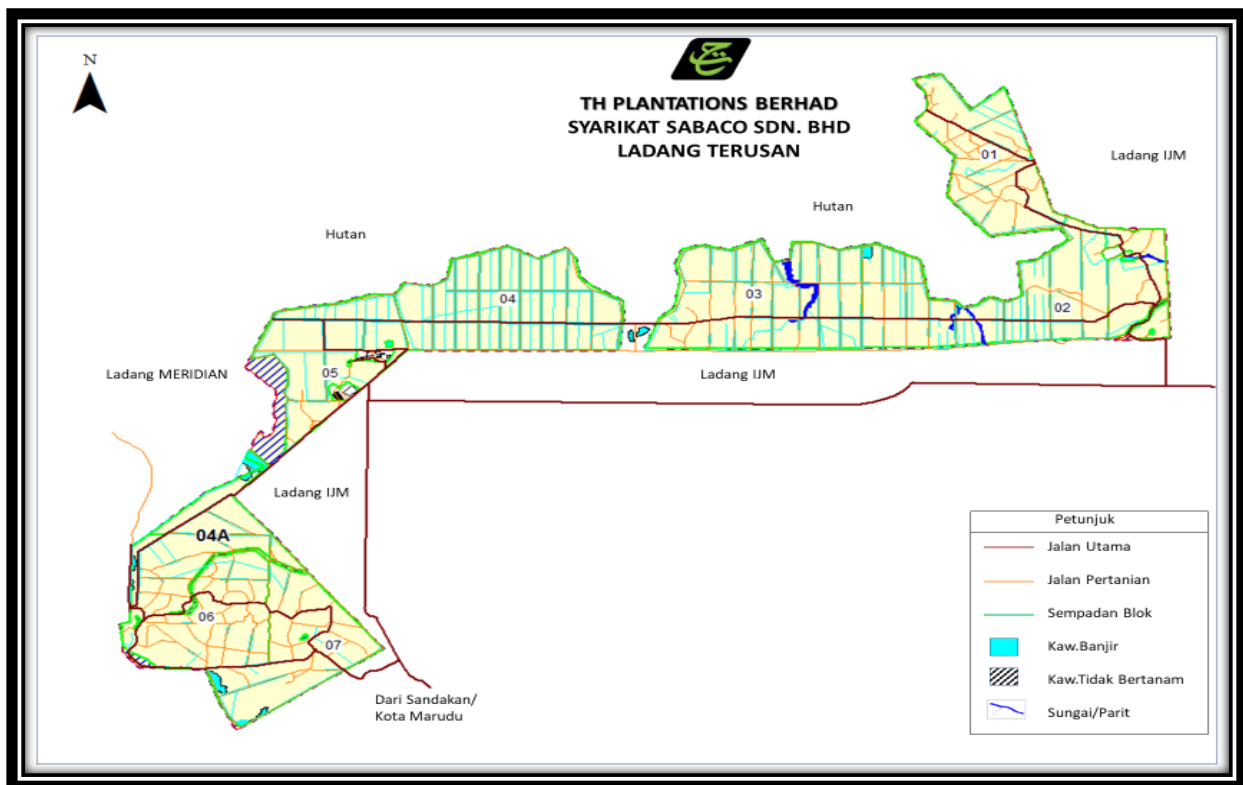
1) TH Plantations Berhad – Mamahat Complex [Mill & Estate]



2) Ladang Mamahat



3) Ladang Mamahat (Terusan Division)



1.5 Production Area, Actual and Projected FFB Production (MT)

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Ladang Mamahat	2,935.64	2,631.11	2,631.11
Total	2,935.64	2,631.11	2,631.11

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Ladang Mamahat	-	-	304.53
Total	-	-	304.53

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [Mar 2018-Feb 2019]	Projected Production for next 12 Months [Mar 2019-Feb 2020]
Ladang Mamahat	NIL	57,019.47	55,326.65
Total	NIL	57,019.47	55,326.65

1.6 Certificate Details

Certification body	Global Gateway Certifications Sdn. Bhd., No. 10 Jalan Rasmi 7, Taman Rasmi Jaya, 68000 Ampang, Selangor Darul Ehsan, Malaysia. Tel.: +603 4256 2689; Fax: +603 4256 2687 Website: www.ggc.my
Assessment standard	(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders
Certificate number	GGC-THPB008-MSPO-00-2019
Initial certificate issued date	18 th June 2019
Certificate expiry date	17 th June 2024

Stage 1 assessment date	11 th February 2019
Stage 2 / Main Assessment	25 th March 2019
Annual Surveillance 1 [ASA 1]	March 2020
Annual Surveillance 2 [ASA 2]	March 2021
Annual Surveillance 3 [ASA 3]	March 2022
Annual Surveillance 4 [ASA 4]	March 2023

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: **Muhammad Syafiq bin Abd Razak**

Graduate in plantation management with more than 7 years working experience in various plantation company and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Fully trained in similar agriculture certification programs such as RSPO, SCCS, MSPO and etc. Qualified as Lead Auditor/Auditor in several certification programme. Involved in RSPO and MSPO assessment since 2014. Involved in audits conducted in for many different companies in Malaysia, Indonesia, Australia, Pakistan, India, Arab Saudi and Ivory Coast. Completed and certified MSPO Auditor course in 2014 (3rd Batch) held by MPOB. Member of GGC MSPO audit team.

Experienced in handling mineral and peat soil oil palm estate. Knowledgeable in chemical in control of weeds and pest & disease in Oil Palm Plantation sector. Understanding in Industrial relation and labour law. Attended OSH Act 1994 & Regulations and Factories & Machinery Act 1967 & Regulations Training. Participated in Workshop for Oil Palm Growers on Peat at Bogor, Indonesia. Completed and attended Social Impact Assessment Training at Bogor, Indonesia organized by Remark Asia. Also, has attended training for RSPO GHG calculation on year 2015 in Kuala Lumpur.

During this assessment, he assessed on the aspect of Management Commitment & Responsibility, Transparency, Legal, Safety and Health, Social, Stakeholder's Consultation, Workers Welfare, Environment, Best Practices and etc. He is able to speak and understand Bahasa Malaysia and English.

Auditor

Name: **Ismadi bin Hj. Ismail**

He holds Diploma in Planting Industry Management from MARA Institute of Technology, Kuantan Pahang. 24 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in CoP, MSPO and OSHAS. Qualified as Lead Auditor/Auditor for MSPO and CoP. Involved in MSPO assessment since 2017. Completed and certified MSPO Auditor course in 2017 held by SGS (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of Transparency, Safety and Health, Employment Condition, Social and Community Engagements, Stakeholder's Consultation and Workers Welfare. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: **Hj. Ahmad bin Sukiman**

He holds MSc Plantation Management from Universiti Putra Malaysia (UPM). Above 30 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in MSPO and qualified as Lead Auditor/Auditor for MSPO. Involved in MSPO assessment since 2015. Completed and certified MSPO Auditor course in 2015 held by DQS Certification (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of Legal, Stakeholder's Consultation, Workers Welfare and Environment. Able to speak and understand Bahasa Malaysia and English.

1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). In the case of this certification unit, sampling calculation was not applied as there is only one estate namely "Ladang Mamahat".

The assessment activities include of documents review and site inspection. The documents that had been reviewed among others were company policy, internal procedures, management system procedures, waste management procedures, legal documents etc. Significant issues that would impact to the environmental and social were also been verified.

The methodology for collection of objective evidence was established during physical site inspections, observation of tasks and processes, interviews of stakeholders, interview of officers, review of documents and data. Checklists and questionnaires were used to guide the collection of information and the comments made by external stakeholders were also been taken into consideration in this assessment.

Appendix A (Audit Plan) details the actual assessment plan. Stakeholders were consulted randomly during the assessment to obtain feedback on the management compliance and performance (Appendix C) of MSPO.

1.9 Audit Plan Information

Audit Date	25 th March 2019
Name of site(s) visited	Ladang Mamahat
Total number of man-days spent	3 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	1	Closed
Minor Nonconformities	1	Open (Next Surveillance Audit)
Area of Concern	1	No action requires
Noteworthy /Positive Comments	6	No action requires

1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01st August 2017; Stakeholder Consultation Requirements For Certification Bodies Operating Oil Palm Management Certification Under Malaysian Sustainable Palm Oil (MSPO) Certification Scheme. The consultation during the audit will be carried out during the stage 2 and recertification audit of the management unit. The CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

GGC has published the public notification on 22nd February 2019 and as to accommodate a stakeholders' consultation meeting for mill and estate. Therefore, it was conducted on 25th March 2019 - 26th March 2019 in TH Plantations Berhad, Mamahat Complex [Mill & Estate] to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

During this Main Assessment (Stage 2) audit, the audit team has conducted stakeholder consultations involving both internal and external stakeholders as to understand the practices in relation to environmental, social performance and their performance with respect to the MSPO requirements. The meeting was conducted without the present of estate management.

At the start of meeting, the auditor explained the purpose of the audit followed by an evaluation of the relationship between the stakeholders before discussions continued. The auditor recorded comments made by stakeholders and verified with the estate management before incorporating into the assessment findings. There was no negative complaint or feedback received during the audit or during the field assessment when interviewing with the external and internal stakeholders. The details is as per table below:

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholders A (Contractors)	<ul style="list-style-type: none"> • They have good understanding about MSPO. • He is clear that if he employs a worker, he has to officially inform estate management. He also knows the working hours, minimum salary, Socso & EPF (for local workers) that has to be paid as he has been briefed in the Stakeholders meeting. • They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work. • They were aware that any complaints or suggestions could be forwarded to the mill/estate management. • He is very happy with the management and hopes to continue his contract for a long time. • The company has good relation with supplier and there is no issue with company's performance. 	No action requires	Positive findings
2.	Stakeholders B (Contractors)	<ul style="list-style-type: none"> • Most of the stakeholders attended the meeting are aware about the MSPO. • Most of them has little knowledge on the existence of method/ mechanism of complaints/ grievances. 	Management will continue briefing to all stakeholders on MSPO and complaint and grievance mechanism	Will review by next surveillance audit
3.	Stakeholders C (Government Agency)	<ul style="list-style-type: none"> • Concerned about poaching or illegal hunting. • Requested the estate or mill to share the outgoing water sampling analysis result. 	Management to review the surveillance exercise on RTEs as well as sharing the water analysis result for mutual benefits.	Will review by next surveillance audit

4.	Stakeholders D (Government Agency)	<ul style="list-style-type: none"> • He said he was not invited during last stakeholder's meeting. • Requested the Mill to response to District's Development Plan especially in obtaining Sijil Menduduki Bangunan which was initiated since 2013. 	Management to handle the issue amicably.	Will review by next surveillance audit
5.	Stakeholders E (Government Agency)	<ul style="list-style-type: none"> • Suggested the management to make a ground visit and to extend the CSR programme to their base camp. 	To continue and strengthen the good relationship with all the stakeholders	Will review by next surveillance audit
6.	Stakeholders F (Government Agency)	<ul style="list-style-type: none"> • They are always invited by company to participate in stakeholder meeting annually. • They have good understanding about MSPO. • They have good understanding about complaint and grievance mechanism. 	No action requires	Positive findings
7.	Stakeholder G (Neighbouring Estate)	<ul style="list-style-type: none"> • They have good relationship with the management. • There is no conflict ever happened with mill & estate. 	No action requires	Positive findings
8.	Stakeholder H (Estate workers)	<ul style="list-style-type: none"> • MSPO awareness, company policy and SOP are briefed among workers during muster call. • Personal Protective Equipment are distributed free of charged by management. • They have good understanding about complaint and grievance mechanism. • They are very happy with the management and hopes to continue their contract for a long time. • Company well managing the welfare, health and safety of their workers. 	No action requires	Positive findings

		<ul style="list-style-type: none"> Housing facilities is provided with water and electrical supply. They have been treated equally without any discrimination. Their salary was according to Minimum Wage Order 2018. 		
9.	Stakeholders I (Estate - Gender Committee Representatives)	<ul style="list-style-type: none"> They have been treated equally without any discrimination. No sexual harassment reported. 	No action requires	Positive findings

1.12 Recommendation

The company has established sustainability policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of TH Plantations Berhad, Mamahat Complex [Estate]. Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual. All operating units also assist by TH Plantations Berhad, Sustainability and Investor Relations Department.

The management is committed to comply with MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard. The employees are aware of the requirements of MSPO. There was no complaint or feedback received during this Main Assessment (Stage 2) Audit.

This report will be internally reviewed prior to certification decision by GGC and externally peer reviewed by independents panel reviewers (qualified and trained by MPOCC). During this Main Assessment (Stage 2) Audit, based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO)] Part 3: General Principles for Oil Palm Plantations and Organized Smallholders), there were 1 major, 1 minor non-conformities and 1 area of concern has been raised to the facility that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted of major non-conformity findings is closed. Therefore, the Lead Auditor recommends a certificate of compliance "**MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders**" is awarded to TH Plantations Berhad, Ladang Mamahat.

1.13 Date of Next Surveillance Audit

The first annual surveillance assessment visit will be scheduled after 12 months of the MSPO Certificate being issued.

1.14 Confidentiality

GGC auditors will not discuss or reveal any of the confidential information seen during the audit to any third party. Any public summary of the main assessment will be approved by the client prior to publication.

1.15 Abbreviations Used

BOD	Biological Oxygen Demand
CHRA	Chemical Health & Risk Assessment
CIP	Continuous Improvement Plan
COD	Chemical Oxygen Demand
CoP	Code of Practise
CSPO	Certified Sustainable Palm Oil
CPO	Crude Palm Oil
CSPK	Certified Sustainable Palm Kernel
DOE	Department of Environmental
DOSH	Department of Occupational Safety and Health Malaysia
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
FFB	Fresh Fruit Bunch
FGS	Finished Good Stock
GAP	Good Agriculture Practise
GHG	Greenhouse Gas
GGC	Global Gateway Certifications Sdn Bhd
HIRARC	Hazard Identification, Risk Assessment and Risk Control
ISCC	International Sustainability & Carbon Certification
IPM	Integrated Pest Management
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysian Palm Oil Certification Council
MSPO	Malaysian Sustainable Palm Oil
NCR	Non-Conformance Report
NGO	Non-Government Organization
OHS	Occupational Health & Safety
OHSAS	Occupational Health and Safety Assessment Series
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SEIA	Social Environmental Impact Assessment
SOP	Standard Operating
SPO	Sludge Palm Oil

SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA

2.1 Principle 1 : Management commitment and responsibility

Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

Indicator 1 A policy for the implementation of MSPO shall be established.

Summary TH Plantations Berhad has established Sustainability Policy. The policy has been proved by Mr. Muzmi bin Mohamed; Chief Executive Officer dated on 1st March 2019.

MSPO Policy was briefed to the:

- 1) External Stakeholders
 - Stakeholder Meeting was conducted on 12th December 2018 by En. Abdul Kahar bin Sariman, The Estate Manager attended by 31 stakeholders. The meeting was collaborated between Mamahat Estate and Mamahat Palm Oil Mill.
- 2) Internal Stakeholders
 - MSPO Awareness for Internal Stakeholder was conducted on 30th November 2018 by En. Mohd Hazree bin Haron attended by 225 workers and 11 Management Staff.

In Compliance **Yes** No Not Applicable

Indicator 2 The policy shall also emphasize commitment to continual improvement.

Summary TH Plantations Berhad has established Sustainability Policy. The policy has been proved by Mr. Muzmi bin Mohamed; Chief Executive Officer dated on 1st March 2019.

Stated in the Sustainability Policy; Point no 2 – “To continuously improve our operations in line with social, environmental and economic requirements”.

In Compliance **Yes** No Not Applicable

Criterion 2 Internal audit

Indicator 1 Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.

Summary TH Plantations Berhad has established MSPO Procedure on the Internal Audit. MSPO-TH-01; Rev 0; Date 10/01/2018.

The internal audit done annually by team appointed as Internal Auditors from TH Plantations Berhad, Head Quarters.

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary TH Plantations Berhad has established MSPO Procedure on the Internal Audit. MSPO-TH-01; Rev 0; Date 10/01/2018.

The purpose of this procedure is to describe the audit process conducted internally to determine TH Plantations Berhad's estate and mill operations are effectively implemented to comply with the Malaysian Sustainable Palm Oil (MSPO) standards.

The internal audit conducted by En. Mohd Uzair bin Rozali and En. Mohd Shahrul bin Usran on 15th November 2018. 10 major and 1 minor Non – conformities being raised during audit.

The Non – conformities being closed on 5th December 2018 within the stipulated period by the Internal Auditor of 1 month from date audit. The findings were documented in the Internal Audit Findings Summary.

In Compliance **Yes** No Not Applicable

Indicator 3 Report shall be made available to the management for their review.

Summary Sighted the internal audit report done by Sustainability & Investor Relations Department. Conducted by En. Mohd Uzair bin Rozali and En. Mohd Shahrul bin Usran on 15th November 2018. 10 major and 1 minor Non – conformities being raised during audit. The report is available for Management to review and being responded in timely manner.

In Compliance **Yes** No Not Applicable

Criterion 3 Management review

Indicator 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.

Summary TH Plantations Berhad has established the Management Review Procedure. MSPO-TH-02; Rev 0; Date 10/01/2018.

Sighted "Laporan Kajian Semula Pengurusan Kali 02/2019" on 19th March 2019. Prepared by Pn Asriah bte Achmad (Chief Clerk), Review by En. Mohd Rushdi bin Munar (Sr. Estate Assistant Manager) and approved by En. Abd Kahar bin Sariman (Estate Manager).

As per stated in the procedure, the estate manager is responsible for arranging the meeting, preparing meeting agenda, determine scheduled date and meeting minutes. The agenda shall be as listed below:

1. Review action items from previous meetings.

2. Review the suitability of the policy.
3. Review process performance and product conformity including suitability and achievement of the quality objectives and other measures.
4. Review feedback from customers and other interested parties including data relating to customer perception of whether the organization has met customer requirements (include positive feedback as well complaints). Review customer delivery performance.
5. Review summary and status of non-conformities.
6. Review any changes or requirements that might affect the QMS, e.g. revisions to the MSPO standard, legal & regulatory issues or new processes.
7. Review resource issues such as:
 - Human – current adequacy and future needs, competency, training, organization chart and job descriptions (responsibility, authority and communication);
 - Facility – adequacy, suitability and maintenance of buildings, work environment and services (e.g. communications).
8. Any other business or quality planning. (e.g financial, social, environmental, statutory, regulatory, marketing, etc)

In Compliance **Yes** No Not Applicable

Criterion 4 Continual improvement
Indicator 1 The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.

Summary TH Plantations Berhad has established Sustainability Policy. The policy has been proved by Mr. Muzmi bin Mohamed; Chief Executive Officer dated on 1st March 2019. Stated in the Sustainability Policy; Point no 2 – “To continuously improve our operations in line with social, environmental and economic requirements”.

TH Plantations Berhad has established the Management Review Procedure. MSPO-TH-02; Rev 0; Date 10/01/2018, Appendix 2: Continuous Improvement Plan.

- Sighted list of continuous improvement plan:
- 1) Dilapidated condition of worker quarters
 - 2) Linesite cleanliness and beautification
 - 3) To construct SW store as per DOE guideline
 - 4) Oil trapped sump at washing bay

In Compliance **Yes** No Not Applicable

Indicator 2 The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology, where applicable, that are available and feasible for adoption

Summary There is no new application of new technology implemented during the certification period. The current practices continued and guide by Plantation Controller Sabah.

In Compliance **Yes** No Not Applicable



Indicator 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.

Summary Trainings were conducted for the introduction and implementation of any new information or technology that is feasible and applicable to the company.

In Compliance **Yes** No Not Applicable

2.2 Principle 2 : Transparency

Criterion 1 Transparency of information and documents relevant to MSPO requirements

Indicator 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.

Summary TH Plantations Berhad has established the Stakeholder Communication & Consultation Procedure. MSPO-TH-03; Rev 2; Date 5/04/2018.

Stakeholder Meeting was conducted on 12th December 2018 by En. Abdul Kahar bin Sariman, The Estate Manager attended by 31 stakeholders. The meeting was collaborated between Mamahat Estate and Mamahat Palm Oil Mill.

Sighted 6 record on request and response matter being addressed by stakeholders in 2018. No issue being raised in 2019. Sighted the record of requests and responses by the Mamahat Estate external stakeholder as below:-

1. Request: Amirah Fatimah Firzanah bt Abd Majid
 - Date: 12/12/2018
 - Request to repair street lights.
 - The Manager responded all the repairs will be executed 2019

Latest meeting with Internal Stakeholders was held on 26th March 2019 attended by 294 internal stakeholders. The meeting was conducted by Estate Assistant Manager. Sighted in the minutes of meeting the agenda on Complaints and Request Procedure being briefed to all workforce.

However, one minor non conformity has been raised to Mamahat Estate. Sighted training and briefing being conducted to all internal stakeholders. However, in the interview session with internal stakeholders during site visit, they are still lack of awareness on MSPO compliance.

In Compliance Yes **No** Not Applicable

Indicator 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.

Summary Sighted Reference Document List guideline by Head, Sustainability and Investor Relations, last updated 10TH April 2018 as stated below:-

No	Reference Document	Confidential	Non Confidential
1	Policy		/
2	Standard Operating Procedure	/	
3	Management and Discussion Analysis		/
4	Corporate Information		/
5	Corporate Structure		/
6	Board Directors		/
7	Senior management Profiles		/
8	Corporate Responsibility		/
9	Statement of Corporate Governance		/
10	Statement on Risk Management & Internal Control		/
11	Audit Committee Report		/
12	Additional Compliance Information		/
13	Performance Statistic		/
14	Consolidated Financial Statements		/
15	www.thplantations.com.my		/

All these documents were sighted in the estate office. Requests for official documents through the estate office will have to go through the estate manager/assistant in charge, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document.

In Compliance **Yes** No Not Applicable

Criterion 2 Transparent method of communication and consultation

Indicator 1 Procedures shall be established for consultation and communication with the relevant stakeholders.

Summary TH Plantations Berhad has established the Stakeholder Communication & Consultation Procedure. MSPO-TH-03; Date 5th April 2018 (second release).

The Standard Operating Procedure has identified mechanism for consultation and communication with the relevant stakeholders.

In Compliance **Yes** No Not Applicable

Indicator 2 A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.



Summary The person in charge for consultation and communication is Mr. Muhammad Azim bin A. Rahman, Ms Siti Kamisah binti Ramli, Mr Rony a/k Taling and Mr. Razli bin Pilen, appointed on 26th November 2018 by the Estate Manager, En. Abdul Kahar bin Sariman.

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary Sighted latest stakeholders list updated on 18th February 2019. The stakeholders list was updated by Estate Assistant Manager.

	No of stakeholders
Estate & Mill	5
Government	35
Supplier / Contractor	25
Non – Governmental agencies	19
Local Community	6
Total	90

In Compliance **Yes** No Not Applicable

Criterion 3 Traceability

Indicator 1 The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).

Summary The THP has established the MSPO Procedure: Title FFB Traceability. MSPO-TH-04; Rev 0; Date 1st November 2017. Second release on 7th November 2018.

Sighted, two FFB Traceability process flows in the Estate namely:

1. Ramp and weighbridge at Estate & Mill
2. No ramp and weighbridge at Mill

Sample taken on Ramp and weighbridge at Estate & Mill. Harvesting operation being conducted by Check-roll workers (own harvester) and the mandore / supervisor is under Estate Management.

At field, both Estate mandore / supervisor will conduct FFB grading and recorded all the Fresh Fruit Bunches (FFB) that harvested by the harvester in Daily Bunch Record. The daily bunch record consists of the following information:

- a) Harvester unique ID
- b) Date
- c) Quantity
- d) Field No.

Upon completion of field FFB Grading, the FFB will be loaded and transported to ramp and recorded in the Bunch Record. At ramp, the FFB again being graded and record in the Grading Record and Grading Chit.

Later, the FFB being loaded into the lorry and being weighed before transporting to mill. The weighbridge operator will key – in the following information in the system:-

- a. Date of weighing
- b. Gross/tare/net weight
- c. Contract Number
- d. Weighbridge ticket number
- e. Descriptions of contents
- f. Vehicle number
- g. Name of driver
- h. Time in / out

Finalizing key-in the information, the weighbridge operator will issue dispatch Chit, delivery Note and Dispatch Ticket.

Further, at security post guard the security personnel will checked the following information :-

- a. Date
- b. Vehicle Number
- c. Name of driver
- d. Name of Supplying Estates and Field No
- e. Time in / out

Then, the FFB being transported to the designated Mill as per Contract. Base on interview with Puan Siti Kamisah bt Ramli, person in- charge of all the Estates traceability process, she is well versed with the procedures.

In Compliance **Yes** No Not Applicable

Indicator 2 The management shall conduct regular inspections on compliance with the established traceability system.

Summary The Management team on harvesting holds the responsibility on regular inspection of traceability system. Periodical inspections also being conducted through Plantation Advisor and Agronomist visit. The effectiveness of the monitoring will evidence in the internal audit and visit report findings.

In Compliance **Yes** No Not Applicable

Indicator 3 The management should identify and assign suitable employees to implement and maintain the traceability system.

Summary The person in charge for traceability agenda is Mr. Muhammad Azim bin A. Rahman, Ms Siti Kamisah binti Ramli, Mr Rony a/k Taling and Mr. Razli bin Pilen, appointed on 26th November 2018 by the Estate Manager, En. Abdul Kahar bin Sariman.



In Compliance **Yes** **No** **Not Applicable**

Indicator 4 Records of sales, delivery or transportation of FFB shall be maintained.

Summary FFB being sell to Mamahat POM, own mill and being monitored by Marketing Department. Sighted the records of sales, delivery or transportation of FFB. This record being maintained and the documents are kept by the both site (estate and mill).

In Compliance **Yes** **No** **Not Applicable**

2.3 Principle 3 : Compliance to legal requirements

Criterion 1 Regulatory requirements

Indicator 1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.

Summary The company has established and updated list of applicable laws and regulations that are applicable for the estate as per "Plantation Quality Management System (PQMS) – Summary Compliance. The legal register is prepared by SIR Department.

Sighted the Summary of Compliance updated on 11.02.2019. It includes the following:

1. Occupational Safety and Health Act 1994
2. Factories and Machinery Act, 1967
3. Uniform Building By Law, 1986
4. Pesticides Act 1974 (Act 149)
5. Petroleum (Safety Measures) Act, 1984
6. Electricity Supply Act, 1990
7. Fire Service Act, 1984
8. Environmental Quality Act 1974
9. Workers' Minimum Standards of Housing and Amenities Act 1990
10. Akta Kerja 1955
11. Employee Provident Fund Act 1991
12. Employees Social Security Act 1969
13. Akta Kesatuan Sekerja, 1959
14. Minimum Retirement Age Act, 2012
15. National Wage Consultative Council Act 2011, Minimum Wages Order (Amendment) 2018
16. Sabah Labour Ordinance
17. Jadual Pematuhan, Department of Environment
18. MPOB, 1998

One major non-conformity has been raised to the estate. The estate has Air Compressor with serial no K0524126. However, the Air Compressor License was expired since 2013. It was last tested on 08.07.2013 by DOSH. Testing Ref SB/HT/2013/521.

In Compliance **Yes** **No** **Not Applicable**

Indicator 2 The management shall list all laws applicable to their operations in a legal requirement register.

Summary The list covers detail requirements that related to MSPO compliance. These documents include information on title of laws, subject, reference number, etc, requirement and status of compliance.

Sighted permits/licenses being monitored and updated by Pn Norasyikin Binti Sulayman (General Clerk). It includes;

- 1) Lesen Berniaga 2019 Ref No. T No.: 227284 expiry 31.12.2019 (Alamat premis: Tingkat 1, Blk D, Lot 9, Bandar Kim Fung Batu 4, Jalan Utara Sandakan, Sabah)
- 2) MPOB License No. 508827802000 for Labuk/Sugut (810.8ha) expiry 30.06.2019
- 3) MPOB License No. 504056902000 for Ladang Mamahat (2,124.84ha) expiry 31.10.2019
- 4) Lesen Menggaji Pekerja Ref No.: JTK.H.SDK.600-4/1/1/01261/004304 for 283 Indonesian workers for a period of 05.07.2018 to 04.07.2019. Current no : 312 Indonesian workers. Sighted letter "Permohonan Penambahan Lesen untuk Menggaji pekerja Bukan Pemastautin dated 28.02.2019 to fill up the gap i.e. 42 workers.
- 5) Permit Sekatan Kerja Lebih Masa (had maksima 120 jam dan pekerja tidak boleh dibenarkan bekerja lebih 12 jam sehari) for a period of 22.02.2018 to 22.02.2020.
- 6) Permit barang kawalan berjadual No Siri : S014221 for 18,000 liter diesel seminggu – Ladang Mamahat - for a period of 12.07.2018 to 11.07.2019.
- 7) Permit barang kawalan berjadual No Siri : S014220 for 20,000 liter diesel seminggu – Ladang Terusan - for a period of 12.07.2018 to 11.07.2019.
- 8) Air Compressor license, Serial No. K0524126 has been expired since it was last tested on 08.07.2013 Testing Ref SB/HT/2013/521 (please refer to 4.3.1.1 for the non-conformity)
- 9) Sighted Permit Potongan Daripada Gaji Pekerja Seksyen 113 (4), Ordinan Buruh (Sabah Bab 67) which was expired by 01.11.2018 for the following purposes;
 - a) Bayaran Pemprosesn Dokumen Perjalanan (tidak termasuk bayaran levi, jaminan bank, insuran pampasan am pekerja dan pemeriksaan kesihatan (GROWARISAN)
 - b) Pembelian kerbau untuk tujuan mengangkut buah kelapa sawit.
 - c) Pembelian barangan runcit/kantin
 - d) Barangan stor (minyak diesel, petrol, air bateri dan helmet.
 - e) Pembelian sabit kelapa sawit yang dirosakkan atau dihilangkan
 - f) Tabung haji
 - g) Tabung pekerja
 - h) Bayaran potongan perubatan
 - i) Potongan bayaran zakat

j) Bayaran passport (tanggungjawab pekerja)

However, sighted letter of extension Bil (522) dlm. LST10/2018/JTK dated 16.10.2018 addressed to Pegawai, Jabatan Tenaga Kerja, Kota Kinabatangan, Sabah with regards to "Memohon pembaharuan permit potongan gaji pekerja di bawah Seksyen 113 (4) Ordinan Buruh (Sabah Bab 67) THP Sabaco Sdn Bhd".

Sighted "Senarai Nama Penghuni Rumah Pekerja Mengikut Blok" and "Bancian Penduduk 2019" for Ladang Mamahat. Sighted record of weekly workers quarters site inspection visited by Hospital Assistant, Pn Sitti Zainah Binti Haming last reported on 16.03.2019.

In Compliance **Yes** No Not Applicable

Indicator 3 The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.

Summary As per interviewed with Pn Norasyikin Binti Sulayman (General Clerk), any new amendments or any regulations once received through the following manner:

- HQ Department
- Communication with law/enforcement officers
- Website

In Compliance **Yes** No Not Applicable

Indicator 4 The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.

Summary Sighted letter of appointment for the responsible person, Pn Norasyikin Binti Sulayman (General Clerk), signed by Mr Abdul Kahar Bin Sariman (Estate Manager) dated 26.11.2018.

In Compliance **Yes** No Not Applicable

Criterion 2 Land use rights

Indicator 1 The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.

Summary Estate land titles are available and well maintained. The estate has 26 titles with total hectareage of 2,935.64ha.

Syarat-syarat Nyata:

- 1) Cultivation of Oil Palm: 26 land titles

Sighted evidence of annual payment of quit rent for 2018 paid to the Pejabat Pemungut Hasil Tanah, Jabatan Tanah Dan Ukur Sabah, Daerah Sandakan amounted to RM60,876.90.



Evidence of annual payment of land tax paid for 2018 to Majlis Daerah Beluran amounted to RM7,193.20.

Stated on the land titles that the cultivated land was subleased to Syarikat Sabaco Sdn Bhd (instead of THP Sabaco Sdn Bhd) from other Companies (16 CL titles) and individuals (10 NT titles) owner of the alienated lands.

Sighted letter from the estate to the Bahagian Perundangan & Kesetiausahaan, TH Plantations Berhad, Kuala Lumpur regarding "Semakan Status Tanah Ladang Mamahat" dated 14.02.2019.

Sighted replied letter from the HQ with regards to the above dated 18.02.2019. Interviewed En Abd Kahar Bin Sariman (Estate Manager), estate has approached Mrs Wong & Shin (Advocates & Solicitors) to search the 1st owner of the NT titles in order to transfer the ownership.

One area of concern has been raised to estate. Ten (10) NT titles were subleased to Syarikat Sabaco Sdn Bhd (instead of THP Sabaco Sdn Bhd) from the individual's owner of the alienated lands.

In Compliance **Yes** No Not Applicable

Indicator 2 The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.

Summary Estate demonstrated legal ownership of their land by having legal land titles to the land. The copy of land titles are kept in the estate office. Evidence of annual payment of quit rent the state government is available in the form of receipts.

In Compliance **Yes** No Not Applicable

Indicator 3 Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.

Summary Sighted letter with regards to marking estate boundary from the AGM (Agronomy & Innovation) dated 18.12.2018 related to executing the marking of estate boundary by the Technicians (GPS/GIS).

Sighted the drafted map on boundary markers' location kept in the file. According to En Abd Kahar Bin Sarman (Estate Manager), the reading of the GPS coordinate is in progress.

In Compliance **Yes** No Not Applicable

Indicator 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).

Summary There is no evidence of conflict present in this estate. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict.

During interview with stakeholders, no issues related to loss of legal customary rights with indigenous peoples, local communities and other stakeholders reported.

In Compliance **Yes** No Not Applicable

Criterion 3 Customary rights

Indicator 1 Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.

Summary There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile for the land ownership.

In Compliance **Yes** No Not Applicable

Indicator 2 Maps of an appropriate scale showing extent of recognized customary rights shall be made available.

Summary There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile for the land ownership. Therefore, no maps for recognized customary rights is available.

In Compliance **Yes** No Not Applicable

Indicator 3 Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.

Summary There is no customary land in or surrounding the estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile for the land ownership.

In Compliance **Yes** No Not Applicable

2.4 Principle 4 : Social responsibility, health, safety and employment condition

Criterion 1 Social impact assessment (SIA)

Indicator 1 Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.

Summary Sighted, the latest Social Impact Assessment was conducted on 28th November 2018. The purpose of Social Impact Assessment is to measure and assessing on "Pembinaan Pencawang Telekomunikasi (CELCOM) Di Ladang Mamahat"

28 respondents were involved in the assessment. Sighted 5 questionnaires in the assessment conducted and 2 responded negatives. Seen in the review report, the



mitigation plan on the negative's response. Post assessment was conducted on 19th February 2019.

In Compliance **Yes** No Not Applicable

Criterion 2 Complaints and grievances

Indicator 1 A system for dealing with complaints and grievances shall be established and documented.

Summary Sighted MSPO Procedure, Stakeholder Communication and Consultation Procedures, Ref No: MSPO – TH -03, Rev: 0, Dated 1st November 2017 and Second Release on 5th April 2018 has been established and documented. Sample of Grievance Form as per Appendix 3.

The procedure and flowchart outlined the mechanism to handle issues highlighted by all the stakeholders and resolved effectively, timely and appropriate manner that is accepted by all parties.

In Compliance **Yes** No Not Applicable

Indicator 2 The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.

Summary 22 complaints being recorded to date March 2019. Complaints forms seen and being responded by the Management.

Seen samples of complaints dated 7/3/19 by Mr. Jasmin bin Mahmud on request of water supply to the housing.

Sighted, the Management has responded all the Complaints and Grievances in timely and appropriate manner.

In Compliance **Yes** No Not Applicable

Indicator 3 A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.

Summary Complaint Form seen for External and Internal Stakeholders. All internal employee and external stakeholders' can deliver their complaints and grievances directly to the management through filling the complaints form and place into the Drop Box outside the Office.

In Compliance **Yes** No Not Applicable

Indicator 4 Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.

Summary Stakeholder Meeting was conducted on 12th December 2018 by En. Abdul Kahar bin Sariman, The Estate Manager attended by 31 stakeholders. The meeting was collaborated between Mamahat Estate and Mamahat Palm Oil Mill.

Latest meeting with Internal Stakeholders was held on 26th March 2019 attended by 294 internal stakeholders. The meeting was conducted by Estate Assistant Manager. Sighted in the minutes of meeting the agenda on Complaints and Request Procedure being briefed to all workforce.

In Compliance **Yes** No Not Applicable

Indicator 5 Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.

Summary Merely, 22 complaints being recorded thus far. The system being implemented in 2019.

In Compliance **Yes** No Not Applicable

Criterion 3 Commitment to contribute to local sustainable development

Indicator 1 Growers should contribute to local development in consultation with the local communities.

Summary Estate is committed and have contributed to local development. The contribution made to the internal and external stakeholders. As evidence, the management has organized activities as follows:-

- Sumbangan Kewangan dan Alatan Binaan untuk Surau SMK Simpangan dated 14th March 2019 amounting RM300.00.

In Compliance **Yes** No Not Applicable

Criterion 4 Employees safety and health

Indicator 1 An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.

Summary Sighted the Occupational Safety & Health Policy. Established on 1st March 2019 which was approved by En. Muzmi bin Mohamed (Chief Executive Officer). The policy is written in Bahasa and English language.

The policy being displayed at the Notice Board and awareness programme to all the Stakeholders. 2019 OSH Plan sighted with an objective " Ladang Mamahat Menyasarkan Kemalangan Sifar".

In Compliance **Yes** No Not Applicable

Indicator 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; and
 - ii) all precautions attached to products shall be properly observed and applied.
- d) The management shall provide the appropriate personal protective equipment (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.
- 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 meetings are kept and the concerns of the employees and any remedial actions taken are recorded.
- h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.
- 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.
- j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.

Summary

Sighted the Occupational Safety & Health Policy. Established on 10th January 2018 which was approved by En. Muzmi bin Mohamed (Chief Executive Officer). The policy is written in Bahasa and English language.

Adequate HIRARC being assessed and documented. Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). HIRARC review date: 7th February 2019 and next review January 2020.

Standard Operating Procedures for Training on Occupational Safety and Health, Ref No: MNL/OSH/2009/1 – 1.22 dated 1st March 2009 have been developed to all Estates and Mills.

The Estate has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training file.

The programme as follows:-

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
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1	Latihan Kebakaran	October `19	In progress
2	Latihan Pertolongan Cemas	Sept `19	In progress
3	Latihan ERP	July `19	In progress
4	Latihan First Aider	Oct `19	In progress
5	Taklimat PPE - Penuai	Monthly	31/01/19 05/02/19 02/03/19
6	Latihan SOP – Penyembur Racun	Monthly	04/01/19 06/02/19 04/03/19
7	Taklimat PPE – Penabur Baja	Monthly	17/01/19 07/02/19 05/03/19
8	Latihan SOP – Pemunggah BTS	Monthly	16/01/19 16/02/19 06/03/19
9	Taklimat PPE – Pemandu Traktor	Monthly	16/01/19 16/02/19 03/03/19
10	Taklimat PPE – Pekerja Am	Monthly	20/01/19 04/02/19 03/03/19
11	Taklimat PPE – Atendan Ramp	Monthly	16/01/19 16/02/19 06/03/19
12	Latihan SOP – Mekanik	Monthly	16/01/19 16/02/19 06/03/19

Training records for Safe Work Procedures Manuring was sighted on 7th February 2019 conducted by Field Staffs, En Andi Samsir and En. Mohd Sabri attended by 44 participants.

Estate has provided appropriate PPE for all workers in their operations. Person in-charge of in issuing PPE is En. Rahman bin Kassim, the Storekeeper. PPE Issuance and replacement record sighted for:-

- Staff/AP
- Harvesters
- Field Workers
- General Workers

The type of PPE is included in the HIRARC assessment chart for all type of job activities.

CHRA was conducted in 18TH April 2018 to 28th May 2018 by Hajah Noormahani Harun, JKKP HIE 217/171-2 (154) & Aisyah Borhan, JKKP HQ/12/ASS/00/309. Seen, the

Management response on the Assessor recommendation in the CHRA Assessment dated 27th February 2019.

Sighted Standard Operating Procedure for transporting, receiving, handling, storage and disposal of chemicals, MNL/OSH/2009/1 - 1.14 dated 1st March 2009.

Seen, all the Medical Surveillance report for 16 sprayers, 22 manures, 2 workshop and 1 storekeeper conducted on 12th December 2018.

The Chemical Register Hazardous to Health which registered 30 hazardous chemicals dated 1st January 2019.

The person in charge for OSH is En. Mohd Kahar bin Sariman (The Manager) dated 16th May 2016.

OSH Committee Chart 2018 sighted. Seen, Letter of appointment for committee members dated 30th March 2016. The committee meeting has been conducted as follows :-

- 27th February 2019
- 3rd December 2018

To discuss all issues regarding worker's safety and health. Sighted latest meetings conducted on 27th February 2019 and attended by 22 members. The meeting discussed on OSH Matters, Accident Report, domestic waste and etc.

Emergency Response Procedure Standard Operating Procedure, MNL/OSH/2009/1-1.21 dated 1st March 2009 sighted. The ERP has clearly justified procedures when dealing with chemical spillage, accident and others.

Emergency response plan include the emergency contact number, Emergency Respond Plan Procedure and exit routes in file and notice board. ERP Chart 2019 indicates Puan Sitti Zainah binti Haming as First Aider for Mamahat Estate.

Seen, 14 mandores being provided First Aid Kit for their responsibility areas during First Aid Course dated 28th November 2018 conducted by Estate Hospital assistant.

Estate has sent JKPP 8 (I & II)/(IV) on annually basis to HQ, KL for onward submission to DOSH dated 23rd January 2019.

In Compliance **Yes** No Not Applicable

Criterion 5	Employment conditions
Indicator 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.

Summary Sighted in the Social Policy on Respect and protection of basic Human Rights of all Employees (including temporary, contract and/or foreign workers) Established on 1st



March 2019 which was approved by En. Muzmi bin Mohamed (Chief Executive Officer). The policy is written in Bahasa and English language

This policy covers:-

- "Mematuhi perundangan dan peraturan – peraturan yang ditetapkan termasuk untuk undang –undang buruh, undang –undang hakmilik tanah serta perumahan pekerja".
- "Memastikan polisi persaraan minima dipatuhi".
- "Menyediakan latihan dan pembangunan yang berkaitan dengan peranan dan tanggungjawab pekerja dan kakitangan tersebut".
- "Melarang pengambilan tenaga kerja tidak sah secara paksaan dan pekerja di bawah umur".
- "Membayar gaji kepada pekerja dan kakitangan berdasarkan perintah gaji minima".
- "Menghormati dan melindungi hak asasi manusia dan pekerja (termasuk pekerja sementara, kontrak dan atau pekerja asing".
- "Tidak mengamalkan sikap diskriminasi dan prejudis terhadap jantina, bangsa, agama, kewarnegaraan dan pandangan politik".
- "Menyediakan persekitaran kerja yang harmoni kepada pekerja ,pelanggan dan orang yang berkepentingan".
- "Memastikan Suasana kerja bebas daripada gangguan seksual samada secara langsung atau tidak langsung kepada semua pekerja, masyarakat dan pihak berkepentingan keseluruhannya".

The Policy being displayed at notice boards outside the office. Communication of all the policies to 328 staffs and workers was through briefing during muster call dated 17th February 2019 and 13th March 2019.

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary Sighted in the Social Policy on Free from discriminatory practices against sex, race, religion, nationality and political opinions. Established on 1st March 2019 which was approved by En. Muzmi bin Mohamed (Chief Executive Officer).

No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the estate. All workers enjoy the same scale of pay.

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary Sighted in the Social Policy on Payment of the minimum salary as gazette by law. Established on 1st March 2019 which was approved by En. Muzmi bin Mohamed (Chief Executive Officer). The policy is written in Bahasa and English language

Pay and conditions are documented in the workers' Contract Agreement and wage payment records / pay slip.

The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2018 (Act 732) Malaysian minimum salary is RM1,100.00 as stated in the guidelines.

Interview with both Estate staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment.

1) Aldi Martein – AT 623482 – February 2019

- Basic Salary = RM 973.13
- Overtime = RM 365.01
- Gross / Nett salary = RM 1,338.14

2) Mohd Azren bin Ajarayih – 950430-12-6025 – February 2019

- Basic Salary = RM 930.82
- Allowance = RM 300.00
- Deduction
- KWSP = RM 137.00
- SOCSO = RM 6.25
- SIP = RM 2.50
- Nett salary = RM 1,085.10

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary Sighted, an Agreement, Contract No LMT/PM/MMTK/2019 between THP Sabaco Sdn Bhd (No Syarikat 35970-K), Ladang Mamahat and Pembekal Mariana on "Mengangkut dan Memunggah Tandan Kosong dari Kilang Sawit Ladang Mamahat ke Kawasan Ladang PM20A and PM 20B". The agreement valid from 1st January 2019 until 31st December 2019.

Seen, the Agreement between Pembekal Mariana and his workers, En. Mohd Firdaus bt M. Hatta 880706-12-6253 dated 1st November 2018.

In Compliance **Yes** No Not Applicable

Indicator 5 The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises).

The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

Summary Sighted, the registration card Pendaftaran Pekerja-Pekerja under Akta Keselamatan Dalam Negeri, 1960 Keselamatan Dalam Negeri (Undang –Undang Pendaftaran Pekerja),1960 (Peraturan 3) for Puan Nurul bin Basri - AU 177089, En. Sapri bin Nurdin – AK 213130 and En. Blasius Makin- C 0284143.

The registration card stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday etc.

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary Sighted, Employment Contract between THP Sabaco Sdn Bhd and the workers. The Agreement stated all the term and conditions according to Malaysian Law. The contract is in Bahasa Malaysia.

This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of local and Indonesian.

Sample taken on Puan Erniawati – AT 252275, En. Ahmad Pantani bin Madi – 600205-12-5333, Puan Siti Kamisah binti Ramli- 890204-12-6316 and En. Imran bin ahmad – AT 816638.

In Compliance **Yes** No Not Applicable

Indicator 7 The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.

Summary Working hours is 8 hours. From Saturday to Thursday. The overtime maximum is 104 hours according to Malaysian Law.

Daily attendance recorded during muster call. Estate has used pocket check-roll as a working time recording system.

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary The working hour and break time has been clearly stated in the Employment Contract. Sighted in the Contract Agreement the rate of overtime which agreed by both parties.

There is no complaint received regarding payment or forced to work on overtime during site interview.

In Compliance **Yes** No Not Applicable

Indicator 9 Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.

Summary Pay Slip and Employment Contracts of each workers sighted. Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made.

Documented payslip was distributed to individual workers on the day of payment. Payment being made through cash and seen the letter of consent from workers to the Management.

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary All workers have been provided with medical and accident insurance. With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.

For Indonesian workers, will be covered under SOCSO upon expiring the Foreign Workers Compensation Scheme. Sample taken on En Marthen Amakii, Puan Maryam Bt Tajang and Puan Ida bt Parajoi.

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary All workers are provided with housing facilities at workers linesite, clinic, football field, shop, crèche, TASKA and mosque. Water and electricity is provided free to all workforce.

In Compliance **Yes** No Not Applicable

Indicator 12 The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.

Summary Sighted in the Social Policy. Established on 1st March 2019 which was approved by En. Muzmi bin Mohamed (Chief Executive Officer). The policy is written in Bahasa and English language.

The policy to prevent all forms of sexual harassment and violence at the workplace has stated under the following number:

- h) "Menyediakan persekitaran kerja yang harmoni kepada pekerja, pelanggan dan orang yang berkepentingan."
- i) "Memastikan Suasana kerja bebas daripada gangguan seksual samada secara langsung atau tidak langsung kepada semua pekerja, masyarakat dan pihak berkepentingan keseluruhannya"

In Compliance **Yes** No Not Applicable

Indicator 13 The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.

Summary Sighted in the Social Policy. Established on 1st March 2019 which was approved by En. Muzmi bin Mohamed (Chief Executive Officer). The policy is written in Bahasa and English language.

The policy on respect the right of all employees to form or join trade union has been stated under the following number:

- f) "Menghormati dan melindungi hak asasi manusia dan pekerja (termasuk pekerja sementara, kontrak dan atau pekerja asing).

In Compliance **Yes** No Not Applicable

Indicator 14 Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.

Summary Child and young person policy is incorporated in the Social Policy. The policy was established on 1st March 2019 which was approved by En. Muzmi bin Mohamed (Chief Executive Officer). The policy is written in Bahasa and English language.

The policy on Children and young persons shall not be employed or exploited. has been stated under the following number:



- d) Melarang pengambilan tenaga kerja tidak sah secara paksaan dan pekerja di bawah umur.

There are no children below ages of 18 working in the Estate and this was proven through checking the list of employees. The workers were clear that no one below 18 years old should be employed.

In Compliance **Yes** **No** **Not Applicable**

Criterion 6 Training and competency

Indicator 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.

Summary

Training and Development policy is incorporated in the Social Policy which established on 1st March 2019 which was approved by En. Muzmi bin Mohamed (Chief Executive Officer). The policy is written in Bahasa and English language

The statement under the following number:

- a) "Menyediakan latihan dan pembangunan yang berkaitan dengan peranan dan tanggungjawab pekerja dan kakitangan tersebut".

The Estate has a comprehensive annual training plan. The training plan for 2019.

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
OCCUPATIONAL SAFETY AND HEALTH			
1	Latihan Kebakaran	October '19	In progress
2	Latihan Pertolongan Cemas	Sept '19	In progress
3	Latihan ERP	July '19	In progress
4	Latihan First Aider	Oct '19	In progress
5	Taklimat PPE - Penuai	Monthly	31/01/19 05/02/19 02/03/19
6	Latihan SOP – Penyembur Racun	Monthly	04/01/19 06/02/19 04/03/19
7	Taklimat PPE – Penabur Baja	Monthly	17/01/19 07/02/19 05/03/19
8	Latihan SOP – Pemungkah BTS	Monthly	16/01/19 16/02/19

			06/03/19
9	Taklimat PPE – Pemandu Traktor	Monthly	16/01/19 16/02/19 03/03/19
10	Taklimat PPE – Pekerja Am	Monthly	20/01/19 04/02/19 03/03/19
11	Taklimat PPE – Atendan Ramp	Monthly	16/01/19 16/02/19 06/03/19
12	Latihan SOP – Mekanik	Monthly	16/01/19 16/02/19 06/03/19

NO	TOPIC	MONTH PROGRAMME	STATUS DONE
Environmental			
1	Waste Handling Training	April `19	In progress
2	Pollution Control and Environmental Training	April `19	In progress
3	Recycle Waste Awareness	Feb `19	26/02/19
4	Schedule Waste Handling	Feb `19	26/02/19
5	Biodiversity	April ` 19	In progress

Training records for "Pengurusan Alam Sekitar & Pengurusan Sisa Buangan Berjadual: was sighted on 26th February 2019 conducted by Estate Executives attended by 328 participants.

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary Yearly training plan is created based on Training Needs Analysis for workers involved in the operations.

Sighted the Training Need Analysis of all workers, staffs and Management which are based on their competencies and job description.

In Compliance **Yes** No Not Applicable



Indicator 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.

Summary All workers involved in the operations have been adequately trained in safe working practice. The estate has a comprehensive Training Needs Analysis for staffs and workers and this was sighted in the training records file.

Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training.

In Compliance **Yes** No Not Applicable

2.5 Principle 5 : Environment, natural resources, biodiversity, and ecosystem services

Criterion 1 Environmental management plan

Indicator 1 An environmental policy and management plan which shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.

Summary TH Plantations Berhad has established Environmental Policy signed by En. Muzmi Bin Mohamed; Chief Executive Officer dated 01.03.2019.

Based on the Environmental Policy, TH Plantations Berhad is committed towards implementing the following practices:

- To execute estates and mill operations in line with relevant legislations and the Environment Quality Act.
- To practice a "Zero Burning" policy on new land development and replanting activities.
- To ensure that estates and mill activities follow the guidelines of current industry practices: and
- To promote and provide the awareness on environmental protection to all employees and stakeholders.

Interview with the estate workers and staffs confirmed they have been trained under Environmental Policy and Management Plan. Records of the training in the form of the attendance list, pictorial evidence as well as the training handouts is made available to the audit team during the audit.

In Compliance **Yes** No Not Applicable

Indicator 2 The environmental management plan shall cover the following:
a) An environmental policy and objectives;
b) The aspects and impacts analysis of all operations.

Summary TH Plantations Berhad has established the MSPO Procedure with a title: Environmental Management Plan (EMP) Ref No. MSPO-TH-06 Rev: 00 Date: 01.11.2017 initially released by SIR Department on 01.11.2018. The purpose of the procedure is to provide the relevant guidelines in the preparation and implementation of the Environmental Management Plan (EMP).

The estate has conducted environmental aspect and impact assessment for all its' activities in year 2019 based on Environmental Risk Assessment Form No: LSM-EMS-EA-F01. The environmental assessment findings are recorded in document titled "Environmental Aspect & Impact Assessment" and last reviewed and updated by Mr Muhamad Azim Bin A Rahman (Kadet Ladang) and approved by the Manager, Mr Abd Kahar Bin Sariman on 15.02.2019.

The environmental aspect impact analysis/assessment has covered 48 Sub-Activities. The 9 Main Activities of the plantation are as follow;

1. Clinic,
2. Community,
3. Manuring,
4. Office,
5. Scheduled waste,
6. Storage,
7. Usage and handling of chemical,
8. Use of machine and tractor,
9. Depletion of natural resource.

In Compliance **Yes** No Not Applicable

Indicator 3 An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.

Summary Estate has established the Environmental Management Plan – Mitigation and Monitoring Records; prepared by Mr Muhamad Azim Bin A Rahman (Kadet Ladang) and approved by the Manager, Mr Abd Kahar Bin Sariman on 15.01.2019. It consists column of the following;

- 1) No.,
- 2) Estate activities,
- 3) Environment Aspect/Impact/Effect of the Aspect & Impact,
- 4) Environmental Aspect & Impact Analysis i.e. Frequency/Likelihood, Consequences, Impact Level
- 5) Mitigation Measure
- 6) Monitoring Program.

The estate activities includes;

- 1) Penggunaan petrokimia (petrol/diesel,dll) untuk aktiviti pengangkutan
- 2) Sisa kumbahan dari rumah pekerja dan pejabat
- 3) Sisa buangan tempatan dari rumah pekerja dan pejabat
- 4) Pelupusan "scrap iron"
- 5) Kebocoran minyak dari traktor/lori
- 6) Jadual penjanaan sisa dan tumpahan

- 7) Pelepasan gas rumah hijau daripada penggunaan baja nitrogen
- 8) Pelepasan residue kimia ke dalam sumber air
- 9) Pelepasan asap dari kenderaan
- 10) Pengangkutan FFB ke kilang
- 11) Pengurusan bekas bahan kimia
- 12) Penyelesaian kerja oleh pihak jurutera di bengkel

In Compliance **Yes** No Not Applicable

Indicator 4 A programme to promote the positive impacts should be included in the continual improvement plan.

Summary Sighted the Management Review Procedure - Continuous Improvement Plan (Appendix 2) prepared by Mr Suhaili Bin Ramli and approved by the Manager, Mr Abd Kahar Bin Sariman on 15.01.2019 which related to environmental aspect includes;

- 1) Water management Plan (sampling water treatment)
- 2) Waste management Action Plan (Scheduled waste store)

In Compliance **Yes** No Not Applicable

Indicator 5 An awareness and training programme shall be established and implemented to ensure that all employees understand the policy, objectives of the environmental management and improvement management plans and are working towards achieving the objectives.

Summary Sighted the environmental training programme for year 2019 includes;

- 1) Environmental Committee Audit
- 2) Environmental Committee Meeting
- 3) Waste handling training
- 4) Pollution control & environmental training (EIA)
- 5) Recycle waste awareness
- 6) Schedule waste handling
- 7) Biodiversity training

Evidence of the training conducted related to environmental aspects for 5 executives, 14 staff & 309 workers such as;

- 1) Taklimat Pengurusan Alam Sekitar kepada kakitangan dan pekerja ladang on 26.02.2019
- 2) Pengurusan Sisa Buangan Terjadual kepada kakitangan dan pekerja ladang on 26.02.2019.

In Compliance **Yes** No Not Applicable

Indicator 6 Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.

Summary The estate has conducted meeting with the estate employees concerning environmental aspects on 23.01.2019. Sighted "Minit mesyuarat pengenalan kepada pengurusan alam sekitar Prinsip 5 (MSPO)" attended by 9 executives and staff covering the following subjects;

- 1) Penerangan kepada pengenalan alam sekitar
- 2) Pengurusan sisa terjadual
- 3) Pengurusan sisa domestik/ sampah sarap daripada rumah
- 4) Rekod penggunaan tenaga
- 5) Sumber air semula jadi
- 6) Kawasan hutan simpan
- 7) Pembakaran sifar

Sighted "Minit Mesyuarat Taklimat Pengurusan Alam Sekitar bersama pengurusan & PIC yang terlibat" on 19.02.2019 attended by 4 executives, 6 staff and 12 workers cover the following agenda;

- 1) Taklimat pengurusan alam sekitar Ladang Mamahat oleh Principle Leader (P2, 4 & 5)
- 2) Langkah-langkah pemeliharaan alam sekitar
- 3) Pelaksanaan zon penampunan dan langkah-langkah penjagaan.

In Compliance **Yes** No Not Applicable

Criterion 2 Efficiency of energy use and use of renewable energy

Indicator 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.

Summary Estate has maintained record of Diesel Monitoring for a period of 2016-2018. Sighted histogram chart of diesel usage per ton FFB (3 year-average 2016-2018) with baseline value of 4.45 litres/ton FFB prepared by Pn Siti Kamisah Binti Ramli.

Observed also Monitoring of Diesel Use per Ton of FFB financial year 2019. As at February 2019, the estate has used 27,372 liters diesel against the FFB production of 12,932.22 ton or equivalent to 2.12liters diesel/ton FFB versus the baseline of 4.45 litres/ ton FFB.

In Compliance **Yes** No Not Applicable

Indicator 2 The oil palm premises shall estimate the direct usage of nonrenewable 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.

Summary Sighted 9 years business plan for a period 2018 to 2026. Sighted annual estimate of non-renewable energy use for 39 estate's vehicles and contractors' vehicles in 2019 i.e. the estimated diesel/petrol usage of 281,974 litres.



In Compliance **Yes** No Not Applicable

Indicator 3 The use of renewable energy should be applied where possible.

Summary There is 3,017.96mt EFB has been applied for an area of 75.45ha in Block 2 & 5 for a period of January to February 2019 or equivalent to 40.0mt/ha.

The record of EFB Application was updated by Mr Mohd Sabri Bin Buning for the month of January - February 2019.

In Compliance **Yes** No Not Applicable

Criterion 3 Waste management and disposal

Indicator 1 All waste products and sources of pollution shall be identified and documented.

Summary TH Plantations Berhad has established the MSPO Procedure; Title: Waste Management. MSPO-TH-05; Rev 0; dated 01.11.2017, initially released by SIR Department on 10.01.2018.

The MSPO Procedure describes the following implementation on;

- 1) Waste management
- 2) Scheduled waste disposal
- 3) Domestic waste disposal

The estate has established Waste Management and Disposal - List of identified waste revised by Mr Muhamad Azim Bin A Rahman (Kadet Ladang) and approved by the Manager, Mr Abd Kahar Bin Sariman on 02.01.2019 such as;

- 1) Scheduled waste
- 2) General waste

In Compliance **Yes** No Not Applicable

Indicator 2 A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:
a) Identifying and monitoring sources of waste and pollution.
b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.

Summary Sighted Waste Management Action Plan 2019 of Ladang Mamahat prepared by Pn Siti Kamisah Binti Ramli (General Clerk) on 21.02.2019 has classified 4 types of waste includes;

- 1) Scheduled waste
- 2) Domestic waste
- 3) Recycle waste
- 4) Clinical waste

Sighted "Jadual Angkat Sampah – Kompleks Mamahat" for 2019 (4 times a week), prepared by Mr Abd Majid Bin Saide.

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary Tabung Haji Group of Plantations Standard Operating Procedure Manual (OSH); Ref. No: MNL/OSH/2009/1-1.14; Safe Operating Procedure (Transporting, Receiving, Handling, Storage and Disposal of Chemicals); dated 01.03.2009.

Estate has also maintained record of Pesticide & Herbicide Usage for a period of 2016-2019 includes;

- 1) Glyphosate
- 2) 2,4 D- Amine
- 3) Triclopyr Buotxyethyl ester
- 4) Proprietary Surfactant 2.2 – 2.5%
- 5) Polyether modified Trisiloxane
- 6) Trisiloxane
- 7) Paraquat dichloride
- 8) Metsulfuron-methyl
- 9) Warfarin
- 10) Flocoumafen

Handling of any used chemical produced in the estate is under controlled and carried out by qualified person. Estate has specialized person in handling the chemical (Mr. Rahman Bin Kasim - Store Keeper). Sighted training programme for Scheduled waste handling scheduled on 10.04.2019.

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary As per interviewed with Mr Muhamad Azim Bin A Rahman (Kadet Ladang), the chemical containers will be triple rinsed and punctured to prevent contamination of water source or to human health. Some of it will be used as a pre-mix container. Proper storage of scheduled wastes has been established in Mid-March 2019.

In Compliance **Yes** No Not Applicable

Indicator 5 Domestic waste should be disposed as such to minimise the risk of contamination of the environment and watercourse.

Summary Domestic waste for linesite area is managed by the estate. All domestic wastes are disposed at landfill located at block 07, 1km from linesite. Current landfill was constructed on 02.02.2019 and indicated on a field map.

In Compliance **Yes** No Not Applicable

Criterion 4 Reduction of pollution and emission including greenhouse gas

Indicator 1 An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.

Summary Estate has established the Environmental Management Plan – Mitigation and Monitoring Records; prepared by Mr Muhamad Azim Bin A Rahman (Kadet Ladang) and approved by the Manager, Mr Abd Kahar Bin Sariman on 15.01.2019. It consist column of the following example;

- Estate Activity: Kebocoran minyak dari traktor/ lori
- Aspect & Impact: Pencemaran tanah & air
- Mitigation Measure: Memastikan penyelenggaraan yang berkala ; Memastikan penggunaan dulang titisan berada di kawasaan letak kereta
- Monitoring programme: Rekod servis; program pemantauan

Summary of Emission Calculation for 2018;

No	Description	Ton
1	Total emission (tCO ₂ e)	6,290.50
2	tCO ₂ e/ha	2.39
3	tCO ₂ e/t FFB	0.11
4	Emission allocated to Mill	6,290.50

The total emission for the year 2018 was calculated based on the following contributors;

- 1) Land conversion
- 2) Crop sequestration (utilized by oil palm)
- 3) CO₂ Emission from Fertiliser
- 4) N₂O Emissions
- 5) Fuel Consumption

In Compliance **Yes** No Not Applicable

Indicator 2 An action plan to reduce identified significant pollutants and emissions shall be established and implemented.

Summary Estate has established the Environmental Risk Assessment Form No: LSM-EMS-EA-F01; prepared by Mr Muhamad Azim Bin A Rahman (Kadet Ladang) and approved by the Manager, Mr Abd Kahar Bin Sariman on 15.01.2019. It consist column of Aspect/impact identification, risk assessment and risk control. It includes the following sub-activities;

- 1) Storage and disposal of schedule waste
- 2) Fertilizer storage and field application
- 3) Rubbish collection



- 4) Storage, mixing and transport chemical
- 5) Handling petroleum hydrocarbon
- 6) Etc.

In Compliance **Yes** **No** **Not Applicable**

Criterion 5 Natural water resources

Indicator 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.
f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.

Summary TH Plantations Berhad has established the MSPO Procedure; Title: Water Management Plan, MSPO-TH-08; Rev 0 dated 01.11.2017 revised on 10.01.2018.

The site of raw water extraction (man-made reservation) located at Block 9. Except for drinking, water supplied to workers is not consumable, only suit for washing and bathing only.

Estate has monitored the water consumption on monthly basis. Sighted the application of EFB in the estate for the month of Jan-Apr 2019.

In Compliance **Yes** **No** **Not Applicable**

Indicator 2 No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.

Summary During site visit, no construction of bunds, weirs and dams across main rivers or waterways passing through an estate.

In Compliance **Yes** **No** **Not Applicable**

Indicator 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).

Summary Based on interview conducted to Mr Muhamad Azim Bin A Rahman (Kadet Ladang), there were road side drains constructed along the main road.



In Compliance **Yes** **No** **Not Applicable**

Criterion 6 Status of rare, threatened, or endangered species and high biodiversity value area

Indicator 1 Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:
 a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.
 b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.

Summary TH Plantations Berhad has established the MSPO Procedure; Title: Rare, Threatened, Endangered & High Biodiversity Management-MSPO-TH-07; Rev 0 dated 11.11.2017 revised on 10.01.2018.

Sighted Rare, Threatened, Endangered & High Biodiversity Management Procedure – Identifikasi Biodiversiti (Pengelasan HCV) prepared by Mr Muhammad Azim Bin A Rahman (Kadet Ladang) on 15.01.2019. The estate has identified that there are HCV 1 category existed in the estate area such as;

- 1) PM20A (Blok 1, 2, 3, 4, 8 & 10)
- 2) PM20B (Blok 11, 17, 19 & 20)
- 3) PM04A (Blok 1 to 7)

In Compliance **Yes** **No** **Not Applicable**

Indicator 2 If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:
 a) Ensuring that any legal requirements relating to the protection of the species are met.
 b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts.

Summary HCV evaluation plan has been established for planted area along the jungle boundary and Bakau forest.

Sighted Appendix 1 of "Senarai Haiwan Yang Boleh Ditemui di Ladang Mamahat", prepared by Mr Muhamad Azim Bin A Rahman (Kadet Ladang) and approved by the Manager, Mr Abd Kahar Bin Sariman on 15.01.2019 listed 10 protected animals such as;

- 1) Babi hutan
- 2) Ayam hutan
- 3) Ruak-ruak
- 4) Kera
- 5) Ular tedung hitam
- 6) Biawak air
- 7) Burung murai batu
- 8) Burung raja udang
- 9) Ular sawa
- 10) Tokay



In Compliance **Yes** No Not Applicable

Indicator 3 A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.

Summary Sighted environmental training “Ke Arah Alam Sekitar yang Bersih dan Seimbang” which was held on 19.02.2019 for 4 executives, 6 staff and 12 workers on biodiversity.

Sighted “Plan Pengurusan Biodiversity (Pengelasan HCV)” for HCV 1 among others;
 1) Memberi kesedaran kepada pekerja terhadap kepentingan hutan
 2) Pemuliharaan kawasan penampakan (Buffer Zone)

In Compliance **Yes** No Not Applicable

Criterion 7 Zero burning practices

Indicator 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.

Summary Based on Corporate Policy on Environment, TH Plantations Berhad is committed towards implementing the following practices:

- To practice a “Zero Burning” policy on new land development and replanting activities.

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary As per interview with Estate Manager, no special approval needed to do open burning. All replanting activities are using the felling method. The practice is observed during field assessment.

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary As per interview with Estate Manager, no special approval needed to do open burning. All replanting activities are using the felling method. The practice is observed during field assessment.

In Compliance **Yes** No Not Applicable

Indicator 4 Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.



Summary Open burning in relation to new planting, re-planting or other development is not allowed and this was communicated to all employee and stakeholder. During replanting process, the old palm to be felled, chipped and pulverized and been remained in the field for self-composed.

In Compliance **Yes** No Not Applicable

2.6 Principle 6 : Best practices

Criterion 1 Site management

Indicator 1 Standard operating procedures shall be appropriately documented and consistently implemented and monitored.

Summary The estate has implemented Good Agriculture Practice (GAP) as seen from visit to the estate and seen from the document and also interviewing the workers.

Estate have 4 types of Manuals-

- 1) Standard Operating Procedure Manual - Technical Oil Palm & Rubber Forest Plantation
- 2) Standard Operating Procedure Manual – Occupational Safety & Health
- 3) Standard Operating Procedure Manual – Office Administration (Estate & Mill)
- 4) TH Plantations Berhad - MSPO Procedure

The document was well maintained and implemented.

- 1) Standard Operating Procedure Manual - Technical Oil Palm & Rubber Forest Plantation (6) includes:
 - i. Land Development
 - ii. Nursery
 - iii. Field Upkeep
 - iv. Manuring
 - v. Harvesting
 - vi. Mechanization
- 2) Standard Operating Procedure Manual – Occupational Safety & Health (25) includes:
 - i. Standard Operation Manual
 - ii. Introduction to Management of Occupational Safety and Health (OSH)
 - iii. THP's OSH Policy & Guiding Principles
 - iv. Occupational Safety Responsibilities
 - v. Establishment of Safety & Health Committee
- 3) Standard Operating Procedure Manual – Office Administration (Estate & Mill) (4) includes:
 - i. Office Administration/ Store Management/ Vehicle Running and Maintenance
 - ii. Contract Management
 - iii. Authority Limit

iv. Periodical Submission

4) TH Plantations Berhad - MSPO Procedure (10) includes:

- i. Internal Audit
- ii. Management Review
- iii. Stakeholder Communication & Consultation
- iv. FFB Traceability
- v. Waste Management

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary Sighted Standard Operating Procedure Manual - Technical Oil Palm & Rubber Forest Plantation; SOP TCH/OP/2009/1-1.5 dated 01/03/2009 on Terrace and Platform Construction.

Stated in point 2.4 Very Steep Terrain (>25 Degrees)

- Areas with slopes in excess of 25 degrees are not recommended for planting with oil palm.
- However, where such slopes exist within a proposed oil palm plantation, seek advice from the Planting Advisor on the planting option.

In addition, soil and topography maps for the estate are evident that there is no fragile soils exist in the estate.

In Compliance **Yes** No Not Applicable

Indicator 3 A visual identification or reference system shall be established for each field.

Summary The estate has a visual reference system to identify each field or block. Each field has the signboard with block number, year of planting, progeny & hectare only.

In Compliance **Yes** No Not Applicable

Criterion 2 Economic and financial viability plan

Indicator 1 A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.

Summary Estate had an annual budget for the financial year 2019. The budget includes the projected FFB production, general charges, upkeep & cultivation, Collection and Immature areas.

Sighted the 15 years business plan for the estate.



FY	2019	2020	2021
Total crop	63,365	57,666	57,988
Estimate OER %	21.00	21.00	21.00
KER	4.40	4.40	4.40
FFB Price	500	500	500

In Compliance **Yes** No Not Applicable

Indicator 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.

Summary Sighted the 4 years replanting programme being established and reviewed annually.

Sighted Replanting programme for 2023 to 2026 for Mamahat Estate:

Financial Year	Field	Total Ha	Progeny proposed
2023	PM2000	250	Felda DxP Yangambi
2024	PM2000	280	Felda DxP Yangambi
2025	PM2000	300	Felda DxP Yangambi
2026	PM2000	300	Felda DxP Yangambi

In Compliance **Yes** No Not Applicable

Indicator 3 The business or management plan may contain:
 a) Attention to quality of planting materials and FFB.
 b) Crop projection: site yield potential, age profile, FFB yield trends.
 c) Cost of production: cost per tonne of FFB.
 d) Price forecast.
 e) Financial indicators: cost benefit, discounted cash flow, return on investment.

Summary Estate had an annual budget for the financial year 2019. The budget includes the projected FFB production, general charges, upkeep & cultivation, Collection and Immature areas.

Sighted the 15 years business plan for the Estate.

FY	2019	2020	2021
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Total crop	63,365	57,666	57,988
Estimate OER %	22.00	22.00	22.00
KER	4.80	4.80	4.80
FFB Price	500	500	500

In Compliance **Yes** No Not Applicable

Indicator 4 The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.

Summary The estate performance is recorded in the monthly progress report. Details on the actual vs budget i.e. Upkeep maintenance, FFB Production, capital expenditure are shown therein.

In Compliance **Yes** No Not Applicable

Criterion 3 Transparent and fair price dealing

Indicator 1 Pricing mechanisms for the products and other services shall be documented and effectively implemented.

Summary There is no existing mechanism of determining FFB pricing for the estate as the crops being processed by its own Mill.

The company will make an announcement for tender for other services like ffb transportation, EFB and hiring excavator.

In Compliance **Yes** No Not Applicable

Indicator 2 All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.

Summary All contracts are kept in estate office. Sighted the contract Agreement signed by contractor and Mamahat Estate. As evidence, sampled:

- Sighted the Contract Agreement between estate with Sri Timbulus (FFB Transport) sealed on 01.01.2019
- Sighted the Contract Agreement between estate with Syarikat Setia (FFB Transport) sealed on 01.01.2019
- Sighted the Contract Agreement between estate with Pembekal Mariana (EFB Transport) sealed on 01.01.2019
- Sighted the Contract Agreement between estate with Mukhriz Enterprise (Domestic Waste) sealed on 01.01.2019

Payment will be paid 30 days after the estate received the invoice from contractors.



As evidence sighted the invoice send by Syarikat Setia (FFB Transport) to estate on 28th February 2019. Estate paid to the contractor on 09th March 2019.; Voucher No: BV0320190027; Cheque no: CIMB No 242449; RM 13,797.55.

In Compliance **Yes** No Not Applicable

Criterion 4 Contractor

Indicator 1 Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.

Summary All the contractors are aware that estate will be certified under MSPO. Therefore, the contractor has been informed by estate management to follow the MSPO standard requirement.

In Compliance **Yes** No Not Applicable

Indicator 2 The management shall provide evidence of agreed contracts with the contractor.

Summary All contracts are kept in estate office. Sighted the contract Agreement signed by contractor and Mamahat Estate. As evidence, sampled:

- Sighted the Contract Agreement between estate with Sri Timbulus (FFB Transport) sealed on 01.01.2019
- Sighted the Contract Agreement between estate with Syarikat Setia (FFB Transport) sealed on 01.01.2019
- Sighted the Contract Agreement between estate with Pembekal Mariana (EFB Transport) sealed on 01.01.2019
- Sighted the Contract Agreement between estate with Mukhriz Enterprise (Domestic Waste) sealed on 01.01.2019

In Compliance **Yes** No Not Applicable

Indicator 3 The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.

Summary The estate was audited by Global Gateway Certifications Sdn Bhd MSPO auditor on 25th March 2019. Sighted audit plan dated 22nd February 2019 which have been accepted address to Miss Aisyatul Aizzura Salha Abdul Rahim (Head Sustainability and Investor Relations). All the auditors are qualified MSPO auditor. As per agreed, the company accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

In Compliance **Yes** No Not Applicable

Indicator 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 contractor for each task and season contracted.



Summary Estate verified the work done by the contractors before all the payment paid to the contractors. Estate also inspect the contractor’s workers. As per interviewed and also during site visit, the workers aware with OSH requirement. As example, the workers wear the PPE during the work task that given to them.

In Compliance **Yes** No Not Applicable

2.7 Principle 7 : Development of new planting

Criterion 1 Oil palm shall not be planted on land with a high biodiversity value

Indicator 1 Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Indicator 2 No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Criterion 2 Peat land

Indicator 1 New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.

Summary At this moment, there were no new plantings involving peat area. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Criterion 3 Social and Environmental Impact Assessment (SEIA)

Indicator 1 A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Indicator 2 SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Indicator 3 The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Indicator 4 Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Criterion 4 Soil and topographic information

Indicator 1 Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Indicator 2 Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Criterion 5 Planting on steep terrain, marginal and fragile soils

Indicator 1 Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.



Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Indicator 2 Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Indicator 3 Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Criterion 6 Customary land

Indicator 1 No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Indicator 2 Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Indicator 3 Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**



Indicator 4 The owner of recognized customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Indicator 5 Identification and assessment of legal and recognised customary rights shall be documented.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Indicator 6 A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Indicator 7 The process and outcome of any compensation claims shall be documented and made publicly available.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

Indicator 8 Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.

Summary There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang Mamahat.

In Compliance Yes No **Not Applicable**

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

- 1) Top management continuously establishes directions for the middle and upper management to execute in ways to comply with the MSPO management system in future.
- 2) The management is highly committed to comply the MSPO system by adopting continuous improvement programs.
- 3) The estate management has demonstrated fully commitment during the entire audit process.
- 4) Signages throughout office, chemical area and in the field sites, effectively maintained and appropriate to the needs of the process.
- 5) Good relationship being maintained with surrounding smallholders and villages.
- 6) Good positive feedback received from internal and external stakeholders.

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
24 th March 2019	TBA	➤ Travelling from KUL – Sandakan, Sabah.	MS	IBI/AS
25 th March 2019	08:00 – 09:00	➤ Centralize Opening Meeting at Mamahat Estate: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable).	MS	IBI/AS
	09:00 – 13:00	Mamahat Estate <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MS	IBI/AS
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: <ul style="list-style-type: none"> • Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc. 	MS	IBI/AS
		<ul style="list-style-type: none"> ➤ Centralize Stakeholder Consultation 		IBI/AS
	13:00 – 14:00	<ul style="list-style-type: none"> ➤ Lunch 	MS	IBI/AS
	14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document review <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MS	IBI/AS
	16:00 – 17:00	<ul style="list-style-type: none"> ➤ Verify any outstanding issues, auditor discussion and end of audit for day 1. 	MS	IBI/AS



AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
26 th March 2019	08:00 – 13:00	Mamahat POM <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MS	IBI/AS
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Mill inspection: <ul style="list-style-type: none"> • Workshop, Laboratory, Environment, OHS, Chemical Stores, Workers Welfare and Interview, Clinic, Landfill, Mill Housing, Schedule Waste, POME and etc. 	MS	IBI/AS
	13:00 – 14:00	<ul style="list-style-type: none"> ➤ Lunch 	MS	IBI/AS
	14:00 – 15:30	<ul style="list-style-type: none"> ➤ Continue document review <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MS	IBI/AS
	15:30 – 16:00	<ul style="list-style-type: none"> ➤ Verify any outstanding issues and auditor discussion 	MS	IBI/AS
	16:00 – 17:00	<ul style="list-style-type: none"> ➤ Centralize Closing Meeting at Mamahat POM: <ul style="list-style-type: none"> ➤ Chaired by the audit Lead Auditor • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment 	MS	IBI/AS

Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit



Major Nonconformities:	The following NC's was raised for this audit.
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Company Name	TH Plantations Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-D4-MSPO-2019			

NC No. / Ref.	D4/MSPO/MAJOR/01	Date Detected	26 th March 2019
Site(s) concern	Mamahat Estate	Target Completion	90 Days
Normative Reference and Requirement	4.3.1.1 Major All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.		
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence of Factories and Machineries Act, 1967 being complied.		

NC Objective Evidence:

The estate has Air Compressor with serial no K0524126. However, the Air Compressor License was expired since 2013. It was last tested on 08.07.2013 by DOSH. Testing Ref SB/HT/2013/521.


Lead Auditor Signature: 	Client Signature: 
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Root cause Analysis (to be filled by client):

Estate unintentionally over looked the Air Compressor License's expiry date due to frequent breakdown and the compressor has not been fully utilized since that moment.

Corrective action planned (to be filled by client):








<ol style="list-style-type: none"> 1) An application letter to purchase a new Air Compressor with certificate and DOSH approval has been submitted for Estate Manager Approval on 25th March 2019. 2) Three quotations for new Air Compressor have been obtained from suppliers on 25th March 2019. 3) An application letter to write-off the old Air Compressor has been submitted to HQ on 27th March 2019 and still waiting for Board of Director's approval for write-off process. 4) Estate has purchased a new Air Compressor with certificate and DOSH approval on 9th April 2019 (PO. No. : 149721). 	
<p>Preventive Action (to be filled by client):</p> <p>Estate will monitor on the new Air Compressor License expiry date and will ensure to renew the license before its expiry.</p>	
<p>Review of corrective/preventive action (to be filled by Lead Auditor)</p> <p>All the evidence submitted were found adequate and therefore this major non-compliance is closed.</p>	
<p>NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Date Verified: 23rd May 2019</p>	<p>Lead Auditor Signature:</p> 

Minor Nonconformities:	The following NC's was raised for this audit.
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Company Name	TH Plantations Bhd			
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input checked="" type="checkbox"/>
	Surveillance	<input type="checkbox"/>	Recertification	<input type="checkbox"/>
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
Client Number	GGC-D4-MSPO-2019			
NC No. / Ref.	D4/MSPO/MINOR/01	Date Detected	26 th March 2019	
Site(s) concern	Mamahat Estate	Target Completion	Next Surveillance Audit	
Normative Reference and Requirement	<p>4.2.1.1 Minor</p> <p>The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.</p>			
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			



Description of Non-Conformity	Lack of awareness among internal stakeholders.		
NC Objective Evidence: Sighted training and briefing being conducted to all internal stakeholders. However, in the interview session with internal stakeholders during site visit, they are still lack of awareness on MSPO compliance.			
Lead Auditor Signature: 	Client Signature: 		
Root cause Analysis (to be filled by client): MSPO was not fully understood by Estate workers as this is a new system and still in the initial stage of the program.			
Corrective action planned (to be filled by client): 1) Estate has changed the MSPO awareness briefing method by briefing the workers in small groups to enhance their understanding of MSPO. 2) Estate has distributed a simple and handy MSPO note to all workers for their reference and improvement of their understanding on MSPO.			
Preventive Action (to be filled by client): MSPO Awareness Program has been included in Estate's Annual Program. Estate will constantly communicate the information about MSPO to improve the understanding of MSPO among Estate workers.			
Review of corrective/preventive action (to be filled by Lead Auditor) All the evidence submitted were found adequate and therefore this minor non-compliance is closed.			
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date Verified: 23 rd May 2019		Lead Auditor Signature: 	

Area of Concern:		The following area of concern was raised for this audit.	
Company Name		TH Plantations Bhd	
Stage of Audit		Initial Stage 1	<input type="checkbox"/>
		Initial Stage 2	<input checked="" type="checkbox"/>
Audited Standard		Surveillance	<input type="checkbox"/>
		Recertification	<input type="checkbox"/>
Audited Standard		Part 3: General Principles for Oil Palm Plantations and Organized Smallholders	
Client Number		GGC-D4-MSPO-2019	
NC No. / Ref.	D4/MSPO/AOC/01	Date Detected	26 th March 2019
Site(s) concern	Mamahat Estate	Target Completion	Nil
Normative Reference and Requirement	4.3.2.1 Area of Concern The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.		
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern		
Description of Non-Conformity	The estate doesn't comply with State of Sabah Land Ordinance (Sabah Cap.68) for the alienated land.		
NC Objective Evidence:			
Ten (10) NT titles were subleased to Syarikat Sabaco Sdn Bhd (instead of THP Sabaco Sdn Bhd) from the individual's owner of the alienated lands.			
Lead Auditor Signature:		Client Signature:	
			

Appendix C : List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Ladang Mamahat management team and staff
- 2) Gender Committee Representatives
- 3) Male and Female workers
- 4) Workers Representatives
- 5) Foreign Workers Representatives

External Stakeholders

- 1) Mr. Alexlius Seprus – Perhutanan Beluran
- 2) Mr. Ahmad Jimadi – Perhutanan Beluran
- 3) Mr. Markus Salutan – Perhutanan Beluran
- 4) Mr. Mohd Salteh Enting – Perhutanan Beluran
- 5) Mr. Mohd Husin Rahim – Perhutanan Beluran
- 6) Mr. Hassan Pane – Perhutanan Beluran
- 7) Mr. Mohd Hatta Abdullah – Perhutanan Beluran
- 8) Mr. Sakka bin Mallorong – Perhutanan Beluran
- 9) Inspector Nazrin Shah Zulhakim – PGA Mamahat
- 10) Mr. Mohd Rashedi Jaafar – Majlis Daerah Beluran
- 11) Mr. Nur Rahman Syafiq Abu Bakar – Majlis Daerah Beluran
- 12) Mr. Khairul Hizad Mohamad Saleh – Edaran
- 13) Mr. Juraidin bin Ranis – Field Conductor Meridian Plantation
- 14) Mr. Sylvester Jii – Assistant Manager Meridian Plantation
- 15) Mr. Desmian Nayoh – Independent Smallholders
- 16) Mr. Tarakoi Posion – Independent Smallholders
- 17) Mr. Mohd Tahang bin Muhammad Ali – Suppliers
- 18) Mr. Mustani Nubih – Shop
- 19) Mr. Adikuniwan bin Gamang – Shop
- 20) Mr. Amran bin Hakim - Independent Smallholders
- 21) Mr. Ardi Ballado – Suppliers
- 22) Mr. Abdul Hafiz bin Abdul Majid – Shop
- 23) Mr. Amirul Amiruddin – Contractor
- 24) Mr. Mustamin bin Mustafa – Shop
- 25) Mr. Alias bin Candeng – Contractor
- 26) Mr. Mohd Shahrizan bin Indra Sapri – Contractors Workers
- 27) Dr. Mansor Osir – Safety Contractor
- 28) Mr. Kassim Koh – Kg. Obah
- 29) Mr. Nurun Amat – Kg. Obah
- 30) Mr. Puteng Tangkawan – Kg. Obah
- 31) Mr. Malak bin Jalil – Kg. Obah
- 32) Mr. Olang Amat – Kg. Obah
- 33) Mr. Sudin bin Otah – Kg. Obah
- 34) Mr. Nicholas – Kg. Obah
- 35) Mr. Johnaidi bin Otoh – Kg. Obah
- 36) Mr. Richard b. Valintinus – Sales Executives



- 37) Mr. Wilrezza b Chong William – Sales
- 38) Mr. Roseman Lolol – Kg. Obah

