

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

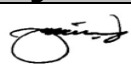


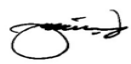

CERTIFICATION AUDIT REPORT


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

TH Plantations Berhad
Sungai Tenegang Complex [Estates]

-Group Certification-

MAIN ASSESSMENT AUDIT
28th March 2019 – 31st March 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	24/05/19	Issued as Draft Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
A	07/06/19	Peer Review 1 Comments	Remi bin Rasidi	Peer Reviewer 1	
A	07/06/19	Peer Review 2 Comments	Mohd Zuhaili bin Mukri	Peer Reviewer 2	
B	08/06/19	Issued as Final Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	17/06/19	Final Report Approved	Muhd Jamalul Arif bin Hamid	Certifier	

Acknowledgment by TH Plantations Berhad					
Rev	Date	Description	Management Representative	Role	Signature
B	17/06/19	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, Sungai Tenegang Complex [Estates]**. During this **Main Assessment Audit (Stage 2)**, the audit team were briefed by Estate Manager, of the supply base disposition. The source of FFB supplies to Sungai Tenegang POM are from their own estates [Sungai Tenegang Estate, Bukit Belian Estate, Sungai Koyah Estate & Bukit Gold Estate] and from out-grower and other smallholders.

This assessment was conducted onsite on **28th March – 31st 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 Bukit Belian	WDT 167, Kota Kinabatangan, 90200 Sandakan, Sabah.	E 117°51'50.0"	N 5°41'19.0"
2.	Ladang Sungai Tenegang	Beg Berkunci No.12, 91109 Lahad Datu, Sabah.	E 118°74'83.0"	N 5°21'40.0"
3.	Ladang Sungai Koyah	Beg Berkunci No.6, 91109 Lahad Datu, Sabah.	E 117°55'10.0"	N 5°11'40.0"
4.	Ladang Bukit Gold	P.O.Box 60389, 91113 Lahad Datu, Sabah.	E 118°34'10.0"	N 5°23'39.0"



MPOB License Information

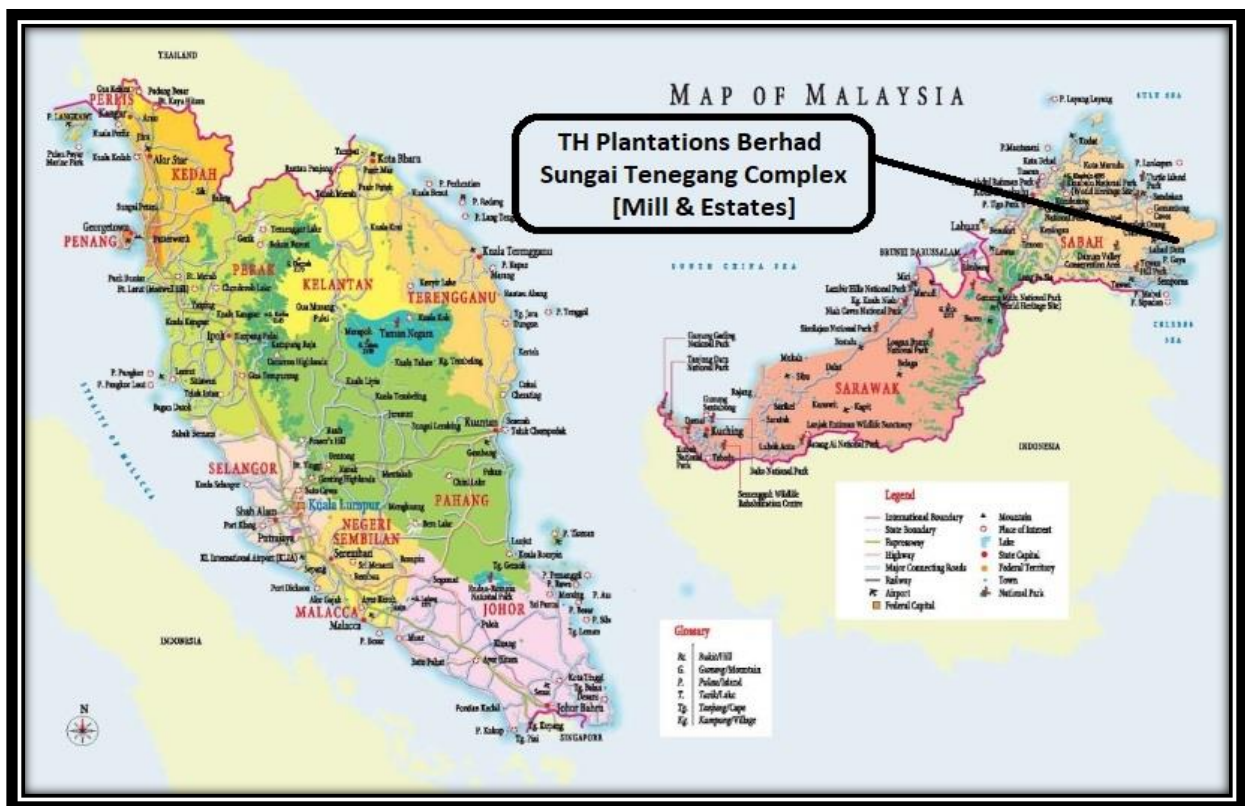
No	Name of the Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Ladang Bukit Belian	502593-402000	30.11.2019	Menjual & Mengalih FFB
2.	Ladang Sungai Tenegang	509218-602000	30.09.2019	Menjual & Mengalih FFB
3.	Ladang Sungai Koyah	509219-402000	30.09.2019	Menjual & Mengalih FFB
4.	Ladang Bukit Gold	502538102000	31.07.2019	Menjual & Mengalih FFB
		617667011000	30.09.2019	Menjual & Mengalih FFB

Others Sustainability Certification

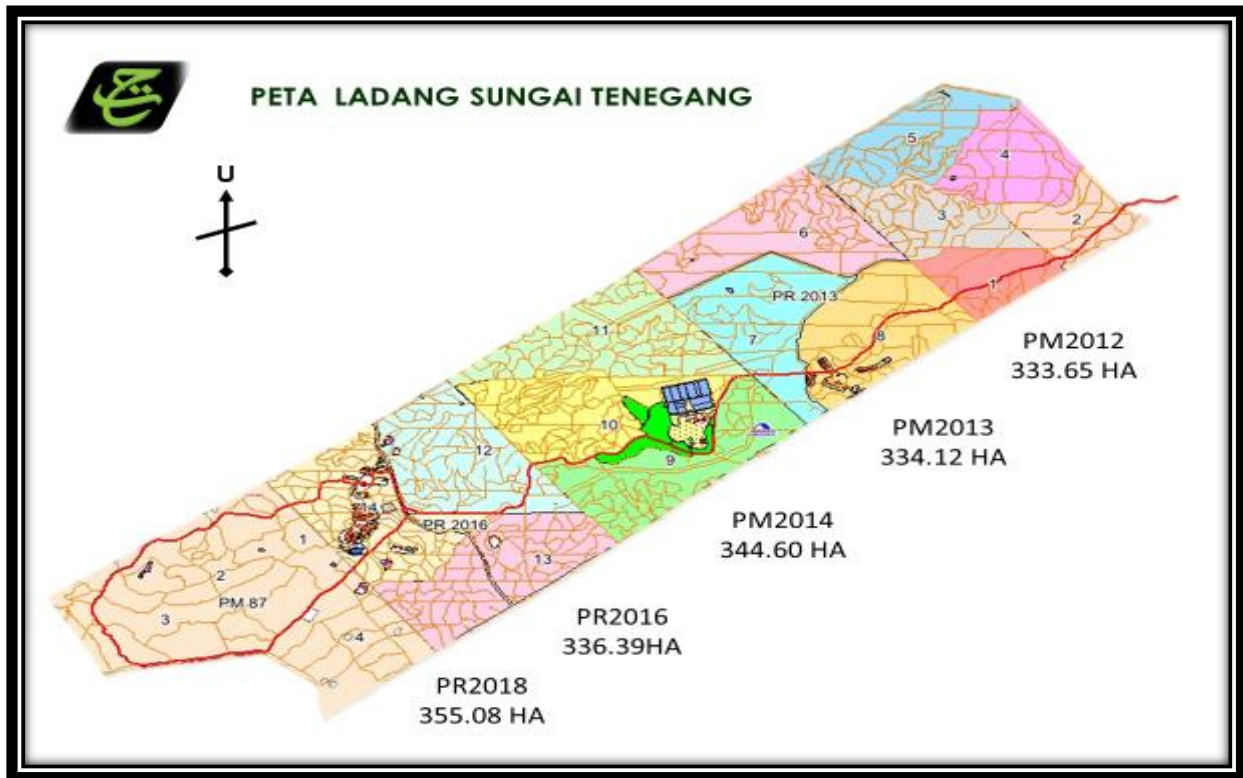
No	Name Of The Site	Others Sustainability Certifications
1.	Ladang Bukit Belian	NIL
2.	Ladang Sungai Tenegang	NIL
3.	Ladang Sungai Koyah	NIL
4.	Ladang Bukit Gold	NIL

1.4 Map Showing Geographical Location

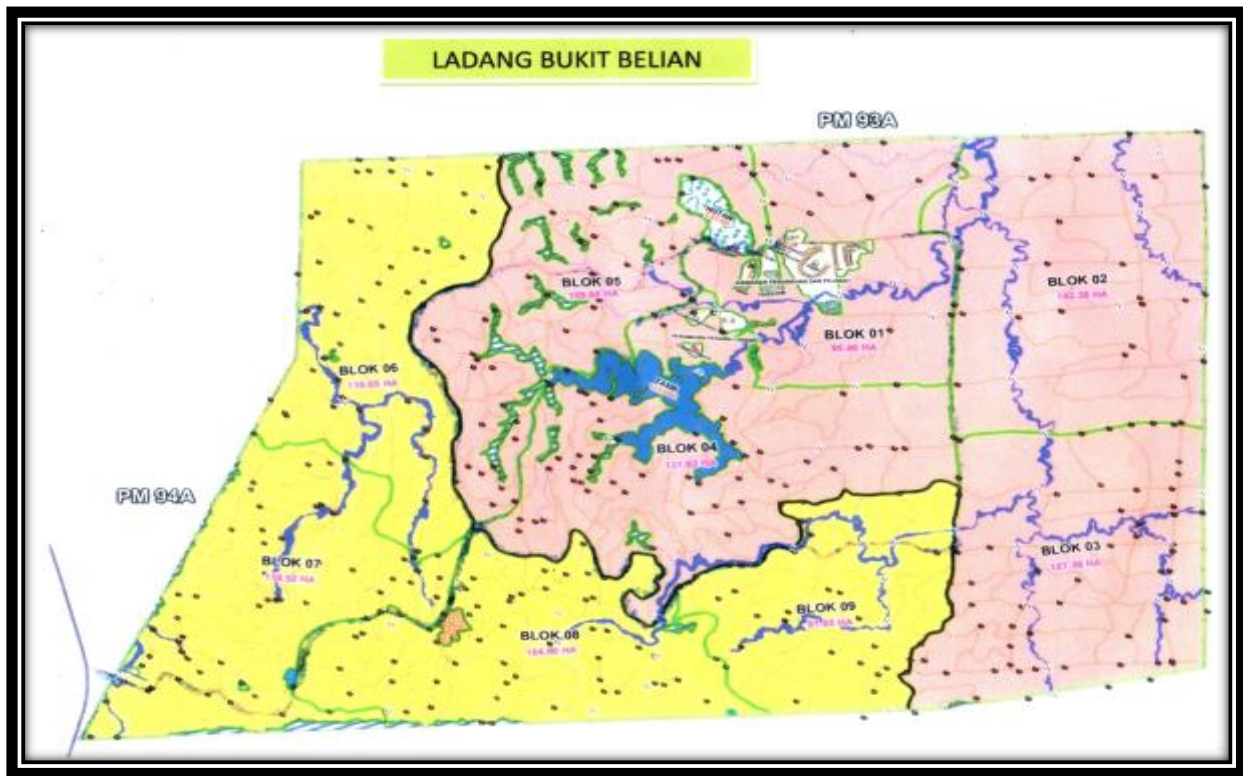
1) TH Plantations Berhad – Sungai Tenegang Complex [Mill & Estates]



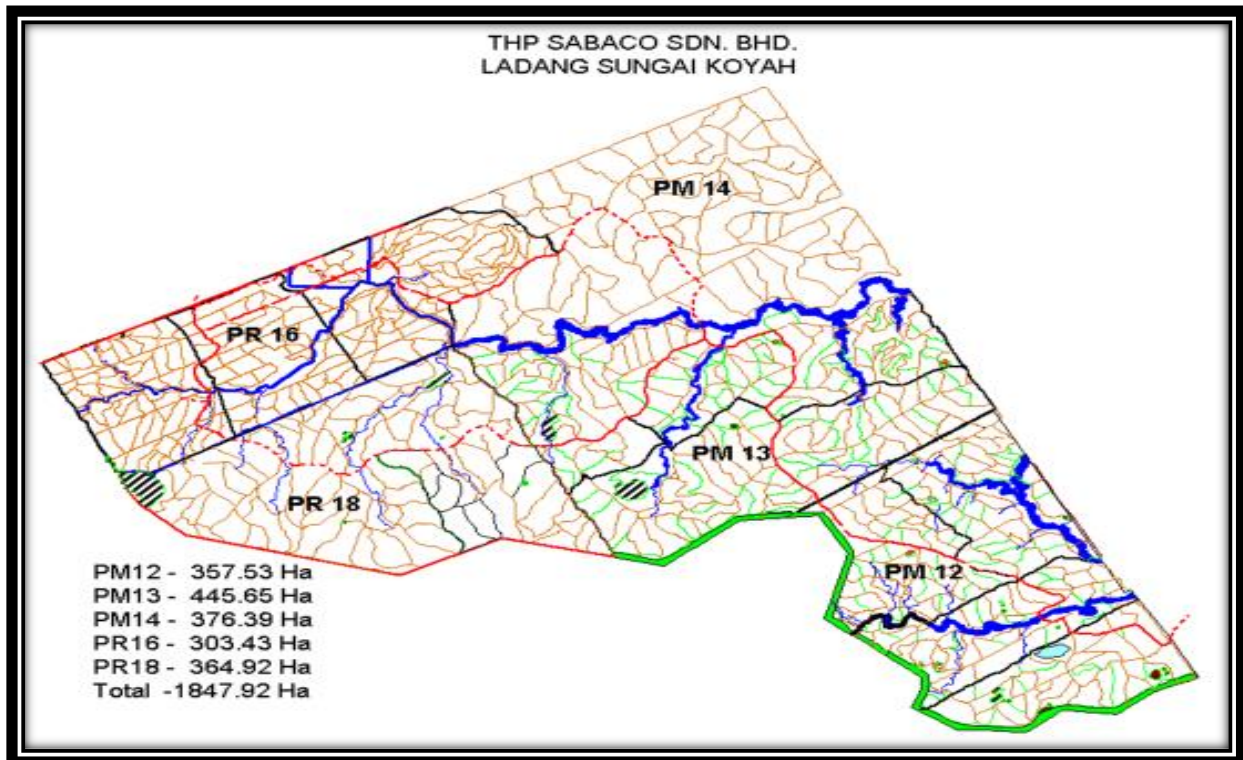
2) Ladang Sungai Tenegang



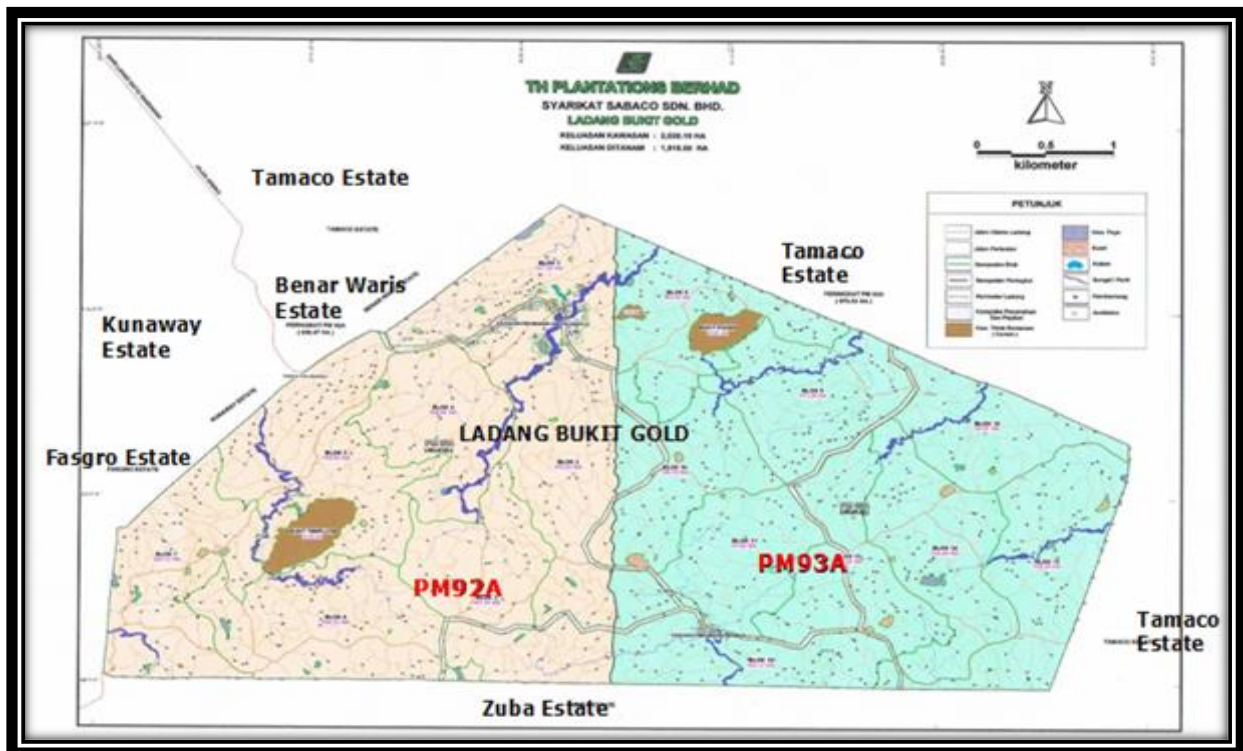
3) Ladang Bukit Belian



4) Ladang Sungai Koyah



5) Ladang Bukit Gold



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 Bukit Belian	1,088.96	1,002.98	1,002.98
Ladang Sungai Tenegang	1,864.76	1,703.84	1,012.37
Ladang Sungai Koyah	2,021.24	1,847.92	1,179.57
Ladang Bukit Gold	2,020.19	1,915.00	1,359.00
Total	6,995.15	6,469.74	4,553.92

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Ladang Bukit Belian	-	-	5.83
Ladang Sungai Tenegang	-	-	160.92
Ladang Sungai Koyah	-	-	173.32
Ladang Bukit Gold	-	-	94.58
Total	-	-	434.65

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 Bukit Belian	NIL	16,414.21	16,200.00
Ladang Sungai Tenegang	NIL	27,427.76	25,847.00
Ladang Sungai Koyah	NIL	31,635.97	26,978.16
Ladang Bukit Gold	NIL	28,374.81	23,628.00
Total	NIL	103,852.75	92,653.16

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-THPB006-MSPO-00-2019



Initial certificate issued date	17 th June 2019
Certificate expiry date	16 th June 2024
Stage 1 assessment date	14 th February 2019
Stage 2 / Main Assessment	28 th March 2019 – 31 st 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 applied. Therefore, total numbers of supply based assessed in the audit are 4 estates.

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	28 th March 2019 – 31 st March 2019
Name of site(s) visited	1. Ladang Sungai Tenegang 2. Ladang Bukit Belian 3. Ladang Bukit Gold 4. Ladang Sungai Koyah
Total number of man-days spent	12 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	2	Closed
Minor Nonconformities	1	Open (Next Surveillance Audit)
Area of Concern	2	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 estates. Therefore, it was conducted on 28th March 2019 – 01st April 2019 in TH Plantations Berhad, Sungai Tenegang Complex [Mill & Estates] 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 (Government Agency)	<ul style="list-style-type: none"> Requested the entrance gate to be accessible 24 hours in consideration of occasional teacher requirement and emergency cases. Requested the management's representative to attend important school events. 	Management may continue to be supportive with the school requests.	Will review by next surveillance audit
2.	Stakeholders B (Government Agency)	<ul style="list-style-type: none"> Suggested the management to organize Fire & Safety Briefing twice a year. To provide one more unit of fire extinguisher on the 2nd floor of the guest house. To provide appropriate emergency light (exit point) as part of the Emergency Response Plan. 	Management may consider the suggestions in line with the Continuous Improvement Plan	Will review by next surveillance audit
3.	Stakeholders C (Government Agency)	<ul style="list-style-type: none"> With the existence of Auxiliary Police, its help a lot on controlling crime. 	Management to continue and strengthen the good relationship with local PDRM unit.	Positive findings
4.	Stakeholders D (Government Agency)	<ul style="list-style-type: none"> Suggested to have its own HUWANA for diseases control. Requested entrance gate to be operational 24 hours in case of emergency. Independent statistics is needed by the Department for its database. Requested Auxiliary Police to check and record any movements of unknown persons. 	Management may consider the suggestions in order to contain contagious diseases.	Will review by next surveillance audit
5.	Stakeholder E (NGO)	<ul style="list-style-type: none"> Suggested the management to have its own school building for non-resident children (HUMANA) in order to ensure children safety and welfare. NGO will provide the teacher and P & P The NGO requested to conduct census on the 	Management may consider the suggestions for its Continuous Improvement Plan.	Will review by next surveillance audit

		number of children eligible for schooling.		
6.	Stakeholders F (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
7.	Stakeholders G (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
8.	Stakeholder H (Mill 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 	No action requires	Positive findings

		<p>to continue their contract for a long time.</p> <ul style="list-style-type: none"> • Company well managing the welfare, health and safety of their workers. • 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 (Mill - 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, Sungai Tenegang Complex [Estates]. All Estate Manager are in charge and ensures that facility and their 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 2 major, 1 minor non-conformities and 2 area of concern have 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, Sungai Tenegang Complex [Estates].

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.

Stakeholder Meeting was conducted on 12th December 2018 by En. Ghazali bin Ab Talib, The Estate Senior Manager attended by 100 stakeholders. The meeting was collaborated between Sungai Tenegang, Sungai Koyah, Bukit Belian, Bukit Gold and Tenegang Palm Oil Mill.

All estate also conducted MSPO Awareness for their internal stakeholders. As evidence at:

- 1) Sungai Tenegang Estate:
 - MSPO Awareness for Internal Stakeholder was conducted on 14th November 2018 by En. Ghazali bin Ab Talib (Estate Sr. Manager), attended by 254 Internal stakeholders.
- 2) Bukit Belian Estate
 - MSPO Awareness for Internal Stakeholder was conducted on:
 - i. 10th December 2018 En. Martin bin Soili (Estate Manager) and Tn. Hj. Sjarudin bin Hakim (Estate Assistant Manager), attended by 102 Internal stakeholders.
 - ii. 27th February 2019 En. Martin bin Soili (Estate Manager) and Tn. Hj.Sjarudin bin Hakim (Estate Assistant Manager), attended by 22 Internal stakeholders.

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.

As evidence, sighted internal audit at:

- 1) Bukit Gold Estate:
 - The internal audit conducted by En. Mohd Uzair bin Rozali and En. Mohd Shahrul bin Usran on 17st November 2018. 7 major, 1 minor Non – conformities and 9 area of concerns being raised during audit.
 - The Non – conformities being closed on 15th December 2018 within the stipulated period by the Internal Auditor of 1 month from date audit report issued.

- 2) Sungai Koyah Estate
 - The internal audit conducted by En. Mohd Uzair bin Rozali and En. Mohd Shahrul bin Usran on 21st November 2018. 6 major, 1 minor Non – conformities and 5 area of concerns being raised during audit.
 - The Non – conformities being closed on 05th December 2018 within the stipulated period by the Internal Auditor of 1 month from date audit report issued.

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. As evidence at:

- 1) Sungai Tenegang Estate:
 - Conducted by En. Mohd Uzair bin Rozali and En. Mohd Shahrul bin Usran on 21st November 2018. 6 major, 1 minor Non – conformities and 5 area of concerns being raised during audit.
- 2) Bukit Belian Estate
 - Conducted by En. Mohd Uzair bin Rozali and En. Mohd Shahrul bin Usran on 18st November 2018. 9 major, 1 minor Non – conformities and 9 area of concerns 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.

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)

As evidence:

- 1) Sungai Tenegang Estate



- Sighted "Management Review Meeting 01/2019" on 19th March 2019. Prepared by En. Suardi b Abdurrachman (Estate Sr Assistant Manager) and approved by En. Ghazali bin Ab. Talib (Estate Sr. Manager).

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 at Bukit Belian Estate:
- 1) To upgrade and acquire new 250 KVA genset to replace the old 225 KVA unit (genset).
 - 2) To replace by phase all the dilapidated conditions of workers quarters with permanent concrete house.
 - 3) To appoint Sedafiat Sdn Bhd as licensed collector of clinical schedule waste
 - 4) To upgrade and acquire the permanent proper fertilizer store.
 - 5) 32 units, new 200-gallon water tanks to be installed in stages complete with piping.

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.

However, all estates management will implement and monitor any new technologies being implemented and training of other personnel.

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 No new technology being in place thus far. Currently, all estates were carried out the training based on the estate current practices.



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. Ghazali Ab. Talib, The Senior Estate Manager attended by 100 stakeholders. The meeting was collaborated between Estate and Palm Oil Mill of Sungai Tenengang Complex.

No record on request and response matter being addressed by stakeholders in 2018 and 2019 to date.

All estate also conducted latest meeting with their internal stakeholders. As evidence at:

- 1) Sungai Tenengang Estate:
 - Latest meeting with Internal Stakeholders was held on 14th November 2019 attended by 280 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 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 All estates have appointed the person in charge for consultation and communication. As evidence:

- 1) Bukit Belian Estate
 - The person in charge is Mr. Sjarahudin bin Hakim, appointed on 6th December 2018 by the Estate Manager, En. Martin Soili.
- 2) Bukit Gold Estate
 - The person in charge is Mr. Syamsul Izwan Asri, appointed on 23rd November 2018 by the Estate Manager, En. Juna Palatuwi.

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 all the person incharge. As evidence in Sungai Tenegang Estate:

	No of stakeholders
Estate & Mill	5
Government	26
Supplier / Contractor	59
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.

For Sungai Tenegang Estate and Sungai Koyah Estate. Sighted, one FFB Traceability process flows in the Estate namely:

1. No ramp and weighbridge at Mill

Sample taken on No Ramp and weighbridge at 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 mill. The security personnel or mandore will issue delivery Note and Dispatch Ticket.

The Security Personnel at mill will checked the following documents before an approval being granted to the lorry / tractor driver to unload the FFB.

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



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

Base on interview with Puan Marshelah Kamsa, 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 All estates have appointed the person in charge for traceability system. As evidence:

- 1) Sungai Tenegang Estate
 - The person in charge is Mr. Suardi bin Abdurrahman, appointed on 22nd November 2018 by the Estate Senior Manager, En. Ghazali bin Ab Talib
- 2) Bukit Gold Estate
 - The person in charge is Mr. Syamsul Izwan Asri, appointed on 23rd November 2018 by the Estate Manager, En. Juna Palatuwi.

In Compliance **Yes** No Not Applicable

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

Summary FFB being sell to Sungai Tenegang 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 (estates 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 27.03.2019. 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. Local Government Act, 1976
10. Workers' Minimum Standards of Housing and Amenities Act 1990
11. Akta Kerja 1955
12. Employee Provident Fund Act 1991
13. Employees Social Security Act 1969
14. Akta Kesatuan Sekerja, 1959
15. Minimum Retirement Age Act, 2012
16. National Wage Consultative Council Act 2011, Minimum Wages Order (Amendment) 2018
17. Weights and Measures Regulations 1981.
18. Sabah Labour Ordinance
19. MPOB, 1998

The list covered the details requirements that related to MSPO compliance. These documents include information on title of laws, subject, reference number, etc, requirement, status of compliance and enforcing agency.

However, one major non-conformity has been raised to Bukit Gold and Sungai Koyah Estate.

1. The estate has Air Compressor with serial no VA9130281. However, the Air Compressor License was expired since 2014. It was last tested on 04.03.2014 by DOSH. Testing Ref SL/HT/2014/5397.
2. There is no evidence that contractors are paid the EPF and SOCSO to their workers.
 - EPF Act 1991

- Employee Social Security Act 1969 and Employee Social Security General Rules 1971

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.

As evidence in Bukit Belian Estate, sighted permits/licenses being monitored and updated by Pn Nurminah Binti Joanes (Account Clerk). It includes;

- 1) Lesen Berniaga 2019 Ref No. A275515 expiry 31.12.2019
- 2) MPOB License No. 502593402000 (1,060.85ha) expiry 30.11.2019
- 3) Lesen Menggaji Pekerja Ref No.: JTK.H.KBN.600-4/1/1/01261/0011 for 103 Indonesian & 3 Philippines workers for a period of 17.08.2018 to 16.08.2019. Current no : 9 local, 88 Indonesian & 3 Philippines workers.
- 4) 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.
- 5) Permit barang kawalan berjadual No Siri : S012807 for 10,000 liter diesel - for a period of 01.11.2018 to 31.10.2019.
- 6) Air Compressor license, Serial No. PMT-SB/18 19240 expiry 20.02.2020.
- 7) Lesen Bagi Pemasangan Persendirian, Akta Bekalan Elektrik 1990, expiry 19.02.2020.
- 8) 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 (tanggungannya pekerja)

However, sighted letter of approval from Pegawai Tenaga Kerja Kota Kinabatangan for the permit extension up to 16.12.2020 Ruj : JTK.H.KBN.600-14/1/16 dated 17.12.2018.



Sighted "Kapasiti Bancian Perumahan Pekerja Sehingga Bulan March 2019.

Sighted record of workers quarters site inspection visited by Mr Sjahrudin Bin Hakim (Assistant Manager) reported on 13.03.2019, 20.03.2019 and 27.03.2019.

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 Rosmi Binti Mohd Saing (Chief Clerk) – Sungai Tenegang Estate, 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. As evidence in:

- 1) Bukit Gold Estate
 - Sighted letter of appointment for the responsible person, Pn Fahezanriani Binti Jamaluddin (Account Clerk), signed by Mr JUna Bin Palatuwi (Senior Manager) dated 23.11.2018.

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 All estates land titles are available and well maintained. As evidence in Sungai Tenegang Estate. Estate land titles are available and well maintained. The estate has a land title CL095314122 with a total hectarage of 3,886ha.

Sighted evidence of annual payment of quit rent for 2018 paid to the Pejabat Pemungut Hasil Tanah, Jabatan Tanah Dan Ukur Sabah, Daerah Kota Kinabatangan amounted to RM192,060.00. Evidence of annual payment of land tax paid for 2018 to Majlis Daerah Kinabatangan amounted to RM15,1364.80.

Syarat-syarat Nyata:

- 1) Cultivation of Cocoa and Oil Palm

Land Ownership : Syarikat Sabaco Sdn Bhd instead of THP Sabaco Sdn Bhd.

Sighted letter from the estate to the Bahagian Perundangan & Kesetiausahaan, TH Plantations Berhad, Kuala Lumpur regarding "Memohon Salinan Asal geran Tanah No. 095314122" dated 25.02.2019.

Sighted a replied letter from the HQ with regards to the same subject on 04.03.2019. Interviewed Mr Ghazali Bin Ab Talib (Senior Manager) that estate has made effort to transfer the land ownership as per the following kronology:

- 1) On 07.03.2019 – wrote a letter to Jabatan Tanah dan Ukur, Kota Kinabatangan but was directed to bring the case to be referred to Jabatan Tanah dan Ukur, Kota Kinabalu.
- 2) On 14.03.2019 – Submitted the application to change of name of owner (Code LSF1871) at Jabatan Tanah dan Ukur, Kota Kinabalu. Sighted evidence of presentation slip No. PC19030906344 with Ref No. PRSLIP0320191394873592 represented by Mr Zainul Ariff Bin Mhamod.

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 All estates 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 19 boundary stones furnished with GPS Coordinates at Sungai Tenegang Estate: As a samples, some of the GPS coordinates are as follow;

- 1) N118°0'9.4464" E5°12'54.4536"
- 2) N118°2'56.0004" E5°14'55.2958"
- 3) N118°3'51.2964" E5°14'11.6844"
- 4) N118°2'2.8968" E5°12'52.146"
- 5) N117°59'14.8812" E5°11'43.8"

One area of concern has been raised to others estate. Merely, a few legal boundary markers being observed during site visit. The remaining legal boundary markers was not visible. Thus, estate has developed the action plan to seek and install the boundary markers.

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 31st January 2018. The purpose of Social Impact Assessment is to measure and assessing on "Menternak ayam di kawasan perumahan boleh mendatangkan wabak dan ketidakselesaan kepada penduduk" di Ladang Sungai Tenegang.



The SIA being established base on the complaint in the OSH Meeting 1/2018. 85 respondents were involved in the assessment. Sighted 6 questionnaires in the assessment conducted and 1 responded negative.

Seen in the review report, the mitigation plan on the negative's response. Post assessment was conducted on 12th November 2018.

Also sighted the latest Social Impact Assessment at Bukit Belian Estate that was conducted on 12th January 2019. The purpose of Social Impact Assessment is to measure and assessing on "Memberi tong sampah baru jenis bertutup bagi menggantikan tong sampah sediaada sebagai langkah menjaga kebersihan di kawasan perumahan perkerja / kakitangan ladang".

The SIA being established base on the complaint by Puan Rafina Umar on "Memohon tong sampah baru untuk perumahan kerana tong sampah yang ada sekarang sudah rosak dan memohon tong sampah yang ada penutup supaya tidak dikacau binatang liar".

31 respondents were involved in the assessment. Sighted 5 questionnaires in the assessment conducted and all responded positive. Seen in the review report, the mitigation plan on the negative's response. Post assessment was conducted on 14th January 2018.

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 Sighted, the Management has responded all the Complaints and Grievances in timely and appropriate manner. As evidence in Sungai Koyah Estate, seen 3 complaint in 2018 and zero as at March 2019. Complaints forms seen and being responded by the Management.



Sample taken on complaint by En Akbar bin Mohd Rafik on "Paip Air di kawasan perumahan Koyah Luar banyak yang bocor dan perlu diperbaiki" dated 10th November 2018. The mitigation was taken by repairing the broken pipe and completed on 16th November 2019.

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. Ghazali bin Ab Talib, The Estate Senior Manager attended by 100 stakeholders. The meeting was collaborated between Sungai Tenegang, Sungai Koyah, Bukit Belian, Bukit Gold and Tenegang Palm Oil Mill.

All estate also conducted MSPO Awareness for their internal stakeholders. As evidence at:

- 1) Sungai Tenegang Estate:
 - Latest meeting with Internal Stakeholders was held on 14th November 2019 attended by 280 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.
- 2) Bukit Belian Estate
 - Internal Stakeholders was conducted on 10th December 2018 and 27th February 2019 attended by 103 internal stakeholders. The meeting was conducted by Estate 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 All complaints being recorded thus far by all estate management. 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:-

- Sungai Tenegang Estate
Sighted, a Corporate Social Responsibility contribution on Sumbangan Sempena Program Kem Waja Diri Tahun 6 at Borneo Paradise dated 8-10th March 2019 amounting RM500.00 and Sumpangan Sempena Majlis Sukan Tahunan Peringkat Sekolah on 21st March 2019 amounting RM500.
- Bukit Belian Estate
Sighted, a Corporate Social Responsibility contribution for Program Taman Angkat ke-2 IPD Sandakan dated 4th November 2018 amounting RM200.00
- Bukit Gold Estate
Sighted, a Corporate Social Responsibility contribution for Permohonan Eksesais Temuduga Pengambilan calon Polis Bantuan Tamaco dan THP Plantation dated 12th February 2018 amounting RM591.00

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. As evidence in Sungai Koyah Estate, 2019 Plan sighted with an objective:

- "Kearah kemalangan sifar dan kesihatan yang berkualiti".

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). As evidence in Sungai Tenegang Estate, HIRARC review date on 11th March 2019 and next review March 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.

All estates have a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training file.

As evidence in Bukit Belian Estate, the programme as follows:-

NO	TOPIC	MONTH PROGRAMME
1	Latihan Kebakaran	15/02/19 21/06/19 22/11/19



2	Pemeriksaan Alat Pemadam Api	08/10/19
3	Latihan ERP	18/01/19 20/09/19
4	Latihan First Aider	23/03/19 23/08/19
5	Taklimat PPE & SOP - Penuai	20/04/19 19/10/19
6	Latihan PPE & SOP – Penyembur Racun	19/01/19 13/07/19
7	Taklimat PPE & SOP – Penabur Baja	16/03/19 21/09/19
8	Latihan PPE & SOP – Pemunggah BTS, Pemandu Traktor	29/06/19 14/12/19
9	Taklimat PPE & SOP – Bengkel	23/02/19 17/08/19
10	Taklimat PPE & SOP – Pekerja Am	18/02/19 25/11/19
11	Taklimat PPE & SOP – Pengendalian Minyak Diesel	09/03/19 24/08/19
12	Latihan PPE & SOP – Fogging	13/04/19 21/12/19
13	Taklimat PPE & SOP – Pengendalian LoJI Air	26/01/19 12/10/19
14	Latihan PPE & SOP – Shower Room	23/03/19 14/09/19

Training records for Safe Work Procedures & PPE for Sprayers was sighted on 19th January 2019 conducted by En Mohamad Ramlan Bin Junaiyah attended by 9 participants.

Estate has provided appropriate PPE for all workers in their operations. Person in-charge of in issuing PPE is Puan Ridsma bt Abdul Muamap, 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.

At Bukit Gold Estate, CHRA was conducted in 11th April 2018 to 25th May 2018 by Hajah Noormahani Harun, JKPP HIE 217/171-2 (154) & Aisyah Borhan , JKPP HQ/12/ASS/00/309. Seen, the Management response on the Assessor recommendation in the CHRA Assessment dated 2nd 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, Medical Surveillance being conducted for 6 sprayers, 2 manurers and 1 storekeeper on 9th January 2019.

The Chemical Register Hazardous to Health which registered 8 hazardous chemicals dated 28th February 2019.

All Estate Manager is the person in charge for OSH. As evidence in Sungai Koyah Estate, is En. Mat Faisal bin Ismail dated 18th January 2018.

OSH Committee Chart 2018 sighted. Seen, Letter of appointment for committee members dated 9th March 2019. The committee meeting has been conducted as follows :-

- 11th March 2019
- 26th December 2018
- 19th September 2018

To discuss all issues regarding worker's safety and health. Sighted latest meetings conducted on 11th March 2019 and attended by 25 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 En. Abdul Rahman bin Sabran as First Aider for Sungai Koyah Estate. Seen, 9 mandores being provided First Aid Kit for their responsibility areas.

All estates have sent JKKP 8 (I & II)/(IV) on annually basis to HQ, KL for onward submission to DOSH. As evidence in Sungai Koyah Estate, Estate has sent JKKP 8 (I & II)/(IV) on annually basis to HQ, KL for onward submission to DOSH dated 10th January 2019. Sighted, 10 minor accidents occurred in 2018. OSH Internal Investigation and HIRARC being conducted and reviewed accordingly.

However, one major non-conformity has been raised to Bukit Gold and Sungai Koyah Estate. No evidence Medical Surveillance being conducted to all sprayers and manuring workers of Bukit Gold and Sungai Koyah Estate.

Also, one area of concern raised to Bukit Belian, Bukit Gold and Sungai Koyah Estate due to inappropriate risk definitions being used under Likelihood, Severity and Risk Rate Table.

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. In Sungai Tenegang Estate, communication of all the policies to 280 staffs and workers was through briefing during muster call dated 14th November 2018.

At Bukit Belian Estate, Internal Stakeholders was conducted on 10th December 2018 and 27th February 2019 attended by 103 internal stakeholders. The meeting was conducted by Estate 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 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.

Bukit Belian Estate

- 1) Basri bin Muhammad – AU 116159 – February 2019
 - Basic Salary = RM 973.13
 - Allowance = RM 239.00
 - Gross / Nett salary = RM 1,212.15

- 2) Doni Selan – A 9052756– February 2019
 - Basic Salary = RM 1,125.00
 - Incentive = RM 217.80
 - Deduction
 - Passport = RM 50.00
 - Nett salary = RM 1,292.80

Sungai Koyah Estate

- 1) Haris – AU 124883 – February 2019
 - Basic Salary = RM 1,908.35
 - Work on Restday = RM 16.00
 - Gross / Nett salary = RM 1,924.35



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 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.

As evidence in Sungai Tenegang Estate, sighted an Agreement, Contract No LMT/PM/MMTK/2019 between THP Sabaco Sdn Bhd (No Syarikat 35970-K), Ladang Sungai Tenegang and Matahari Enterprise on Replanting works on 355.08 hectares.

The agreement valid from 1st August 2018 until 20th April 2019. Seen, the Agreement between Matahari Enterprise and his workers, En. Sam Wai Kong – 541207-01-5077 dated 7th December 2017. Payment voucher and workers identification were also attached in the file.

At Sungai Koyah Estate, sighted an Agreement, Contract No LSK/Sewa Backhoe/01/2019 between THP Agro Management Sdn Bhd (No Syarikat 0-35970-K), Ladang Sungai Koyah and 3A Global & Supplies on "Sewa Backhoe di Ladang Sungai Koyah".

The agreement valid from 1st January 2019 until 31st December 2019. Seen, the Agreement between 3A Global and Supplies and his workers, En. Jafri Patahuding – 931214-12-6025 dated 1st June 2018. Payment voucher, EPF, SOCSO and SIP contributions, and workers identification were also attached in the file.

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 At Bukit Belian Estate, sighted the registration card Pendaftaran Pekerja-Pekerja under Akta Keselamatan Dalam Negeri, 1960 Keselamatan Dalam Negeri (Undang –Undang Pendaftaran Pekerja),1960 (Peraturan 3) for En. Aikal bin Saleng – AT 706343, En Mansur bin Mustaming – 910628-12-6155 and En. Hamsah b Abdul Hamid – AS 510067.

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.

As evidence in Bukit Gold Estate, sample taken on Puan Isna bt Parassangi – AU 692197, En. Muzairul Azrin Mohammad – 940416-12-5873 and En Aso Pana – AT 252437.

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. As evidence in Sungai Tenegang Estate, sample taken on Pn Marni Nusi, Pn Lija Bt Muhammad Araf and Puan Murni bt Midei.

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, and mosque. Water and electricity is provided free to all workforce.

Sighted, the Continuous Improvement Plan- Worker Quarters for Bukit Belian Estate. The estate is planning to replace the old dilapidated quarter to new brick quarters.

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. Sighted the training plan for 2019 for Bukit Belian Estate.

NO	TOPIC	MONTH PROGRAMME
Safety and Health		
1	Latihan Kebakaran	Sept `19
2	Pemeriksaan Alat Pemadam Api	Jan / July `19
3	Latihan ERP	Feb / Aug ` 19
4	Latihan First Aider	Jan `19
5	Taklimat PPE & SOP - Penuai	Jan ` 19
6	Latihan PPE & SOP – Penyembur Racun	Jan `19
7	Taklimat PPE & SOP – Penabur Baja	Jan ` 19
8	Latihan PPE & SOP – Pemungkah BTS,	Feb ` 19
9	Taklimat PPE & SOP – Pemandu Traktor	March `19
10	Taklimat PPE & SOP – Pekerja Am	Feb ` 19
11	Taklimat PPE & SOP – Attendant Ramp	March `19
12	Latihan PPE & SOP – Mekanik	Feb ` 19

Environmental		
1	Waste Handling Training	February `19
2	Pollution Control and Environmental Training	January `19
3	Recycle Waste Awareness	January ` 19
4	Schedule Waste Handling	February `19
5	Biodiversity	February `19

Training records for "Taklimat Kesedaran Pengurusan Alam Sekitar " was sighted on 18th December 2018 conducted by Estate Manager attended by 114 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).

As evidence in Sungai Tenegang Estate, the estate has conducted environmental aspect and impact assessment for all its' activities in year 2019 based on Environmental Risk Assessment Form No: LS-EMS-EA-F01. The environmental assessment findings are recorded in document titled "Environmental Aspect & Impact Assessment" and last reviewed and updated by Mr Suardi Bin Abdurrachman (Assistant Manager) and approved by the Manager, Mr Ghazali Bin Ab Talib on 10.03.2019.

The environmental aspect impact analysis/assessment covers 56 Sub-Activities and the 10 Main Activities of the plantation such as follow;

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

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

All estates have established the Environmental Management Plan – Mitigation and Monitoring Records. As evidence in Bukit Belian Estate, estate has established the Environmental Management Plan – Mitigation and Monitoring Records; prepared by Mr. Sjaharuddin Bin Hakim (Assistant Manager) and approved by the Manager, Mr. Martin Bin Soili on 31.12.2018. It consists column of the following;

- 1) No.
- 2) Environmental Aspect
- 3) Environmental Impact
- 4) Environmental Impact Analysis i.e. Frequency/Likelihood, Consequences, Impact Level
- 5) Mitigation Measure
- 6) Monitoring Program.

The estate activities includes;

- 1) Site clearing, construction of roads and establishment of base camp.
- 2) Use of petrochemical (petrol, diesel, etc) for transportation activities.
- 3) Human sewage waste generated from workers base camp.
- 4) Human sewage waste generated from workers linesite and office site.
- 5) Domestic waste from workers line site and office site.
- 6) Disposal of scrap irons
- 7) Oil leakage from tractors/ lorries
- 8) Disposal of non-biodegradable wastes
- 9) Disposal of clinical waste
- 10) Schedule waste generation and spillage
- 11) Disposal of polybags and fertilizer bags
- 12) Emission of greenhouse gaseous from nitrogen fertilizer usage
- 13) Chemical reuse washed into water source
- 14) Smoke emission of heavy vehicle such as tractors, backhoe
- 15) Transportation of FFB to Mill
- 16) Generation of empty chemical containers
- 17) Engineering works done at workshops
- 18) Use of cow or buffalo in plantation activities.

However, one minor non-conformity has been raised to Sungai Koyah Estate. Result of treated water quality analyzed by Chemsain Konsultant Sdn Bhd, Kota Kinabalu, Sabah on 20.07.2018 doesn't meets the National Standards for Drinking Water Quality, Engineering Services Division, Ministry of Health Malaysia, 2nd Version, January 2004.

Parameter	Results	Maximum Acceptable Value
Alum (as Al),mg/L	1.33	0.20
Total Coliform count	1.7 x 10 ²	Must not be detected in any 100ml sample
E-Coli count	4.5	Absent in 100ml sample

In Compliance Yes **No** Not Applicable

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



Summary All estates have developed programme to promote the positive impacts that included in the continual improvement plan. As evidence in Bukit Gold Estate, sighted Continuous Improvement Plan prepared by Mr. Syamsul Izwan Bin Asri (Senior Assistant Manager) and approved by the Senior Manager, Mr. Juna Bin Palatuwi on 17.12.2018 which related to environmental aspect includes;

- 1) Legume Cover Crop establishment
- 2) Nephrolepis establishment
- 3) EFB application
- 4) Felling, chipping, shredding and deboling
- 5) G Drp system
- 6) Hyplug tray.

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) Gotong-royong
- 5) Pollution control & environmental training (EIA)
- 6) Recycle waste awareness
- 7) Schedule waste handling
- 8) Biodiversity training

As evidence in Bukit Belian Estate, evidence of the training conducted related to environmental aspects includes;

Description	Training Date	Attendee (psn)
Taklimat kesedaran kitar semula kali ke-1 2019	27.03.19	108
Taklimat pollution control & environmental training (EIA)	27.02.19	117
Taklimat pollution control & environmental training (EIA)	27.03.19	12
Taklimat kesedaran pengurusan alam sekitar kali ke-1 2018	18.12.18	156
Taklimat pengurusan alam sekitar	27.02.19	19

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 All estates have organized meeting with their workers for environmental quality. As evidence in Sungai Tenegang Estate, the estate has conducted meeting with the estate employees concerning environmental aspects held on 14.11.2018. Sighted "Minit mesyuarat internal stakeholder dan alam sekitar kali 01/2018" attended by 270 persons (executives, staff and workers covering the following subjects;

- 1) Policy alam sekitar
- 2) Riparian reserve dan buffer zone
- 3) Pengurusan sisa domestic
- 4) Pengurusan bahan buangan terjadual
- 5) Pembakaran terbuka
- 6) Kebersihan
- 7) Bekalan air terawat

Also sighted a "Taklimat Budaya Kerja Selamat" attended by 255 person (executives, staff and workers covering the following subjects;

- 1) Inorganik/Organik domestic waste
- 2) Scheduled waste
- 3) Clinical waste

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 All estates have maintained record of Diesel Monitoring for a period of 2016-2018. As evidence:

Bukit Belian Estate

- Sighted histogram chart of diesel usage per ton FFB (3 year-average 2016-2018) with baseline value of 5.24 litres/ton FFB prepared by Pn Ridsma Binti Abd. Mualap (Store keeper).
- Observed also record of Monitoring Diesel Use per Ton of FFB financial year 2019. As at February 2019, the estate has used 18,172 liters diesel against the FFB production of 2,587.73 ton or equivalent to 7.02liters diesel/ton FFB versus the baseline of 5.24 litres/ ton FFB.

Bukit Gold Estate

- Sighted histogram chart of diesel usage per ton FFB (3 year-average 2016-2018) with baseline value of 8.98 litres/ton FFB prepared by Mr Mohd Fauzi Bin Shazali (Assistant Manager).



- Observed also record of Monitoring Diesel Use per Ton of FFB financial year 2019. As at February 2019, the estate has used 42,232 liters diesel against the FFB production of 4,541ton or equivalent to 9.30liters diesel/ton FFB versus the baseline of 8.98 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. As evidence in Sungai Tenegang Estate, sighted annual estimate of non-renewable energy use for estate's vehicles in 2019 i.e. the estimated diesel/petrol usage of 277,150 litres.

In Compliance **Yes** No Not Applicable

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

Summary At Sungai Tenegang Estate, there is 6,273.62mt EFB has been applied for an area of 212.81ha in the Block 2 & 5 for a period of January to February 2019 or equivalent to 29.48mt/ha. The record of EFB Application was updated by Pn Rahmah Binti Tasir (General Clerk) 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

As evidence in Sungai Tenegang Estate, the estate has established Waste Management and Disposal - List of identified waste revised by Mr Suardi Bin Abdurrachman (Assistant Manager) on 02.01.2019 such as;

- 1) Scheduled waste
- 2) Domestic waste
- 3) Recycle waste
- 4) Clinical 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 prepared by all estate management. The plan was emphasized in the pollution prevention plan where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the company.

As evidence in Sungai Tenegang Estate, sighted "Jadual Tugas Mengangkat Sampah ke Pusat Pelupusan" for 2019 (3 times a week), prepared by Mr Selamat Bin Opden (Field conductor) on 02.01.2019, approved by the Senior Manager, Mr Ghazali Bin Ab Talib.

For scheduled wastes, the handling was done according to the legal requirement where a scheduled waste store was constructed in each operating unit for storage.

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.

Sighted at Sungai Tenegang Estate, the Register of Chemicals Hazardous to Health prepared by Mr Suardi Bin Abdurrachman (Senior Assistant Manager), approved by Mr Ghazali Bin Ab. Talib (Senior Manager) on 28.03.2019. It covers 4 sectors such as;

- 1) Chemical store, field
- 2) Administrative building, general areas, linesite
- 3) Water treatment plant
- 4) Fertilizer store, field

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. Muzzaimil Azha Bin Mohamad - Store Keeper). Sighted scheduled waste management awareness training attended by 14 persons held on 19.11.2018.

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 all person incharge, the chemical containers will be tripled rinse and punctured to prevent contamination of water source or to human health. Some of it will be used as a pre-mix containers. As evidence in Bukit Belian Estate, proper storage of scheduled wastes has been established in end February 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. As evidence in Bukit Belian Estate, all domestic wastes are disposed at landfill located at block 3 PM93, 3.3km from linesite. Current landfill was constructed on 02.03.2019 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 All estates have established the Environmental Management Plan – Mitigation and Monitoring Records. As evidence in Sungai Tenegang Estate, Environmental Management Plan – Mitigation and Monitoring Records prepared by Mr Zainul Ariff Bin Mhamod (Assistant Manager) and approved by the Mr Ghazali Bin Ab. Talib (Senior Manager) on 20.03.2019. It consists 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 kawasan letak kereta
- Monitoring programme: Rekod servis; program pemantauan

Summary of Emission Calculation for 2018;

No	Description	Ton
1	Total emission (tCO ₂ e)	3,402.21
2	tCO ₂ e/ha	2.00
3	tCO ₂ e/t FFB	0.13
4	Emission allocated to Mill	3,402.21

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 Sighted an action plan to reduce identified significant pollutants and emissions prepared by all estate management. As evidence in Sungai Tenegang Estate, estate has established the Environmental Risk Assessment Form No: LSM-EMS-EA-F01; prepared by Mr Suardi Bin Abdurrachman (Senior Assistant Manager), approved by Mr Ghazali Bin Ab. Talib (Senior Manager) on 10.03.2019.

It consists column of Aspect/impact identification, risk assessment and risk control. It includes the following sub-activities;

- 1) Clinic
- 2) Septic tank
- 3) Rubbish collection
- 4) Fertilizer field application
- 5) Storage of scheduled waste
- 6) Disposal of scheduled waste
- 7) Fertilizer storage and use
- 8) 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.



At Sungai Teegang Estate, the site of the raw water extraction (man-made reservation) located at Block 14 PR16. Estate to maintain the quality and availability of natural water by taking the following action;

- 1) Spraying are not allowed in buffer zone and riparian zone.
- 2) Water sampling at inlet and water flow
- 3) Follow work instruction and SOP for any activities done to prevent water pollution.
- 4) Follow schedule waste management procedure to prevent water pollution caused by scheduled waste.
- 5) Periodic desilting drain
- 6) Collect rain water using "rain gutter" for housekeeping
- 7) Install water tank in every house.
- 8) Supply water using water tanker
- 9) Monitor water usage
- 10) Awareness on water conservation
- 11) Monitor any pipe leakage and periodic maintenance.
- 12) Prohibit workers from doing any activities at the water source (pond/reservoir)
- 13) No activities allowed at buffer zone and riparian reserve.
- 14) To monitor the condition of septic tank at the linesite.

All estates monitored of outgoing water. All the test is under threshold level. Sighted the monitoring usage of water consumption for the operation of the estate. The audit team observed that the consumptions are monitored on a monthly basis and showed satisfactory monitoring of the resources.

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 all assistant manager, 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.

At Sungai Tenegang Estate, sighted Rare, Threatened, Endangered & High Biodiversity Management Procedure – Internal Report of HBV/HCV for the estate evaluated by Mr Ghazali Bin Ab Talib (Senior Manager) on October 2018. The estate has identified that there is HCV 1 category existed in the estate especially along the boundary of PR2018 with Hutan Simpan Ulu Segama. The estate has identified the following habitat in the evaluated area;

- 1) Flora – 5 species
- 2) Fauna - 12 species

At Bukit Belian Estate, sighted Rare, Threatened, Endangered & High Biodiversity Management Procedure – Internal Report of HBV/HCV for the estate evaluated by Mr Martin Bin Soili (Estate Manager) on 31.12.2018. The estate has identified that there is HCV 4 category existed in Block 5 PM93. HCV4 is defined as basic ecosystem services in critical situations including protection of water catchments and control of erosion of vulnerable soils and slopes. The estate has identified the following habitat in the estate's vicinity;

- 1) Flora - Nil
- 2) Fauna - 4 species

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 For Sungai Tenegang Estate, HCV evaluation plan has been established for planted area along the boundary with Hutan Simpan Ulu Segama. Sighted Appendix 1 of "Senarai Haiwan Yang Boleh Ditemui di Ladang Sungai Tenegang", evaluated and prepared by Mr Ghazali Bin Ab Talib (Senior Manager) on October 2018 listed 3 threatened animals such as;

- 1) Eagle
- 2) Gajah
- 3) Orang Utan

Amongst the Flora identified are;

- 1) Pokok jati
- 2) Pueraria javanica
- 3) Calopogonium mucunoides



- 4) Melastoma sp.
- 5) Imperata cylindrical
- 6) Wild yam

Estate conducted briefing regarding the Sustainability Policy that includes RTE species.

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 minutes "mesyuarat internal stakeholder dan alam sekitar kali 01/2018 – Ladang Sungai Tenegang" which was held on 14.11.2018 attended by 280 workers on biodiversity. Sighted "Plan Pengurusan Biodiversity for HCV 1 area amongst others;

- 1) Kenalpasti kawasan HCV di dalam peta dan menanda kawasan.
- 2) Menyediakan "buffer zone" seluas 50meter dari sempadan hutan.
- 3) Menghalang perburuan haram.
- 4) Membuat papan tanda sempadan dengan hutan simpan.
- 5) Menghalang sebarang aktiviti pertanian di kawasan "buffer zone".
- 6) Mewujudkan langkah kawalan.

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 All estates 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. As evidence in:

Bukit Gold Estate

FY	2019	2020	2021
Total crop	27,180	20,121	14,022
Estimate OER %	20.50	20.50	20.50
KER	5.00	5.00	5.00
FFB Price	568	568	568

Sungai Koyah Estate

FY	2019	2020	2021
Total crop	25,518	32,516	34,606
Estimate OER %	20.50	20.50	20.50
KER	5.00	5.00	5.00
FFB Price	568	568	568

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 5 years replanting programme being established and reviewed annually. As evidence in:

Bukit Belian Estate

Financial Year	Field	Total Ha	Progeny proposed
2019	Nil	Nil	Nil



2020	PM93	174.00	Felda DxP Yangambi
2021	PM93	220.00	Felda DxP Yangambi
2022	PM93	201.86	Felda DxP Yangambi
2023	PM94	200.00	Felda DxP Yangambi

Bukit Gold Estate

Financial Year	Field	Total Ha	Progeny proposed
2019	PM92	300	Felda DxP Yangambi & DXP 3-Way Crosses
2020	PM92	300	Felda DxP Yangambi
2021	PM92	86.47	Felda DxP Yangambi
	PM93	193.53	
2021	PM93	280	Felda DxP Yangambi
2021	PM93	280	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 All estates 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. As evidence in:

Sungai Tenegang Estate

FY	2019	2020	2021
Total crop	20,247	24,587	32,361
Estimate OER %	20.09	21.00	21.00
KER	4.40	4.40	4.40



FFB Price	500	500	500
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Bukit Belian Estate

FY	2019	2020	2021
Total crop	18,715	15,217	11,181
Estimate OER %	21.50	21.00	21.00
KER	5.00	4.40	4.40
FFB Price	568	568	568

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 Sungai Koyah Estate. As evidence, sampled:

- Sighted the Contract Agreement between estate with Low Soew Weng (Replanting) sealed on 27.08.2018
- Sighted the Contract Agreement between estate with 3A Global & Supplies (Transporting FFB) sealed on 01.01.2019



- Sighted the Contract Agreement between estate with Dirs Enterprise (Transporting FFB) sealed on 01.01.2019
- Sighted the Contract Agreement between estate with Richwell (Excavator Rental) sealed on 01.01.2019.

Payment will be paid 21 days after the estate received the invoice from contractors.

As evidence sighted the invoice send by Richwell Enterprise (Excavator Rental) to estate on 28th February 2019. Estate paid to the contractor on 08th March 2019.; Voucher No: PY03190002; Cheque no: CIMB ISlamic No 026732; RM 9,159.00.

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.

As evidence at Bukit Gold Estate, sighted of evidence of MSPO clause for contractor in agreement Mat Enterprise (Transporting FFB); Appendix I; "Terma & Syarat Perjanjian Kontrak".

Sighted the contract agreement/payslip (Matahari Enterprise) for their workers:

1. Yapp Lee Min; 670813-12-5277

Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers are being paid more than the stipulated minimum wage

In Compliance **Yes** No Not Applicable

Indicator 2	The management shall provide evidence of agreed contracts with the contractor.
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Summary All contracts are kept in estate office. Sighted the contract Agreement signed by contractor and Sungai Tenegang Estate. As evidence, sampled:

- Sighted the Contract Agreement between estate with Matahari Enterprise (Replanting) sealed on 27.08.2018.
- Sighted the Contract Agreement between estate with Growthrich Enterprise (Excavator Rental) sealed on 01.01.2019.
- Sighted the Contract Agreement between estate with 3A Global & Supplies (Transporting FFB) 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 28th March 2019 – 31st 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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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 Sungai Tenegang Complex [Estates].

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
27 th March 2019	TBA	➤ Travelling from Mamahat Complex – Lahad Datu, Sabah.	MS	IBI/AS
28 th March 2019	08:00 – 09:00	➤ Centralize Opening Meeting at Sungai Tenegang 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	Sungai Tenegang 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	Centralize Stakeholder Consultation		IBI/AS
	13:00 – 14:00	➤ Lunch	MS	IBI/AS
	14:00 – 16:00	➤ 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	➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.	MS	IBI/AS

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
29 th March 2019	08:00 – 13:00	Bukit Belian 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: • 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
	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 • 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 2. 	MS	IBI/AS

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
30 th March 2019	08:00 – 13:00	Bukit Gold Estate <ul style="list-style-type: none"> ➤ Document Audit: • 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: • 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
	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 • 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 3. 	MS	IBI/AS

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
31 st March 2019	08:00 – 13:00	Sungai Koyah Estate ➤ 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	➤ 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
	13:00 – 14:00	➤ Lunch	MS	IBI/AS
	14:00 – 16:00	➤ 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	➤ Verify any outstanding issues, auditor discussion and end of audit for day 4.	MS	IBI/AS

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
01 st April 2019	08:00 – 13:00	Sungai Tenegang POM ➤ 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	➤ 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	➤ Lunch	MS	IBI/AS



	14:00 – 15:30	<ul style="list-style-type: none"> ➤ Continue document review • 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 Sungai Tenegang POM: ➤ 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
02 nd April 2019	TBA	<ul style="list-style-type: none"> ➤ Travelling from Lahad Datu, Sabah to Kuala Lumpur. 	MS	IBI/AS

Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit

Major Nonconformities:	The following NC's were raised for this audit.
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Company Name	TH Plantations Berhad			
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-D5-MSPO-2019			

NC No. / Ref.	D5/MSPO/MAJOR/01	Date Detected	01 st April 2019
Site(s) concern	Bukit Gold Estate & Sungai Koyah 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.
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NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern
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Description of Non-Conformity	<ol style="list-style-type: none"> 1. No evidence of Factories and Machineries Act, 1967 being complied. 2. No evidence of EPF and SOCSO.
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NC Objective Evidence:

1. The estate has Air Compressor with serial no VA9130281. However, the Air Compressor License was expired since 2014. It was last tested on 04.03.2014 by DOSH. Testing Ref SL/HT/2014/5397.
2. There is no evidence that contractors are paid the EPF and SOCSO to their workers.
 - EPF Act 1991
 - Employee Social Security Act 1969 and Employee Social Security General Rules 1971


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

- 1) Awareness of compliance with legal requirement in MSPO still at early stage.
- 2) MSPO requirements were not fully understood as this is a new system and still in the learning process.




Corrective action planned (to be filled by client):



<p>1) Air Compressor License of Ladang Bukit Gold has been renewed & approved by DOSH on 5th April 2019 2) The contractors have completed the application forms regarding contribution of EPF & SOCSO to their workers.</p>
<p>Preventive Action (to be filled by client):</p>
<p>1) PIC is responsible to ensure that legal requirements are complied with reviewed regularly. 2) Estate will ensure all contractors have made the contribution of EPF & SOCSO to their workers.</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 Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Date Verified: 22nd May 2019 Lead Auditor Signature:</p> <p style="text-align: center;"></p>

Company Name	TH Plantations Berhad			
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-D5-MSPO-2019			
NC No. / Ref.	D5/MSPO/MAJOR/02	Date Detected	01 st April 2019	
Site(s) concern	Bukit Gold Estate & Sungai Koyah Estate	Target Completion	90 Days	
Normative Reference and Requirement	4.4.4.2 Major The occupational safety and health plan shall cover the following: 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.			
NC Type	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
Description of Non-Conformity	No evidence during audit			



NC Objective Evidence:	
No evidence Medical Surveillance being conducted to all sprayers and manuring workers of Bukit Gold and Sungai Koyah Estate.	
Lead Auditor Signature: 	Client Signature: 
Root cause Analysis (to be filled by client):	
The estates were recommended that only workers involved in organophosphate & fertilizer contain is crystalline are required to go medical surveillance. (reference; CHRA Report 2018).	
Corrective action planned (to be filled by client):	
<ol style="list-style-type: none"> 1) LBG – Medical Surveillance on remaining 9 manuring workers & 2 sprayers have been conducted on 5th April 2019 and the results are expected to be produced at the end of the month. 2) LSK – Medical Surveillance on 15 sprayers & 14 Manuring workers have been done on 6th April 2019. 	
Preventive Action (to be filled by client):	
Medical Surveillance will be conducted every year to the targeted group who are exposed/handle to any types of chemical content at the workplace.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this major 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: 22 nd May 2019	Lead Auditor Signature: 

Minor Nonconformities:	The following NC's was raised for this audit.
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Company Name	TH Plantations Berhad			
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-D5-MSPO-2019			

NC No. / Ref.	D5/MSPO/MINOR/01	Date Detected	01 st April 2019
Site(s) concern	Sungai Koyah Estate	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.5.1.3 Minor An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Evidence three (3) tested parameters have exceeded the maximum acceptable value of safe drinking water.		

NC Objective Evidence:

Result of treated water quality analyzed by Chemsain Konsultant Sdn Bhd, Kota Kinabalu, Sabah on 20.07.2018 doesn't meets the National Standards for Drinking Water Quality, Engineering Services Division, Ministry of Health Malaysia, 2nd Version, January 2004.

Parameter	Results	Maximum Acceptable Value
Alum (as Al),mg/L	1.33	0.20
Total Coliform count	1.7 x 10 ²	Must not be detected in any 100ml sample
E-Coli count	4.5	Absent in 100ml sample


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

MSPO requirements were not fully understood as this is a new system and still in the learning process.



Corrective action planned (to be filled by client):




Estate has received an official email from appointed consultant regarding drinking water result and the recommendations by the consultant have been implemented in order to improve the drinking water quality.	
Preventive Action (to be filled by client):	
Water treated quality will be analyzed by Chemsain Consultant Sdn. Bhd. on annual basis.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and CB will be verified by next surveillance audit.	
NC Closed: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Site verification: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date Verified: 22 nd May 2019	Lead Auditor Signature: 

Area of Concern:	The following area of concern were raised for this audit.
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Company Name	TH Plantations Berhad			
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-D5-MSPO-2019			
NC No. / Ref.	D5/MSPO/AOC/01	Date Detected	01 st April 2019	
Site(s) concern	Sg. Tenegang Complex	Target Completion		
Normative Reference and Requirement	4.3.2.3 Area of Concern Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	Inadequate legal perimeter boundary markers.			

NC Objective Evidence:	
Merely, a few legal boundary markers being observed during site visit. The remaining legal boundary markers was not visible. Thus, estate has developed the action plan to seek and install the boundary markers.	
Lead Auditor Signature: 	Client Signature: 

Company Name	TH Plantations Berhad			
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-D5-MSPO-2019			
NC No. / Ref.	D5/MSPO/AOC/02	Date Detected	01 st April 2019	
Site(s) concern	Bukit Belian, Sungai Koyah and Bukit Gold Estate	Target Completion		
Normative Reference and Requirement	4.4.4.2 Area of Concern The occupational safety and health plan shall cover the following: b. The risks of all operations shall be assessed and documented.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	Inappropriate Risk Matrix			
NC Objective Evidence:				
Inappropriate risk definitions being used under Likelihood, Severity and Risk Rate Table.				
Lead Auditor Signature: 	Client Signature: 			

Appendix C : List of Stakeholders Contacted

Attendance List

Internal Stakeholders

- 1) Sungai Tenegang Complex [Estates] management team and staff
- 2) Gender Committee Representatives
- 3) Male and Female workers
- 4) Workers Representatives
- 5) Foreign Workers Representatives

External Stakeholders

- 1) Pn. Dayang Norihsan binti Jainal – Humana
- 2) En. Mohd Supri bin Bacho – Koordinator Humana
- 3) En. Mohd Razik bin Abd Hudik – Pontian
- 4) En. Muhamad Kamdul – Kretam
- 5) Mr. Robin Kong Soo Chion – Welpros Zat
- 6) En. Mastarip bin M. Moktar – Bode (KHB)
- 7) En. Syed Mahmud bin Wafi – Manager
- 8) En. Mhammad bin Rasyid – Pekebun Kecil
- 9) En. Hasbi – LH
- 10) En. Azmi – TT Ent
- 11) Megah Maju
- 12) En. Salim bin Ali – Pen KPB
- 13) En. Salman bin Jubideh – BP KTGN
- 14) En. Izzat bin Rusdee – Salesman
- 15) Mr. Steven Tai – Manager
- 16) En. Faizal Darius – Ketua Bengkel
- 17) En. Mohamad Ali – Salesman
- 18) Mr. Kbid – Tamaco 2
- 19) Mr. Darren Lam – Sr. Assistant Manager
- 20) Mr. Au Ching Lu – AP TKA S/B
- 21) Mr. Harby – Apex
- 22) Pn. Sarianah Mataring – Kontraktor
- 23) En Zamri bin Galahad – Kontraktor
- 24) En Azlan bin Abdul Latip – Yu Climbing
- 25) Mr. Yeh Yee Seng – Kenso
- 26) En. Sultan Aswad bin A. Sakka – Kontraktor
- 27) En. Mohd Nizar bin Khir Azman – Behn Mayer
- 28) En Hussam bin Lahuseng – Kejuruteraan Elektrik
- 29) En. Sharif bin Rahman – Arinahletro
- 30) En. Kalil Tumpang – G-Planter
- 31) Mr. Chong Yen Dan – Manager
- 32) En Umran – Mekanik
- 33) En. Fauzi – Mekanik
- 34) En Arbin – Sawipol
- 35) En. Azwin – Mega Focusjaya
- 36) En. Suding Barawang – L/Maju



- 37) Mr. Charles Ng – Ever Gold
- 38) Mr. Marhin Maing – Salesman
- 39) En. Ramlan bin Dahlan – Salesman
- 40) Mr. Kuang Lip Sing – Branch Manager
- 41) Mr. Asmal Masana – Kontraktor
- 42) Pn. Nurwina Nurung – Mat Ent
- 43) Pn. Norhaidah binti Naming – SK Paris 3
- 44) Pn. Norasmah binti Chawa – SK Paris 3
- 45) En. Amir Abas – Harapan Baru Hang Soon
- 46) En. Jeffrin Perkin – Gen Man
- 47) Pn. Faridah binti Zainuddin – Pekebun Kecil
- 48) En. Jasman bin Zulkifli – Pekebun Kecil
- 49) En. Jupri bin Samsudin – Pekebun Kecil
- 50) En. Ammis Asbudi – Pekebun Kecil
- 51) En. Abdullah Selamat – Pekebun Kecil
- 52) Pn. Noraidah Sebnah – Humana
- 53) Pn. Rubylisa Rosalinda – Humana
- 54) En. Mohd Hamdan Husin – Ldg Sutera
- 55) En. Shahrin bin Perkin – AB JSM SB
- 56) En. Baharudin bin Banita – SD
- 57) En. Mazlan Perkins – Sri Ledang
- 58) En. Muhamad Hasram Idris – Sutera
- 59) En. Muhammad Hanif bin Shukor – Sutera
- 60) Pn. Amira Shafinaz Askani – Humana
- 61) En. Mohd Nizam bin Awang – PPAT SDK
- 62) En. Ahmad Muradi – E Badang
- 63) En Rendy bin Bacho – E Badang
- 64) En. Kasman Bahar – Adrit Advance Agro
- 65) En. Ramlan Kasiran – Hung Sing Tyres
- 66) Mr. Tommy Tap – San SDK
- 67) En. Hanafi – Kontraktor
- 68) En. Mohd Bakri – Intan
- 69) Mr. William Suates – Salesman
- 70) Tn. Hj Simon Lakiman – Usaha Jaya
- 71) En. Abu Bakar Turji – Bomba Lahad Datu
- 72) En. Masrah bin Tata – Kesihatan
- 73) En. Firman bin Ahmad – Kedai Runcit
- 74) Mr. Joseph Sudungking – Gerola
- 75) Pn. Norsri Kurdiati - Gerola
- 76) En. Muhammad Haimin bin Razmi – Pengurus
- 77) Pn. Sumina binti Sederi – Pekebun Kecil