

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)




CERTIFICATION AUDIT REPORT


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

Tanah Makmur Berhad
Ladang TM Paloh Hinai

-Individual Certification-

ANNUAL SURVEILLANCE AUDIT 01
18th June 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	06/07/2020	Issued as Draft Report	Surenthiran Panneerselvam	Lead Auditor	
B	23/08/2020	Issued as Final Report	Surenthiran Panneerselvam	Lead Auditor	
B	01/09/2020	Final Report Approved	Muhd Jamalul Arif	Certifier	

Acknowledgment by Tanah Makmur Berhad					
Rev	Date	Description	Management Representative	Role	Signature
B	01/09/2020	Acceptance of the contents	Dato' Shahrul Nizam bin Abdul Aziz	Group Chief Executive Officer	

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. [thereafter known as GGC] has conducted the Certification Assessment of Tanah Makmur Berhad, Ladang TM Paloh Hinai. During this Annual Surveillance Audit 1, the audit team were briefed by estate management of the supply base disposition. The estate consists of Ladang TM Paloh Hinai, that seek for single site certification.

This assessment was conducted onsite on 18th June 2020 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	Tanah Makmur Berhad
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Business Address	Bangunan Tanah Makmur Berhad, Kotasas Avenue, Persiaran Kotasas, Kota Sultan Ahmad Shah, 25200 Kuantan, Pahang.
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Contact Person	Dato' Shahrul Nizam bin Abdul Aziz
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Office Telephone	013-3435517
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E-Mail	gcoo.tmb@gmail.com ; nizam@tanahmakmurberhad.com
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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 TM Paloh Hinai	Ladang Paloh Hinai, 26650 Pekan, Pahang.	E 103.109400	N 3.434536



MPOB License Information

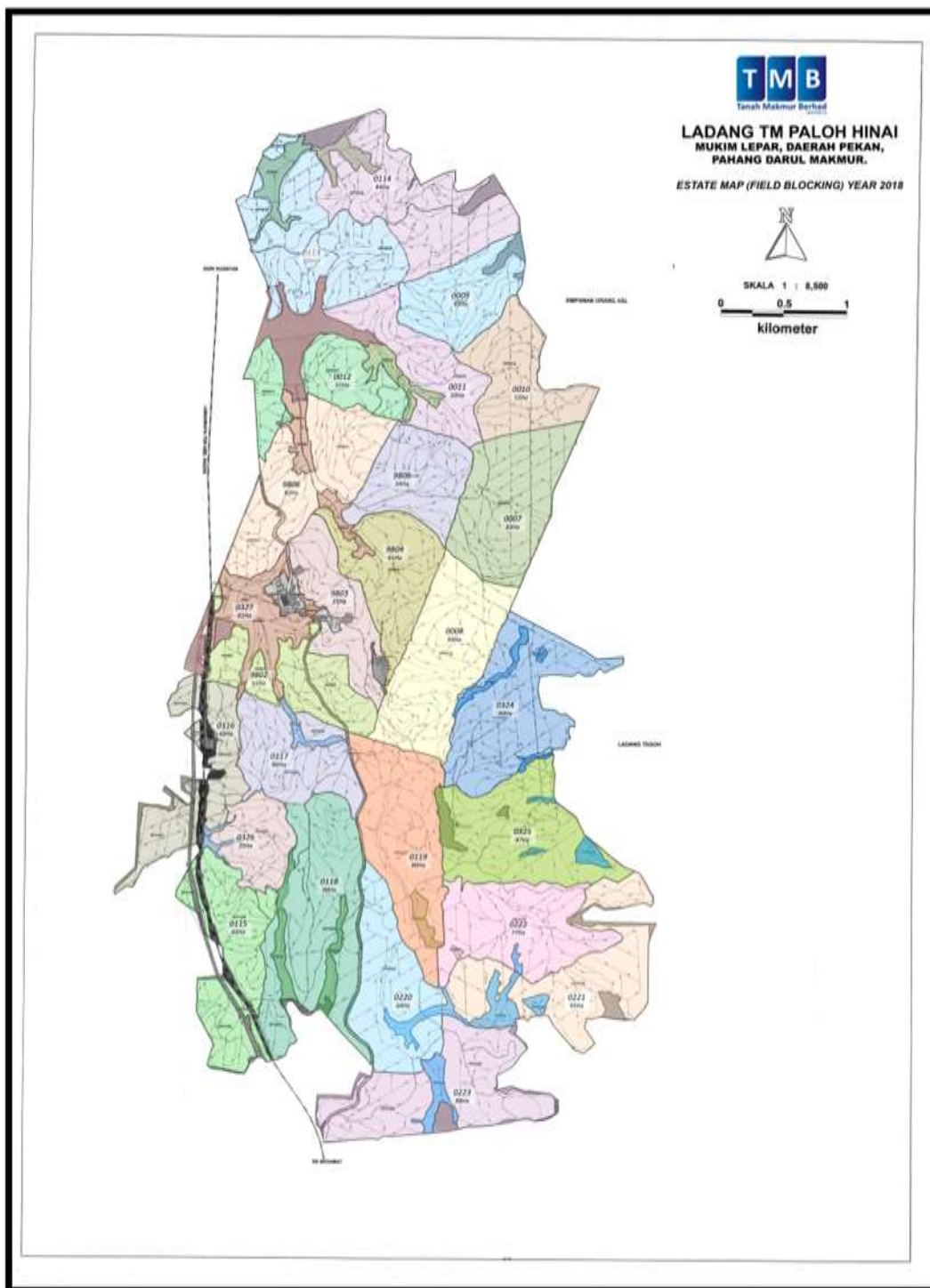
No	Name of the Site	Licence Number	Expiry Date	Scope Activity
1.	Ladang TM Paloh Hinai	548227002000	31 st March 2021	"Menjual Dan Mengalih FFB"

Others Sustainability Certification

No	Name of the Site	Others Sustainability Certification
1.	Ladang TM Paloh Hinai	NIL

1.4 Map Showing Geographical Location**a) Tanah Makmur Berhad - Ladang TM Paloh Hinai**

b) Ladang TM Paloh Hinai



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 TM Paloh Hinai	2,056.83	1,861.00	1,861.00
Total	2,056.83	1,861.00	1,861.00

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Ladang TM Paloh Hinai	Nil	Nil	195.83
Total	Nil	Nil	195.83

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit	Actual Production for 12 Months [June 2019-May 2020]	Projected Production for next 12 Months [June 2020-May 2021]
Ladang TM Paloh Hinai	40,000.00	27,961.40	36,200.00
Total	40,000.00	27,961.40	36,200.00

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-TMB012-MSPO-01-2019
Initial certificate issued date	19 th July 2019
Certificate expiry date	18 th July 2024

Stage 1 assessment date	10 th April 2019
Stage 2 / Main Assessment	19 th June 2019
Annual Surveillance 1 [ASA 1]	18 th June 2020
Annual Surveillance 2 [ASA 2]	June 2021
Annual Surveillance 3 [ASA 3]	June 2022
Annual Surveillance 4 [ASA 4]	June 2023

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Surenthiran Panneerselvam

Graduate in PgDip/MSc Oil and Gas Accounting from University of Abertay Dundee, Scotland, UK. Equipped with experience in sustainability audit field and with more than 7 years working experience. Involved in MSPO Assessment since 2017. Fully trained in Malaysian Sustainable Palm Oil (MSPO2530), Roundtable Sustainable Palm Oil (RSPO), ISO9001:2015 and ISO37001:2016. Completed and certified MSPO auditor course in year 2018 held by SGS Academy and ISO9001:2015 auditor course in year 2017 by TOMC. During this assessment, he assessed on the aspect of Management Commitment and Responsibility, Compliance to Legal Requirements and Social Responsibility, Health, Safety and Employment Condition. Able to communicate in both Bahasa Malaysia and English (written and spoken).

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, Arab Saudi and Ivory Coast. Completed and certified MSPO Auditor course in 2014 (3rd Batch) held by MPOB. 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 transparency, traceability, environmental aspects, best practices and stakeholder's consultation. Able to speak and understand Bahasa Malaysia and English.

1.8 Audit Methodology

The audit was conducted based on the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA. In the case of this certification unit, sampling calculation was determined prior to the audit assessment. Therefore, total numbers of supply based assessed in the audit are only 1 estate consists of Ladang TM Paloh Hinai.

During audit, company policies, management system procedures, waste management procedures, legal documents, safety procedures and others. Issues that would significantly impact to environmental, safety, social and legal requirements were also verified. The main approach of the audit, was to treat the palm oil estate referred as MSPO Certification Unit [Ladang TM Paloh Hinai]. Collection of objective evidence was completed during physical site inspection, observation of tasks and processes, interview of stakeholders, interview of officers, review of documents and data.

Audit team were grouped and covered the palm oil estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational safety and health, environmental and other requirements.

Audit team conducts the stakeholder's interview randomly involving internal and external stakeholders during the audit. Stakeholders were interviewed with the absence of estate management. Feedback obtained as part of information and evidence gathered. Audit checklists and questionnaires were used to guide the collection of information and the comments made by external stakeholders. Stakeholders comments were also been taken into consideration in this assessment. Refer to 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, refer to (Appendix C) of MSPO.

The Prime Minister, Tan Sri Muhyiddin Yassin did announce that the Conditional Movement Control Order (CMCO) ended 9th June 2020 and replaced with the Recovery Movement Control Order (RMCO). The RMCO would take effect from 10th June 2020 until 31st August 2020 with more lenient restrictions. With reference to the Federal Government Gazette (9th June 2020), Prevention and Control of Infectious Diseases (Measures Within Infected Local Areas) (No. 7) Regulations 2020, Certification for Agri Commodities was not included in prohibited activities. Majlis Keselamatan Negara (MKN) had issued a Standard Operating Procedure for "Persijilan bagi Agrokomoditi" dated 12th June 2020 which need to be complied during the audit process by both parties, the Certification Body and clients.

1.9 Audit Plan Information

Audit Date	18 th June 2020
Name of site(s) visited	Ladang TM Paloh Hinai
Total number of man-days spent	2 man-days

1.10 Audit Result Summary Findings

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	0	No action requires
Minor Nonconformities	2	Open (Action plan required)
Area of Concern	0	No action requires
Noteworthy /Positive Comments	4	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, the stakeholder consultation shall be carried out in stage 2 and recertification audit cycle of the management unit. During this Annual Surveillance Audit 1, the audit team has conducted stakeholder consultations involving both internal and external stakeholders randomly 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.

The aim of stakeholder consultation is to ensure that the MSPO requirements are continuously implemented and adhere to, as well as others aspects that they considered could be improved. However, in surveillance audit, the consultation may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit. The auditor begin consultation with brief explained on the purpose of the audit, interviewed and record comments made by the stakeholders. All comments made by the stakeholders are recorded. The comments were verified with the estate management before incorporating into the assessment findings. The details are 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 (Estate workers – Harvesting Gang)	<ul style="list-style-type: none"> Workers are aware of the safety aspects during harvesting activity. PPE usage are very important to avoid accidents. Workers have good understanding about MSPO. Attended training provided by company. Aware of complaint and grievance mechanism. 	Adequate SOP training were provided.	Positive findings
2.	Stakeholders B (Spraying gang)	<ul style="list-style-type: none"> Workers aware the chemical handling procedure. PPE were equipped during spraying activity. Good relationship with the Management and the Estate will render their assistance when required. No sexual harassment and violence case reported at workplace. Due to COVID-19 – MCO 	<p>Estate management provides free PPE to the workers.</p> <p>Adequate training was provided, related to the respective activity.</p>	Positive findings

		period, all SOP's were followed and social distancing were maintained.		
3.	Stakeholders C (Contractor)	<ul style="list-style-type: none"> Contractors were invited to stakeholder meeting, and estate management briefed on the importance of MSPO. They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work. 	No action requires	Positive findings

1.12 Recommendation

Ladang TM Paloh Hinai 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. Estate Manager being the person responsible to ensure facility and his subordinates comply to the requirements and procedures stated in this manual. Management commitment was demonstrated, as the estate management provide awareness training to all personnel in the company. The awareness training given enhance the employees understanding on the procedures and implementation of the MSPO standard. During interview session, the employees are aware of the requirements of MSPO. There was no complaint or feedback received during this Annual Surveillance Audit 1.

This report will be internally reviewed prior to certification decision by GGC. During annual surveillance audit, externally peer review by independents panel reviewers (qualified and trained by MPOCC) are not required. The audit was conducted in accordance to MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders. During this annual surveillance audit, zero non-conformities have been raised to the facilities that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted was no major non-conformity findings. Therefore, lead auditor recommends the continuity of certificate of "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders" to Ladang TM Paloh Hinai.

1.13 Date of Next Surveillance Audit

The next annual surveillance assessment visit will be scheduled after 9-12 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

BTS	"Buah Tandan Sawit"
CHRA	Chemical Health & Risk Assessment
CoP	Code of Practise
CPO	Crude Palm Oil
DOE	Department of Environmental
DOSH	Department of Occupational Safety and Health Malaysia
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EPF	Employee Provident Fund
FFB	Fresh Fruit Bunch
GAP	Good Agriculture Practise
GHG	Greenhouse Gas
GGC	Global Gateway Certifications Sdn Bhd
HIRARC	Hazard Identification, Risk Assessment and Risk Control
MPOA	Malaysian Palm Oil Association
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysian Palm Oil Certification Council
MRM	Management review meeting
MSPO	Malaysian Sustainable Palm Oil
NCR	Non-Conformance Report
NGO	Non-Government Organization
OHS	Occupational Health & Safety
OHSAS	Occupational Health and Safety Assessment Series
POM	Palm Oil Mill
PPE	Personal Protective Equipment
SEIA	Social Environmental Impact Assessment
SIA	Social Impact Assessment
SOCISO	Social Security Organisation
SOP	Standard Operating Procedure
SW	Schedule Waste
TMB	Tanah Makmur Berhad
PKKP	Perbadanan Kemajuan Perusahaan Pertanian Negeri Pahang
PMMP	Plantation Micro Macro Project
PQMS	Plantation Quality Management System

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 Estate management has established MSPO Policy has and incorporated in the "Perlaksanaan dan Komitmen Terhadap MSPO" dated 1st November 2018 signed by Managing Director Tengku Dato' Sri Ahmad Faisal Bin Tengku Ibrahim is established by Tanah Makmur Berhad. The policy clearly stated that Tanah Makmur Berhad is committed to ensure that its products are produced in a sustainable manner". As evidence, the policies being displayed and sighted at the estate office notice board. Policy being communicated to staff/workers on 27th January 2020. The briefing conducted by The Assistant Manager, En. Yusri bin Yusoff. Seen the attendance record, photographs and training materials as evidence.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary The MSPO Policy has been established and incorporated in the "Perlaksanaan dan Komitmen Terhadap MSPO" date on 1st November 2018 signed by MD Tengku Dato' Sri Ahmad Faisal Bin Tengku Ibrahim. As stated in the Sustainability Policy; "Sejajar dengan itu, pengurusan Tanah Makmur Berhad sentiasa komited kea rah penambaihan berterusan dan memainkan peranan dalam mengusahakan perladangan sawit secara lestari dan mampan".

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 Tanah Makmur Bhd has established MSPO Procedure Title: Audit Dalaman MSPO, Doc No: TMB/MSPO/IAM-01, Date 15th November 2018 by Managing Director Tengku Dato' Sri Ahmad Faisal Bin Tengku Ibrahim. Seen audit plan dated 4th February 2020 [Ref: (13) dlm.TMB/MSPO/IAM-01]. As stated, lead auditor – En Mohd Hanif Bin Md Nor and Auditor – En Mohd Ikham Bin Bahuri. Internal audit assessment planned on 18th February 2020. [Ref: IAM-01/PAD/L2]. Seen, Jadual Perancangan Tahunan Audit Dalaman MSPO year 2020, IAM-01/JPT/L1, Lampiran 1, prepared by En Isrizal bin Israni and approved by Tuan Haji Alias bin Awang.

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 Tanah Makmur Bhd has established MSPO Procedure Title: Audit Dalaman MSPO, Doc No: TMB/MSPO/IAM-01, Date 15th November 2018 by Managing Director Tengku Dato' Sri Ahmad Faisal Bin Tengku Ibrahim. The purpose of this procedure is to describe the audit process conducted internally to determine Tanah Makmur Bhd operations are effectively implemented to comply with the Malaysian Sustainable Palm Oil (MSPO) standards.

The internal audit conducted by lead auditor – En Mohd Hanif Bin Md Nor and Auditor – En Mohd Ikhrum Bin Bahuri. On 18th February 2020. In total, 9 NC raised during internal audit. Seen internal audit checklist established and internal auditor provide detailed findings by providing scoring in percentage of compliance. Non-conformity report (NCR) were documented by providing the root cause analysis and action taken on the NCR. Closed nonconformity included with root cause analysis correction and corrective action with relevant evidence.

However, as per MSPO Procedure Title: Audit Dalaman MSPO, Doc No: TMB/MSPO/IAM-01, Date 15th November 2018, Clause 5.5.7 (b) – “Pihak Auditee perlu memberi maklumbalas atau pelan Tindakan serta perlu menutup NCR dalam masa 2 minggu atau 14 hari dari Tarikh NCR itu dikeluarkan”. Sighted NCR raised by internal audit team dated on 18th February 2020 and deadline given on 3rd March 2020. However, estate management submitted and close the NCR dated on 19th May 2020.

In Compliance ☐ Yes ☒ **No** ☐ Not Applicable

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

Summary The prior year internal audit report is available for Management Review Meeting in timely manner. Management review meeting was conducted on 3rd March 2020 headed by estate manager.

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 Tanah Makmur Bhd has established MSPO Procedure Title: Semakan Pengurusan MSPO, Doc No: TMB/MSPO/MRM-02, Date 15th November 2018 by Managing Director Tengku Dato' Sri Ahmad Faisal Bin Tengku Ibrahim. 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 Management Review Meeting was conducted on 3rd March 2020 at TMB Paloh Hinai Meeting Room. Meeting minutes available and prepared by En. Yusri Bin Yusoff and approved by En Abd Halim Bin Abd Hamid.

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 Tanah Makmur Bhd has established MSPO Procedure Title: Semakan Pengurusan MSPO, Doc No: TMB/MSPO/MRM-02, Date 15th November 2018 by Managing Director Tengku Dato' Sri Ahmad Faisal Bin Tengku Ibrahim. Sighted, statement on Continual Improvement under Clause 5.6, Kenalpasti untuk Pelan Penambaihan Berterusan, Lampiran 2, MRM-02/PPB/L2. Continual Improvement Plan for the estates comprising Environmental, Social, OSH and Best Practices. As sample taken:

No.	Description	Timeline
1.	Penyidai pakaian di rumah pekerja	30 th April 2020
2.	Tong sampah di perumahan asrama	31 st March 2020
3.	Papan tanda	30 th April 2020
4.	Sump untuk emergency eye wash	30 th April 2020
5.	CF perumahan baru	30 th June 2020
6.	Tray minyak jentera ladang	30 th April 2020

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 The company disseminate the new information and techniques or new industry standards and technologies through the training. As per interview with estate representative, estate management has sign up on newsletter with the local authority and other related palm oil agencies to receive the updates. As example, MPOA, MPOB, Labour Office will send an email to estate if there are any new or updated information about the industry.

Tanah Makmur Berhad has established system in order to improve practices in line with new information and techniques. The estate has adopted number of systems as per below:

- IECS - in relation to workers salary, estate account
- IMOBILE IECS - Harvesting FFB and piece rate system
- Plantation Micro Macro Programme (PMMP) – FFB grading, workers attendance, FFB transporting.

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 The company disseminate the new information and techniques or new industry standards and technologies through the training. Estate management conducted the system training to all the workers and staff. Tanah Makmur Berhad has established system in order to improve practices in line with new information and techniques. The estate has adopted number of systems as per below:

- IECS - in relation to workers salary, estate account
- IMOBILE IECS - Harvesting FFB and piece rate system
- Plantation Micro Macro Programme – FFB grading, workers attendance, FFB transporting.

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 Tanah Makmur Berhad (TMB) has established the Communication Procedure; Title: Komunikasi dan Konsultasi Pihak Berkepentingan. Doc No.: TMB/MSPO/CCS-03 dated on 15th November 2018. Approved by Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim (Managing Director). The purpose of this procedure is to outline the arrangements for consultation and communication by Ladang TM Paloh Hinai with its relevant stakeholders and how their concerns and views are addressed.

Sighted stakeholders' meeting dated on 13th February 2020. Briefing to Government Agency and Suppliers. Attended by 36 participants. Records of request and complaint is available as referred to: "Borang Permohonan Maklumat – Berkaitan MSPO" CCS-03/BMM/L4. Sighted list of stakeholders on 7th February 2020. Prepared by Mr. Yusri bin Yusoff (Estate Assistant Manager) and approved by Mr. Abd Halim bin Abd Hamid (Estate Manager). No complaints or request made during the meeting.

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 The company established [Doc No.: "Senarai Dokumen Boleh Didedahkan"] dated 7th February 2020. The memo enlightens summary of documents listed as a guideline for Ladang TM Paloh Hinai. to determine the confidentiality status or available for public disclosure. The classification of management documents as below;

Documents	Confidential	Non-Confidential
Land Title	/	

Company Account Statement	/	
Environment Policy		/
Social Policy		/
Sexual Harassment Policy		/
OSH Policy		/
Zero Burning Policy		/
Environment Assessment and Impact Report		/
Social Impact Assessment Report		/
External Audit Report		/
Stakeholder minute meeting		/
Emergency Rescue Plan and Procedure		/

All these confidential and non-confidential documents are available and sighted in the estate office.

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 Tanah Makmur Berhad (TMB) has established the Communication Procedure; Title: Komunikasi dan Konsultasi Pihak Berkepentingan. Doc No.: TMB/MSPO/CCS-03 dated on 15th November 2018. Approved by Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim (Managing Director). The policy has identified the procedure of arrangement for consultation and communication by Ladang TM Paloh Hinai with its relevant stakeholders and how their concern and view are addressed. Estate has shown a good communication, by publishing the flowchart of Procedure "Pengurusan Aduan Pekerja/Stakeholder" at the notice board in front of estate office and housing complex. The feedback can be forwarded to estate management directly or drop the complaint from into the complaint box.

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 Sighted letter of appointment for the responsible person in charge of consultation and communication, En. Khalid bin Ibrahim (Staff) and approved by Mr. Abd Halim bin Abd Hamid (Estate Manager) dated 1st January 2020. He is responsible in matter involved in internal and external communication officer at Ladang Paoh Hinai.

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 list of stakeholders on 7th February 2020, was prepared by Mr. Yusri bin Yusoff (Estate Assistant Manager) and approved by Mr. Abd Halim bin Abd Hamid (Estate Manager). The list of stakeholders was adequately maintained and kept up to date. List of external stakeholders covering government agencies, neighboring communities and suppliers being recorded and maintained properly.

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 company has established Standard Operating Procedure: FFB Traceability Procedure. TMB/MSPO/TRC-04 dated on 15th November 2018. Approved by Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim (Managing Director). The purpose of this procedure is to establish a suitable identification and traceability of oil palm Fresh Fruit Bunch (FFB) production traceable from the plantation activities till dispatch of Palm Oil Mill (POM). Sighted all records done by estate management from field to mill, and estate uses a system called Plantation Micro Macro Program (PMMP) System for traceability purpose.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary Random check has been conducted in order to inspect on compliance with the traceability system in the estate. The regular inspection has been carried out by the staff, assistant manager and estate manager using inspection form and occasionally by the General Manager during field visit. During field visit, interviewed the harvester, FFB checker and mandore who involves in traceability system, as FFB checker responsible to update the FFB count in field at PMMP system on daily basis. Weighbridge operator able to demonstrate on how the system tracks the FFB input.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary Sighted letter of appointment for the responsible person in charge of traceability, En. Abdullah bin Abu Hanipah (Staff) and approved by Mr. Abd Halim bin Abd Hamid (Estate Manager) dated 1st February 2019. He is responsible in matter involved in traceability.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary All deliveries or transportation of FFB's record was properly maintained by the estate management. Sighted daily bunch record, delivery note, grading chit and mill weighbridge ticket kept in the office for reference.

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 Tanah Makmur Berhad established SOP for legal requirement, "Prosedur Pengurusan Pematuhan Undang-Undang" [Doc no.: TMB/MSPO/PUU-11] dated 5th April 2019]. List of permits and license was made available and prepared by Pn Rahimah Binti Mohamad Rashid, Chief Clerk and approved by En Abd Halim bin Abd Hamid dated on 1st June 2020. Below is the list provided:

- MPOB License, No. Lesen 548227002000, for Menjual dan Mengalih FFB, for a period of 1st April 2020 to 31st March 2021 untuk 1,861 Ha.
- Air Compressor – Perakuan Kelayakan Pengandung Tekanan Tak Berapi valid until 25th August 2020 [Reg no.: PH PMT 4532].
- Permit Barang Kawalan Berjadual), No Siri P: C001336, No Rujukan: PHG/PD/K/45/2019. Diesel (10,000 litre). Validity from 6th September 2019 until 5th September 2020.
- Borang D: Perakuan Penentuan Timbang dan Sukat [MPK(E) 60,000 kg x 10kg Set 16792D [CKN-ATK 003869] dated 9th March 2020; Serial no.: 1217090204
- Fire extinguisher Total no.: 45, expiry date by 16th June 2020. Seen list of fire extinguisher inspected by En Mohamad Safuan Bin Jalaluddin. and the list is prepared by En Amirul Arif Bin Tarli, Asst Manager. The inspection is conducted on monthly basis.

Seen "Polisi Keselamatan, Kesihatan dan Persekitaran Pekerjaan" dated 13th March 2018, approved by Tengku Dato'Sri Ahmad Faisal Bin Tengku Ibrahim. The policy stated "Memastikan kesemua undang-undang yang telah ditetapkan mengikut kod dan piawai dilaksanakan di dalam menjalankan operasi perladangan, pembinaan dan perkilangan dipatuhi. There is set of Legal Requirements been divided into 5 types:

- a. General
- b. Environmental
- c. Occupational Safety and Health
- d. General
- e. Other requirements

However, referring to Environmental Quality Act 1974 (Act 127): "Environmental Quality

(Scheduled Wastes) Regulations 2005; PU(A) 294/2005; 8. Responsibility of waste generator; No.1 – Every waste generator shall ensure that scheduled wastes generated by him are properly stored, treated on-site, recovered on-site for material or product from such scheduled wastes or delivered to and received at prescribed premises for treatment, disposal or recovery of material or product from scheduled wastes. Sighted during the audit, estate send the scheduled waste to non-DOE licensed contractor. Data as per below:

No.	Scheduled Waste Code	Quantity	Date Collected
1.	SW 409 – Lubricant Containers	22 pcs	29/02/2020
2.	SW 409 – Used of PPE	27 pcs	29/02/2020
3.	SW 409 – Paint Containers	5 pcs	10/06/2020

In Compliance ☐ Yes ☒ **No** ☐ Not Applicable

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

Summary Tanah Makmur Berhad has established SOP "Prosedur Pengurusan Pematuhan Undang-Undang", Rev. 0; dated 5th April 2019. The list is fully covered the requirements that related to MSPO compliance. These documents include information on laws, enforcement bodies, main requirement, environmental aspect, standard, fine, person in charge, and compliance status. This list was maintained in PQMS "Summary of Compliance" that showing fully implementation by the estate.

No.	Description	Last revision date
1.	Minimum Wages Order, Amendment 2020	10 th Jan 2020
2.	Fire Services Act 1988 (Act 341)	15 th Jan 2019
3.	Employee Social Security Act 1969 (Act 4)	28 th Jan 2019
4.	Employment Insurance System Act 2017	28 th Jan 2019
5.	Children and young person (Employment) Act 1966	28 th Jan 2019
6.	Food Act 1983	28 th Jan 2019
7.	Police Act 1967	28 th Jan 2019
8.	Land acquisition Act (1960)	28 th Jan 2019
9.	Included all applicable international laws and conventions ratified.	29 th Apr 2019

Seen "Polisi Keselamatan, Kesihatan dan Persekitaran Pekerjaan" dated 13th March 2018, approved by Tengku Dato'Sri Ahmad Faisal Bin Tengku Ibrahim. Stated as "Memastikan kesemua undang-undang yang telah ditetapkan mengikut kod dan piawai dilaksanakan di dalam menjalankan operasi perladangan, pembinaan dan perkilangan dipatuhi".

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 National legal list is found being updated from time to time e.g. Minimum Wages Order, Environmental Quality Act 1974. Included with ILO Convention, UN Declaration and other relevant laws and regulations. As per interviewed with Pn. Rahimah Binti Mohmad Rasyid, Chief Clerk, she will update any new amendments or any regulations once received through the communication with internal department, legal register, communication with law/enforcement officers from the Head Quarters. Legal register was last updated on 1st June 2020.

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 Seen letter of appointment of Pn. Rahimah Binti Mohmad Rasyid, Kerani dated 1st October 2018 approved by Mr. Abd Halim Bin Abd Hamid, Estate Manager [Ruj: (04) dlm/TMB/LPH/MSPO/File0].

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 Estates land titles are available and maintained in MSPO P3 file. Estates land titles are available and maintained. The entire land of Ladang TM Paloh Hinai is under leasehold status with 99 years, listed as below;

No. H.S.(D). 233, PT365 [732.8864 Ha]. Use of land tanaman getah & tanaman sawit.
No. H.S.(D). 234, PT366 [948.1793 Ha]. Use of land tanaman getah & tanaman sawit.
No. H.S.(D). 235, PT367 [404.686 Ha]. Use of land tanaman getah & tanaman sawit.

No.	No hak milik	Lot	Ha
1.	233	PT365	732.8864
2.	234	PT366	948.1793
3.	235	PT367	404.686
Total			2,085.7517

Hectarage statement:

Area	Ha
Mature	1,861.00 ha
Road	18.71 Ha
Building	8.72 Ha
Vacant	72.46 Ha
Swampy	96.57 Ha
Others (highway, JPJ, Gas line)	28.31 Ha
Pengambilan sebahagian tanah (Borang K)	(28.94 Ha)
Total	2,056.83 Ha

The land title number H.S (D). 233, 234 & 235 with total hectares 2,085.7517 between the hectareage statement recorded as 2,056.83 Hectare. The difference is 28.9217 hectare. During this annual surveillance audit, estate management has made follow up by amendment to be made. Sighted TMB has sent a letter to Perbadanan Kemajuan Perusahaan Pertanian Negeri Pahang (PKKP) dated on 19th May 2020 [ref: (88) dlm. TMB/LDG21/89 Pt. 4] requesting conformation either land acquisition has been made by PKKP, if agreed, requested PKKP to request Form K from "Pejabat Tanah Negeri Pahang". As per the agreement, the 3-land titles are leased "Hakmilik sementara" to TMB, therefore as the lessor PKKP requested TMB to apply for the Borang K from Pentadbir Tanah Daerah". Sighted letter dated on 3rd June 2020 [Ref no: 600-10/2/1 Jld.2(21)].

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 Estates land titles are available and maintained in MSPO P3 file. Use of land tanaman getah & tanaman sawit. Estates land titles are available and maintained. The entire land of Ladang TM Paloh Hinai is under leasehold status with 99 years [No. H.S.(D). 233, PT365 [732.8864 Ha]. Use of land tanaman getah & tanaman sawit, No. H.S.(D). 234, PT366 [948.1793 Ha]. Use of land tanaman getah & tanaman sawit, and No. H.S.(D). 235, PT367 [404.686 Ha]. Use of land tanaman getah & tanaman sawit].

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 As per interview with Mr. Abd Halim Bin Abd Hamid, Estate Manager, 396 point legal perimeter boundary marker has been found. JUPM map is made available to identify legal perimeter boundary. As referred to JUPM map, there are 396 legal boundary markers marked, and map of boundary marker is made available. During field visit, all boundary marker is clearly demarcated and visibly maintained within the estate boundary. The marker is documented with gps coordinate, map and block number. As to date, year 2020, 20 boundary markers has been demarcated and made visible. Sighted photographs and confirmed during field visit.

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 Seen "Prosedur Pengendalian Pertikaian Sempadan" dan "Carta aliran pengendalian pertikaian sempadan". Seen "Prosedur Pengendalian Pertikaian Setinggian" is made available. No disputes recorded in estate area. No issues related to loss of legal customary right with indigenous people, local communities and other stakeholder encountered during the audit.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 3 Customary land 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 all the estates. There are also no land disputes or claims involving these estates. 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 Maps are made available to show the legally owned land. There is no customary land in or surrounding all the estates. There are also no land disputes or claims involving these estates. The company has proper legal land tile for the land ownership.

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 all the estates. There are also no land disputes or claims involving these estates. 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 Estate management has conducted Social Impact Assessment (SIA) for Ladang TM Sri Jelutung Paloh Hinai dated 13th February 2020. The purpose of Social Impact Assessment is assessing on Access and Use Rights, Economic livelihoods and working condition, cultural and religion issues, health and education facilities and subsistence activities. Estate management sent the invitation to stakeholders on 7th February 2020, sighted letter of invitation. SIA report dated 13th February 2020 was prepared by En Yusri Bin Yusoff and approved by En Abd Halim Bin Abd Hamid. "Pelan Pengurusan Sosial 2020", documented action taken as per below:

No.	Pelan penggunaan	Tarikh	Status
1.	Penyidai pakaian di rumah pekerja	Mei 2020	In progress

2.	Tong sampah di perumahan baru	March 2020	Completed
3.	Mengadakan aktiviti gotong-royong	March 2020	Completed

In total 39 stakeholders attended the stakeholder meeting and provide response towards the SIA questionnaires. Questionnaires developed by categorizing into 12 factors/criteria in the assessment, sighted the summary of "Soal Selidik Penilaian Impak Sosial (SIA)" dated 13th February 2020, interviewed by estate manager. Seen in the review report, the mitigation plan on the negative response.

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 The company has a complaint and grievance mechanism regulated in SOP No. TMB/MSPO/CCS-03: Komunikasi dan Konsultasi Pihak Berkepentingan. Dated 15th November 2018 has been established and documented. The procedure signed by Managing Director, Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim. Sample of Process Flow and Grievance Form as per Appendix 2 and 3. There is no information from public source and MPOCC website on any labour conflict of the audited site. The procedure has been socialized to employees during internal stakeholder meeting and training session. The documentation of incoming complaint and grievances is documented by the company including the response by the estate management. The documentation is managed by the top management in estate, unless require HQ assistance to resolve the issues.

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 Complaint form is available at the publicly accessible area such as in the front door of the main office. Estate management has established complaint and grievance mechanism regulated in SOP No. TMB/MSPO/CCS-03: Komunikasi dan Konsultasi Pihak Berkepentingan dated 15th November 2018. The mechanism regulated the flow 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. No complaint record in year 2020 as to date.

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 was made available at the main office dropbox. 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 Evidence, the policy being communicated to all employees, during training session on 27th January 2020. Seen training material, attendance record and photographs as evidence. Sighted, the External Stakeholder Meeting was conducted on 13th February 2020 at Paloh Hinai estate office.

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 Estate management has established complaint and grievance mechanism regulated in SOP No. TMB/MSPO/CCS-03: Komunikasi dan Konsultasi Pihak Berkepentingan dated 15th November 2018. No complaint being recorded in 2020 to date. All complaint has been documented and kept for the last 24 months.

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 management contributed to local development as recent pandemic attack COVID-19, management has contributed to local communities, workers and staff on daily needs. Sighted, a Corporate Social Responsibility contribution by the Estate on the followings: -

18th February 2020 – Contribution to PIBG SK Paloh Hinai – Program Kecemerlangan UPSR and 8th April 2020 – Contribution to Abd Khalid Ibrahim. Contribution for dinner with staff and workers.

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 Tanah Makmur Berhad has established Occupational Safety & Health Policy, dated on 13th March 2018 which was approved by Managing Director, Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim. The policy is written in Bahasa Malaysia language. The policy being displayed at the Notice Board and awareness programme to all atakeholders. Estate OSH objectives as follows: -

- a. Kepatuhan kepada Akta Keselamatan Pekerjaan dan Kesihatan 1994 dan Akta Kilang dan Jentera 1967
- b. Aktiviti Keselamatan dan Kesihatan.
- c. Memberi kesedaran tentang keselamatan kesihatan kepada semua pekerja & pihak ketiga untuk mewujudkan suasana bekerja yang selamat.

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 13th March 2018 which was approved by Managing Director, Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim. The policy is written in Bahasa Malaysia 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).

No.	HIRARC
1.	Security post
2.	Surau
3.	Worker quarters
4.	Fertilizer store
5.	Transporting fertilizer
6.	Fertilizer application in field
7.	Chemical store
8.	Chemical preparation
9.	Chemical spraying
10.	Manual weeding
11.	Diesel tank
12.	Workshop
13.	Generator
14.	Carpenter
15.	Wiring
16.	Travelling to & from work
17.	Driver
18.	FFB loading and collection
19.	Harvesting
20.	Pruning
21.	Spraying
22.	Rat baiting
23.	Trunk injection
24.	Bridge and culvert maintenance
25.	Boundary marking
26.	Landfill
27.	Replanting

Sighted SOP No. TMB/MSPO/LKP-09: Latihan dan Kompetensi. Dated 15th November 2018 has been established and documented. The procedure signed by Managing Director, Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim. The training calendar being indicate under LKP-09/KLT/L1 –Lampiran 1.

The Estate has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training file. Training record made available on "Chemical Handling Training" dated 4th March 2020 attended by 15 participants. Seen evidence of training attendance record and photographs.

Estate has provided appropriate PPE for all workers in their operations. Person in-charge of in issuing PPE is Puan Norini bt Mohd Nor, the Storekeeper. The type of PPE is included in the HIRARC assessment chart for all type of job activities. PPE Issuance and replacement record sighted for: -

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

CHRA was conducted in 8th March 2019 by Occumed Consultancy & Services Sdn Bhd, Dr Yasriza Yahaya, and JKKP HIE 127/171/2 (8). Sighted, Manager response on Assessor recommendations. Sighted Chemical Register being established and updated 16th March 2019. Seen, Standard Operating Procedure for receiving, handling, storage and disposal of chemicals under Prosedur Bahan Buangan TMB/MSPO/SWM-05 dated 15th November 2018.

In total 11 workers undergone the medical examination on 28th February 2020 as per CHRA requirement. Medical examination was conducted by Dr Mohd Aizuddin Bin Mohd Abdul Halim, Poliklinik AR Razi Perubatan & X Ray, Pekan, Pahang. As per doctors recommendation, all workers are fit to work. Chemical register sighted "Register of Chemicals Hazardous to Health", prepared by En Yusri Bin Yusoff and approved by En Abd Halim Bin Abd Hamid dated 1st January 2020.

Sighted the appointment letter of En Yusri Bin Yusoff dated 1st January 2020 approved by En Abd Halim Bin Abd Hamid Estate Manager. He is responsible for workers safety and health matters in estate.

OSH Committee Chart 2019 sighted with letter of appointment for committee members dated 1st January 2019. The committee meeting was last conducted on 5th March 2020. The next safety committee meeting postponed to June 2020 due to MCO from 18th March 2020 till 9th June 2020. To discuss all issues regarding worker's safety and health.

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. Sighted emergency contact of Ladang TM Paloh Hinai, with contact number and contact names.

ERP Chart 2020 indicates En Yusri Yusoff as First Aider for Paloh Hinai Estate. He has attended the course conducted by Dr Wan Abdul Rahim bin Wan Muhammad, Pakar Perubatan Kesihatan Awam UD56 Daerah Pekan, Pahang. First Aid Training was last conducted on 23rd January 2019, and sighted training programme planned the training to be conducted by December 2020.

Seen, 19 staffs and mandores being provided First Aid Kit for their responsibility areas dated 23th January 2019. Estate has sent JKKP 8 (I & II)/(IV) on annually basis to DOSH dated 31st January 2020. No accidents occurred in 2019; ref: JKKP8/59371/2019.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 5	Employment conditions
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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.
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Summary Sighted Polisi Kemasyarakatan dan Hak Asasi Manusia established on 1st November 2018 which was approved by Managing Director, Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim. This policy covers: -

- a. Pematuhan terhadap peraturan dan undang –undang buruh yang berkaitan.
- b. Memastikan polisi persaraan minima dipatuhi.
- c. Memberi latihan dan orientasi yang sewajarnya kepada pekerja baru dan lama.
- d. Tidak membenarkan individu di bawah umur 18 tahun bekerja di ladang – ladang Tanah Makmur Berhad kecuali dengan pengawasan penjaga yang dibenarkan/ didaftarkan.
- e. Mematuhi Akta Gaji Minimum dan undang-undang Jabatan Tenaga Kerja serta peraturan-peraturan yang telah ditetapkan oleh pihak berkuasa.
- f. Menghormati amalan social dan persekitaran yang baik.
- g. Bebas daripada diskriminasi dan prejudis terhadap jantina, bangsa, agama, kewarnegaraan dan fahaman politik.
- h. Memberi kediaman yang bersesuaian mengikut peruntukan undang-undang.
- i. Berusaha untuk menyelesaikan sebarang konflik social dan hal ehwal kemasyarakatan sekitarnya.
- j. Menghormati hak-hak kebebasan bersuara dan berpersatuan mengikut lunas undang-undang yang ditetapkan
- k. Mematuhi undang-undang hak milik tanah serta syarat-syarat penggunaannya.

During site visit, the policy being displayed at notice boards outside the office.

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 Tanah Makmur Berhad has established "Polisi Kemasyarakatan dan Hak Asasi Manusia", dated 1st November 2018 which was approved by Managing Director, Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim under clause:

- g. Bebas daripada diskriminasi dan prejudis terhadap jantina, bangsa, agama, kewarganegaraan dan fahaman politik.

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.

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 "Mematuhi Akta Gaji Minimum dan undang-undang Jabatan Tenaga Kerja serta peraturan-peraturan yang telah ditetapkan oleh pihak berkuasa", which established on 1st November 2018 which was approved by Managing Director, Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim. Pay and conditions are documented in the workers' offer letter and wage payment records/ pay slip.

Estate management established employment contract with all employees "Tawaran Kerja & Syarat-Syarat Perkhidmatan Sebagai Penuai Buah Tandan Segar (BTS) Kelapa Sawit. The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2020 (Act 732) Malaysian minimum salary is RM1,200.00 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.

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 Estate management engaged with contractors, as sampled taken, contract agreement between Ladang Paloh Hinai and Lim Tow Yan [Contract no: 7/2020] dated 1st April 2020. Payment slip and workers identification were also attached in the file. Minimum Wages Order 2020 are complied as the salary paid above RM1,200.00, seen salary slip for the month January 2020, February 2020, March 2020, April 2020, May 2020.

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 All staffs and workers records were made available which stated the offered position, employee number, date joined, wages implied, working hours, overtime, allowances, rest day, working on holiday in the Employee Master Listing. Estate management established the summary of all employees in estate. The details include name, passport/IC no, nationality, date joined, permit expiry date, working status and others. The list was last updated on 10th June 2020 for foreign workers and 1st June 2020 for local workers. In total, 103 Indonesian workers and 14 local workers are still working.

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 Employment Contract between Ladang Paloh Hinai and the workers made available. The Agreement stated all the term and conditions according to Malaysian Law. The contract available in Bahasa Malaysia. Estate management established employment contract with all employees "Tawaran Kerja & Syarat-Syarat Perkhidmatan Sebagai Penuai Buah Tandan Segar (BTS) Kelapa Sawit". The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2020 (Act 732) Malaysian minimum salary is RM1,200.00 as stated in the guidelines. This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of local and Indonesian.

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 The Management has established Time Recording System based on Thumb print for staff and Pocket Check-roll to workers.

- Working hours as below:
7.00 am to 3.00pm
11.30 am (break)
- Working day as below:
Saturday to Thursday
Friday – Off day

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 have been clearly stated in the Employment Contract. Sighted in the Employment Contract 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. As sampled below are the overtime payment calculated:

Normal day: 1.5
Leave day: 2.0
Public holiday: 3.0
As sampled: [40.75/8 hours] x 1.5 x 3.5 hours = RM26.72

During field visit, interviewed workers and there is no complaint received regarding payment or forced to work on overtime.

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. Salary being paid through bank.

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. Estate management also provide other benefits as stated below:

- Productivity incentive
- Linesite (Housing quarters)
- Medical expenses are covered

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, football field and surau. Water being subsidized at RM6 per head and electricity at RM10 per head. Sighted, a letter to Tenaga Kerja Pekan dated 30th April 2019 on the application of Permit Pemotongan for water usage. The application yet to grant an approval. Received memo from Pejabat Tenaga Kerja Pekan, Pahang Darul Makmur. Permit Potongan Daripada Gaji Pekerja [Ref no.: PMT/10605/2020/0008] dated 15th June 2019. "Permohonan Permit Potongan Gaji bagi tujuan bayaran utility". As interviewed, estate representative inspection the housing area on weekly basis. Last inspection conducted on 12th June 2020.

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 Procedure for handling sexual harassment has been established as per "Polisi Gangguan Seksual", established on 1st November 2018 which was approved by Managing Director, Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim. The policy to prevent all forms of sexual harassment and violence at the workplace. During

interview session with random staff and workers, no issue addressed by themselves as to date.

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 Tanah Makmur Berhad established "Polisi Kemasyarakatan dan Hak Asasi Manusia" dated 1st November 2018 which was approved by Managing Director, Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim. In addition, the Social Policy did state on, respect the right of all employees to form or join trade union has been stated under clause:

j. Menghormati hak-hak kebebasan bersuara dan berpersatuan mengikut lunas undang-undang yang ditetapkan

The policy has been communicated to all employees during internal stakeholder meeting and policy been displayed at the notice board located at estate main office.

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 are incorporated in the Social Policy. The policy was established on 1st November 2018 and approved by Managing Director, Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim. The policy on Children and young persons shall not be employed or exploited. The policy emphasized as per below:

d. Tidak membenarkan individu di bawah umur 18 tahun bekerja di ladang – ladang Tanah Makmur Berhad kecuali dengan pengawasan penjaga yang dibenarkan/ didaftarkan.

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 Tanah Makmur Berhad established SOP No. TMB/MSPO/LKP-09: "Latihan dan Kompetensi" dated 15th November 2018. The procedure signed by Managing Director, Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim. Training calendar are developed as per [LKP-09/KLT/L1 – Lampiran 1]. The estate has a comprehensive annual training plan for the staffs and workers and sighted in the training file. The programme as follows: -

No.	Topic	Status
1.	MSPO Awareness Training	27 th January 2020
2.	PMMP Training	27 th January 2020
3.	SOP training	21 st January 2020
4.	"Pemuliharaan alam sekitar & haiwan liar".	20 th February 2020
5.	PPE training	21 st January 2020 4 th March 2020
6.	Harvesting FFB training	Sept'2020
7.	SDS Training & Pengendalian Bahan Kimia	4 th March 2020

Training plan was prepared by En Yusri Bin Yusoff dated 1st January 2020 and approved by En. Abd Halim Bin Abd Hamid.

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 created based on training needs analysis for workers involved in estate operations. Sighted the training need analysis of all workers, staffs and management based on their competencies and job description under SOP No. TMB/MSPO/LKP-09: "Latihan dan Kompetensi" dated 15th November 2018. The procedure signed by Managing Director, Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim. The training calendar being indicate under LKP-09/TNA/L2 –Lampiran 2. The latest training need analysis being prepared by En. Yusri Bin Yusoff and approved by En Abd Halim Bin Abd Hamid dated 1st January 2020. Training are categorized into job category such as:

- Harvester group
- Sprayer
- Manuring
- Tractor driving
- Ramp FFB

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 annual training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers. The training plan for 2020 was sighted. 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 Tanah Makmur Berhad has established the "Polisi Perlindungan dan Penjagaan Alam Sekitar" dated on 01st November 2018. The policy is approved by Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim (Managing Director). As evidence, the policies have been communicated on 21st February 2020 and attended by 52 participants (all workers and estate management). Sighted the "Pelan Pengurusan Alam Sekitar 2020", prepared by Mr. Yusri bin Yusoff (Estate Assistant Manager) and approved by Mr. Abd Halim bin Abd Hamid (Estate Manager). Environmental Management Plan is available as referred to: "Pelan Pengurusan Alam Sekitar 2020" dated 15th February 2020.

No.	Kaedah	Pelan
1.	Sisa domestik perumahan dikutip mengikut jadual	Menyediakan jadual kutipan sampah untuk perumahan pekerja
2.	Sisa domestik dilupuskan dengan cara yang sempurna	Penutupan lubang sampah lama dan penggalian lubang sampah baharu.
3.	Memberikan kesedaran alam sekitar	Menyediakan latihan & taklimat alam sekitar
4.	Sisa buangan berjadual ini dapat diatasi	Menyediakan bekas menyimpan sisa buangan jentera berserta tempat takungan
5.	Sisa buangan berjadual dapat dilupuskan	Mencatatkan semua harga dan kontraktor untuk melupuskan sisa bahan kimia
6.	Pembuangan sampah dapat dikumpulkan	Menyediakan tong sampah bertutup untuk semua rumah pekerja
7.	Kerjasama antara pekerja dapat menjaga kebersihan.	Mengadakan gotong-royong bulanan di Kawasan linesite
8.	Mengelakkan dari tumpahan bahan kimia	Menyediakan takungan di stor penyimpanan bahan kimia
9.	Kesedaran pada pekerja bahawa pembakaran terbuka merbahaya pada kualiti udara dan juga kesihatan	Memberi taklimat pada semua pekerja tentang larangan pembakaran terbuka. Melarang pembakaran terbuka.

Environmental Impact Assessment (EIA) was conducted by the estate representative, included with 10 elements into the assessment. In total of 20 sub-activities was covered into the environmental aspect impact analysis/assessment. Management plan was established based in the country and state environmental laws.

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

Tanah Makmur Berhad has established the "Polisi Perlindungan dan Penjagaan Alam Sekitar" dated on 01st November 2018. Approved by Tengku Dato' Sri Ahmad Faisal bin Tengku Ibrahim (Managing Director). Sighted "Panduan Penilaian Aspek & Impak Kepada Alam Sekitar" has covered 20 Sub-Activities is available as referred to document: EVM-06/AIS/L1 dated 05th January 2020. Prepared by Mr. Yusri bin Yusoff (Estate Assistant Manager) and approved by Mr. Abd Halim bin Abd Hamid (Estate Manager). As sampled:

No.	Description	Mitigation plan
1.	Penggunaan petrokimia untuk aktiviti pengangkutan	Sentiasa memantau aktiviti pengangkutan semasa operasi ladang
2.	Bahan manusia dijana daripada linesite	Membina system pembuangan yang teratur (mengali lubang untuk pelupusan)
3.	Pembinaan parit	Mengawasi spesifikasi pembinaan parit supaya aliran air berjalan lancar
4.	Pelupusan tong racun terpakai	Melupuskan tong racun kepada agen pelupus berdaftar

Tanah Makmur Berhad is committed towards implementing towards:

1. "Mematuhi garis panduan dan undang-undang yang berkaitan aspek-aspek penjagaan dan pemeliharaan alam sekitar".
2. "Mengikuti dan melaksanakan Amalan Pertanian Baik yang telah digariskan dalam manual polisi amalan pertanian bagi penanaman dan penjagaan kelapa sawit TMB".

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary

Estate management has conducted aspect and impact assessment for all the activities. Sighted "Pelan Penambahbaikan Berterusan Alam Sekitar 2020" and "Kalender Latihan Tahunan Alam Sekitar", dated 11th January 2020 prepared by Mr. Yusri bin Yusoff (Estate Assistant Manager) and approved by Mr. Abd Halim bin Abd Hamid (Estate Manager).

Proses	Issue	Improvement plan
Bekas tong racun	Re-use empty chemical container	Ensuring triple rinsing is conducted and placed the empty container in schedule waste store.

Open burning	Air pollution	Displaying the signboard.
Engine oil (kenderaan ladang)	Not stored in proper place	Establishing Schedule Waste store and appoint licensed contractor registered under DOE for disposal.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary The estate has "Pelan Penambahbaikan Berterusan Alam Sekitar 2020" and "Kalender Latihan Tahunan Alam Sekitar", dated 11th January 2020 prepared by Mr. Yusri bin Yusoff (Estate Assistant Manager) and approved by Mr. Abd Halim bin Abd Hamid (Estate Manager). Among the plans listed are as follows:

- Training on management recycling/ rubbish disposal
- Disposal of scrap iron
- Disposal of empty pesticide container
- Disposal of EW (Engine oil, filter, spent batteries & hydraulic oil)
- "Gotong-royong" at linesite area

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 Estate management established environmental training program for all employees. Sighted the environmental training conducted in year 2019/2020 on the following aspect;

- Policy and Objective Environmental
- HIRARC
- Environment Aspect Impact Analysis
- Schedule waste training
- Manuring activity
- Water management plan

As evidence, sighted MSPO Training on 05th March 2020. Attended by 45 workers and conducted by Mr. Yusri bin Yusoff (Estate Assistant Manager). Sighted attendance record and training material was made available.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary The environmental quality has been discussed and briefed to all estate workers, discussed on 05th March 2020. Attended by 16 participants (all workers and estate management). Discussed matter mainly about open burning, and ensuring fire extinguisher are installed in placed, and ensuring vehicle entering estate are safe and driver training should be planned.

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 Sighted the monitoring usage of diesel and electricity consumption for the operation of the estate. The audit team observed that the consumptions are monitored on a monthly basis. Data compiled (2 years) for comparison and monitored to optimize the use of non-renewable energy. Records available were verified and showed satisfactory monitoring of the resources.

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 The projection consumption of diesel and electricity for estate has been documented on annual basis based on the financial year with the latest available is for FY 2019/2020. As evidence, sighted estimate for diesel usage by estate management for year 2019/2020.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary At the moment, there is no renewable energy been practiced by the estate.

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 Tanah Makmur Berhad has established SOP "Prosedur Bahan Buangan" [Doc No.: TMB/MSPO/SWM-05] dated 1st March 2019. Senarai bahan buangan berjadual [Doc No: SWM-05/SBJ/L1 – Lampiran 1]. Sighted identification of all waste products and operational plan to reduce pollution for Ladang TM Paloh Hinai. The data prepared by Mr. Yusri bin Yusoff (Estate Assistant Manager) and approved by Mr. Abd Halim bin Abd Hamid (Estate Manager). Schedule waste (SW) identified is available as follow:

No.	Description
1.	SW 102
2.	SW 103
3.	SW 305
4.	SW 306
5.	SW 404
6.	SW 409
7.	SW 410
8.	SW 422

List of domestic waste also sighted as follow:

No.	Description
1.	Paper
2.	Tin
3.	Plastic
4.	Food 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 SOP "Prosedur Bahan Buangan" [Doc No.: TMB/MSPO/SWM-05] dated 15th November 2018 Waste Management Plan is available as referred to: "Pelan Pengurusan Sisa" dated 15th November 2018. The estate has identified and documented the types of wastes that generated from its operation in Environmental Management Plan. There is no application of by products from the mill.

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 Tanah Makmur Berhad has established SOP "Pengurusan Bahan Buangan" document TMB/MSPO/SWM-05. The Standard Operating Procedure (SOP) as below:

- SOP Membancuh Racun
- SOP Basuhan Tiga Kali Bekas Racun
- SOP Bilik Mandi dan Bilik Persalinan
- SOP Setor Bahan Kimia
- Carta alir pengeluaran racun

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 During site visit it was seen that the chemical containers are triple rinse and punctured to prevent contamination of water source or to human health. It is not used for other purposes. The other empty containers generated from estate are send to Department of Environment (DOE) approved contractor for disposed. Scheduled waste was disposed in accordance with scheduled waste requirements and regulation. In estate, the SW materials are placed in the schedule waste store.

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 is disposed in land fill, and map is available "Peta Ladang TM Paloh Hinai - Tapak Pelupusan Sampah" as evidenced. The land fill distance between linesite is around 800 meters. Seen "Jadual Pembuangan Sisa Buangan Domestik" scheduled 2 times a week. During site visit, land fill sighted and last open date on 5th May 2019.

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 Management of energy used is available as recorded in the "Pelan Pengurusan Tenaga Tahun 2020" and "Pelan Pengurusan Gas Rumah Hijau" dated 21st April 2019, prepared by Mr. Yusri bin Yusoff (Estate Assistant Manager) and approved by Mr. Abd Halim bin Abd Hamid (Estate Manager).

As sighted the management has conducted monitoring energy and diesel usage for the estate. The pesticide and herbicide record are monitored in stock balance record and fertilizer use was recorded in manuring record 2018.

No.	Source GHG	Mitigation plan	Targeted date
1.	Greenhouse gas release from fertilizing	Application of fertilizer shall follow agronomist recommendation	Done
2.	Gas release (lorry, tractor, genset)	Ensure regular maintenance	On-going
3.	Transporting FFB to mill	Advice transporter to regularly do maintenance	On-going
4.	Vehicle engine on run	Ensure vehicle engine switch off	On-going

	during break time and open burning.	if idle for 30 min	
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In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary The action plan has been established and implementation is ongoing. As evidence, sighted the "Panduan Penilaian Aspek & Impak Kepada Alam Sekitar" for the year 2020 developed to prevent or minimize the pollution. As stated in the No Open Burning policy,

"TMB komited dalam mengamalkan system pengurusan perladangan yang lestari dan mesra alam bagi menjamin kesejahteraan serta pemuliharaan kepada alam sekitar".

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 Sighted water management plan dated 21st April 2019 made available [Doc no.: WMP-08/MSA/L2], prepared by Mr. Yusri bin Yusoff (Estate Assistant Manager) and approved by Mr. Abd Halim bin Abd Hamid (Estate Manager).

No.	Mitigation Plan	Frequency
1.	Record of all water resource in the estate	Once in a year
2.	Analyse water quality in and out	Once in a year
3.	Training for chemical sprayers (avoid spraying at buffer zone)	Once in a year
4.	Frequent checking on bun, wall build across the river	As needed (frequently)

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. No bore in estate area, and water source: Pengurusan Air Pahang Berhad (PAIP), usage for field operation, linesite and workers.

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 field visit, no construction of bunds, weirs and dams across main rivers or waterways passing through an estate as no river across the estate. It is surrounded with neighboring estates.

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 Water harvesting practices is maintained by the estate, as there are pond and pump is installed together with water tank to store and the water is used for watering plant, chemical pre mix usage.

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 Tanah Makmur Berhad has established SOP "Prosedur Pengurusan Spesies Jarang, Terancam, Merbahaya dan Nilai Biodiversity Tinggi [Doc No.: TMB/MSPO/HBV-07] dated 1st March 2019. Management has taken action by preparing, "Pelan Pengurusan (Pemantauan Hidupan Liar)" and made available, dated 1st January 2020. Records are available in file:

1. HBV-07/MHB/L1 "Matriks mengenalpasti habitat dan status pemuliharaan"
2. HBV-07/PHB/L2 "Pelan pengurusan habitat nilai biodiversiti tinggi"
3. HBV-07/LPB/L3 "Lembaran pemantauan kepelbagaian biodiversiti".

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 There is no status of rare, threatened, or endangered species and high biodiversity value area in the estate. The management plan for HBV is available in document "Pelan Pengurusan Habitat Nilai Biodiversiti tinggi". During field visit, estate management displayed no hunting signboard at the field, and provided awareness training to all internal and external stakeholders during the stakeholder meeting.

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 There is no status of rare, threatened, or endangered species and high biodiversity value area in the estate. However, management plan has been established by estate management and conducted briefing regarding the Sustainability Policy that includes RTE species. The management plan for HBV is available in document "Pelan Pengurusan Habitat Nilai Biodiversiti Tinggi".

Biodiversity Value	Action plan	Remarks
"Memberi perhatian terhadap kepelbagaian biologi"	Memantau kepelbagaian biologi	Kemaskini maklumat Jabatan Perhilitan
Habitat jarang ditemui, terancam atau ekosistem merbahaya dan diancam kepupusan	Memantau habitat di dalam ladang	Laporan daripada pegawai
Kawasan ladang yang mempunyai ekosistem yang signifikan di peringkat global	Memantau ekosistem ladang	Laporan daripada pegawai

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 Zero burning policy was established and included in "Polisi Larangan Pembakaran Terbuka" dated 1 March 2019.

- "Tanah Makmur Berhad komited dalam mengamalkan system pengurusan perladangan yang lestari dan mesra alam bagi menjamin kesejahteraan serta pemuliharaan kepada alam sekitar".

During site visit there is no evidence of open burning in estate area and linesite also during interviews. Signage was displayed on strictly no open burning is allowed in estate area.

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, there is no out-break of diseases in estate area. However, palm trees are attacked by Ganoderma diseases. The estate treats the palms by chipping, deboling and left exposing to sunlight about 3 months and close.

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 the open burning. Estate has adopted "Polisi Larangan Pembakaran Terbuka" dated 1st March 2019 well implemented. Estate still can manage by using the chemical, pulverizing and chipping only.

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 Estate has adopted "Polisi Larangan Pembakaran Terbuka" dated 1st March 2019 well implemented. There is no open burning noticed during the plant visit.

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 3 types of Manuals: -

- Polisi Amalan Pertanian Bagi Penanaman dan Penjagaan Kelapa Sawit
- Sistem Pengurusan Keselamatan, Kesihatan dan Persekitaran Pekerjaan Bagi Ladang TM Paloh Hinai Resources
- MSPO Procedure

Regular inspection and supervision are conducted by mandore, supervisor, executives as well as HQ Department. All SOP and procedures are kept and will be updated periodically. The estate regularly conducted training for all workers in the estate operations to ensure that all workers are fully aware and understand the SOP. The inspection is conducted on monthly basis, as sampled taken:

- Office records (Musterchit, PPE records).
- Compound (Labour lines, beneficial plants)
- Security
- Harvesting (harvesting intervals, ripening standards, uncollected bunches)
- Field upkeep (manuring, circle or strip spraying, EFB, road condition).

During site visit, fertilizer is stored in proper ventilated store and secured. PPE signage and warning signs are displayed at the store as per SOP. Based on the interview with harvester, security and general workers highlighted, they have attended training organized by the company. The workers able to demonstrate their understanding on PPE required based on the job scope.

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 in "Polisi Amalan Pertanian Bagi Penanaman dan Penjagaan Kelapa Sawit" on sloping land and levels is available under Clause 6.0: Pemuliharaan Tanah dan Hakisan Air. Partly cambered roads were observed in most fields in order to minimize surface runoff by diverting excess rain water into the field drains.

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. During field visit, each field has the signboard with block number, year of planting, progeny, number of palms and hectare only.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

Criterion 2 Economic and financial viability plan

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

Summary Estate had an annual budget for the financial year 2019-2021. The estate budget includes the projected FFB, OER, PK and etc production which projected for three years from 2019 until 2021. It also incorporated item such as general charges, estate maintenance, general services, processing cost, fixed assets and etc.

FY	2019	2020	2021
FFB	40,342	40,535	40,308
OER %	19.85	19.85	19.85
KER %	5.45	5.45	5.45
FFB Price	491.26	491.23	491.24

Sighted documented Business and Management Plan prepared by Mr. Yusri bin Yusoff (Estate Assistant Manager) and approved by Mr. Abd Halim bin Abd Hamid (Estate Manager). As evidence in,

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 Estate management has developed replanting programme for the next 5 years as follows:

Field	Ha
2020	Nil
2021	Nil
2022	Nil
2023	Nil
2024	Nil
2025	17.83 (Block 97/01)

All fields schedule for replanting had been deferred in view of positive yield performance. Therefore, it will take 20 years for the remaining blocks to replant.

In Compliance ☒ **Yes** ☐ No ☐ Not Applicable

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

Summary Estate had an annual budget for the financial year 2019-2021. The estate budget includes the projected FFB, OER, PK and etc production which projected for three years from 2019 until 2021. It also incorporated item such as general charges, estate maintenance, general services, processing cost, fixed assets and etc. Sighted documented Business and Management Plan prepared by Mr. Yusri bin Yusoff (Estate Assistant Manager) and approved by Mr. Abd Halim bin Abd Hamid (Estate Manager). Planting material: DxP

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 which submitted to headquarters. Details on the actual vs budget was made available. The following items were listed, i.e. upkeep maintenance, FFB Production, capital expenditure is shown therein. In addition, the monitoring also done through Central Reporting System.

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 The FFB pricing mechanism is determined and based on the approval by HQ. The company will make an announcement for tender for other services such as harvesting and EFB Transport. Pricing mechanism is set through open tender process and announcement will be made available to all contractors and they will deliver their quotation to the estate. The contractors have signed an agreement with the estate to provide services. The agreement has detailed the pricing mechanism for the service offered.

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 Ladang TM Paloh Hinai. As evidence, sampled:

- Sighted the contract agreement between estate with (JCB Rental - Contractor) sealed on 01st April 2020.
- Sighted the contract agreement between estate with (Transporter – Contractor) sealed on 01st April 2020.

As stated in the contract, monthly contract payment shall be paid on or before 30 days of the following month.

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 is certified under MSPO. Therefore, the contractor has been informed by estate management to follow the MSPO standard requirement. As per interview with the estate representative, contractor that newly assigned will be briefed on the importance of complying with MSPO prior signing the contract agreement with the estate.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

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

Summary All contracts are kept in estate office. Sighted the contract Agreement signed by contractor and Ladang TM Paloh Hinai. As evidence, sampled:

- Sighted the contract agreement between estate with (JCB Rental) and Ladang TM Paloh Hinai and sealed on 01st April 2020.
- Sighted the contract agreement between estate and (FFB Transportater) sealed on 01st April 2020.

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 18th June 2020. Sighted audit plan dated 12th June 2020 (2nd Revision) which have been accepted address to Mr. Shahrul Nizam Bin Abdul Aziz (Sr. Manager). 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 purpose.

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 4 The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.

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

In Compliance ☒ **Yes** ☐ **No** ☐ **Not Applicable**

2.7 Principle 7: Development of new planting

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

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

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

In Compliance ☐ **Yes** ☐ **No** ☒ **Not Applicable**

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

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

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

In Compliance ☐ **Yes** ☐ **No** ☒ **Not Applicable**

Criterion 3 Social and Environmental Impact Assessment (SEIA)

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

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

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

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

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

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

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

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

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 for Ladang TM Paloh Hinai.

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Criterion 4 Soil and topographic information

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

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

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

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

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

In Compliance ☐ Yes ☐ No ☒ **Not Applicable**

Criterion 5 Planting on steep terrain, marginal and fragile soils

Indicator 1 Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless

	permitted by local, state and national laws.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang TM Paloh Hinai.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 2	Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang TM Paloh Hinai.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
Indicator 3	Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.
Summary	There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for Ladang TM Paloh Hinai.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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. Also, there is no customary land within or surrounding the estates. Thus, it is not applicable for Ladang TM Paloh Hinai.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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. Also, there is no customary land within or surrounding the estates. Thus, it is not applicable for Ladang TM Paloh Hinai.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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. Also, there is no customary land within or surrounding the estates. Thus, it is not applicable for Ladang TM Paloh Hinai.

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. Also, there is no customary land within or surrounding the estates. Thus, it is not applicable for Ladang TM Paloh Hinai.

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. Also, there is no customary land within or surrounding the estates. Thus, it is not applicable for Ladang TM Paloh Hinai.

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. Also, there is no customary land within or surrounding the estates. Thus, it is not applicable for Ladang TM Paloh Hinai.

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. Also, there is no customary land within or surrounding the estates. Thus, it is not applicable for Ladang TM Paloh Hinai.

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. Also, there is no customary land within or surrounding the estates. Thus, it is not applicable for Ladang TM Paloh Hinai.

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) The company has committed to implement the principle of sustainable palm oil management.
- 2) There are no traces of labour discrimination for both local and foreigners, as seen many long serving employees and comfortable with management administrative.
- 3) Proactive and highly committed by Ladang TM Paloh Hinai in establishing directions for the management in complying with the MSPO certification.
- 4) Estate management donated to needy people at surrounding due to COVID-19 [MCO].

Appendix A: Audit Plan

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
18 th June 2019	08:00 – 09:00	Opening Meeting at TM Paloh Hinai: <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).	SP	MS
	09:00 – 13:00	TM Paloh Hinai 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. 	SP	MS
	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. 	SP	MS
	13:00 – 14:00	➤ Lunch / Break	SP	MS
	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. 	SP	MS
	16:00 – 16:30	➤ Verify any outstanding issues and auditor discussion.	SP	MS
	16:00 – 17:00	Closing Meeting <ul style="list-style-type: none"> • Presentation of findings by the audit team • NC closure dateline (if any) • Questions and answers • Final summary by team leader End of assessment	SP	MS


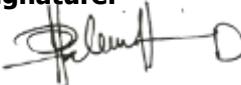
Appendix B: Non-Conformity details

Non-Conformities Identified During This Audit

Major Nonconformities:	Non-were raised during this audit.
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Minor Nonconformities:	2 minor NC were raised during this audit.
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Area of Concern:	Non-were raised during this audit.
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Company Name	Tanah Makmur Berhad		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input checked="" type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-T12-MSPO-2019		
NC No. / Ref.	T12/MSPO/MINOR/01	Date Detected	18 th June 2020
Site(s) concern	Ladang TM Paloh Hinai	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.1.2.2 The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Not in compliance with SOP Internal Audit.		
NC Objective Evidence:			
Tanah Makmur Bhd has established MSPO Procedure Title: Audit Dalaman MSPO, Doc No: TMB/MSPO/IAM-01, dated 15 th November 2018. As per MSPO Procedure: Clause 5.5.7 (b) – “Pihak Auditee perlu memberi maklumbalas atau pelan Tindakan serta perlu menutup NCR dalam masa 2 minggu atau 14 hari dari tarikh NCR itu dikeluarkan”. During audit verification, sighted NCR raised by internal audit team dated on 18 th February 2020 and deadline given on 3 rd March 2020. However, estate management submitted and close the NCR dated 19 th May 2020 which exceeds the timeline given.			
Lead Auditor Signature:		Client Signature:	
			

Cause Analysis (to be filled by client):	
NC submission was submitted 3 months from the date given due delay in closing the NC.	
Correction (to be filled by client):	
NC has been submitted to Internal Audit Department, all NC's has been verified and closed. Estate management will carry out the next internal audit by following the documented procedure.	
Correction Action (to be filled by client):	
Estate management will ensure all SOP are followed and strengthen the monitoring process in next cycle.	
Review of correction/corrective action (to be filled by Lead Auditor)	
To be verified during 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:	Lead Auditor Signature:

Company Name	Tanah Makmur Berhad		
Stage of Audit	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input checked="" type="checkbox"/>	Recertification
Audited Standard	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
Client Number	GGC-T12-MSPO-2019		
NC No. / Ref.	T12/MSPO/MINOR/02	Date Detected	18 th June 2020
Site(s) concern	Ladang TM Paloh Hinai	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.3.1.1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	Not in compliance to Environmental Quality Act 1974 (Act 127), Environmental Quality (Scheduled Wastes) Regulations 2005; PU(A) 294/2005 and SOP "Pengurusan Bahan Buangan"; Document No: TMB/MSPO/SWM-05.		

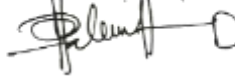
NC Objective Evidence:

Referring to Environmental Quality Act 1974 (Act 127):

"Environmental Quality (Scheduled Wastes) Regulations 2005; PU(A) 294/2005; 8. Responsibility of waste generator; No.1 – Every waste generator shall ensure that scheduled wastes generated by him are properly stored, treated on-site, recovered on-site for material or product from such scheduled wastes or delivered to and received at prescribed premises for treatment, disposal or recovery of material or product from scheduled wastes. Sighted during the audit, estate send the scheduled waste to non-DOE licensed contractor. Data as per below:

No.	Scheduled Waste Code	Quantity	Date Collected
1.	SW 409 – Lubricant Containers	22 pcs	29/02/2020
2.	SW 409 – Used of PPE	27 pcs	29/02/2020
3.	SW 409 – Paint Containers	5 pcs	10/06/2020

Lead Auditor Signature:

Client Signature:

Root cause Analysis (to be filled by client):

Disposal of Schedule Waste (SW) were made through the unlicensed contractor from Department of Environment (DOE).

Correction (to be filled by client):

Estate will dispose Schedule Waste (SW) through licensed contractor.

Correction Action (to be filled by client):

To identify Department of Environment (DOE) approved SW collector from DOE website
To keep copy of licensed certificate.

Review of correction/ correction action (to be filled by Lead Auditor)

To be verified during next surveillance audit.


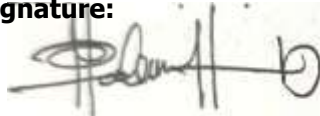
NC Closed: ☐ Yes ☒ No**Site verification:** ☒ Yes ☐ No**Date Verified:****Lead Auditor Signature:**

Non-Conformities Identified During Previous Audit [Main Assessment Audit]
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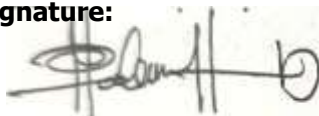
Major Nonconformities:	Non-were raised during previous audit.
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Minor Nonconformities:	Non-were raised during previous audit.
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Area of Concern:	2 AOC were raised during previous audit.
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Company Name	Tanah Makmur 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-T12-MSPO-2019			
NC No. / Ref.	T12/MSPO/AOC/01	Date Detected	19 th June 2019	
Site(s) concern	Ladang TM Paloh Hinai	Target Completion	-	
Normative Reference and Requirement	4.3.2.1 The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.			
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
Description of Non-Conformity	The hectarage between Land Title and Hectarage statement is contradicting.			
NC Objective Evidence: The land title number H.S (D). 233, 234 & 235 with total hectares 2,085.7517 between the hectarage statement recorded as 2,056.83 Hectare. The difference is 28.9217 hectare.				
Lead Auditor Signature:		Client Signature:		
				

Company Name	Tanah Makmur 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-T12-MSPO-2019		
NC No. / Ref.	T12/MSPO/AOC/02	Date Detected	19 th June 2019
Site(s) concern	Ladang TM Paloh Hinai	Target Completion	-
Normative Reference and Requirement	4.5.3.4 Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.		
NC Type	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence sighted during the audit		
NC Objective Evidence:			
Evidence, Inventory of schedule waste as per e-SWIS system is made available and submitted to Department of Environmental on 15 th June 2019. However, no evidence of approved licensed contractor for disposal of schedule waste is sighted as to ensure scheduled waste was disposed in accordance with scheduled waste requirements and regulation.			
Lead Auditor Signature:		Client Signature:	
			

Appendix C: List of Stakeholders Contacted

Attendance list

- 1) Ladang TM Paloh Hinai, Management team and staff
- 2) Foreign worker representatives
- 3) Harvester gang
- 4) Sprayers gang
- 5) Mandore
- 6) Security
- 7) Contractors
- 8) FFB transporter
- 9) Wakil majikan LPH
- 10) Wakil SK Paloh Hinai
- 11) Surrounding communities