

# GLOBAL GATEWAY CERTIFICATIONS

## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)



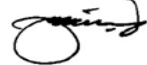
### CERTIFICATION AUDIT REPORT


#### Part 4: General Principles for Palm Oil Mills

TH Plantations Berhad  
Kluang Complex

-Group Certification-

ANNUAL SURVEILLANCE AUDIT 1  
17<sup>th</sup> July 2019

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	12/10/2019	Issued as Draft Report	Ismadi bin Ismail	Lead Auditor	
A	19/10/2019	Issued as Final Report	Ismadi bin Ismail	Lead Auditor	
B	23/10/2019	Final Report Approved	Muhammad Syafiq bin Abd Razak	Certifier	

Acknowledgment by TH Plantations Berhad					
Rev	Date	Description	Management Representative	Role	Signature
B	23/10/2019	Acceptance of the contents	Mr. Ahmad Anuar bin Sairi	General Manager (CEO's Office)	

#### **Declaration**

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

WITH INTEGRITY WE SERVE



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

## SECTION I : PUBLIC SUMMARY REPORT

### 1.1 Certification Scope

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of TH Plantations Berhad, Kluang Complex [Mill & Estates]. During this Annual Surveillance Assessment 1 (ASA 1), the audit team were briefed by Mill Manager, of the supply base disposition. The source of FFB supplies to Bukit Lawiang POM are from their own estates [Bukit Lawiang Estate and Gunung Sumalayang Estate] and from out-grower and other smallholders.

This assessment was conducted onsite on 17<sup>th</sup> July 2019 to assess the compliance of the certification unit against the "MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills". The scope of certification is "Production of Sustainable Crude Palm Oil and Palm Kernel".

### 1.2 Company details and Contact information

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

### 1.3 Certification Unit

<b>Name of the Certification Unit</b>	Kilang Sawit Bukit Lawiang	
<b>Mill Capacity (MT/HR)</b>	40	
<b>Site Address</b>	Peti Surat 114, 86007 Kluang, Johor	
<b>GPS Reference of the site office</b>	<b>Longitude</b>	E 103°26'04.5"
	<b>Latitude</b>	N 1°57'54.1"
<b>MPOB License Information</b>	<b>License No.</b>	500107504000
	<b>Scope of Activity</b>	<ol style="list-style-type: none"> <li>1. Sell and transport FFB, PK, CPO, SPO</li> <li>2. Buy and transport FFB, PK, CPO</li> <li>3. Storage of CPO, PK, SPO</li> <li>4. Processing of FFB</li> </ol>



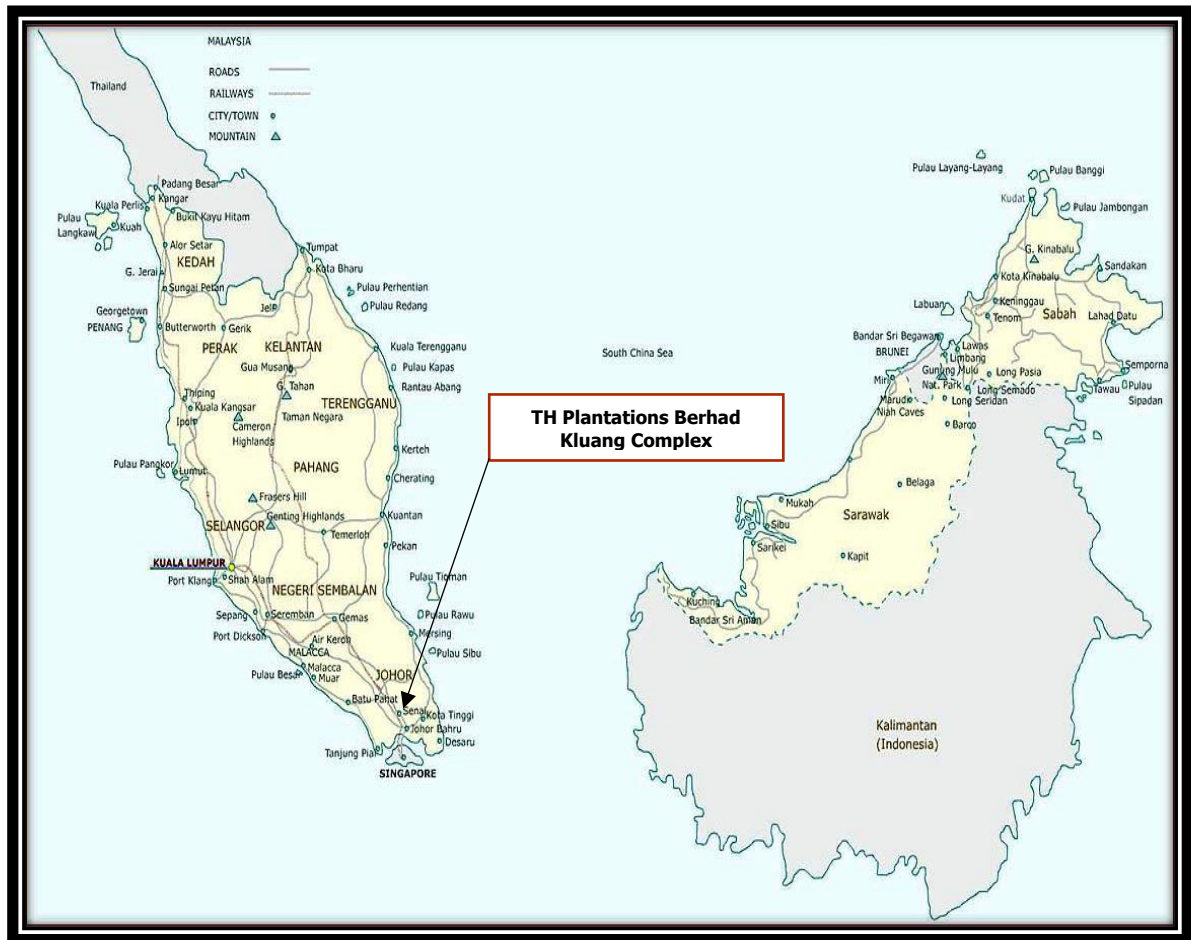
<b>Expiry Date</b>	31/05/2020
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**Others Sustainability Certification**

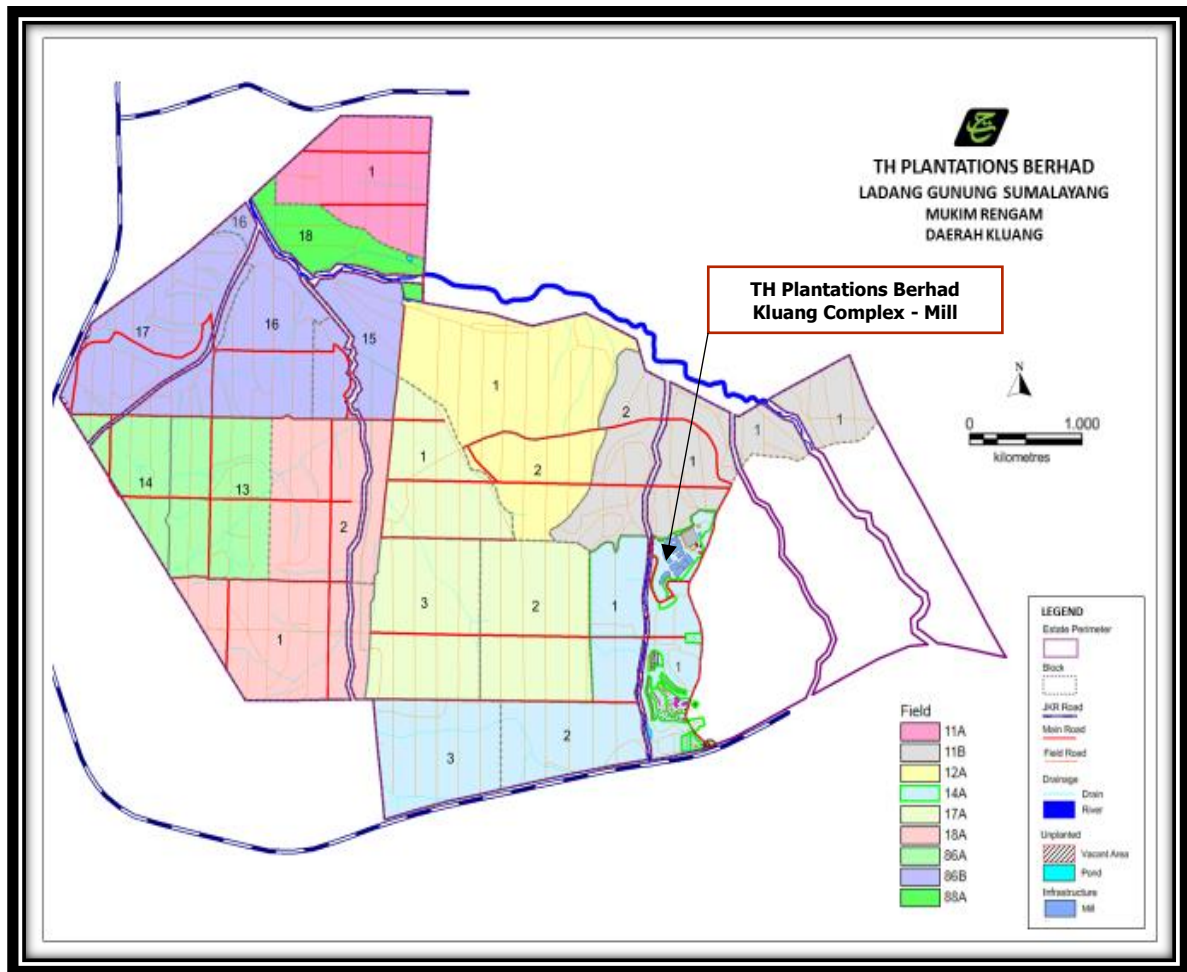
No	Name of the Site	Others Sustainability Certification
1.	Kilang Sawit Bukit Lawiang	NIL

**1.4 Map Showing Geographical Location**

**1. Kilang Sawit Bukit Lawiang**



## 2. Kilang Sawit Bukit Lawiang



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

### Production for Certified Unit

Kilang Sawit Bukit Lawiang	Projected from last audit [July 2018-June 2019]	Actual Production for 12 Months [July 2018-June 2019]	Projected Production for next 12 Months [July 2019-June 2020]
FFB Summary (MT)	150,880	207,974.54	170,000
CPO Summary (MT)	35,670	41,415.87	33,309
PK Summary (MT)	9,116	10,611.53	8,632

# FFB's Own Estates

### Production for Uncertified Unit

Kilang Sawit Bukit Lawiang	Projected from last audit [July 2018-June 2019]	Actual Production for 12 Months [July 2018-June 2019]	Projected Production for next 12 Months [July 2019-June 2020]
FFB Summary (MT)	129,722	143,976.98	172,720
CPO Summary (MT)	25,385	27,701.85	33,309
PK Summary (MT)	6,487	7,557.29	8,634

## 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](http://www.ggc.my)

### Assessment standard

(MSPO) Part 4: General principles for palm oil mills

### Certificate number

GGC-THPB002-MSPO-00-2018

### Initial certificate issued date

03<sup>rd</sup> August 2018

### Certificate expiry date

02<sup>nd</sup> August 2023

<b>Stage 1 assessment date</b>	29 <sup>th</sup> March 2018
<b>Stage 2 / Main Assessment</b>	12 <sup>th</sup> May 2018
<b>Annual Surveillance 1 [ASA 1]</b>	16 <sup>th</sup> May 2019
<b>Annual Surveillance 2 [ASA 2]</b>	May 2020
<b>Annual Surveillance 3 [ASA 3]</b>	May 2021
<b>Annual Surveillance 4 [ASA 4]</b>	May 2022

## 1.7 Qualification of the Lead Assessor and Assessment Team

### Lead Auditor

**Name:** **Ismadi bin Hj. Ismail**

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

During this assessment, he assessed on the aspect of Transparency, Safety and Health, Employment Condition, Social and community engagements, stakeholder's consultation and workers welfare. Able to speak and understand Bahasa Malaysia and English

### Auditor

**Name:** **Mohd Fadzli bin Bistamam**

Post graduate qualification in Agricultural Engineering with more than 7 years working experience in Oil Palm Plantation Industry. More than 7 years of working experience in Oil Palm Plantation Industry with skills in Good Agricultural Practices (GAP) and Integrated Pest Management (IPM). Experience in managing estate workers, handling of mineral and peat soil and knowledgeable in chemical control of weeds and Pest & Diseases in Oil Palm Plantation Sector. Fully trained in similar agriculture certification programs such as RSPO, MSPO and ISCC. Completed and certified in ISO 9001:2015, RSPO Lead Auditor Course, MSPO Training and ISCC Basic Training. Thus, became qualified Lead Auditor for the above programs. Involved in Oil Palm Sustainability Audit since year 2016. Involved in audits conducted in Malaysia, Indonesia, Papua New Guinea, Ivory Coast, India and Singapore. Member of GGC MSPO audit team. Able to write and speak in Bahasa Malaysia and English.

**Auditor****Name: Mohd Razin bin Bakal**

Graduate in Degree of Accountancy with University Putra Malaysia. Having 16 years of working experience in various field in Malaysia, Africa and Indonesia. Have enough knowledge and experiences in oil palm estate operation inclusive of estate administrative, budget preparation, jungle clearing, new planting, nursery establishment and management, harvesting, field upkeep and maintenance, safety and health, vehicle running and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Involved in MSPO auditing since 2018. Qualified as Lead Auditor/Auditor for MSPO 2530:2013, ISO 14001:2015 and ISO 9001:2015 from Sirim Berhad. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

**1.8 Audit Methodology**

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). The sampling was calculated and determined prior to the audit assessment. In the case of this certification unit, sampling calculation was not applied as there is only one palm oil mill, namely "Kilang Sawit Bukit Lawiang".

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

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

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

**1.9 Audit Plan Information**

<b>Audit Date</b>	17 <sup>th</sup> July 2019
<b>Name of site(s) visited</b>	Kilang Sawit Bukit Lawiang
<b>Total number of man-days spent</b>	3 man-days

**1.10 Audit Result Summary Findings**

Findings category		
Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	4	Closed
Minor Nonconformities	0	No action requires
Area of Concern	0	No action requires



Noteworthy /Positive Comments	4	No action requires
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### 1.11 Stakeholder Consultation

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01<sup>st</sup> 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.

GGC has published the public notification on 09th July 2019 and as to accommodate a stakeholders' consultation meeting for mill and estate.

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. The auditor begin consultation with brief explained on the purpose of the audit, interviewed and record comments made by the stakeholders. The comments were verified with the Mill Management before incorporating into the assessment findings. There was no negative complaint or feedback received during the audit or during the field assessment when interviewing with the stakeholders.

The details is as per table below,

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
2.	Stakeholders A (Mill Workers )	<ul style="list-style-type: none"> <li>Company well managing the welfare, health and safety of their workers.</li> <li>They have been treated equally without any discrimination. Their salary was according to Minimum Wage Order 2018</li> </ul>	No action requires	Positive findings
3.	Stakeholder B (Mill Gender Representatives)	<ul style="list-style-type: none"> <li>They have been treated equally without any discrimination.</li> <li>No sexual harassment reported.</li> </ul>	No action requires	Positive findings

### 1.12 Recommendation

The company has established sustainability policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of TH Plantations Berhad, Kilang Kelapa Sawit Bukit Lawiang. The Assistant General Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual. The mill also being assisted by TH Plantations Berhad, Sustainability Department.

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

Since this is a surveillance audit, therefore this report will be internally reviewed for certification decision by GGC and external peer review by independent reviewers (Qualified by MPOCC) not required. During this Annual Surveillance Audit [based on MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO)] Part 4: General principles for Palm Oil Mills", 4 major 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 of major non-conformity findings is closed. Therefore, the lead auditor recommends to continue the certificate of compliance "**MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills**" to Kilang Kelapa Sawit Bukit Lawiang.

#### **1.13 Date of Next Surveillance Audit**

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

#### **1.14 Confidentiality**

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

### 1.15 Abbreviations Used

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

## SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA

### 2.1 Principle 1 : Management commitment and responsibility

#### Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

**Indicator 1** Policy for the implementation of MSPO shall be established.

**Summary** TH Plantations Berhad has established Sustainability Policy. The policy was established on 01st March 2019, which was approved by the CEO, Muzmi Bin Mohamed. The policy is written in Bahasa and English language.

Communication and consultation process are also communicated through training programs and attendance lists was sighted and duly recorded. Training on MSPO awareness was conducted on 01.01.2019 as per attendance form sighted (Kesedaran Polisi MSPO, Keselamatan dan Alam Sekitar).

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

**Indicator 2** The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation.

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

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

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

#### Criterion 2 Internal audit

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

**Summary** TH Plantations Berhad has established MSPO Procedure on the Internal Audit. MSPO-TH-01; Rev 0; Date 10/01/2018. The internal audit done annually by team appointed as Internal Auditors from TH Plantations Berhad, Head Quarters.

Sighted the internal audit programme - “Annual THP MSPO Certification Program 2019” planned by Sustainability & Investor Relations Department. Prepared by En Mohd Uzair bin Rozali.

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

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

The internal audit conducted by En. Mohd Uzair bin Rozali on 30.04.2019 as per MSPO Internal Audit Report KIlang Sawit Bukit Lawiang Audit Ref. No: (4)THP/MSPO/KLUANG/SIR(KSBL 01/19). The findings were documented in the Internal Audit Findings Summary. Total of 4 NC and 2 Observations raised by the internal audit team.

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

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

**Summary** Sighted the internal audit report done by Sustainability Department. The report is available for Management to review and being responded in timely manner.

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

**Criterion 3 Management review**

**Indicator 1** The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.

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

Latest management review meeting was held on 20th May 2019 at mill meeting room. Meeting was attended by Mill Manager, Assistant Manager and Staff. All findings from MSPO internal audit and other matters related to MSPO were discussed during the meeting conducted.

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

1. Review action items from previous meetings.
2. Review the suitability of the policy.
3. Review process performance and product conformity including suitability and achievement of the quality objectives and other measures.
4. Review feedback from customers and other interested parties including data relating to customer perception of whether the organization has met customer requirements (include positive feedback as well complaints). Review customer delivery performance.
5. Review summary and status of non-conformities.



6. Review any changes or requirements that might affect the QMS, e.g. revisions to the MSPO standard, legal & regulatory issues or new processes.
7. Review resource issues such as:
  - Human – current adequacy and future needs, competency, training, organization chart and job descriptions (responsibility, authority and communication);
  - Facility – adequacy, suitability and maintenance of buildings, work environment and services (e.g. communications).
8. Any other business or quality planning. (e.g financial, social, environmental, statutory, regulatory, marketing, etc)

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

**Criterion 4 Continual improvement**

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

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

TH Plantations Berhad also has established the Management Review Procedure. MSPO-TH-02; Rev 0; Date 10/01/2018, Appendix 2: Continuous Improvement Plan. As evidence, the plan was prepared by En. Ahmad Farhan B. Ali and approved by Mill Manager, En. Md. Nazri B. Md. Noh. The plan is categorized into Social and Environmental. Example plan for year 2019:

1. Replacing leaking roof on process building to ensure safe working condition
2. Constructing a hut in furrow area as a facility to workers during raining
3. Purchasing DO Testing Equipment to monitor POME

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

**Indicator 2** The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.

**Summary** The mill is in progress of installing a unit of ESP in Boiler Chimney. Sighted meeting between the mill and Bahagian Kejuruteraan Ibu Pejabat held on 14.03.2019

Others current practices continued and guide by Mill Advisor and Engineering Department.

**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 adequate information to other stakeholders on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.

**Summary** TH Plantations Berhad has established the Stakeholder Communication & Consultation Procedure. MSPO-TH-03; Rev 2; Date 23/04/2019. (third release). The policy has identified the procedure of arrangement for consultation and communication by TH Plantations estate and mill management with its relevant stakeholders and how their concern and view are addressed.

Stakeholder Meeting was conducted on 31<sup>st</sup> October 2018 by En. Md. Nazri bin Md. Noh, The Mill Manager attended by 60 external stakeholders at Dewan Complex THP Kluang, Johor.

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

**Indicator 2** Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes

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

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

All these documents were sighted in the mill office. Requests for official documents through the mill office will have to go through the mill senior manager/assistant in

charge, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document.

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

**Criterion 2 Transparent method of communication and consultation**

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

**Summary** TH Plantation Berhad has established Standard Operating Procedures (SOP) for Stakeholders Engagement/Negotiation–SOP MSPO-TH-03. Rev: 0, Date: 01.11.2017 Page 1-6. The policy has identified the procedure of arrangement for consultation and communication by TH Plantations estate and mill management with its relevant stakeholders and how their concern and view are addressed.

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

**Indicator 2** The management shall nominate management officials at the operating unit responsible for issues related to Indicator 1 (4.2.2.1).

**Summary** The person in charge for transparency agenda is Puan Saniah bt Mohamad, Weighbridge Clerk approved by Md Nazri bin Md Noh, Pengurus Kilang dated 08.01.2018

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

**Indicator 3** A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.

**Summary** Sighted latest stakeholders list updated on 2<sup>nd</sup> May 2019 by Ahmad Farhan bin Ali, Assistant Mill Manager.

	No of stakeholders
Government	24
FFB Suppliers	4
Suppliers / Contractors / Refineries	37
Total	65

Stakeholder Meeting was conducted on 31st October 2018 by En. Md. Nazri bin Md. Noh, The Mill Manager attended by 60 external stakeholders at Dewan Complex THP Kluang, Johor.

For Internal Stakeholders, sighted briefing about " Taklimat Kesedaran Polisi THP ( MSPO, Safety & Environmental ) with total of 55 mill's worker involved conducted by





Kilang Sawit Bukit Lawiang on 01.01.2019 at Tempat Berkumpul Kilang Sawit Bukit Lawiang. Sighted the briefing material and attendance list.

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

**Criterion 3 Traceability**

**Indicator 1** The management shall commit itself to implement and maintain the requirements for traceability and shall establish a standard operation procedure for traceability.

**Summary** The THP has established the MSPO Procedure: Title FFB Traceability. MSPO-TH-04; Rev 0; Date 1<sup>st</sup> November 2017. Sighted the Security will check the followings before the vehicles are allow to enter the mill premises: -

- a. Date
- b. Vehicle Number
- c. Name of driver
- d. Name of Supplying Estate / Field No
- e. Time in / Out

Later, the loaded FFB to be weighed at the weighbridge with following information: -

- a. Date of weighing
- b. Name of Supplier
- c. Gross/Tare/Net Weight
- d. Contact Number
- e. Weighbridge ticket number
- f. Description of contents
- g. Vehicle number
- h. Name of driver
- i. Time in / out

Then, the FFB being unload at ramp and the crop being graded by grading team. Result of grading being recorded in Grading Chit.

Upon completion, the vehicles need to weigh empty in order to obtain actual FFB weight, data synchronizing from the first weighing. The lorry will leave the mill with Received Ticket.

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

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

**Summary** The Mill Management team holds the responsibility on regular inspection of traceability system. Periodical inspections also being conducted through Mill Advisor and Internal Audit Team.

The effectiveness of the monitoring will evidence in the internal audit and visit report findings.



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

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

**Summary** The person in charge for traceability agenda is Puan Saniah bt Mohamad, Weighbridge Clerk approved by Md Nazri bin Md Noh, Pengurus Kilang dated 08.01.2018.

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

**Indicator 4** Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.

**Summary** Sales and Purchases will be based on demand and has agreeable documentation with the supplier.

Sighted the records of sales, delivery or transportation of FFB. This record being maintained and the documents are kept by the both site, estate and mill.

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

### 2.3 Principle 3 : Compliance to legal requirements

#### Criterion 1 Regulatory requirements

**Indicator 1** All operations shall be in compliance with applicable local, national and ratified international laws and regulations.

**Summary** The Company has established and updated list of Legal & Other Requirement Register (LORR) Ref No. MSPO-TH-P3-C1-1 that are applicable for the Mill dated 01.01.2019. It includes the following:

	Permit / Licenses	Reference, Permit or Licenses Number	Expiry Date
1	Emergency Response Team	JH1202014	2016
2	Permit to Purchase, Store and Use of Sodium Hydroxide,	002528	31.12.2019
3	Permit Barang Kawalan Berjadual	J029723	04.03.2020
4	MPOB	500107504000	31.05.2020
5	MPOB	539203004000	31.05.2020
6	MPOB	502025802000	31.05.2020
7	WXX 2696	4385713	25.02.2020
8	WMA 6536	1933624	15.7.2019
9	JQD 1083	5964540	12.3.2020
10	JPK 7059	4664019	27.2.2020



11	Bekalan Air Johor (BAKAJ)	08/A/Klg/015	31.12.2019
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**In Compliance**  **Yes**  No  Not Applicable

**Indicator 2** The management shall list all relevant laws related to their operations in a legal requirements register.

**Summary** The list is fully covered the requirements that related to MSPO compliance. List of laws applicable in mill as listed below:

1. Occupational Safety and Health Act, 1994
2. Factories and Machinery Act, 1967
3. Electrical Supply Act 1990
4. Fire Services Act, 1988
5. Code of Practice For Safe Working in A Confined Space, 2001
6. Environmental Quality Act, 1974
7. Workers' Minimum Standards of Housing and Amenities Act 1990
8. Akta Kerja 1955
9. Employee Provident Fund Act 1991
10. Employees Sosial Security Act 1969
11. Akta Kesatuan Sekerja 1959
12. Minimum Retirement Age Act 2012
13. Minimum Wages Order (Amendment) 2018
14. Weights and Measures (Act 71) Regulations, 1981
15. Malaysia Palm Oil Board Licensing Regulation (2005)
16. Akta 716, Pemuliharaan Hidupan Liar

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

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

**Summary** As per interviewed with Puan Norazlina Binti Ismail, General clerk will update any new amendments or any new regulations received from the following sources:

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

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

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

**Summary** The person in charge to monitor compliance and to track and update the changes in the legal requirement register is Puan Norazlina Binti Ismail, General Clerk

Sighted the appointment letter dated 8th January 2018 signed by En. Md Nazri Bin Md Noh, Mill Manager dated 08.01.2018.

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

**Criterion 2 Land use rights**

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

**Summary** Mill's area is located within the land title PTD 4747 which was shared by Gunung Sumalayang and Bukit Lawiang Estates.

**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 legal use of the land.

**Summary** The land title is kept by the Estates as the Mill was built within the land title of PTD 4747 which was shared by Gunung Sumalayang and Bukit Lawiang Estates.

**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** Area of Mill has been fenced and maintained.

**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** No disputes been recorded by the Mill on land matters as the Mill was built within the land title of PTD 4747 which was shared by Gunung Sumalayang and Bukit Lawiang Estates.

**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 Mill area. There are also no land disputes or claims involving the land of the Mill as it was built within the land title of PTD 4747 which was shared by Gunung Sumalayang and Bukit Lawiang Estates.

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



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

**Summary** There is no customary land in or surrounding Mill area. There are also no land disputes or claims involving the land of the Mill as it was built within the land title of PTD 4747 which was shared by Gunung Sumalayang and Bukit Lawiang Estates.

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

**Indicator 3** Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.

**Summary** There is no customary land in or surrounding Mill area. There are also no land disputes or claims involving the land of the Mill as it was built within the land title of PTD 4747 which was shared by Gunung Sumalayang and Bukit Lawiang Estates.

**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 should be implemented to mitigate the negative impacts and promote the positive ones.

**Summary** Sighted SOP No. MSPO-TH-03: Stakeholders Communication & Consultation Procedure. Dated 01st Nov 2017. SIA document sighted conducted in February 2019. A total of 30 respondents were involved as per survey form "Kaji Selidik SIA 2019". 5 particulars / elements were analyzed by the management. From the survey results, 75% positive impacts and 25% negative impacts have been identified. Analysis of the impacts and impact mitigation developed by the management as per document dated 28.02.2019 prepared by En. Ahmad Farhan B. Ali.

Among the impacts identified and the mitigation measures such as:

1. Smell from effluent pond: To develop a biogas plant to trap methane gas from anaerobic pond
2. Road conditions due to heavy vehicles: Road maintenance program
3. Release of black smoke: Installing ESP system and comply to DOE

Seen in the review report, the mitigation plan, targeted date for completion and Person in-charge.

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

<b>Criterion 2 Complaints and grievances</b>	
<b>Indicator 1</b>	A system for dealing with complaints and grievances shall be established and documented.
<b>Summary</b>	<p>Sighted MSPO Procedure, Stakeholder Communication and Consultation Procedures, Ref No: MSPO – TH -03, Rev: 0, Dated 1<sup>st</sup> November 2017 and third Release on 23<sup>rd</sup> April 2019 has been established and documented. Sample of Grievance Form and Process Flow as per Appendix 3 &amp; 4</p> <p>The procedure and flowchart outlined the mechanism to handle issues highlighted by all the stakeholders and resolved effectively, timely and appropriate manner that is accepted by all parties.</p> <p>A complaint and grievances logbook are kept in the office. Complains receive from internal (Mill workers) are mostly on damage to their house unit.</p> <p><b>In Compliance</b>      <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Indicator 2</b>	The system shall be able to resolves disputes in an effective, timely and appropriate manner, which is accepted by all parties.
<b>Summary</b>	<p>Sighted, all the complaints and grievances being resolved in timely manner. Repair works / solutions were verified and signed by the person in-charge for this issue. Latest complain received on 06.01.2019 was attended and resolved the issue on 09.01.2019</p> <p><b>In Compliance</b>      <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Indicator 3</b>	A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.
<b>Summary</b>	<p>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 at Mill Office.</p> <p><b>In Compliance</b>      <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Indicator 4</b>	Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.
<b>Summary</b>	<p>Sighted the complaints and grievances procedure being displayed outside the Mill Office notice board. Policies and procedures have been briefed during stakeholder meeting last conducted on 31st October 2018 for 2 estates and 1 mill. The next consultation is planned to be conducted in October 2019.</p> <p><b>In Compliance</b>      <input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> No                      <input type="checkbox"/> Not Applicable</p>
<b>Indicator 5</b>	Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.



**Summary** Sighted complain records for the last 2018 for the mill. All the complains received from mill workers have been attended by the person in-charge.

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

**Criterion 3 Commitment to contribute to local sustainable development**

**Indicator 1** Palm oil millers should contribute to local development in consultation with the local communities. Where the mill is an integral part of a plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.

**Summary** Sighted several CSR activities conducted by the mill such as:

1. Providing participants for "Program Advokasi Kesedaran Keselamatan Perjalanan Selamat ke Tempat Kerja Peringkat Pejabat Perkeso Kluang Bil 3 tahun 2019".
2. Upgrading facilities in mill Surau

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

**Criterion 4 Employees safety and health**

**Indicator 1** An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act139) shall be documented, effectively communicated and implemented.

**Summary** Sighted the Occupational Safety & Health Policy. Established on 1<sup>st</sup> March 2019 which was approved by En. Muzmi bin Mohamed. The policy is written in Bahasa and English language.

The policy being displayed at the Notice Board and awareness programme being conducted to all internal and external Stakeholders.

**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 chemicals used at the palm oil mill:
  - i) all employees involved are adequately trained on safe working practices; and
  - ii) all precautions attached to products should 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 shall 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 that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meetings shall be kept and the concerns of the employees and any remedial actions taken shall be recorded.

h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.

i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.

j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.

## Summary

Sighted the Occupational Safety & Health Policy. Established on 01st March 2019, which was approved by CEO, Muzmi Bin Mohamed. The policy is written in Bahasa and English language. The policy being displayed at the Notice Board and awareness program to all the Stakeholders have been conducted.

Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). HIRARC sighted for the followings work operations such as:

1. Lab
2. Weighbridge
3. Loading ramp
4. Sterilizer
5. Crane
6. Tresher
7. Digester
8. Boiler

HIRAC was reviewed on 25.03.2019.

Training program for year 2019 have been developed by the mill management as per document MSPO-TH-P4-C6-1. A total of 17 programs were planned for this year. The training program includes:

1. HIRARC and PPE handling procedure
2. Fire drill and fire extinguisher safety
3. SOP for milling operations
4. Chemical handling procedure

Training and attendance records conducted in year 2019 for mill workers and personnel sighted during the audit.

The mill has provided appropriate PPE for all workers in their operations. PPE Issuance and replacement record (Individual) sighted for:

1. Staff/AP
2. Firemen
3. Kernel plant operator



4. Loading ramp attendant
5. Crane attendant

During mill visit, sighted the workers have been trained with safety and the workers wear the PPE required by the workstation.

SOP for chemical handling in the mill sighted as per document No: MNL/OSH/2009/1-1.14 (SOP Transporting, receiving, handling, storage and disposal of chemicals) dated 01st March 2009.

CHRA report for Bukit Lawiang POM sighted during the audit. The report was prepared by QMSPRO Sdn Bhd (Report No. JKPP HIE 127/171-2(154)-2018/024. Medical Surveillance was conducted for 5 workers by RS Intan Medicare Sdn Bhd on 17.12.2018. All the workers are diagnosed as "fit to work".

The person in charge for OSH in Bukit Lawiang POM is En. Md. Nazri B. Md. Noh, Mill Manager. OSH Committee Chart 2019 and appointment letter to the committee sighted during the audit. There are 8 employee representative and 8 employer representatives in the organization.

Minutes of OSH meeting was available during the audit for both estates. The committee meeting has been conducted in LGS as follows:

1. 26th November 2018
2. 18th March 2019
3. 27th June 2019

Sighted the emergency procedure for the mill under Pelan Tindakan Kecemasan Kemalangan (Ref No: MNL/OSH/2009/1-1.21) dated 01st March 2009 for:

1. Injury
2. Poisoning
3. Death
4. Fire
5. Explosion
6. Boiler Failure
7. Chemical spillage

Emergency response plan include the emergency contact number, and also have Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board.

Training on emergency procedure has been conducted to mill workers on 20th to 30th June 2019. Fire drill training will be conducted at the year end.

During site visit to mill facility, emergency shower, eye wash and spill kits presence and in good working condition.

The Hospital Assistant is En. Mohd Firdzan bin Md Yatim under Bukit Lawiang Estate and also oversee all the Kluang Complex Estate & Mill safety and health related matters. The

latest 1st Aid Training was conducted by Dr. Nasrah from Klinik Bakti dated 14th May 2018

Sighted during mill visit, the mandore is carrying the First Aid Box for the workers under their purview. First aid kits are also available in high risk area such as workshop and chemical store.

JKKP 8 for year 2018 was submitted on 17th January 2019 which recorded total working hours of 396,800 with no accident.

However, one major non-conformity has been raised to Bukit Lawiang POM. No Medical Surveillance being conducted to Diesel Operator and Workshop Personnel as recommended in Chemical Health Risk Assessment 2018 under Regulation 27(1) USECHH.

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

Criterion 5 Employment conditions	
<b>Indicator 1</b>	The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.

**Summary**

Sighted in the Social Policy on Respect and protection of basic Human Rights of all Employees (including temporary, contract and/or foreign workers) Established on 1<sup>st</sup> March 2019 which was approved by En. Muzmi bin Mohamed. The policy is written in Bahasa and English language. This policy covers: -

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



The Policy being displayed at notice boards outside the office. Sighted, Briefing on Policies and all notifications to all workers was conducted on 01st January 2019 conducted by the mill assistant manager. Briefing was conducted during morning assembly in the mill.

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

**Indicator 2** The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.

**Summary** Sighted in the Social Policy on Free from discriminatory practices against sex, race, religion, nationality and political opinions. Established on 1<sup>st</sup> March 2019 which was approved by En. Muzmi bin Mohamed.

No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the mill. During interviews, it is clearly stated no forced labour at mill.

During interviews, it is clearly stated no forced labour in the mill. No foreign workers employed in the mill.

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

**Indicator 3** Management shall ensure that employees' pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.

**Summary** Sighted in the Social Policy on Payment of the minimum salary as gazette by law. Established on 1<sup>st</sup> March 2019 which was approved by En. Muzmi bin Mohamed. The policy is written in Bahasa and English language. Pay and conditions are documented in the workers' Contract Agreement and wage payment records / pay slip.

The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2018 (Act 732) Malaysian minimum salary is RM1100.00 as stated in the guidelines.

Interview with both Mill staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment. Sampled of worker salary taken as evidence in Mill;

1. Name: Abdul Rasyid Bin Yusof, Job: General Gang, Month: June 2019  
Total income: RM 2,364.17  
Deduction: KWSP (RM119.00) PERKESO (RM11.75), EIS (4.70),  
Advance (RM200.00), NUPW (RM8.00), TNB (RM2.00),  
Water (RM2.01)  
Net Income: RM 2,016.75
2. Name: Heshamudin Bin Abd Rahman, Job: General Gang, Month: June 2019



Total income: RM 1,886.04  
Deduction: KWSP (RM126.00) PERKESO (RM9.25), EIS (3.70),  
Advance (RM300.00), Tabung Haji (RM50.00) NUPW (RM18.00),  
TNB (RM58.35), Water (RM15.68)  
Net Income: RM 1,305.10

Salary payment being made through bank.

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

**Indicator 4** Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.

**Summary** Sighted contract agreement between Contractor, Bin Seng Commercial Vehicles & Transport and his workers. Sample employment contract for the lorry driver, Mohd Ismail Bin Selamat dated 01st January 2019. Payment to the worker evident during the audit, which is in compliance with minimum wage in Malaysia.

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

**Indicator 5** The management shall establish records that provide an accurate overview 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** List of mill workers documented in "Senarai Nama pekerja Kilang Sawit Bukit Lawiang Tahun 2019". The list includes workers name, IC number, Age, position, gender and date joined. Total workers in the mill is 81 workers.

**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 shall be made available for each and every employee indicated in the employment records.

**Summary** Sighted, the Employment contract for workers as "Tawaran Sebagai Pekerja Bergaji Hari" and Internal security Act 1960, Internal Security (Registration of Labour) Regulation 1960 (Regulation 3) Register of Workman (In schedule Industry).

Samples taken for Bukit Lawiang POM as below:

1. Miss Nur Fitri Suria binti Mohd Rafi – Malaysian, Employee Number – 0807E  
Contract of employment dated 3/10/2016
2. Mr. Abd Rahman Ibrahim – Malaysian, Employee number – 02221E  
Contract of employment dated 15/10/1991

**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 the employees and employers.

**Summary** Working hours is 8 hours. From Saturday to Thursday. The overtime maximum is 104 hours according to Malaysian Law. Mill has used punch card as a working time recording system. During site visit, sighted above data displayed at notice board.

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

**Indicator 8** The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirement applicable.

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

There is no complaint received regarding payment or are forced to work overtime during site interview. Seen, gazetted public holidays 2019 displayed on notice board.

**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** Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made.

Documented payslip was distributed to individual workers on the day of payment. Payment being made through 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 community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings

**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.

**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.

**Summary** All workers are provided with housing facilities at workers quarters. Water is subsidized free at RM8.00 (adult) and RM4.00 (child) per head and electricity to be paid by employee.

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

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

**Summary** Sighted in the Social Policy. Established on 1<sup>st</sup> March 2019 which was approved by En. Muzmi bin Mohamed. The policy is written in Bahasa and English language. The policy to prevent all forms of sexual harassment and violence at the workplace has stated under the following number:

h. "Menyediakan persekitaran kerja yang harmoni kepada pekerja ,pelanggan dan orang yang berkepentingan."

i. "Memastikan Suasana kerja bebas daripada gangguan seksual samada secara langsung atau tidak langsung kepada semua pekerja, masyarakat dan pihak berkepentingan keseluruhannya"

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

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

**Summary** Sighted in the Social Policy. Established on 1<sup>st</sup> March 2019 which was approved by En. Muzmi bin Mohamed. The policy is written in Bahasa and English language. The policy on respect the right of all employees to form or join trade union has been stated under the following number:

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

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

**Indicator 14** Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.

**Summary** Child and young person policy is incorporated in the Social Policy. The policy was established on 1<sup>st</sup> March 2019 which was approved by En. Muzmi bin Mohamed. The policy is written in Bahasa and English language

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

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

However, one major non-conformity has been raised to Bukit Lawiang POM. Sighted from the Employee Register, a worker En. Faizun Aiman was appointed on 02.05.2019. The employee being designated as a Crane Operator. He is yet to complete his 18th birthday which is on 08th July born in 2001. The Engagement of young person is against Children And Young Persons (Employment) Act 1966 for heavy duty work.

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

**Criterion 6 Training and competency**

**Indicator 1** All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.

**Summary** Mill activity and training program has been documented in document no: MSPO-TH-P4-C6-1, dated 01.01.2019. Training identified for year 2019 in the mill categorized into OSH, Environmental and MSPO. Sighted few of training records for the training conducted such as:

1. Date: 20 – 30 June 2019  
Subject: Latihan SOP Operasi Kilang & Amalan Baik  
Station: Crane, Press & Kernel Plan
  
2. Date : 20-26 May 2019  
Subject: Prosedur tindakan Kecemasan dan Peti Kecemasan  
Station: Grading, Loading Ramp, Sterilizer & Capstan

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

**Indicator 2** Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.

**Summary** Yearly training plan is created based on Training Needs Analysis for workers involved in the operations. Sighted the Training Need Analysis of all workers, staffs and Management which are based on their competencies and job description.

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

**Indicator 3** A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.

**Summary** The Mill 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

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

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



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

### Criterion 1 Environmental management plan

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

**Summary** TH Plantations Berhad has established Environmental Policy signed by Mr Muzmi Bin Mohamed; Chief Executive Officer dated 01.03.2019. TH Plantations Berhad is committed towards implementing the following practices:

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

**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** Mill has established Environmental Aspect Impact by Operations, Ref No: MSPO-TH-P5-CI-1 for all its' activities in year 2019. The objective is to identify all activities or aspects of the Estate that have impact to the environment.

The EIA assessment findings are recorded in document titled Identifications Environmental Aspect Impact by Operations and last revised by En. Ahmad Farhan Bin Ali, The Mill Assistant Manager. The Assessment being revised on 1st January 2019.

Sighted, The Environmental Aspect Impact by Operations covering the following operations:

1. Office and Laboratory
2. Receptions
3. Processing
4. Power Plant
5. Treatment Plant
6. Workshop
7. Store
8. Product Storage

**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

Environmental Impact / Risk Matrix and Risk / Impact Value Table have been established in the Environmental Risk Assessment Form. Environmental consequences are classified into 5 categories: Insignificant, minor, moderate, major, Catastrophic. Likelihood are categorized into rare, unlikely, possible, likely and almost certain. Finally, the environmental ratings are classified as low (1-4), medium (5-12) and high (15-25). The Environmental Risk Assessment has identified columns for Process, Major activity, aspect, impact, risk assessment and risk control. The Environmental Risk Assessment indicate the Mill activities and mitigation measures as follows: -

Process / Area	Aspect	Impact	Management Control
<b>Office &amp; Laboratory</b>			
Toilet	Foul smell from human sewage waste in toilet	Water & Air Pollution	1. Ensure sanitary system in good order include septic tank and repair any damage
	Chemical spillage during sampling activities	Land Contamination	2. Spill kit & Use of suitable PPE
	Foul smell from extraction test in laboratory	Land contamination and water & Air Pollution	3. To ensure LEV in good order and repair any damage, Use of suitable PPE
<b>PROCESSING PLANT</b>			
Sterilization	Discharge of condensate during sterilization process	Land contamination, water & noise pollution	1. Using suitable ear plug to protect earring during working at noise area 2. Noise Signage
Threshing	EFB produce from threshing activities	Land contamination Water Pollution	1. Monitor and ensure disposal of EFB to Estate going smoothly
<b>PRODUCT STORAGE</b>			
Storage and despatch of CPO & Kernel	Spillage and leakage of CPO during storage and despatch	Land contamination Water Pollution	Maintain bunds in good condition  Monitor and ensure pump and piping system in good order.

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

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

**Summary** Sighted the continuous improvement plan, dated 22nd May 2019 as listed herein: -

ENVIRONMENTAL		
	Issue	Mitigating
1	Pemuliharaan alam sekitar	Mengadakan tempat kitar semula ( Tong Kitar Semula ) di kawasan kilang bagi mewujudkan kesedaran di kalangan pekerja tentang kepentingan kitar semula
2	Memantau prestasi POME	Membeli DO Testing Equipment
3	Oil losses dan moisture content tinggi	Menggantikan Empty Bunch Press di stesen Peleraian supaya tandan kosong lebih kering dan kurang berbau busuk.
4	Bau busuk dan pemanasan global	Bina Loji Biogas

**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 and management plans and are working towards achieving the objectives.

**Summary** Sighted the Mill training program 2019 for all executives, staffs and workers. Sample taken on the training for Pengendalian Schedule Waste conducted by the Mill Assistant Manager dated 25th February 2019 attended by 10 participants.

**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** Sighted the minute meeting for Environmental conducted by the Mill Assistant Manager dated 25th February 2019 attended by 9 participants.

**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** A monthly record on energy consumption for both renewable and non-renewable sources were also maintained documented. It is monitored to optimise use of renewable energy. The data is compiled for comparison and control for future improvement with aim of gradual reduction particularly diesel.

Under the energy management plan 2019 the mill aimed for reduction plan among others;

- 1) Educate workers on fuel saving practice.
- 2) Avoid leakages during vehicles maintenance.

Year	Diesel (liter)	FFB (MT)	Litres/Mt
2016	152,776	190,970	0.80
2017	157,294	213,011	0.74
2018	178,568	190,466	0.94
2019	65,269	101,885	0.64

The baseline value was at 0.82.

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

**Indicator 2** Palm oil millers shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations.

**Summary** Sighted estimated budget of direct usage of non-renewable energy for 2019 at 137,627 liters of Diesel and FFB at 165,000 Mt or 0.82 lt / Mt FFB.

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

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

**Summary** The mill uses by product of FFB production as renewable energy source where 30% of fibre and 7% or nut shell are extracted from FFB production for boiler operations. Biogas plant expected to run in 2020

For 2018, the mill has generated 3,186,080 kWh from the re-utilization of biomass residue produced.

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



**Criterion 3 Waste management and disposal****Indicator 1** All waste products and sources of pollution shall be identified and documented.**Summary**

TH Plantations Berhad has established the MSPO Procedure; Title: Waste Management. MSPO-TH-05; Rev 0; dated 01.11.2017, revised 10.01.2018. The MSPO Procedure describes the following implementation;

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

Domestic	Mill & Housing Area	Rubbish, plastic, bottle, can, paper, glass, clothing
Scheduled Waste	<ol style="list-style-type: none"> <li>1. Chemical at Lab</li> <li>2. PPE use by operator</li> <li>3. Machinery</li> <li>4. Electrical Maintenance</li> <li>5. Paints</li> </ol>	<ol style="list-style-type: none"> <li>1. Empty Chemical container</li> <li>2. Rags and gloves</li> <li>3. Empty lubricant container</li> <li>4. Used Filter</li> <li>5. Spent oil</li> <li>6. Used menthol</li> <li>7. Empty paint</li> </ol>
Rubber material	Use of shovel and tractor	Tire
Scrap	Mechanical maintenance work	Scrap Iron
Emission	<ol style="list-style-type: none"> <li>1. Transportation vehicle, tractor</li> <li>2. Boiler &amp; genset operation</li> <li>3. Mill operating</li> </ol>	<ol style="list-style-type: none"> <li>1. GHG Emission</li> <li>2. Black smoke</li> <li>3. Dust particle</li> </ol>

**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**

TH Plantations Berhad has established MSPO Procedure; Title: Waste Management; Ref No MSPO-TH-05; Dated 10th January 2018.

At Mill the schedule waste was disposed by license contractor approved by DOE. Last disposal was on 7/5/2019 by Kualiti alam Sdn Bhd, Ladang Tanah Merah Division A3, 71960 Bukit Pelanduk, Negeri Sembilan. Sighted the following disposal items: -

SW CODE	Consignment Note Number	Weight ( Kg )
409	090925003, 090925006	118 , 35
305	090925008	195
410	090925001	37
109	090925007	81
417	090925009	22



A waste management plan identified as follows: -

Type of Waste	Items	Action Taken
Scheduled Waste - 1. 1. Empty Chemical container 2.Rags and gloves 3.Empty lubricant container 4.Used Filter 5.Spent oil 6.Used mentol 7.Empty paint	Used lubricants	1. Collect & record used lubricants 2. Store items under lock & key 3. Pit up" Used Lubricant" signage 4. Disposed off the item through registered purchaser
	Empty Pesticide Containers	1. Follow DOE requirement 2. Collect and place the empty chemical, lubricant, paint, rag, glove, used filter 3. Reuse empty lubricant container for keeping spent oil
Domestic Waste - Mill & Housing Area	Rubbish, plastic, bottle, can, paper, glass, clothing	1. Provide adequate garbage bins and collect to disposed at landfill 2. Provide recycle bins at mill and housing 3. Burning of waste must be prohibited
Rubber Material – Used tyre	Wheel loader, tractor	1. Reuse for decoration of mill landscape

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

**Indicator 3** The palm oil mill 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. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Wastes) Regulations, 2005.

**Summary** Tabung Haji Group of Plantations Standard Operation Manual (OSH); Ref. No: MNL/OSH/2009/1-1.14; Safe Operating Procedure (Transporting, Receiving, Handling, Storage and Disposal of Chemicals); Date 01st March 2009.

Handling of any used chemical products in the mill is under controlled and carried out by qualified person which have attended certain training.

However, one major non-conformity has been raised to Bukit Lawiang POM. Details as per below:

1. No evidence, the spill Lubricant Oil under the gen set machine being trapped and treated for schedule waste.
2. Seen, the Used Batteries at the workshop compound. The disposal is against TH Plantations Berhad, Waste Management Procedure, Ref No: MSPO TH-05, Rev: 0, Date 01st Nov 2017 (Revised on 10th Jan 2018) and Environmental Quality Act 1974; Environmental Quality (Scheduled Wastes) Regulations 2005.

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

**Indicator 4** Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.

**Summary** Domestic waste for linesite area is managed by the estate. All domestic wastes are disposed at landfill (P86A Block 11 -Gunung Sumalayang Estate).

**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** The polluting activities are identified and documented in Identification of Polluting & Emission of Activities, Green House Assessment and Management Plan To Reduce Polluting & Emission Format dated 1st January 2019. The assessment as stated herein:-

Activity	Issue	Mitigation
Steam and electricity generation	1.Black smoke emission discharge from boiler operation 2.Black smoke and CO Emission from genset operation	1. Control boiler smoke emission to comply with DOE requirement 2. Control mill processing to reduce genset operation 3. To plan develop system for reducing dependency on genset operation
Mill processing	1.Water and air contamination / pollution due to discharge of POME. Anaerobic process to treat POME can produce methane gas. 2.Reducing natural resource due to water consumption for FFB processing 3.Noise pollution generated from operation of mill machinery	1. To prevent overflow from effluent pond and furrow 2. To maintain bod Level of POME discharge for land application is below 100ppm 3. To capture methane gas to reduce global warming 4. To reduce water consumption below 1.60 Mt water / Mt FFB 5. To ensure workers wearing ear protection at high noise level area
Transportation of FFB, CPO, OK, EFB	1. Black smoke from vehicle can cause emission and GHG pollution	1. Regular service and maintenance of vehicle

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

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



**Summary** Action plan to reduce significant pollutants and emissions has been established as evident in Identification of Polluting & Emission of Activities, Green House Assessment and Management Plan To Reduce Polluting & Emission Format dated 1st January 2019.

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

**Indicator 3** Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations

**Summary** POME sample was taken and analyzed a Felda Palm Industries Sdn Bhd. Sighted the analysis certification; MABB 1051/19; dated 29th May 2019. The result is compliance with the regulation by Department of Environment.

The POM is treating POME in accordance to the DOE Limits for final Discharge into land application, Flatbeds System. Sighted the DOE approval letter for land application. The final POME is to the Gunung Sumalayang Estate by trenches for land application.

Site inspection confirms that the effluent treatment plant meets the requirements set by DOE (Jadual Pematuhan). Verification from the documents confirms that effluent discharges are sampled on a monthly basis and founds meeting requirements set by DOE.

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

**Criterion 5 Natural water resources**

**Indicator 1** The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water).  
The water management plan may include:  
a) Assessment of water usage and sources.  
b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.  
c) Ways to optimize water and nutrient usage and reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc).



**Summary**

TH Plantations Berhad has established the MSPO Procedure; Title: Water Management Plan-TH-08; Rev 0; Date 10/01/2018. Sighted the water management plan for 2019 as follows:-

1. Identification of Water Source

Source of Water	Use of Water
River Water – Sungai Sembrong Kecil	1. Raw water source. 2. Treated water to supply water for mill operation
Local authority -Syarikat Air Johor	1. Domestic water for housing and mill canteen & office

2. Management Action Plan

Management Action	Period
Record water usage	Monthly
Analyze water quality and ensure compliance with legal requirements for in house treated water and used for drinking either from river or bore well	Annually
Analyze POME water quality to ensure compliance with legal requirements when discharge to natural water course	Annually
Plan to gradually phase out discharge of POME	N/A
Analyze ground water table if bore well is used for water supply	N/A
Apply ways to optimize water and nutrient usage to reduce wastage	At appropriate time interval

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

**Indicator 2** Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.

**Summary**

The effluents are discharged through land application as approved by DOE in Jadual Pematuhan. The final POME is sent to the Gunung Sumalayang Estate by trenches.

Site inspection confirms that the effluent treatment plant meets the requirements set by DOE (Jadual Pematuhan). Verification from the documents confirms that effluent discharges are sampled on a monthly basis and founds meeting requirements set by DOE.

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





## 2.6 Principle 6 : Best practices

### Criterion 1 Mill management

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

**Summary** The mill has implemented Good Milling Practice (GMP) as observed during the audit visit. The mill processed its own estates (30%) and external suppliers (70%). The Mill Capacity is 40 Mt/Hour - Conventional system.

Bukit Lawiang Palm Oil Mill has 5 types of Manuals-

1. Standard Operating Procedure (SOP) Manual – Milling Operation
2. Standard Operating Procedure (SOP) manual – Occupational Safety & Health
3. Standard Operating Procedure (SOP) manual – Technical Mill Operation Procedure
4. Standard Operating Procedure (SOP) manual – Office Administration
5. Standard Operating Procedure (SOP) manual – Finance

1. The mill SOP – Technical Mill Operation Procedure established on 1<sup>st</sup> March 2009 described all stages of operation that includes the following;
  - a. Weighbridge
  - b. Weighbridge – Reception of FFB
  - c. Weighbridge – Delivery of Product
  - d. Loading Ramp Station
  - e. Loading Ramp Station – FFB Grading
  - f. Sterilizer Station
  - g. Threshing/ Press Station
  - h. Clarification
  - i. Kernel Station
  - j. Depericarper Station
  - k. Boiler House
  - l. Water Treatment Plant
  - m. Capital Contract
  - n. Specification
  - o. Fresh fruit Bunch Grading
  - p. Laboratory & Laboratory Test Methods
  - q. Effluent Treatment Plant
  - r. To determine Month End FFB/OER/KER Declaration
  - s. Problem Solving Guide (PSG)
2. The mill SOP – Occupational Safety & Health established on 1<sup>st</sup> March 2009 comprised the following;
  - a. Standard Operation manual
  - b. Introduction to Management of Occupational Safety and Health (OSH)
  - c. THP's OSH Policy & Guiding Principles

- d. Occupational Safety Responsibilities
  - e. Establishment of Safety and Health Committee
  - f. Hazard Analysis
  - g. Establishment of Safe Operating Procedure (Work Safety Procedure)
  - h. Etc
3. The Mill SOP – Milling Operation established on 1<sup>st</sup> March 2009 includes the following;
- a. Reception Station
  - b. Sterilizing Station
  - c. Threshing Station
  - d. Pressing Station
  - e. Clarification Station
  - f. Depericarping Station
  - g. Kernel Recovery Station
  - h. Boiler Station
  - i. Effluent Treatment Plant
  - j. Product Storage and Despatch (latest addendum 21<sup>st</sup> March 2011)
  - k. Quality Assurance and Process Control
  - l. Mill Laboratory
  - m. Arahan Kerja Bergambar
4. The Standard Operation Procedures ( 20 ) for the MSPO implementation includes as below:
1. SOP 1 – Internal Audit
  2. SOP 2 – Management Review
  3. SOP 3 – Stakeholder Communication & Consultation Procedure
  4. SOP 4 – FFB Traceability
  5. SOP 5 – Waste Management
  6. SOP 6 – Environmental management Plan (EMP)
  7. SOP 7 – Rare, Threatened, Endangered & High Biodiversity Management
  8. SOP 8 – Water Management Plan
  9. SOP 9 – Training & Competency

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

**Indicator 2** All palm oil mills shall implement best practices.

**Summary** The mill is not certified by MPOB Codes of Milling Practice (CoP). However, mill has implemented Good Milling Practice (GMP) based on its own SOP's.

As evidence, the mill is operating in accordance to Jadual Pematuhan – Syarat-Syarat Lesen Premis Minyak Kelapa Sawit Mentah, Jabatan Alam Sekitar Negeri Johor Ref No. ASJ(B)31/152/000/046Jld.7(02) . The license No 002354 valid until 30.06.2020

The mill is complying with the BOD limit stipulated under 3.0 Pengurusan Efluen - "Kepekatan Oksigen Biokimia Yang hendak dilupuskan (BOD, 3 hari, 30°C) bagi efluen daripada "Facultative Pond No. 4" hendaklah tidak melebihi 100mg/l". Sighted effluent

discharge monitoring for Bukit Lawiang POM. The effluent final discharge being analysis on daily basis.

**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** Bukit Lawiang POM has an annual budget for the financial year 2019. The palm oil mill budget includes the projected FFB to be processed, CPO and PK production for the period of three years from 2019 until 2021. It is also incorporated items such as General Charges, Processing cost, Despatch and Depreciation. Sighted documented Business and Management Plan prepared by En. Md Nazri Bin Md Noh (Mill Manager).

Supply Base/FY	FY 2019	FY 2020	FY 2021
Bukit Lawiang Est (mt)	31,458	35,000	39,000
Gunung Sumalayang Est (mt)	23,356	25,000	27,000
Dealers	110,186	110,000	104,000
Total FFB (mt)	165,000	170,000	170,000
Projected OER (%)	19.32	19.50	19.75
Projected PK (%)	5.00	5.00	5.00
Production Cost (RM/Mt CPO )	58.02	56.00	57.00
Forecast Price (RM/Mt CPO )	451.00	400.00	450.00

**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 pricing of all Contract Works is base from Procurement Department at HQ.

However, the pricing mechanism for FFB Traders have been attached to the Contract Agreement between TH Plantations Berhad and Traders. Sample taken on Maju Jaya on Membeli dan Menerima BTS under Contract Number KSBL(04)MMB/2019 dated 1st March 2019. The contract will be expired on 31st December 2019

Sighted signage of FFB pricing (daily and last month MPOB average price) at the weighbridge as a reference for the external FFB suppliers.

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



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

**Summary** Sighted a contract agreement on "Menerima dan Membeli BTS untuk Kilang Sawit Bukit Lawiang" between TH Plantations Berhad - Bukit Lawiang POM and Medan Sawit Sdn Bhd contract No. KSBL (06) MMB/2019. Sighted "9. Cara Bayaran - 9 (I) Bayaran akan dibuat di peringkat Ibupejabat iaitu bayaran pendahuluan sebelum 20hb dan bayaran akhir pada 10hb setiap bulan". (ii) Bayaran sebenar untuk jumlah penghantaran BTS pada bulan berkenaan akan dibuat setelah ditolak bayaran pendahuluan dan baki bayaran akan dibuat dalam masa tujuh (7) hari selepas pengumuman harga minyak sawit mentah dan isirong sawit yang dikeluarkan oleh MPOB"

However, one major non-conformity has been raised to Bukit Lawiang POM. No evidence, Contract Agreement between Bukit Lawiang Palm Oil Mill and En. Ramly bin Mahadi, I/C No 570720-04-5819 on Upah Potong Rumput Di Kawasan Kilang Sawit Bukit Lawiang since being awarded the work in 2013.

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

**Criterion 4 Contractor**

**Indicator 1** In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.

**Summary** The mill is having 6 Contractors for transporting CPO:-  
 1. Syarikat Bariyah Zainal – KSBL/01/CPO/2019  
 2. Bin Seng Commercial Vehicles & Transport– KSBL/02/CPO/2019  
 3. Sabilah Holidays Sdn Bhd– KSBL/03/CPO/2019  
 4. Three’s Marketing Enterprise– KSBL/04/CPO/2019  
 5. Yew Tan enterprise Sdn Bhd– KSBL/05/CPO/2019  
 6. Syarikat Yogeswari Agency Sdn Bhd– KSBL/06/CPO/2019

Sighted Type of Contract: "Menyediakan Tenaga Buruh dan Pengangkutan bagi kerja-kerja Mengangkut Minyak sawit Mentah (CPO) dari Kilang Sawit Bukit Lawiang ke Kilang Penapis signed between Messrs Syarikat Yogeswari Agency Sdn Bhd and En. Md Nazri Bin Md Noh (Mill Manager) on 01.03.2019 valid till 31.12.2019.

The Mill will verify the work done by the contractor before payment is made. The Contract Agreement is attached with Term and Condition (MSPO Requirement) that the contractor have to abide prior to the commencement of work.

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

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

**Summary** Contract agreements between the mill and its contractors are well documented and recorded at POM office. Seen in the contract agreement that both site agreed with the term and condition.



All the contractors also aware that mill will be certified under MSPO. Therefore, the contractor has been instructed by mill management to follow the MSPO standard requirement when carrying out their work in the mill premise.

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

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

**Summary** The mill was audited by Global Gateway Certifications Sdn Bhd MSPO auditor on 17th July 2019. Sighted audit plan dated 9th July 2019 (2nd Revised) which have been accepted address to Mr. Ahmad Anuar bin Sairi, General Manager, CEO'S Office. All the auditors are qualified MSPO auditor. As per agreed, the TH Plantations Berhad, Kluang Complex accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

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

## 2.7 Details of Audit Findings

### Details Non-Conformity

- See Appendix B -

### Details of Area of Concern

Nil

### Details of Noteworthy / Positive Findings

- 1) Proactive and highly committed by THP Berhad Top Management in establishing directions for the middle and upper management in complying with the MSPO certification.
- 2) Good cooperation and commitment from the management and staff

## Appendix A: Audit Plan

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
14 <sup>th</sup> July 2019	TBA	<b>Travelling from Ampang, Selangor – Kluang, Johor.</b>	IBI	FB/MRB
15 <sup>th</sup> July 2019	08:00 – 09:00	<ul style="list-style-type: none"> <li>➤ <b>Centralize Opening Meeting at Bukit Lawiang POM:</b> <ul style="list-style-type: none"> <li>• Presentation by the manager/coordinator</li> <li>• Presentation by Lead Auditor.</li> <li>• Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation – where applicable).</li> </ul> </li> </ul>	IBI	FB/MRB
	09:00 – 13:00	<b>Bukit Lawiang POM</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	IBI	FB/MRB
	10:30 – 12:30	<ul style="list-style-type: none"> <li>➤ <b>Mill inspection:</b> <ul style="list-style-type: none"> <li>• Workshop, Laboratory, Environment, OHS, Chemical Stores, Workers Welfare and Interview, Clinic, Landfill, Mill Housing, Schedule Waste, POME and etc.</li> </ul> </li> </ul>	IBI	FB/MRB
	13:00 – 14:00	<ul style="list-style-type: none"> <li>➤ <b>Lunch/Rest</b></li> </ul>	IBI	FB/MRB
	14:00 – 16:00	<ul style="list-style-type: none"> <li>➤ <b>Continue document review</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	IBI	FB/MRB
	16:00 – 17:00	<ul style="list-style-type: none"> <li>➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.</li> </ul>	IBI	FB/MRB

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
16 <sup>th</sup> July 2019	08:00 – 13:00	<b>Bukit Lawiang Estate</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records,</li> </ul> </li> </ul>	IBI	FB/MRB



		FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.		
	10:30 – 12:30	<ul style="list-style-type: none"> <li>➤ <b>Estate inspection:</b></li> <li>• 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.</li> </ul>	IBI	FB/MRB
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	IBI	FB/MRB
	14:00 – 16:00	<ul style="list-style-type: none"> <li>➤ <b>Continue document review</b></li> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	IBI	FB/MRB
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 2.	IBI	FB/MRB
<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
17 <sup>th</sup> July 2019	08:00 – 13:00	<b>Gunung Sumalayang Estate</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b></li> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	IBI	FB/MRB
	10:30 – 12:30	<ul style="list-style-type: none"> <li>➤ <b>Estate inspection:</b></li> <li>• 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.</li> </ul>	IBI	FB/MRB
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	IBI	FB/MRB
	14:00 – 15:30	<ul style="list-style-type: none"> <li>➤ <b>Continue document review</b></li> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	IBI	FB/MRB





	15:30 – 16:00	➤ Verify any outstanding issues and auditor discussion	IBI	FB/MRB
	16:00 – 17:00	<ul style="list-style-type: none"> <li>➤ <b>Centralize Closing Meeting at Gunung Sumalayang Estate:</b></li> <li>➤ Chaired by the audit Lead Auditor</li> <li>• Welcome and introduction by the Lead Auditor</li> <li>• Presentation of findings by the audit team</li> <li>• Questions &amp; answers and Final summary by Lead Auditor</li> <li>➤ <b>End of assessment</b></li> </ul>	IBI	FB/MRB
18 <sup>th</sup> July 2019	TBA	➤ <b>Travelling from Kluang, Johor to Ampang, Selangor.</b>	IBI	FB/MRB

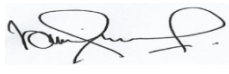




## Appendix B: Non-Conformity details


### Non-Conformities Identified During This Audit



<b>Major Nonconformities:</b>	The following NC's were raised for this audit.
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<b>Company Name</b>	TH Plantations Bhd			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 4: General Principles for Palm Oil Mills			
<b>Client Number</b>	GGC-D1-MSPO-2018			
<b>NC No. / Ref.</b>	D1/MSPO/MAJOR/01	<b>Date Detected</b>	17 <sup>th</sup> July 2019	
<b>Site(s) concern</b>	Bukit Lawiang POM	<b>Target Completion</b>	90 days	
<b>Normative Reference and Requirement</b>	4.4.4.2 Major The occupational safety and health plan should cover the following: e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000			
<b>NC Type</b>	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	No Health Surveillance being conducted to all chemical handlers in the mill.			
<b>NC Objective Evidence:</b>				
No Medical Surveillance being conducted to Diesel Operator and Workshop Personnel as recommended in Chemical Health Risk Assessment 2018 under Regulation 27(1) USECHH.				
<b>Lead Auditor Signature:</b>		<b>Client Signature:</b>		
				
<b>Root cause Analysis (to be filled by client):</b>				
No Medical Surveillance was conducted to Diesel Operator and Workshop Personnel due to budget constraint in 2018. The cost per person was RM500.				
<b>Corrective action planned (to be filled by client):</b>				
Diesel Operator and Workshop Personnel will undergo for the coming Medical Surveillance in December 2019.				
<b>Preventive Action (to be filled by client):</b>				
<ol style="list-style-type: none"> <li>1. To include additional cost of Medical Surveillance in 2020 budget.</li> <li>2. To conduct refresher course for the related staff.</li> </ol>				



<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
The evidence submitted was justified and the major non-compliance is closed. Continuous implementation will be further verified in the next surveillance assessment.	
<b>NC Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Date Verified:</b> 12 <sup>th</sup> October 2019	<b>Lead Auditor Signature:</b> 


<b>Company Name</b>	TH Plantations Bhd			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 4: General Principles for Palm Oil Mills			
<b>Client Number</b>	GGC-D1-MSPO-2018			
<b>NC No. / Ref.</b>	D1/MSPO/MAJOR/02	<b>Date Detected</b>	17 <sup>th</sup> July 2019	
<b>Site(s) concern</b>	Bukit Lawiang POM	<b>Target Completion</b>	90 days	
<b>Normative Reference and Requirement</b>	4.4.5.14 Major Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.			
<b>NC Type</b>	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	Evidence, employed workers below 18 years old.			
<b>NC Objective Evidence:</b>	Sighted from the Employee Register, a worker En. Faizun Aiman was appointed on 02.05.2019. The employee being designated as a Crane Operator. He is yet to complete his 18 <sup>th</sup> birthday which is on 08 <sup>th</sup> July born in 2001. The Engagement of young person is against Children And Young Persons (Employment) Act 1966 for heavy duty work.			
<b>Lead Auditor Signature:</b>			<b>Client Signature:</b> 	
<b>Root cause Analysis (to be filled by client):</b>	There was some misunderstanding on definition of minimum appointment age of an employee. Mill management unintentionally did not realize that En. Faizun Aiman is two more months to complete 18 <sup>th</sup> years old due to THPMIS checkroll system accepted him and no error during the registration process.			
<b>Corrective action planned (to be filled by client):</b>	Mill management will ensure that no applicant under 18 years to be hired by providing a manual checklist and create a new job application form with additional note to notify those below 18 years old are not eligible to apply.			
<b>Preventive Action (to be filled by client):</b>				

To conduct refresher course for the related staff	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
The evidence submitted was justified and the major non-compliance is closed. Continuous implementation will be further verified in the next surveillance assessment.	
<b>NC Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Date Verified: 12<sup>th</sup> October 2019</b>	<b>Lead Auditor Signature:</b> 

<b>Company Name</b>	TH Plantations Berhad			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 4: General Principles for Palm Oil Mills			
<b>Client Number</b>	GGC-D1-MSPO-2018			
<b>NC No. / Ref.</b>	D1/MSPO/MAJOR/03	<b>Date Detected</b>	17 <sup>th</sup> July 2019	
<b>Site(s) concern</b>	Bukit Lawiang POM	<b>Target Completion</b>	90 days	
<b>Normative Reference and Requirement</b>	4.5.3.3 Major The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005			
<b>NC Type</b>	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	Sighted, Spent Lubricant Oil and Used Batteries at the Gen Set Room and Workshop compound.			
<b>NC Objective Evidence:</b>				
1. No evidence, the spill Lubricant Oil under the gen set machine being trapped and treated for schedule waste.				
2. Seen, the Used Batteries at the workshop compound. The disposal is against TH Plantations Berhad, Waste Management Procedure, Ref No: MSPO TH-05, Rev: 0, Date 01 <sup>st</sup> Nov 2017 (Revised on 10 <sup>th</sup> Jan 2018) and Environmental Quality Act 1974; Environmental Quality (Scheduled Wastes) Regulations 2005.				
<b>Lead Auditor Signature:</b> 		<b>Client Signature:</b> 		
<b>Root cause Analysis (to be filled by client):</b>				
1. Spilled Lubricant Oil under the Gen Set was due to spillage during maintenance work.				
2. Mill management overlooked on proper storage of Used Batteries.				

<b>Corrective action planned (to be filled by client):</b>	
<ol style="list-style-type: none"> <li>To maintain cleanliness after each servicing work and keep Lubricant Oil in Scheduled waste store before proper disposal.</li> <li>Keeping Used Battery in the Scheduled Waste Store before proper disposal.</li> </ol>	
<b>Preventive Action (to be filled by client):</b>	
To conduct refresher course for the related staff.	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
The evidence submitted was justified and the major non-compliance is closed. Continuous implementation will be further verified in the next surveillance assessment.	
<b>NC Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Date Verified:</b> 12 <sup>th</sup> October 2019	<b>Lead Auditor Signature:</b> 

<b>Company Name</b>	TH Plantations Bhd			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 4: General Principles for Palm Oil Mills			
<b>Client Number</b>	GGC-D1-MSPO-2018			
<b>NC No. / Ref.</b>	D1/MSPO/MAJOR/04	<b>Date Detected</b>	17 <sup>th</sup> July 2019	
<b>Site(s) concern</b>	Bukit Lawiang POM	<b>Target Completion</b>	90 days	
<b>Normative Reference and Requirement</b>	4.6.3.2 Major All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.			
<b>NC Type</b>	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	No evidence sighted during audit.			
<b>NC Objective Evidence:</b>				
No evidence, Contract Agreement between Bukit Lawiang Palm Oil Mill and En. Ramly bin Mahadi, I/C No 570720-04-5819 on Upah Potong Rumput Di Kawasan Kilang Sawit Bukit Lawiang since being awarded the work in 2013.				
<b>Lead Auditor Signature:</b> 		<b>Client Signature:</b> 		
<b>Root cause Analysis (to be filled by client):</b>				
Mill management overlooked this matter.				

<b>Corrective action planned (to be filled by client):</b>	
New Contract Agreement between Bukit Lawiang Palm Oil Mill and En. Ramly Bin Mahadi, I/c No; 570720-04-5819 on Upah Potong Rumput di Kawasan Kilang Sawit Bukit Lawiang.	
<b>Preventive Action (to be filled by client):</b>	
Mill management will provide a checklist of Contract Agreement for review and update purpose.	
<b>Review of corrective/preventive action (to be filled by Lead Auditor)</b>	
The evidence submitted was justified and the major non-compliance is closed. Continuous implementation will be further verified in the next surveillance assessment.	
<b>NC Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Date Verified: 12<sup>th</sup> October 2019</b>	<b>Lead Auditor Signature:</b> 

<b>Minor Nonconformities:</b>	Non-were raised during this audit.
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<b>Area of Concern:</b>	Non-were raised during this audit.
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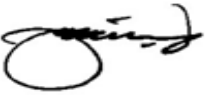
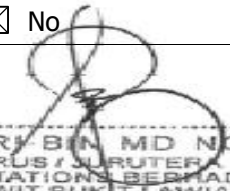


**Non-Conformities Identified During The Previous Audit**

**Minor Nonconformities:** The following NC's being raised during previous audit

Company Name	TH Plantations Berhad – Kluang Complex		
Audit Type	MSPO – Stage 1 <input type="checkbox"/> Stage 2 <input checked="" type="checkbox"/> ASA <input type="checkbox"/>		
Audited Standard	Part 4 : General Principles for Palm Oil Mills		
Client Number			
NC No. / Ref.	Will be generated automatically in system	Date Detected	12 <sup>th</sup> may 2018
Site(s) concern	Bukit Lawiang POM	Target Completion	Next Surveillance Audit
Normative Reference and Requirement	4.4.2.2 Minor The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties		
NC Type	<input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern		
Description of Non-Conformity	No evidence the Complaints and Grievances being resolve in an effective, timely and appropriate manner		
Objective Evidence:			
No evidence on date of action taken and completion sighted in the Complaint and Grievances form that the Management has responded to all the Complaints and Grievances in timely and appropriate manner.			
Root cause Analysis (to be filled by client):			
Person in charge did not transfer the Planned Date of Action and actual completion data into the complaints and grievance form due to lack knowledge in handling this task since it is new procedure.			
Corrective action planned (to be filled by client):			
<ul style="list-style-type: none"> <li>a) Re-training provided to PIC on this procedure MSPO-TH-03; Stakeholders communication and consultation on the correct usage of the form to include the dates.</li> <li>b) Included the planned date of action and actual completion date.</li> <li>c) Included references no in the complaint form Rev 1 for traceability and registration.</li> </ul>			
Preventive Action (to be filled by client):			



To establish a complaints and grievance log with status especially action taken and completion date.	
Review of corrective/preventive action (to be filled by Lead Auditor)	
All the evidence submitted were found adequate and therefore this minor non-compliance is closed.	
NC Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Lead Auditor Signature: 	Client Signature: 
Date: 12 <sup>th</sup> May 2018	Date: 18 <sup>th</sup> July 2018

<b>Area of Concern:</b>	The following AOC being raised during previous audit
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No.	AOC
1.	Seen, Emergency Response Plan reference number in Tabung Haji Group of Plantations Standard Operating Procedure is MNL/OSH/2009/1-1.21 dated 1 <sup>st</sup> March 2009 and under "Pelan Tindakan Kecemasan Kemalangan / Kecederaan" is MSPO-TH-P4-C4-2 dated 1 <sup>st</sup> January 2018.
2.	Based on Fire Services Act, 1998, Requirement of fire certificate 28. (1) Every designated premises shall require a fire certificate. (2) A fire certificate shall be renewable annually.  ....Provided that if in the opinion of the Director General there exists in the premises mentioned in this subsection any fire hazard, the Director General may require such premises to be subject to periodic inspection and any necessary direction may be issued to the owner of such premises for due compliance of the provisions of this Act.



## Appendix C: List of Stakeholders Contacted

### Internal Stakeholders

- 1) TH Plantation Pusa Complex [Mill] Management team and staff
- 2) Gender Committee Representatives
- 3) Local Workers Representatives
- 4) Foreign Workers Representatives

### External Stakeholders

NIL

